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January 28, 2004

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CLIENT/MATTER NUMBER
999700-2007

VIA INTERNET: BPAIRules@ uspto.gov

Mail Stop Interference
Director of the United States Patent and
Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Re: Consolidated Board Rules

Dear Sir:

Please consider modifying the proposed Rules of Practice Before the Board of Patent Appeals and Interferences to reflect the views in this letter. Each comment is enumerated under a separate heading with a page and a column number to pinpoint what language the comment concerns.

Page 66653, Column 1.

Proposed § 41.39(a)(2) would permit a new ground of rejection to be included in an Examiner's answer eliminating the current prohibition of new grounds of rejection in Examiner's answers. According to the reasoning, many appellants are making new arguments for the first time in their appeal brief (apparently stimulated by a former change to the appeal process that inserted the prohibition on new grounds of rejection in the examiner's answer). Furthermore, according to the reasoning, examiners have allowed cases to go forward to the Board without addressing the new arguments. Thus, according to the reasoning, the proposed revision would improve the quality of the Examiner's answers and reduce the pendency of appeal process.

The reason that appellants are making new arguments for the first time in their appeal brief is not because of a previous rule change. To the contrary, it is because the audience is different on appeal than it is during an examination. Indeed, the first audience is a conferee and supervisor who probably have more experience than the examiner. Then, if the case proceeds to the Board, the audience is an APJ, who has quite different qualifications than either the conferee or the supervisor. There is nothing nefarious in applicant's new arguments in the appeal brief. It is prompted by a different audience starting with the conferee and supervisor.

Furthermore, according to the reasoning, examiners have allowed the case to go to the Board without addressing new arguments. In this case, the problem is not the new arguments. The problem is the conferee and supervisor have failed to guide the Examiner to address the new arguments. Indeed, nothing in the rules prevents the Examiner from responding to new arguments raised in the appeal brief. In fact, most answers respond to each argument presented in appeal briefs.

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Director of the United States Patent and Trademark Office
January 28, 2004
Page 2

Thus, if the Examiner is not making arguments that are responsive to each argument in the appeal brief, then the conferee and supervisor have failed at their responsibilities.

Furthermore, under proposed § 41.39(a)(2), the proposed change to permit new grounds of rejection in an Examiner's answer would not be open-ended but is envisioned to be rare, rather than a routine occurrence. Along these lines, the Office plans to instruct the examining core that approval of a management official, such as a Technology Center Director, must be made before any new ground of rejection is made in an answer. It is submitted that this procedure will not work.

Indeed, a similar situation arises in MPEP § 804 where a Schneller rejection requires the pre-approval of the Technology Center Director. Yet each of the undersigned attorneys have experienced at least one case in which a Schneller rejection has been made without any indication whatsoever that a Technology Center Director has signed off on it. Moreover, each individual who signed this letter has seen at least one Schneller rejection maintained even after a petition has been filed, and the Decision on Petition by the Group Technology Center Director himself never acknowledged that he had a prerequisite duty to approve the rejection before an Examiner made it for the first time, on appeal. Clearly, based on this experience, and the board decision Kageyama (Appeal No. 2001-2361), prerequisite approval will not have any teeth whatsoever.

Page 66654 at Column 2.

Proposed § 41.47 would generally incorporate the requirements of Rule 194. In addition, several further modifications will be made. In particular, paragraph (e) is proposed to be added to specifically provide that at the oral hearing appellant may only rely on evidence that has been previously considered by the primary Examiner and may present arguments that has been relied upon in the brief or reply brief. It is respectfully submitted that demonstrative exhibits should not be precluded by paragraph (e). If the Office is concerned about being blindsided, perhaps the Office would require applicants to state whether or not they would like to present a demonstrative exhibit and what that demonstrative exhibit would be based upon. Maybe this requirement could be presented in writing about one month before the actual oral hearing.

Page 66658, Column 1.

Proposed Rules § 41.104(a) would follow the practice of Rule 610(e) which permits an administrative patent judge wide latitude in administrating in interferences. According to the comments, the waiver would be modeled on Rule 183, a Rule concerning petitions to the Commissioner to waive the rules. Furthermore, according to the proposed rule, the decision to waive a procedural requirement would be committed to the discretion of the administrative patent judge. This is a receipt for arbitrariness and capriciousness.

