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September 28, 2007

Honorable Jon W. Dudas,
Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office

Re: Comments on Proposed Changes to “Rules of Practice before the Board of Patent Appeals and Interferences in *Ex Parte* Appeals” 72 Fed. Reg. 41472 (July 30, 2007)

Dear Under Secretary Dudas,

The undersigned thank the U.S. Patent and Trademark Office (“Office”) for the opportunity to comment on the Office’s proposals (“proposed rules”) to change the rules of practice before the Board of Patent Appeals and Interferences (“Board”) in *ex parte* Appeals. Nevertheless, the undersigned vigorously oppose the proposed rules. In summary, the undersigned are skeptical that the proposed rules will significantly improve the Board’s efficiency in handling its projected increased case load. Instead, the proposed rules will focus both the office and Applicants’ attention on compliance with formalities rather than on the merits of a particular case.

1) *The proposed rules bear no relation to any identified problem — perceived or real — that they seek to address*

Changes to the rules of practice are hardly unprecedented. Rule changes that have a tenuous justification, however, are rare. Demand for the proposed rule changes alleged by the Office has barely been recognized in the Applicant community.

The Office justifies the proposed rule changes because, in the face of an ever-increasing appeal docket, the Board needs to “continue to resolve *ex parte* appeals in a timely manner.” Unfortunately, the Office’s available data on cases before the Board, which go back to 1997 (see <http://www.uspto.gov/web/offices/dcom/bpai/docs/process/index.htm>, summarized in the Appendix hereto) do not bear out the Office’s position.

The proposed rules are changes to the current rules of practice before the Board of Appeals that were introduced as recently as September 2004 and that, themselves, represented a significant overhaul of the then existing rules and imposed more onerous burdens on Applicants. To ascertain whether the current rules have been effective, we should look at the data for FY2005 and later. Instead of seeing a marked improvement in the Board’s throughput, the number of cases disposed under the current set of rules in the years FY2005 – FY2007 (projected) falls short of its numbers of disposed cases in all

previous years for which data is available except for 1997. This cannot be simply attributed to a decrease in the numbers of cases filed in the years FY2005 – FY2007 because those numbers for FY2006 and FY2007 exceed comparable numbers for 4 of the prior years. It also cannot be attributed to a diminishing backlog of pending cases because even in FY2005 (the first year in which the current rules took effect) there remained a backlog of 882 cases, whereas the number of cases disposed by the Board was lower than in all prior years except 1997. If the apparent reduction in the Board's efficiency since introduction of the current rules is attributable to specific provisions in those rules, the Office does not make this case. Certainly, the Office does not tie a need to improve the Board's ability to dispose of cases since FY2005 to any need to change specific provisions of the current rules. Therefore, since the statistics do not show that the introduction of the current set of rules has correlated with a marked increase in the Board's efficiency, there is not a compelling case that the proposed rules would bring about the claimed increase in the Board's efficiency.

It is true that the projected number of cases received in FY2007 will be the highest for 10 years, but measured against the number of cases that the Board can dispose of in a given year, it hardly poses a significant increase in the Board's burden. For example, even assuming a number in excess of 4500 cases received in FY2007, the Board has shown that it can dispose of more than 5,000 cases in a given fiscal year, a feat it managed 3 times in the last decade. Furthermore, the years in which the Board disposed of more than 4,500 cases were all years when the rules of practice prior to the current rules were in effect. Therefore there is no data to show that the Board's efficiency is directly linked to the rules of practice applicable at a given time, or to particular rules.

It can also be said that there is nothing about the Board's backlog of pending cases that is peculiar enough to justify rule changes along the lines of those contemplated. At the end of FY1997, for example, more than 9,000 cases were pending before the Board. In the years up to FY2004, that number was reduced steadily, and dramatically, to less than 1,000 cases pending. The projected figure for FY2007 is in excess of 2,600 but that number is itself smaller than in each of the years prior to FY2003. In other words, even acknowledging the projected increases in cases received by the Board each year in the coming years (a projection that does not take into account the new rules of practice concerning continuations that come into effect on November 1, 2007), the reasonably expected numbers are within the Board's demonstrated capacity – even under the rules prior to FY2005. That taken with the fact that the number of cases currently pending is considerably smaller than those pending in 6 out of the last 10 years does not militate in favor of changing the current rules.

