

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re:

PTO Docket No.: PTO-P-2007-0006

For: **Comments on Proposed Rules of
Practice Before the Board of Patent
Appeals and Interferences in Ex Parte
Appeals**

**72 Fed. Reg. 41472
(July 30, 2007)**

**Comments on Proposed Rules of Practice Before the Board of Patent
Appeals and Interferences in Ex Parte Appeals**

The Honorable Jon W. Dudas
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office (USPTO)
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by email:
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Dear Under Secretary Dudas:

Intellectual Ventures (IV) submits the following comments in response to the USPTO request contained in its notice of proposed rule making, 72 Fed. Reg. 145 (July 30, 2007). We appreciate the opportunity to comment.

Intellectual Ventures is in business to create and invest in innovation. Intellectual Ventures works with internal and external inventors – some of the brightest minds of today’s inventive society – to create new inventions.¹ We also build upon our inventions by licensing and acquiring intellectual property from industrial, government and academic partnerships. We rely upon a strong patent system to protect the innovation that our company fosters. For more information about the business model and work of Intellectual Ventures, please visit our website: <http://www.intven.com/about.aspx>.

Overview

Ex parte appeals to the Board of Patent Appeals and Interferences (BPAI) are provided for by 35 U.S.C. § 134. An *ex parte* appeal should be just, speedy and inexpensive. The proposed rules do not promote any of these goals. The rules of practice in regard to *ex parte*

¹ For a list of senior inventors at Intellectual Ventures, see <http://www.intven.com/inventors.aspx>.

appeals were recently amended in September 2004. Practitioners and examiners are still adjusting to those changes.

The significant changes set forth in the current proposal to the procedures used in *ex parte* appeals will only add confusion, delay and expense in the preparation of an Appeal Brief, without an attendant savings in time or resources by the BPAI. The proposed new rules are one-sided and will serve as a significant hurdle to a patent applicant in pursuing their statutory right of an appeal to the BPAI. Many of the proposed changes run counter to the patent statute and improperly attempt to transfer responsibilities and shift burdens of proof from the USPTO to applicants.

The proposal does not set forth a rationale why Appeal Briefs written under the current rules do not allow examiners and members of the BPAI to consider and decide issues raised in the brief in an orderly and efficient manner. The USPTO has indicated that approximately 50% of Pre-Appeal Brief Conference requests and Appeal Briefs written under the existing rules that are reviewed in an appeal conference result in either prosecution being reopened or the application being allowed. Nor does the proposal set forth how the BPAI is unable to review Appeal Briefs written under the existing rules in an efficient and effective manner. Since there is no articulated problem with *ex parte* appeal practice under the existing rules, the proposed rules should be withdrawn.

The proposal notes that the BPAI expects to receive more *ex parte* appeals in the near future and that the proposed rules will allow the BPAI to continue to decide *ex parte* appeals in a timely manner. 72 Fed. Reg. at 41472. While not stated, it is believed that the anticipated increase in *ex parte* appeals is the result of the implementation of the new rules regarding continuation applications and requests for continued examination (RCEs). 72 Fed. Reg. 46716 (Aug. 21, 2007). Those rules contemplate that a patent applicant will file an *ex parte* appeal instead of refiling the application and continue to work with the examiner to resolve the patentability issues. Since the USPTO is in effect causing the anticipated increase in *ex parte* appeals by way of the limitations on the number of times an application can be refilled, the agency should look inward and improve the quality of examiner's second or final Office Actions instead of imposing the onerous and unwarranted provisions of the proposal.

The proposed rules are one-sided in that they impose significant new requirements on applicant, which will be expensive and time-consuming to comply with while placing no corresponding burden on patent examiners. It should be understood that an appeal to the BPAI is an expensive undertaking and, in the past, the resources that would be spent in pursuing an appeal would instead be directed to working further with the examiner in a continuing application or an RCE. An appeal was seen as the last resort, to be used only when a total impasse with the examiner was reached and after a thorough exploration of claim language and patentability issues occurred in the record.

