

From: Rick Neifeld [rneifeld@neifeld.com]
Sent: Thursday, February 25, 2010 7:09 PM
To: BPAI Rules
Cc: Rick Neifeld
Subject: Comments on Final Rules for Ex parte Appeals

To: bpai.Rules@uspto.gov

From: Richard Neifeld, Ph.D., Patent Attorney

RE: Comments on Final Rules for Ex parte Appeals

To: Honorable Mr. Kappos, Director of the USPTO

I respond to your request for further comments published at 75 FR 5012 (2/1/2010) on the final rules promulgated for ex parte appeals. Your request refers to the final rules published in the notice at 73 FR 32938 (6/10/2008). Promulgation of those rules was indefinitely delayed, as noted at 73 FR 74792 (12/10/2008).

I am the president of Neifeld, IP Law, a law firm specialized in matters before the United States Patent and Trademark Office (USPTO), a registered patent attorney, a former chair of the AIPLA interference committee, and a member of the patent interference bar. In addition, I have a substantial number of cases on appeal to the Board of Patent Appeals and Interference (BPAI), and I have written many articles on both interference and appeals practice. See, for example, the following articles reproduced on our web site at: <http://www.neifeld.com/advidx.html>

"Status of the BPAI Decisions Relying Upon the Bilski Machine or Transformation Test, as of 1/29/2009"
Rick Neifeld, January 29, 2009.

"Questions Submitted in Advance of the Patent Inter Partes Proceedings Committee Meeting of the ABA, April 1, 2009, for Response at the Meeting by the Panel of APJs" Rick Neifeld, January 28, 2009.

"Will the Board of Patent Appeals and Interferences Rely Upon Dictionary Definitions Newly Cited in Appeal Briefs? Answer: It Depends" Rick Neifeld, Intellectual Property Today, January 2009.

"The BPAI's Position on 35 USC 101 Patentable Subject Matter in Computer Implemented Inventions"
Rick Neifeld, November 9, 2008.

"A Review of the BPAI's Informative Decisions" Rick Neifeld, November 9, 2008.

"An Informal Discussion Regarding BPAI Practice With Some Nuggets of Useful Information" Rick Neifeld, November 7, 2008.

"The Proposed New Rules for Ex Parte Appeals, Appeals Data, and Practice Advice" Rick Neifeld, May 14, 2008.

"New Rules of Practice Before the Board of Patent Appeals and Interferences" Rick Neifeld, AIPLA, May 2008.

"Summary of the Meeting of the Interference Committed Meeting of the AIPLA on 5-10-2007" Rick Neifeld, May 10, 2007.

"Advice From the Interference Bench and my Comments" Rick Neifeld, April 24, 2007.

"Introduction to Interference" Rick Neifeld, for IPO Appellate/Interference Practice in the New Millennium, December 2, 2004.

"Introduction to Interference" Rick Neifeld, Power Point Presentation for IPO Appellate/Interference Practice in the New Millennium, December 2, 2004.

"Continuation Applications, RCEs, Appeals, Petitions, Interferences, Public Use Proceedings, Determinations, and Oppositions" Rick Neifeld, published in Proceedings of "Practical Patent Prosecution Training for New Lawyers," (AIPLA 2004).

"Patent Interference Costs Statistics" Rick Neifeld, JPTOS 86 (2004), 13.

"Electronic Notebooks and the Requirements to Prove Date of Invention in Patent Interferences" Rick Neifeld, December 16, 2003.

"Strategies for Preparing for an Interference" Rick Neifeld, Power Point presented at the October 17 Advanced Practice Seminar of the AIPLA 2002 Annual Meeting, Washington, DC.

"Strategies for Preparing an Interference" Rick Neifeld, PDF file; published in the Proceedings of the annual meeting of the AIPLA, October 2002.

"A Practitioner's View of Ethical Considerations" Rick Neifeld, Power Point Presentation given at the IPO's "Appellate/Interference Practice in the New Millennium," September 2002.

"A Practitioner's View of Ethical Considerations Before the Board in Interferences" Rick Neifeld, Published in the program of "PTO Appellate and Interference Practice in the New Millennium," September 2002.

"Proposed Changes to Patent Interference Law and Practice" Rick Neifeld, The Patent Journal, Vol. 1, No. 10 (August 2002).

"Letter to the Editor of the JPTOS Concerning Corroboration" Rick Neifeld, Submitted July 2002.

