



September 28, 2006

The Honorable Jon W. Dudas
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office (USPTO)
Mail Stop Interference
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Submitted by email to: BPAL.Rules@uspto.gov

RE: Comments on Proposed Rules: "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:

Intellectual Property Owners Association (IPO) submits the following comments in response to the Office's request contained in its notice of proposed rule making, 72 Fed. Reg. 41472 (July 30, 2007). We appreciate the opportunity to comment.

IPO is a trade association representing intellectual property owners in all industries and fields of technology. Our current membership includes more than 200 companies and more than 10,000 individuals. IPO corporate members file about 30 percent of the patent applications filed in the USPTO by U.S. nationals.

The proposed rules make extensive changes to procedures and requirements for briefs filed in support of an *ex parte* appeal before the Board of Patent Appeals and Interferences (BPAI). These changes will impose significant burdens on appellants, with few offsetting benefits to either appellants or the Board.

Our general comments are the following:

- (1) BPAI rules of practice related to *ex parte* appeals were significantly amended in September 2004. The case has not been made that these existing rules are not effective.** The USPTO has indicated that 40 to 60 percent of pre-appeal brief conference requests and Appeal Briefs reviewed in an appeal conference result in either (a) prosecution being reopened by the examiner or (b) the application being allowed. Thus, patent examiners and managers do not currently appear to have any difficulty in considering arguments, either in the context of a request for a pre-appeal brief conference or in an Appeal Brief. Nor have Board opinions issued since September 2004 suggested that that Appeal Briefs filed have been difficult to review. Many appellants already find it burdensome to file an Appeal Brief only to have the examiner reopen prosecution – and often with the Appeal Brief containing arguments already in the record. IPO recommends that the USPTO not add additional costs to this process when it is unnecessary to do so.

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INTELLECTUAL PROPERTY OWNERS ASSOCIATION

IPO Comments (submitted Sept. 28, 2007)

- (2) **The proposed rules are more suited for a proceeding where all parties are bound by the same rules.** There is no indication that examiners preparing a second or final Office action or an Examiner's Answer will be under constraints similar to those imposed upon applicants by the proposed rules. Yet, an applicant will be expected in its appeal brief to address all points made by the examiner with which it disagrees, while at the same time the brief will be subject to stringent page limits. The appeals process should be fair for all involved -- and briefs prepared under the existing rules appear to afford an orderly and balanced review of the issues.
- (3) **The additional burdens on appellants are untimely given the expected increase in appeals resulting from new rules on continuations.** Finally, the USPTO is implementing new rules that significantly limit the number of continuing applications and Requests for Continued Examination (RCEs) an applicant can file as a matter of right (see 72 Fed. Reg. 46716 (Aug. 21, 2007)). These new continuation rules will cause the applicant to pursue an appeal in many instances rather than refile the application and continue to work with the examiner, which will make the burdens and expenses imposed by the proposed *ex parte* appeal rules very untimely.

While the changes proposed may offer some advantages to the BPAI, we do not believe they would result in better Appeal Briefs compared to those submitted under the current rules. Detailed comments on selected sections of the proposed rules are provided in the enclosed paper.

Thank you, in advance, for your consideration of our submission.

Respectfully submitted,



Marc S. Adler
President

Enclosure

INTELLECTUAL PROPERTY OWNERS ASSOCIATION

Detailed Comments (submitted Sept. 28, 2007)

DETAILED COMMENTS ON SPECIFIC PROPOSED RULES

*to accompany IPO Comments in response to
72 Fed. Reg. 41472 (July 30, 2007)*

1. Proposed Bd.R 41.30 Record on appeal

It is unclear what is meant by U.S. patents or published U.S. patent applications “cited by the examiner or appellant.” Does this mean cited at any point during the prosecution and examination of the application or only during the appeal proceeding?