Now, given the limited opportunities to refine claim language and consider rejections as they unfold in the examination process, applicants will need to appeal cases and seek the guidance of the BPAI as to the correctness of the examiner's position more frequently than in the past. Since the agency is forcing more appeals, the appeal process should be reformed to make appeals easier and less expensive to prepare rather than make appeals more expensive and burdensome as in the proposal.

Prior to making specific comments about individual proposals, there are certain aspects of the proposal that warrant particular mention. Each of these is discussed in greater detail in the comments below.

Improper Placement of Burden on Applicant to Prove Compliance with the Patent Statute

Proposed Bd.R. 41. 41-37(o)(4)-(8) require the applicant to affirmatively prove patentability under each of Sections 102, 103 and 112 of the patent statute. This attempts to place the burden upon the applicant that belongs on the Office, which has the obligation to show a *prima facie* case of unpatentability of pending claims.

Erroneous Presumption of Correctness of Examiner Conclusions Before Appeal

The undercurrent of the proposed rules is that the examiner is presumptively correct in making a rejection and the appellant is essentially on rehearing in seeking review of that decision before the BPAI.

For example, the proposed rules include a provision that any conclusion or finding made by the examiner must be challenged or it will be presumed to be correct. Proposed Bd.R 41.37(o). No authority is cited for this proposition and it is contrary to the statutory charge that “[a] person shall be entitled to a patent unless....” 35 U.S.C. § 102.

As explained below, the initial burden is on the examiner to establish a *prima facie* case of unpatentability and the BPAI’s role in *ex parte* appeals is to “review adverse decisions of examiners upon applications for patents.” 35 U.S.C. § 6(b). In view of these statutory requirements, the BPAI should not confine its consideration of an appeal under 35 U.S.C. § 134 to a consideration of errors that are enumerated in an Appeal Brief. Rather, the Board is responsible for ensuring that the facts and reasons relied upon by the examiner do establish a *prima facie* case of unpatentability. While a well-written Appeal Brief will aid the BPAI in discharging this responsibility, it is the responsibility of the BPAI to consider the examiner’s position as a whole, not in the piecemeal fashion envisioned in the proposed rules.

Superfluous Requirements for Appeal Brief

Many of the new provisions exalt form over substance and require the appellant to provide an Appeal Brief with features that will not aid the examiner or the BPAI in considering the merits of the appeal. An example of this is the new requirement in proposed Bd.R 41.37(o) regarding the identification of where an argument was made in the first instance to the examiner or state that the argument has not previously been made to the examiner. Apart from the confusion as to what constitutes an argument previously made that is discussed below, the resources one will spend in attempting to comply with this provision would be better spent in honing the substantive arguments.

Lack of Justification for the New Rules

Given the lack of any rationale why Appeal Briefs written under the current rules cannot be reasonably reviewed by the examiners and the BPAI and the numerous provisions in the proposed rules that will greatly increase the cost of preparing an Appeal Brief without providing any discernable increase in the reviewability of the Appeal Brief, it would appear that the primary purpose of the new rules is simply to discourage appeals by making the preparation of an Appeal Brief procedurally difficult and expensive. The proposed rules should be withdrawn.

Comment 1—Proposed Bd.R 41.30 Definitions—Record on appeal

The proposed definition of a “record on appeal” includes U.S. patents and published U.S. applications “cited by the examiner or appellant.” Clarification is needed as to the scope of “cited.” It is not clear whether the definition includes only those references relied by the examiner and appellant in support of their position on appeal, or those cited at any point in the prosecution.

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

Applicant should not have to expend the resources to resolve a petitionable formal matter that does not affect the appeal before filing an appeal. Rather, present practice should be retained where formal matters that do not affect the merits of an appeal may be resolved, if otherwise timely, after the appeal proceeding.