"Proposed New Interference Law and Practice" Rick Neifeld, Power Point Presentation to the joint meeting of the Interference and Patent Office Relations Committees of the AIPLA, AIPLA Mid Winter Meeting, Phoenix, AZ, January 2002.

"Report of the January 2002 meeting of the Interference Committee of the AIPLA" Rick Neifeld, published in the AIPLA Quarterly Bulletin.

"The Standard for the Existence of an Interference" Rick Neifeld, JPTOS, 83 (April 2001), 275.

"Eliminating the Black Hole of Interferences" Rick Neifeld, Intellectual Property Today, Vol. 7, No. 9 (September 2000 at 22).

"Viability of the Hilmer Doctrine" Rick Neifeld, JPTOS, 81 (July 1999), 544.

Hence, I have a great deal of experience with BPAI procedures in both ex parte and inter partes contexts. My rule by rule comments follow.

41.2

41.2 requires citation to specific authorities or a copy of the authority relied upon.

This is an inefficient rule that is directed to the days of paper filings. Most case law and other authorities is now readily available on the Internet in a wealth of formats, and cites. Requiring old fashioned reporter cites is burdensome on parties and does not provide any apparent efficiency to the BPAI. Not all appellants have access to the reporters specified in 41.2. Moreover, if the BPAI has no such access, it can always order the appellant to produce the authority.

41.3 and 41.4

41.3 is titled "Petitions". 41.3(a) is 41.3(a) requires that, for any filed petition authorized under 37 CFR 41, the petition must be addressed to the Chief Administrative Patent Judge (CAPJ). 41.3(a) is also proposed to specify the right of the CAPJ to re-delegate authority to decide petitions. 41.3(b) specifies the scope of petitions under 41.3. 41.3(b) to petitions on matters "pending before the Board," and petitions under 35 USC 135(c), and it excludes petitions on issues committed by statute to a panel and procedural issues in contested cases. 41.4 requires a petition under 41.3 be timely filed or a showing of excusable neglect in order for the appellant to be accorded procedural relief.

I applaud the goal of the PTO to have the CAPJ decide petitions related to matters directed to the BPAI. However, the PTO need not promulgate a rule for that purpose. The Director has the authority to delegate petition decisions, and so specifies in the MPEP. As such, 41.3 and 41.4 are useless rules. I do note that the CAPJ and group directors have issued conflicting petition decisions on matters relating to appeals before an appeal was pending or after an appeal was pending, which is inconsistent with the goals of administrative efficiency, certainty, and fairness. See for example "Will the Board of Patent Appeals and Interferences Rely Upon Dictionary Definitions Newly Cited in Appeal Briefs? Answer: It Depends" Rick Neifeld, Intellectual Property Today, January 2009. Accordingly, I urge the Director to expand the authority of the CAPJ to all procedural issues touching upon BPAI authority, such as entry or denial of briefs and other papers, and actions in response to an applicant's notice of copied claims. However, no rule is needed for those purposes.

Moreover, it is inefficient and contrary to the goal of uniformity and efficiency to limit BPAI authority so that it "does not apply to filings related to Board proceedings before or after the Board has jurisdiction". After over a decade of experience with delays in appeals and interferences, I note that it is the black of hole between BPAI and examining corps jurisdiction causing the largest administrative delays, often years between USPTO official papers. I refer to official and unofficial remands of application in which an appeal has been filed, and proceedings (or lack thereof) in a winning interferent's application. The reason for this is that the application in question becomes "somebody else's problem" and no one in the USPTO takes responsibility. Providing the BPAI plenary authority before and after BPAI proceedings, generally speaking, would cure that problem.

41.30

41.30 contains definitions of a "record" as the official content of a file of an application on appeal.

I applaud the BPAI's decision to rely upon the official electronic record embodied in the IFW and SCORE, instead of the limited record identified in the proposed rules.

41.31

Existing rule 41.31 specifies the conditions under which a right of appeal arises.

Proposed 41.31 does not. However, those conditions remain the same as defined by statute and

case law; a final rejection in a reexamination or two office actions rejecting a claim for a patent in a pending application. 35 USC 134; Ex parte Lemoine, 46 USPQ2d 1420 (BPAI 1994)(precedential decision). 41.31(e) specifies that non appealable issues are issues not subject to appeal under 35 USC 134.