2) The result of the proposed rules will be to convert the Appeals process from one that is supposed to address matters of substance to one that is dominated by compliance with form

According to the Office, the proposed rules “seek to provide examiners and Office reviewers with a clear and complete statement of an appellant's position at the time of filing an appeal brief so as to enhance the likelihood that appealed claims will be allowed without the necessity of further proceeding with the appeal, minimize the pendency of appeals before the Office, minimize the need for lengthy patent term adjustments in cases where claims become allowable as a result of an action by the Board in an appeal ... and make the decision-making process more efficient.”

Contrary to the proposed rules' stated goals, the number of rules with which Applicants will be required to comply with every filing, and the rigidity of those rules, will have the effect of drawing Applicants' and the Board's attention away from issues that lie at the heart of the rejections, and towards issues of compliance with format that are irrelevant to the substance of Appeal. This, on the whole, is not likely to be beneficial to either the Office or Applicants.

For example, the requirements of proposed Rule 41.37 will have the effect of increasing the burdens associated with preparing cases for appeal on Applicants. Where, in the past, it might have been sufficient to articulate the arguments in applicants' favor in succinct – but persuasive – fashion, now much time will be spent in preparing documents of complex structure and in verifying compliance of those documents with the guidelines. These additional requirements would, then, impose additional costs on Applicants.

Furthermore, with the proposed rules, the Office is continuing its recent trends of requiring more exacting standards in Applicants' submissions than it does in those issued by the Office and, in applying those exacting standards to Applicants is thereby making the Appeals process more costly and more burdensome. Thus, the Office's threat to issue "Notices of Non-compliant Appeal Brief" where an Applicant's brief deviates from simply the format set forth in the rules, even in a manner that does not undermine the force or validity of the Applicants' arguments, is one that, if carried out, will distract severely from the actual issues at hand in the Appeal and will cause costs to escalate unnecessarily without successfully advancing Applicants' cause.* Needless escalation of costs will make the Appeal process unattractive to the very Applicants whose need to avail themselves of it is greatest.

3) *A consequence also will be that the proposed rules would reduce readability of Applicants' briefs*

Contrary to the goals of the proposed rules, the proposed format of Applicants' Appeal briefs will not necessarily lend clarity to Applicants' arguments. The formats required by proposed rules 41.37 and 41.41 will convert an appeal and a reply-brief from a cohesive piece of legal reasoning to an almanac of opposing facts and assertions, laid out in an unconnected sequence.

Hitherto, Applicants could use the Appeal process to present their arguments in a manner different from their prior expression in a response to an office action, knowing that their audience (the Board) was a different one from an examiner and therefore an audience receptive to a different mode of expression. In essence, an Appeal brief could be used to tie together the various threads of a prosecution history and present a unified distillation of the arguments to the Board. Such an approach is resoundingly thwarted by the proposed rules, which would cause an appeal brief to read as a list of unconnected facts and assertions.

4) *The proposed rules may not permit the Board to easily see the complete picture*

The proposed rules are tailored to resolution of narrowly-framed issues that do not necessarily lead to a swift and complete resolution of all possible issues in an application. Thus, and contrary to the goals of the proposed rules, the proposed restrictions on the nature and scope of the arguments permitted in Applicants' Appeal and Reply-briefs will likely lead to very narrow issues being decided by the Board and will not readily reveal or resolve other issues that may be straightforwardly resolved in a concurrent manner. Without an appreciation of such other issues, prosecution of a given application may in fact be protracted when the Board is forced to address a narrowly constrained set of arguments at one time, and to leave other issues to further prosecution before the Examiner.

Furthermore, the format and structure set forth in the proposed rules assumes a perfectly articulated rejection on the part of the Examiner, and a perfectly expressed rebuttal by Applicant during prior prosecution of the appealed claims. It ignores the distinct possibility that, on their respective faces, neither Applicant nor Examiner may have fully appreciated issues of substance that are at hand and that,

* The undersigned suspects that the Office has made a calculation that reviewing Applicants' submissions for matters of form may be carried out with relatively high levels of efficiency and that it has created a mechanism for rejecting a significant number of Applicants' submissions, thereby reducing the number of cases that, at any one time, are ripe for substantive review.

given the superior experience of the Board, both Applicants and Examiner have reasonably come to expect the Board to apply its common sense and judgment when reviewing the totality of the record in such circumstances. The constricted nature of Applicants' submissions in the proposed rules are not likely to facilitate such complete review by the Board.