Comment 3—Proposed Bd.R 41.35—Jurisdiction over appeal

The proposed rule states that the BPAI does not obtain jurisdiction until a docket notice is entered. Clarification is needed as to the jurisdiction of the Chief Administrative Patent Judge (CAPJ) to decide petitions to exceed the proposed new page limits in an Appeal Brief and/or Reply Brief, since the BPAI will not have jurisdiction over the case when the briefing is being prepared.

Comment 4—Proposed Bd.R 41.37(e)—Content of appeal brief

The proposal adds new requirements that the Appeal Brief contain a Table of Contents, Table of Authorities, Statement of Facts and a greatly expanded appendix. Each of these requirements will increase the cost of preparing an Appeal Brief, without an identifiable benefit in the ease of consideration of the Appeal Brief by either the examiner or the BPAI. Since a significant number of cases in which a pre-appeal brief or an appeal conference is conducted result in the prosecution being reopened or the case being allowed, these provisions should not be implemented since the added cost will not be balanced by any benefit to the USPTO.

New formal requirements such as a Table of Contents and a Table of Authorities are not needed in an *ex parte* Appeal Brief. Appeals to the BPAI need to be simplified, not further complicated. There is no showing in the proposal that Appeal Briefs written under the existing rules that do not require these sections are difficult for the BPAI to review. Given that the Appeal Brief must contain specified headings under the existing rules, it is not apparent why a Table of Contents is needed. The reader can simply page through the Appeal Brief and find the section of interest.

Nor is it seen that a Table of Authorities will add such value to an Appeal Brief that the cost to prepare that section should be incurred. There is no showing in the proposal that the BPAI has any difficulty in identifying the authorities that appellants rely upon in Appeal Briefs written under the current rules.

Comment 5—Proposed Bd.R 41.41.37(n)—Statement of facts

The proposal does not explain why a separate Statement of Facts is needed. This proposed rule is a significant departure from the current format for an Appeal Brief, and requires a writing style that many practitioners do not use. The confusion that will occur in implementing

this provision, and the attendant number of noncompliant Appeal Briefs or cases that will be remanded by the BPAI because of a perceived error in stating the facts relied upon, warrant withdrawal of this proposal.

For example, if the appellant relies upon a fact in support of an argument that is not listed in the Statement of facts, it is unclear whether the examiner or BPAI require an amended Appeal Brief, or simply ignore the fact in reaching their decision. Neither situation makes sense. If the reader of the Appeal Brief can understand the argument and its factual support, an amended Appeal Brief should not be required simply for style, nor should an otherwise proper argument be ignored only because of an inadvertent formatting error. This aspect of the rules promotes style over substance.

Furthermore, most papers filed in the USPTO and examiner's Office Actions are written in a narrative manner. The proposal does not set forth why the style sought to be imposed is warranted or helpful to the Office or the BPAI. Again, many cases that have an Appeal Brief written under the current rules are reopened or allowed when the Appeal Brief is reviewed at the examiner level. Presumably the examiners had no difficulty in understanding appellant's position in those cases. Nor has the BPAI indicated that Appeal Briefs written in a narrative style under the existing rules are difficult to review.

The commentary in regard to this proposed new rule indicates that an appellant should not expect the BPAI or the examiner to search the record to determine the factual support for a statement. We agree that each statement of fact should be supported by a citation to the record. However, the writer of the Appeal Brief should be able to do so in a style that he or she is accustomed to, not one that is imposed by arbitrary rule. The cases cited in the commentary involve cases where both sides of the case are bound by the same rules. Here, it does not appear that the examiner will be bound to a similar format, either in a second or final Office Action or in an Examiner's Answer, so the relevance of the cases is not apparent.

Comment 6—Proposed Bd.R 41.37(o)—Argument

This section requires that:

- the appellant explain why the examiner “erred” in making the rejection;
- all points made by the examiner with which appellant disagrees must be addressed;
- the appellant state where an argument was previously made to the examiner or state that the argument was not previously made to the examiner; and
- any finding made or conclusion reached by the examiner that is not challenged will be presumed to be correct.