I favor retaining the specification of the conditions under which a right of appeal arises in 41.31 for many reasons. First, the rules are supposed to parallel the corresponding statute and law. Second, failing to include that specification tends to result in administrative action by people reading only the rule and unfamiliar with the corresponding law, that is arguably inconsistent with the law.

41.31(e) is a useless statement, and arguably inconsistent with 134. 135 does not specify issues that are appealable, it specifies conditions under which a right of appeal exists.

Moreover, I note that examiner's often couch rejections in the format of objections, such as allegations the claims are non limiting, and a requirement to cancel the claim. However, such an issue is in fact a rejection under 35 USC 112, 4th paragraph, coupled with a requirement. The rule should clarify that issues which are within the jurisdiction of the BPAI panel to decide will be decided on appeal. After all, the purposes of appeal are finality, repose, and timeliness thereof.

41.33

41.33(d) limits admission of evidence after the date a notice of appeal is filed to, only, evidence the examiner agrees overcomes a rejection.

COMMENT:

I strongly object. This is a poor rule because it preclude submission of evidence on appeal that contradicts a position of the examiner first made, or clarified, after a notice of appeal is filed, for example in an examiner's answer. It is a sad fact that many office actions poorly explain the examiner's basis for rejection, and it is a sad fact, that many examiner's answers contain different or clarified reasons for rejection compared to the statements in the office action appealed from. Evidence after appeal should be expressly admitted when it addresses an issue on appeal first raised or clarified by the examiner subsequent to the office action appealed from. Moreover, examiners should be required to reopen prosecution when they even colorably present a new ground of rejection in response to an appeal brief. In fact, there is no basis for an examiner's answer to contain new reasoning or arguments. If new reasoning or arguments are necessary in response to the appeal brief, then the examiner should be required to reopen prosecution to supplement the record. I should note that precluding the examiner from making new arguments in an answer, that is, limiting the examiner to review on formality of the appeal brief, *would substantially speed up the appeal process, reduce examiner time in appeals, and moot the need for reply briefs.*

41.35

41.35 specifies that BPAI jurisdiction is limited.

That specification is inconsistent with actual practice and therefore lacks transparency, is inefficient, and not in the interests of justice. De facto, the BPAI jurisdiction begins when the BPAI clerks pick up an appealed case for review, which is subsequent to the filing of a reply brief. The rule should, at least, so clarify. Instead, the time from reply brief to appeal is, sometimes years, depending upon whether the

BPAI decides not to docket an appealed case and instead asks the examining corps to take some action on it. The case is de facto pending on appeal, patent term adjustment is running, but the BPAI looks better statistically by not docketing such cases upon their receipt. The BPAI should be required to docket every appealed case upon entry of the last briefing paper.

The rule, as stated, is designed to make the time subsequent to filing a reply brief, "somebody else's problem". As noted above, allowing that derelection of responsibility is administratively inefficient. Likewise, allowing the BPAI jurisdiction to end before the examining corps picks up the application for action, makes post appeal action "somebody else's problem". The rule should require the BPAI to take responsibility, by having jurisdiction over an application, from the date the notice of appeal is filed until the date the examining corps acts on a remand to reopen prosecution or the BPAI renders a final decision on the appeal.

41.37.

41.37 specifies requirements for appeal briefs. 41.37(g) speaks of a "significant" decision. I submit that term is indefinite. You should revise the rule to clarify that a significant decision means any decision construing terms or deciding issues of validity in a patent related by priority claims to the application on appeal to the BPAI.

41.37(m) refers to the "statute applied". That should be revised to refer to the "section of the statute applied".

41.37(n) requires a statement of facts that are the "material facts relevant to the rejections on appeal." This rule is unenforceable because what is "relevant" to the rejections on appeal is vague. I should note that you cannot clarify a rule by relying upon descriptions thereof elsewhere, such as in the comments on the rule. The rule is what is binding upon appellants, not comments in the FR.

Moreover, I question the relevance of such a requirement, given that it will be interpreted differently by different appellants, and by the BPAI, causing both grief. This rule is simply unenforceable and therefore should not be promulgated, as is. Either remove it or revise it to clarify what constitutes a material fact relevant to the rejections on appeal. Moreover, unlike contested cases which this requirement was borrowed, ex parte appeals are not contested. It is unclear to me that the panel would find any benefit to a list of facts, instead of reading the disclosure, prior art, evidence, and arguments.