2. Proposed Bd.R 41.31(e) Non-appealable issues

Since the time limit for most petitions is provided for in 37 CFR § 1.181(f), this provision may not be needed. Issues relating to petitions interfering with the orderly consideration of an appeal by the BPAI are most often caused by delays in the USPTO considering a timely filed petition, not caused by the fact that a petition that would otherwise be timely has not yet been filed. Also, if there is a formal matter that does not affect the merits of an appeal (and if otherwise timely), an applicant should have the option to file a petition after a decision in the appeal in order to conserve financial resources.

3. Proposed Bd.R 41.37(e) Content of appeal brief

The new sections required in the proposed rule, including a table of contents, table of authorities, statement of facts and the expanded appendix, will significantly increase the cost of preparing an Appeal Brief. Given that a large number of appealed cases are reopened or allowed at the appeal conference stage based on briefs written under the existing rules, it is unclear that these additional requirements are necessary. Nor does the BPAI appear to have had difficulty reviewing Appeal Briefs in cases forwarded to them.

4. Proposed Bd.R 41.37(n) Statement of facts

It is unclear why adopting a rigid rule on the format of the statement of facts is preferred to the exclusion of any other style. The proposed rules do not articulate why an Appeal Brief written in a narrative style is more difficult to read and understand than one drafted in the proposed manner. A review of BPAI opinions posted on the USPTO website in *ex parte* appeals shows that some APJs write opinions in the proposed format while many others write in narrative style. In fact, arguably, the proposed style is more difficult since the reader is forced to refer back to the fact section in order to fully understand the point being made in the argument. The author of an Appeal Brief should be free to choose the writing style they are most familiar with and we believe this will provide the clearest explanation of an appellant’s position on appeal.

Cases cited at page 41476 (column 1) of the notice state that an appellate tribunal will not “scour the record” in search of facts to support one party’s case. E.g., Earnest Haas Studio v. Palm Press, 164 F. 3d 110, 112 (2nd Cir. 1999). These cases suggest that appellate tribunals know how to handle uninformative briefs. In addition, the cited cases arise from suits where all parties are bound by the same set of rules. If this proposed rule

is adopted, will the examiner be required to follow the same format in writing the second or final Office action and Examiner's Answer? Also, will the BPAI confine its review of the examiner's position strictly to the facts expressly stated in the examiner's briefing as proposed for review of appellant's position?

5. Proposed Bd.R 41.37(o) Argument

a. Examiner error

The proposal appears to set an "error" standard of review by the BPAI of an examiner's rejection. The statutory duty of the BPAI in *ex parte* appeals is to "review adverse decisions of examiners upon applications for patents." 35 U.S.C. § 6(b). Furthermore, "[a] person shall be entitled to a patent unless..." 35 U.S.C. § 102, and the examiner in making a rejection must provide "such information and references as may be useful in judging of the propriety of continuing the prosecution of his application," 35 U.S.C. § 132. As recognized by the Federal Circuit, "[i]f examination at the initial stage does not produce a *prima facie* case of unpatentability, then, without more, the applicant is entitled to grant of the patent." *In re Oetiker*, 977 F.2d 1443, 1446, 24 USPQ2d 1443, 1445 (Fed. Cir. 1990). Only if that burden is met is appellant required to come forth with rebuttal by way of argument or evidence. *Id.* "If rebuttal evidence of adequate weight is produced, the holding of *prima facie* obviousness, being but a legal inference from previously uncontradicted evidence, is dissipated. Regardless of whether the *prima facie* case could have been characterized as strong or weak, the examiner must consider all of the evidence anew." *In re Piasecki*, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984). Thus, it would seem the BPAI's review of the examiner's adverse determination of patentability should begin by first ascertaining whether the examiner has presented sufficient facts and reasons to establish a *prima facie* case of unpatentability.

These provisions turn the Board's statutory charge of reviewing the examiner's adverse determination of unpatentability into a review of appellant's Appeal Brief instead. The USPTO cites no authority for the proposition that unchallenged findings or conclusions of examiners are presumptively correct. While no one would argue that the Board's review of a rejection should not be guided by a well written Appeal Brief, these proposals put the burden on the appellant instead of recognizing it is the examiner's burden in the first instance to establish a *prima facie* case of unpatentability. There should be no presumption of correctness and the Board should perform an independent review of the examiner's facts and reasons in support of a rejection aided, not limited, by the Appeal Brief.