None of these provisions are warranted or appropriate, and they should be withdrawn. They will lead to absurd results.

“If 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 USPQ 2d 1443, 1445 (Fed. Cir. 1990). The BPAI is to review the adverse decision of an examiner. 35 U.S.C. § 6(b). That review should be an independent analysis of the facts and reasons relied upon by the examiner guided – not *limited* – by the Appeal Brief.

The requirement that the appellant identify all examiner error in this section of the proposal is improper. The ultimate issue for the BPAI to consider in an appeal is whether a given claim is patentable under the cited section of the statute for the facts and reasons relied upon by the examiner. That determination should be based upon the totality of the evidence relied upon by the examiner and appellant. Focusing on so-called examiner error instead of reviewing the facts and reasons relied upon the examiner and appellant is inappropriate.

The requirement that the appellant must identify where an argument was previously made to the examiner or state that it was not is unworkable, and will result in Appeal Briefs being held to be noncompliant or otherwise proper arguments being ignored by the examiner or BPAI. It is not seen that the weight or persuasiveness of an argument is or should be affected by whether it was properly made in the first instance in the Appeal Brief.

Furthermore, this provision is another example of the one-sided nature of the proposed rules. The examiner is not under a similar requirement in preparing a second or final Office Action or an Examiner's Answer.

One reason for the need of an appeal is the unfocused, constantly shifting basis of some examiners' rejections. Since arguments are refined as examination progresses, it is not clear what constitutes a "previous" argument. If the appellant first argued in response to an obviousness rejection that the examiner did not establish a *prima facie* case of obviousness and in a later response amplifies the argument, it is not clear which argument(s) should be referenced. Further, if appellant refines the argument in the Appeal Brief, it is not clear whether that is a "previous" argument or a "new" argument. That determination will result in numerous noncompliant Appeal Briefs with no associated benefit to the USPTO or the BPAI.

There should be no presumption that any conclusion or finding by an examiner is correct, whether challenged by an appellant or not. The proposal does not cite any authority for the proposition, and it is simply irrational. It will clearly lead to incorrect examiner conclusions being taken as appellate "fact."

To require that the appellant identify each conclusion or finding by an examiner that is believed to be in error will only lengthen an Appeal Brief without necessarily adding clarity to appellant's position. Since an appellant cannot determine while drafting the Appeal Brief what conclusions or findings by an examiner may be seen by the BPAI to be relevant, or for that matter withdrawn by the examiner, *every* statement by the examiner may need to be challenged, for fear that a conclusion or finding that is not seen to be relevant by the appellant will nonetheless be regarded as relevant by the BPAI.

The effect on subsequent prosecution of presuming unchallenged examiner conclusions to be correct is unclear, but is certain to lead to many incorrect decisions. The USPTO should clarify whether it views such a presumption to be only for the purpose of deciding the appeal, or whether it believes that it will carry forward in further prosecution.

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

Apart from requiring the appellant to establish error on the part of the examiner, these sections propose a new requirement that the appellant must also state how the claims comply with the section of the statute that forms the basis of the rejection. There is no authority for requiring the appellant to affirmatively prove how pending claims comply with the various sections of the 35 U.S.C., and in fact this is counter to the statute.

Following are some of the requirements under the proposed rules:

Proposed rule 41.37(o)(4): "For each rejection under 35 U.S.C. 112, first paragraph, the argument shall also specify ... how the rejected claims comply with the first paragraph of 35 U.S.C. 112 including, as appropriate, how the specification and drawings, if any, describe the subject matter defined by the rejected claims, enable any person skilled in the art to which the invention pertains to make and use the subject matter of the rejected claims, or set forth the best mode contemplated by the inventor of carrying out the claimed invention."

Proposed rule 41.37(o)(5): "For each rejection under 35 U.S.C. 112, second paragraph, the argument shall also specify how the rejected claims particularly point out and distinctly claim the subject matter which appellant regards as the invention."