41.37(o) requires explanation why the examiner erred as to "all points made by the examiner with which the appellant disagrees"; to "identify where the argument was made in the first instance or state that the argument has not previously been made", or face estoppel. However, 41.37(v) limits the total length of the appeal brief to 30 pages, using 14 point font size characters, and double spaced lines. I am, to put it mildly, highly troubled by these limitations for several reasons.

Generally speaking, I think these page limitations indicate lack of touch with reality. They are simply too short.

I also believe that this page limit is a violation of constitutional due process. No such limitation exists in the statute, and this page limit is a hard limit on the right of an applicant to explain why they are entitled to a patent. Like the issues decided in Tafas v. Dudas at the district court level, I find the right to petition for a larger page limit illusory, and certainly insufficient. Moreover, the rule does not take into account the size of the office action from which the appeal is taken or the number of issues in that office action. Further, from experience, I know that it takes far more space to fully and properly address the issues raised by the examiner in the office action prompting the appeal, than that specified by the rule. For example, I cite the following twelve recently filed appeals (briefs filed since 1/2009) by my firm, each of which was filed with 12 point font, double spaced, not 14 point font, as required by the new rule, excluding the appendices, and the corresponding length of the office action to which the appeal brief responds.

APPLICATION DATE BRIEF FILED OFFICE ACTION BRIEF PAGE LENGTH

PAGE LENGTH

11/481,984 10/2009 5 29 (filed 10/2009)

09478351 6/2009 15 51

08935116 1/2009 5 65

10451845 8/2009 15 29

10501141 2/2009 7 13

10297914 4/2009 9 30

11538181 3/2009 12 30

11153377 6/2009 10 15

11481984 10/2009 9 23

9828122 9/2009 10 36

10498003 12/2009 10 29

10497852 7/2009 25 35

Note that all but two of these briefs required substantially more pages than would be allowed under the rule. The length of each of these briefs was required to fully discuss and dispose of the issues raised in the office actions. Less brief space would have required failing to provide a clear and complete response on each issue, thereby trampling upon the due process requirements of my clients to a fair hearing on the facts and issues.

41.37(r) and (s) require claim support for each independent claim and each dependent claim argued separately. I submit that there is no reason to require claim support for each independent claim, - - unless they are *argued* separately. The panel will enter judgement against any set of claims if it affirms rejection of a representative claim. Hence, there is no basis for requiring a claim support chart for *each* independent claim unless they are argued separately.

Furthermore, the requirement to identify support for *every limitation* in a claim provides no utility because most limitations are not relevant to any issue on appeal. Claim support should only be required as to *those limitations of a claim that are relevant to the rejections appealed*. Instead, the appellant should determine which limitations are relevant to the rejections on appeal. If the panel believes the appellant has not provided support for a limitation relevant on appeal, it can act accordingly, construe the claim recitation accordingly, and enter judgement or suitable order for claim support or admissions as to claim scope. This rule is too burdensome, costs too much for whatever benefit it might provide, and should be revised. Consider for example a claim reciting elements of 50 sequences, wherein a rejection for anticipation refers to only one of those 50 sequences. Do you think requiring support citing to portions of all 50 sequences would provide any benefit? Consider any genus claim reciting 50 species, and a rejection identifying one species. Same conclusion.

41.37(t) refers to evidence in the brief not being considered, if not filed before close of prosecution. As noted herein above, the policy of precluding evidence on appeal to rebut a contention in an examiner's answer, does not promote efficiency or the interests of justice and should be changed.

41.37(v) contains formatting requirements. I note that the double spacing requirement remains inconsistent with the 1.5 line spacing allowed and preferred by the examining corps. Moreover, double spacing provides no benefit, other than to comfort the process of printing record portions for ink markup by BPAI members, instead of promoting use of the all electronic files for review and work product. Using electronic tools, line spacing is not an issue because electronic markup tools allow notes and hyperlinks be imposed independent of blank line space in the document. Furthermore, double spacing is inefficient because it preclude viewing entirety of many arguments on the same page, and therefore makes it more difficult to judge the propriety of arguments. I submit that the requirement for double line spacing does not even serve the goals of the USPTO and therefore should be struck.

41.37(v) requires both a telephone number *and a fax number*. Again, the rules seem to have been drafted for with antiquated paper processes in mind, not electronic processes. Fax is an antiquated system for transmitting images of paper documents, and its usage is rapidly disappearing. There is no policy reason to require both an email address and a fax number. The rule should be revised to remove at least the requirement for providing a fax number.