The issue to be resolved in the appeal is not whether the examiner committed error but whether the claim under review is unpatentable under the cited section of the statute given the facts and reasons relied upon by the examiner. In resolving that issue, the BPAI should follow the process outlined above as to whether the examiner has initially established a *prima facie* case of unpatentability and, if so, whether the appellant has relied upon argument and/or evidence in rebuttal. If the appellant has presented a rebuttal, the BPAI should take a step back and make the ultimate decision on patentability based upon the totality of evidence without any presumption that the examiner's findings and conclusions are correct.

b. Points, findings and conclusions made by the examiner

The proposed rule would require 1) that the appellant “address all points made by the examiner with which appellant disagrees” and 2) that “any finding made or conclusions reached by the examiner that is not challenged will be presumed correct.” It is not clear how a “point” made by an examiner differs from an argument, finding of fact made, or conclusion reached by an examiner. We recommend clarifying this language.

Further, it is not clear why an appellant must identify whether an argument was made before and, if so, where it was made. This adds unnecessary expense to the preparation of the Appeal Brief and raises the possibility that if an argument is not repeated in the Appeal Brief, the brief will be seen to be non-compliant, will not be considered by the BPAI, and/or will be subject to the sanctions proposed in new Rule 41.56. The arguments in an Appeal Brief are in response to the second or final Office action, while previous arguments are made to previous Office actions. Since the position of the examiner may shift subtly or significantly from one Office action to the next, the “same” argument may be made by applicant while different words are used to take into account the change in position. This new provision has the potential to be a procedural quagmire resulting in numerous Appeal Briefs that are deemed non-compliant with the attendant increase in costs and delay in the appeal being forwarded to the BPAI for decision. Will the examiner have to comply with this or a similar requirement in preparing the Examiner's Answer?

The notice does not cite any authority to support the need for a presumption that any finding of fact made or conclusion reached by the examiner not challenged in the Appeal Brief are correct. Office actions often contain findings of fact and conclusions that are unclear, incorrect, or the relevance of which is not understood. To require that each such finding or conclusion be challenged or it will be taken as correct will needlessly lead to Appeal Briefs cluttered with challenges that may not be relevant to the argument presented -- at the same time that page limits are imposed. A finding or conclusion in the second or final Office action may not be seen as particularly relevant when writing the Appeal Brief, but may take on an entirely different status if the examiner expands the facts and reasons relied upon in support of a rejection in the Examiner's Answer. There should be no presumption of correctness in any aspect of the examiner's rejection. If such a presumption is created, should there not also be a presumption by the writer of an Appeal Brief or Reply Brief that any finding made or conclusion reached by the applicant in responding to a previous Office action or in the Appeal Brief that has not been challenged by the examiner is correct?

The duration of this presumption is also unclear. Is the presumption just for the purpose of deciding the rejections in the appeal or is the presumption intended to carry on through any subsequent prosecution?

6. Proposed Bd.R 41.37(o)(3) Format of argument

We recommend clarifying the language addressing a “point made by the examiner” versus an argument, finding of fact made, or conclusion. We question the need for the appellant to indicate where a particular point was argued previously. These provisions have the potential to create a procedural quagmire and add incremental costs.

7. Proposed Bd.R 41.37(o)(4)-(8)

These sections require that the Appeal Brief not only specify errors in the examiner's rejection but also specify how the rejected claims comply with the section of the statute on which the rejection is based.

The aspect of the proposal regarding designating errors in the rejection is addressed above. An appeal should not be based on a search for error but rather should be an independent review of the examiner's facts and reasons in support of a rejection and the appellant's rebuttal. The second requirement of this portion of the proposal, a separate statement specifying how the rejected claims comply with the section of the statute on which the rejection is based, is unwarranted.