First of all, rules are promulgated to limit the discretion of the adjudicator, in this case the APJ. In other words, if a decision has to be made, the decision is whether or not the rules have been complied with. The relevant factual determinations are controlled by the rules. If the rules

Director of the United States Patent and Trademark Office
January 28, 2004
Page 3

states a motion shall be granted if condition A is met, then the only issue before the judge is whether or not condition A is met. If it is, the APJ grants the motion. If it is not, then the APJ denies the motion. (This is not to say that the judge does not have the discretion to allow the moving party to represent its case if some glitch were to prevent his motion from complying exactly with the rules.)

Furthermore, it should be clear from the rules whether or not the APJ has authority to modify (rather than waive) a procedural requirement. Indeed, at least two of the undersigned representatives have been involved in an interference where the APJ has modified an explicit requirement of the rules. In that case, the APJ added additional requirements on top of the rules for one party, when the same modification would not affect the other party's case.

Such an approach flies in the face of *United States v. Nixon*, 418 U.S. 686 (1974). Nixon stands for the proposition that an agency's rules could only be modified in the same way that those rules were promulgated. Here, if the rules are promulgated by formal notice and comment rulemaking, as in the interference rules, then those rules could only be modified in the same manner. Of course, they can be modified with the prerequisite explanation. Similarly, for issues not addressed by the rules, those issues may be decided by formal adjudication. And of course, if those issues were decided by formal adjudication, then they could be modified by a formal adjudication on a case by case basis. Yet, under the proposed rule, if an APJ could modify rules that were promulgated by formal adjudication or formal notice and comment rulemaking, then arbitrariness and capriciousness will rightfully be raised in every appeal. See APA § 706.

Page 66658, Column 3.

Proposed § 41.106(b)(4) would provide rules for the citation of authority. According to this passage, parallel citation to USPQ and Federal Reporters were deemed the norm for the Federal Circuit. The PTO should read the rules, as the Federal Circuit has modified Rule 28(e). Indeed, parallel citations to the USPQ are no longer the norm.

Page 66659, Column 1.

Proposed § 41.109 would basically follow Rule 612 but would depart from Rule 612 by eliminating the requirement for withholding declarations under Rule 131 and statements under Rule 608. The reason offered is that applicant's declaration and 608 statement is publicly available. However, the assumption of this statement is that the application itself has been published, which is not necessarily true. Thus the Rule should be modified to eliminate the requirements only if the application has been published.

Page 66659, Column 3.

Proposed § 41.121(a)(1) would redefine motions practiced under Rule 633(a). The prohibition on motions directed to priority and derivation in Rule 633(a) would be removed,

Director of the United States Patent and Trademark Office
January 28, 2004
Page 4

Page 66659, Column 3.

Proposed § 41.121(a)(1) would redefine motions practiced under Rule 633(a). The prohibition on motions directed to priority and derivation in Rule 633(a) would be removed, although a decision on such motions would likely be contingent on decisions regarding the scope of the interference. The removal of this illogical prohibition is applauded.

Page 66666, Column 1.

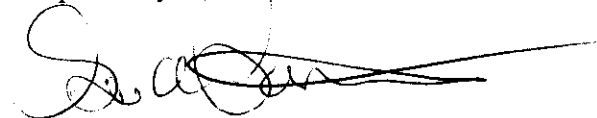
The presumption of abandonment after one in proposed § 41.207(d) would be new. It also would not be supported by anything in the law. Furthermore, this provision arbitrarily discriminates against those who file PCT applications. Consider this scenario: applicant files his provisional or foreign application then, within the prescribed period, applicant files the International application. Then, at 20 to 30 months, applicant files a 111(a) CIP application claiming priority back through the International application. There is nothing wrong with this procedure. Yet it is not too hard to imagine scenarios in which this presumption of abandonment after one year would be applied against such an applicant who waits for the end of Chapter II. Clearly, the one year period is way too short to presume any sort of abandonment.

Furthermore, as the PTO admits, case law does not give definitive guidance on when abandonment, suppression, or concealment has occurred. Furthermore, the case law does not impose any presumptions at a given time period. Yet the agency wants to simplify the matter by coming up with an arbitrarily short period of time such as one year. The agency has been charged to determine facts in accordance with the law. The agency has not been delegated the authority to ignore the law to "encourage prompt filing." The public incentive is created by Congress, not those delegated with the authority from Congress.

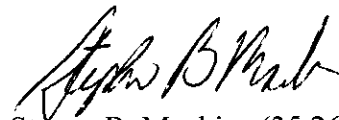
CONCLUSION

Please consider modifying the versions of these Rules in view of the above comments.

Respectfully submitted,



Sean A. Passino (45,943)



Steven B. Maebius (35,264)

SAP/SBM/fwr