41.39

41.39 specifies the requirements for an examiner's answer. Unlike the appeal brief, there are no regulatory limitations on the examiner's answer, other than that it contain no new ground of rejection. Why not? If the BPAI requires that there be no new ground of rejection, why does the examiner not have to cite to where the rejection was first imposed on the record? I ask this question because there have been many instances where examiner's answers did in fact contain new grounds of rejection, sometimes even citations to prior art references not previously applied. In such cases, in addition to petitioning against the answer, I have also been burdened with the requirement to respond in the reply brief to the new ground of rejection in case it was considered by the panel upon appeal.

Moreover, the only reason for an examiner's answer to contain arguments is to amplify what the examiner stated in the rejection from which the appeal is taken. That means clarification and supplementation. If, the examiner is precluded from imposing a new ground of rejection, the rule should be changes to limit the examiner's answer to a review of the brief formalities, without allowing for new examiner argument, and that would also eliminate the need for a reply brief.

41.41

41.41 specifies the limitations on the reply brief. If you do allow new examiner argument in the examiner's answer, you should afford the appellant the right to enter evidence contesting the examiner's clarification and supplementation.

I also object to the limitation on the length of the reply brief as not based upon reality of appeals. In most of my appeals, the examiner's answer is substantially longer than the office action prompting the appeal. In other words, the examiner's answer raises additional issues, first raised in the answer, that must be address in a reply brief, to avoid estoppel. For example, with respect to the 13 appealed applications identified herein above, 7 have examiners answers, and the relation of the length of the answers to the length of the office action prompting the appeal is shown below.

APPLICATION OFFICE ACTION ANSWER

(PAGE LENGTH) (PAGE LENGTH)

11/481,984 5 27

08935116 5 10

10451845 15 21

10501141 7 19

11153377 10 13

9828122 10 18

10497852 25 26

All of the answers are longer than the corresponding office actions, some dramatically so. It would not be possible to address all issues raised in any of these answers in the size limits set by rule for reply briefs. This rule should be struck because it does not serve the interests of justice, and violates constitutional due process.

Finally, 41.41(I) precludes new evidence with a reply brief. I submit that regulation should be struck for the reasons discussed above. Moreover, the CAPJ has rendered petition decisions indicating that, at least dictionary evidence, may be submitted with a reply brief. See decision dated 8/5/2009 in 90/006,707. Accordingly, this rule is also inconsistent with current BPAI practice and for that additional reason should be struck. However, this issue would also be mooted by limiting an answer to review of formal matters in the brief.

41.50

41.50 specifies that decisions and other actions that the BPAI may take on an appeal. 41.50(b) and (c) refer to remand and re-docketing requests. I submit that abandoning jurisdiction when the examiner may at that point choose to enter an examiner's answer, is ill advised. The BPAI should maintain jurisdiction until the appeal is complete. If the examiner enters an examiner's answer the BPAI should still have jurisdiction and control. More importantly, if the examiner fails to act promptly, the BPAI should still have jurisdiction and control, - - over the examiner in addition to the official file. The application needs to be somebody's problem, not nobody's problem, in response to a remand, until the appeal is final. The must be the BPAI.

41.56

41.56 refers to sanctions, and it authorizes the BPAI to impose sanctions for misconduct. However, 41.56(a)(1) it is far too discretionary and broad in scope. This is because 41.56(a)(1) does not specify any relation to the nature of the order and severity of the sanction, it does not specify what constitutes an order or who can enter such an order, and it does not include a mens rea standard but instead provides strict liability. I note from experience that I often see papers styled "orders" in BPAI proceedings remanding for entry or consideration of papers, or the like. These orders are issued by the clerical staff, normally directed to the examiner. Do those people have the authority to generate an order failure of compliance therewith could result in sanction (4) or (8)? While the BPAI may assume that it will never impose a sanction incommensurate with a perceived order violation, member of the patent bar cannot make those assumptions. And the level of attention required to avoid any error is simply too high; in that sense this rule is inefficient in accomplishing whatever purpose is associated with it. What if the order is to submit a revised brief, and there is an unintentional defect in the revised brief, despite due care? While these issues may not be apparent to drafters of these regulations, they are readily apparent to those of

use in the patent bar that have to consider and comply with them. I submit that the lack of clarity and level of unbridled discretion in 41.56(a)(1) calls for its abolishment.

Respectfully submitted,

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