First, the proposal cites no authority for requiring this statement. If anything, the new requirement is in conflict with the patent statute and long standing judicial precedent that it is the examiner's burden to establish a *prima facie* case of unpatentability that is subject to rebuttal by applicant. This rebuttal may rely on argument and/or evidence. For example, a sufficient rebuttal of an anticipation rejection under 35 U.S.C. § 102 may simply be that reference X does not describe limitation Y of claim 1. If that argument is correct, the rejection should be withdrawn by the examiner or reversed by the BPAI with no further statement or input required by applicant. Another example is found in In re Marzocchi, 439 F.2d 220, 223, 169 USPQ 367, 369 (CCPA 1971), which states:

[A] specification disclosure which contains a teaching of the manner and process of making and using the invention in terms which correspond in scope to those used in describing and defining the subject matter sought to be patented must be taken as in compliance with the enabling requirement of the first paragraph of § 112 unless there is reason to doubt the objective truth of the statements contained therein which must be relied on for enabling support.

Second, it is unclear what concern this new requirement attempts to address. There is no showing in the proposal that either examiners or the BPAI have difficulty determining whether a claim is patentable under a given section statute under existing rules without this requirement.

Third, the new requirement is unworkable. How does one establish that a claim is patentable? 35 U.S.C. § 282 states that a patent claim is only presumed valid. The statute contemplates that there may be facts outside the purview of the examination process that are not known to the examiner and applicant that may bear on the patentability of a patent claim. With this thought in mind, on what facts does the proposal assume the new requirement of a patentability statement is based? Is the new requirement based only on the facts stated by the examiner in support of the rejection?

8. Proposed Bd.R 41.37(p) Claims section

The proposal states that this section "shall consist of ..." the specified format and information. The existing rules allow an appellant to present any other information of record that would aid the BPAI in understanding the claimed subject matter. See 69 Fed.

Reg. 49976 (Aug. 12, 2004), Comment 53. Given the restrictive language in this section of the proposal, it is not clear whether this will still be permitted. Often there are documents of record that provide a useful background in the technology under review that will aid the reader of the Appeal Brief to more quickly understand that technology. Being able to provide a technical background section under the existing rules in the Summary of claimed subject matter is useful to understanding the claimed subject; we recommend that the USPTO continue to allow the opportunity to provide such a section.

9. Proposed Bd.R 41.37(r) Drawing analysis section

This new requirement adds another incremental cost to the preparation of the Appeal Brief and will be redundant in most cases since the portion of the specification referenced in the Claims section will also include the requested reference to the drawing(s). There has been no showing that existing practice, where reference to both the specification and drawings is made in the summary of claimed subject matter section, is not adequate for the purposes of reviewing the rejections on appeal. It is easier to understand the claimed subject matter by having a single section that correlates the claim limitations to the specification and the drawings together -- instead of needing to go back and forth between two separate sections. Again, in return for the additional cost imposed on the appellant, it is unclear what value is created by merely pointing out by reference numeral where a claim limitation is illustrated in a drawing without also specifying where that drawing feature is described in the specification.

10. Proposed Bd.R 41.37(s) Means or step plus function

The proposed rule requires that where there is no means or step plus function limitation in the claims, the appellant must affirmatively state that this is the case. The purpose of this new requirement is not clear. Whether the claim uses the word "means" will be readily apparent. It is believed to also be self evident whether a claim includes a step plus function limitation. Whether other language used in a claim will invoke an interpretation under 35 U.S.C. § 112, sixth paragraph, is to be determined on a case-by-case basis. It is not possible to predict what a given examiner or panel of the BPAI will consider as claim language that should be analyzed under the provisions of this section of the statute. Assuming such a statement is made, is it the intention of the USPTO that it will be an accepted self-certification or will the statement be subject to contradiction by the examiner or BPAI panel?

11. Proposed Bd.R 41.37(t) Evidence section

This new proposal will again impose additional costs in preparing an Appeal Brief, delay resolution of cases, and create numerous opportunities for findings of non-compliance.