Proposed rule 41.37(o)(6): "For each rejection under 35 U.S.C. 102 (anticipation), the argument shall also specify why the rejected claims are patentable by identifying any specific limitation in the rejected claims which is not described in the prior art relied upon in support of the rejection."

Proposed rule 41.37(o)(7): "For each rejection under 35 U.S.C. 103, if appropriate, the argument shall specify the errors in the rejection and, if appropriate, specify the specific limitations in the rejected claims that are not described in the prior art relied upon in support of the rejection, and explain how those limitations render the claimed subject matter unobvious over the prior art. A general argument that all limitations are not described in a single prior art reference does not satisfy the requirements of this paragraph."

These requirements turn the patent statute around and attempt to place the burden upon the applicant to prove patentability. As set forth in *In re Oetiker, supra*, the burden is on the examiner to establish a *prima facie* case of unpatentability, and if the examiner fails to do so, the applicant is entitled to grant of the patent. There is no separate requirement that the appellant independently establish entitlement to a patent by compliance with each section of the statute.

The proposal is also unworkable, since whether a patent claim is patentable under any section of the statute is a fact-specific determination. The proposal does not indicate on what facts the new patentability statement is to be based. Clarification is needed in regard to the authority for this proposal as well as how the USPTO expects appellant to comply therewith.

These provisions attempt to place a burden upon the applicant that statutorily is placed upon the Patent Office. They should be withdrawn.

Comment 8—Proposed Bd.R 41.37(s)—Means or step plus function

Whether the language used in a claim is to be analyzed under the provisions of 35 U.S.C. § 112, sixth paragraph, must be determined on a case-by-case basis. An appellant's understanding that language used in a claim is or is not to be analyzed under that section of the statute may differ from an examiner's or BPAI's analysis of the language. No justification has been identified for the requirement.

Clarification is needed as to whether the USPTO envisions that a statement in compliance with section of the proposal will be accepted by the examiner and/or BPAI, or will be subject to contradiction. Either way, this new requirement adds further ambiguity and expense to the preparation of the Appeal Brief.

Comment 9—Proposed Bd.R 41.37(t)—Evidence section

The need for this new section of an Appeal Brief is not seen. Preparation of this section will be expensive and create another opportunity for an Appeal Brief to be held noncompliant for nonsubstantive reasons.

All of the papers required to be assembled in this section are available to the USPTO in the Image File Wrapper (IFW). If the USPTO believes that such a section is needed for the BPAI to efficiently consider an appeal, the agency should undertake the expense and time of preparing the document. Given the substantial numbers of Appeal Briefs that never reach the BPAI because prosecution is reopened or the case is allowed as a result of the appeal conference, the appellant should not be required to incur this added expense.

Comment 10—Proposed Bd.R 41.37(v)—Appeal brief format requirements

The new format requirements are inappropriate, particularly since examiners will not be under the same restrictions in preparing a second or final Office Action and/or an Examiner's Answer. The page limitations are especially onerous, given the new requirements that all points, conclusions and findings made by the examiner must be objected or otherwise they are presumed correct.

An examiner issue arbitrarily lengthy Office Actions, which will require an appellant to use precious page space in rebuttal. Furthermore, the page limitations will discourage incorporation of figures from the application or applied references or other graphics that will aid the appellant in arguing his or her case on appeal.

The proposed petition procedure for seeking relief from the page limits is unworkable. Apart from the jurisdiction issue raised above in Comment 3, the fact that the Chief Administrative Patent Judge will decide how many pages an Appeal Brief can contain is inappropriate. Since the examiner is not bound to a page limit and the USPTO, by way of the CAPJ, will determine how many pages an appellant is entitled to in order to explain their position on appeal, this proposal creates an inherent conflict of interest, in which the CAPJ will have an incentive to limit the number of pages which an appellant is allowed.