5) *The rules are one-sided in that they make detailed and irksome requirements of Applicants' briefs without requiring Examiners to be as rigorous and formalistic*

The one-sided nature of the proposed rules is seen clearly with respect to the requirements for the Examiner's Answer and Examiner's Response to Reply Brief (respectively Proposed Rules 41.39 and 41.43). Requirements of form applied to the Examiner are, effectively, non-existent. Proposed Rules 41.39 and 41.43 are the only rules that refer to the Examiner's statements and impose no requirements on content, layout, or format at all. The undersigned suggest that the Office stipulate a format for the examiner's submissions, commensurate with those proposed for Applicant's Appeal Brief and Reply, in order to conform all papers in the proceedings to one another.

The undersigned particularly object to the page limits imposed on Applicants' Appeal and Reply Briefs (Proposed Rules 41.37(v)(5) and 41.41(d), respectively). Such page limits are applied irrespective of the technology and the number of claims, and the number of rejections at issue. No similar page limits are imposed on Examiners in their Office Actions or Answers. Thus, the attempt to standardize the Applicant's position with a "one size fits none" approach to page limits is one that fails to address the complexities of many technologies, particularly in the chemistry and biotechnology area where applications may receive multiple rejections of multiple claims under different statutory sections, and where the technology may be of a complex nature. *The undersigned propose that, if a page limit is imposed at all, it is a page limit per rejection. Thus a rejection of claim 1 as anticipated by reference A is a separate rejection, meriting an independent page limit for response, from a rejection of claim 1 as obvious over reference B in combination with C.*

Furthermore, although the proposed rules may have been written with the new rules applicable to continuing applications and examination of claims in mind (where almost all applications will not exceed 25 claims in number), they overlook the substantial number of pending applications that have in excess of 25 claims (to which the new rules on examination of claims do not apply) and which will become ripe for appeal within the lifetime of the proposed rules.

6) *Under the proposed rules, an Examiner has a substantial upper hand in being able to issue a new rejection in response to an Appeal Brief but Applicant can only cancel (not amend) a claim in their Reply, and cannot present any further evidence in support of their response*

Proposed Rule 41.39(b) introduces an asymmetry into the proceedings that will be to the disadvantage of many Applicants. Whereas Applicants are constrained in their ability to introduce new arguments during the Appeal, an Examiner can make a new rejection and force the Applicant either to re-open prosecution or to cancel claims. This provides an easy opportunity for the Office to cut off an Applicant's path to Appeal and provides the Examiner with more options than Applicant during the Appeal proceedings. Many Applicants will prefer to re-open prosecution rather than to cancel claims during Appeal, even though this might be unappealing once the Applicant has already expended considerable time and resources in pursuing the Appeal. Furthermore, this aspect raises the specter that an Examiner can always wait until after Applicant has filed an Appeal Brief to raise, in Reply, an issue that will take the case back to the Examiner's desk. Ultimately, this procedural device could be used by the Office to deny Applicants any certainty at any stage in the Appeal process. *Proposal: the Applicant should be permitted to make amendments and to introduce new arguments and evidence in response to a new rejection or the Office should be precluded, in Reply, from articulating a new rejection.*

7) *Because of the New Claims/Con rules, the board rules would apply to even more parties – therefore more costs*

The Office asserts that “Any additional time burden that is imposed by the proposed rules relating to briefs is believed to be *de minimus* in comparison to the reduction in pendency that appellant gains as a result of early identification of allowable claims or a more efficient decision-making process”. In light of the foregoing, the undersigned disagree with this assessment. Furthermore, in light of the PTO’s new rules regarding continuation practice that will become effective on November 1, 2007, and which severely restrain Applicant’s ability to resolve issues through extended prosecution before the Examiner, it would be expected that a greater number of Applicants will avail themselves of the Appeal process. Thus, the increased burdens imposed by the proposed rules will impact an increasing number of Applicants. The Office’s failure to convincingly show that there would be any nexus between the proposed rules and an increased efficiency of the Board’s throughput militates strongly against introduction of the proposed rules.

Respectfully submitted,

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APPENDIX
Board Statistics, 1997 – 2007

Year	Cases Disposed	Cases Received	Cases Pending
1997	2802	4639	9201
1998	4091	3779	8889
1999	4585	4040	8344
2000	5004	2981	6321
2001	5126	3855	5050
2002	5085	3125	3090
2003	3843	2721	1968
2004	3452	2469	985
2005	2937	2834	882
2006	2874	3349	1357
2007*	(3213)	(4509)	(2653)

* Figures for calendar year 2007 are projected, based on statistics through the end of August, 2007.