This extensive new proposal requires appellant to reproduce papers that are readily available to the examiner and the BPAI by way of the USPTO's Information File Wrapper (IFW). When 40 to 60 percent of appealed cases are reopened or allowed under the existing rules, it is unclear why the appellant should bear these additional costs. If a more extensive document is needed, the USPTO should take on this burden. If the USPTO needs assistance in preparing this document, we recommend the rules to require the appellant to supply a listing identifying where the documents are found on the IFW.

USPTO could then assemble an appendix in any format the BPAI finds useful as it considers the appeal.

12. Proposed Bd.R 41.37(v) Appeal brief format requirements

This proposal is appropriate only if the examiner is bound by identical requirements, both in making the second or final Office action and the Examiner's Answer. The new requirements for enumerated facts, specifying each error made by the examiner, and challenging each finding made and conclusion reached by the examiner (at the risk that any that go unchallenged will be taken as correct), will add significantly to the text needed to adequately respond to the examiner's rejections. Under any circumstances, let alone those proposed, unilateral page limitations are inappropriate.

The page requirement also does not take into account the value that incorporating figures from the application or references or nucleotide or amino acid sequences in the body of the argument can add. The rules should encourage, not impede, a complete and thorough exposition of appellant's position.

The appropriateness of requiring a petition under 37 CFR § 41.3 to exceed the page limit is not apparent, as the case is not under the jurisdiction of the BPAI at the time the Appeal Brief is being prepared. See proposed Rule 41.35. It is also not clear what criteria will be used to decide such a petition. The writer of the Appeal Brief is in the best position to determine how a rejection should be argued before the BPAI. The examiner is not under a similar restraint.

13. Proposed Bd.R 41.39 Examiner's Answer

Given the extensive new format and content requirements proposed for an Appeal Brief, the rules should also set forth equal requirements for an Examiner's Answer. Without similar requirements placed on the examiner, an *ex parte* appeal will become a one sided affair that is not in accordance with the BPAI's statutory duty to review an examiner's adverse decision.

Under existing practice, a new ground of rejection is to be a rare circumstance and can only be made in an Examiner's Answer with the approval of the TC Director or designee. It is not clear whether these provisions will stay in place if the proposed rules are adopted.

14. Proposed Bd.R 41.41 Reply brief

Comments made above addressing the content, format, page requirements, statement of facts, and appendix of the Appeal Brief apply to this section as well. The rule is appropriate only where all parties are bound by the same rules.

15. Proposed Bd.R 41.43 Examiner's response to the reply brief

Under the existing rules, the examiner may not make a new ground of rejection in a supplemental examiner's answer. We recommend that this prohibition continue. An appeal proceeding should not be the forum for a series of new rejections.

16. Proposed Bd.R 41.44 Supplemental reply brief

Comments made above addressing the content, format, page requirements, statement of facts, and appendix of the Appeal Brief also apply to this section. The rule is appropriate only where all parties are bound by the same rules.

17. Proposed Bd.R 41.47 Oral hearing

The existing provisions on a primary examiner presenting argument have been dropped without comment. Clarification of the omission is requested.

The definition of a visual aid needs to be clarified. Often a sample of the technology under review has been shown to the examiner. Past practice before the BPAI has included appellant relying upon such materials during oral argument as long as all materials were previously shown to the examiner. The restrictive definition of visual aid appears to prohibit this practice.

18. Proposed Bd.R 41.52 Rehearing

Comments made above addressing the content, format, and page requirements of the Appeal Brief apply to the proposal for a Rehearing and should be considered here as well.

19. Proposed Bd.R 41.56 Sanctions

We question whether the proposed sanctions are appropriate. Any such sanctions should apply to all parties involved in the case. The proposal makes no case that *ex parte* appeals under the existing rules have been conducted under circumstances that even warrant the proposal of sanctions. No guidance is given as to what the USPTO perceives to be a misleading or frivolous request for relief or argument or a dilatory tactic. Nor is it clear what the basis would be for compliance with an order or an applicable rule. Rules applying such vague concepts, especially in light of the proposed repercussions for violations, would serve only to intimidate, and would not encourage the appeal of certain issues for fear that an argument may be considered frivolous. We recommend striking this provision.