Comment 11—Proposed Bd.R 41.39—Examiner's answer

As noted previously, the proposed rules are one-sided, since the examiner is not under similar requirements in preparing a second or final Office Action and/or an Examiner's Answer. Clarification is also needed whether an examiner will continue to need the permission of the TC Director before making a new rejection in the Examiner's Answer.

New rejections should continue to be rare, and the preferred manner for the examiner to introduce new evidence or a new rejection or shift in position is by reopening prosecution. This is especially so in view of the limited number of continuation applications and RCEs that applicant will be entitled to after November 1, 2007.

In the past, it was more cost effective to file an RCE rather than file a petition when it was believed that the examiner had made an unstated new rejection in an Examiner's Answer. Given the new limits on refiling a case, the examiner should not be allowed to start what amounts to a new examination during an appeal proceeding. If anything, the USPTO should consider not allowing new rejections in the Examiner's Answer, so that the applicant will be able to adequately respond to a major shift in the examiner's position.

Comment 12—Proposed Bd.R 41.41—Reply brief

The comments made above in regard to the content, format, page requirement, statement of facts and appendix in regard to the Appeal Brief, apply to this section as well.

Comment 13—Proposed Bd.R 41.43—Examiner's response to the reply brief

It is noted that the current rule forbids the examiner from making a new ground of rejection in a Supplemental Examiner's Answer. Clarification is needed as to whether this prohibition will continue. It is urged that the current prohibition be maintained.

Comment 14—Proposed Bd.R 41.44—Supplemental reply brief

The comments made above in regard to the content, format, page requirement, statement of facts and appendix in regard to the Appeal Brief, apply to this section as well.

Comment 15—Proposed Bd.R 41.52—Rehearing

The comments made above in regard to the content, format, page requirement, statement of facts and appendix in regard to the Appeal Brief, apply to this section as well.

Comment 16—Proposed Bd.R 41.56—Sanctions

The proposal makes no case why sanctions are needed in regard to *ex parte* appeals before the BPAI. Sanctions normally apply in proceedings where all parties to the case are subject to their reach, and it is not understood that the USPTO is proposing that examiners will be subject to these sanctions.

Many of the new provisions of the rules are ambiguous as to exactly what is needed to comply. Sanctions are proposed for failure to comply with an applicable rule. It is truly overreaching to subject the author of every Appeal Brief found to be noncompliant under the proposed new rules to these sanctions.

One of the proposed sanctions is an order declining to enter a docket notice. Since the BPAI would assume jurisdiction only once the docket notice is entered (under Proposed Bd.R 41.35(a)), it is not clear whence the BPAI's jurisdiction would come in order to impose this sanction. Furthermore, in proposing that a docket notice not be entered, thus forestalling the appeal, it is not clear whether it is envisioned that the BPAI will review the entire prosecution history prior to entering a docket notice to determine whether sanctions are warranted.

This section is ambiguous and unwarranted, and should be withdrawn.

Summary

Implementation of the proposed rules would significantly increase the difficulty and cost of preparing an Appeal Brief, without any improvement in the ability of an examiner or the BPAI to understand and consider appellant's position on appeal.

Since a substantial number of cases having Appeal Briefs filed under the current rules have prosecution reopened or are allowed, the justification for the new rules is far from clear, and has not been identified in the proposals. Given that the USPTO itself has created the need for more appeals through the limitation on the number of continuation applications and RCEs that an applicant can file, the proposed appeal rules should be withdrawn.

If anything, the rules regarding *ex parte* appeals should be changed to make appeals simpler and less expensive. One suggestion is that the USPTO withdraw the current proposal and, if the current rules are seen to be unworkable or otherwise inefficient from the BPAI's viewpoint, identify those concerns and ask for public comment on how the identified problems can be corrected to the satisfaction of all concerned.

Intellectual Ventures looks forward to work by the U.S. Patent Office in conjunction with these issues, and remains available to comment further as additional specific proposals are developed.

Respectfully submitted,

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