

January 14, 2011

The Honorable David J. Kappos
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

**Response to Request for Comments on “Proposed Rules of Practice
Before the Board of Patent Appeals and Interferences in Ex Parte Appeals”
75 Federal Register 69828 (November 15, 2010)**

Dear Under Secretary Kappos:

The American Intellectual Property Law Association (AIPLA) appreciates the opportunity to offer comments on the “Notice of Proposed Rulemaking Regarding the Rules of Practice Before the Board of Patent Appeals and Interferences (Board) in Ex Parte Appeals (Notice).”

AIPLA is a national bar association with approximately 16,000 members who are primarily intellectual property lawyers and other practitioners in private and corporate practice, in government service, and in the academic community. AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. Its members represent both owners and users of intellectual property.

AIPLA supports the proposal to rescind the stayed final rule that contained several provisions considered very controversial by most practitioners. We commend the U.S. Patent and Trademark Office (USPTO) for the opportunities it has afforded the public to contribute to the development of practices and procedures that will make ex parte appellate practice efficient and effective. We are pleased that the USPTO has adopted the goal of simplifying the appellate process in a manner that effects an overall lessening of the burden on appellants and examiners to present an appeal to the Board. We understand the proposed rules are intended to be applicable to ex parte appeals on patent applications (including reissue, design and plant patent applications) and ex parte reexamination proceedings, but not appeals in inter partes reexamination or contested cases.

Please consider the following comments on specific proposals in the Notice that should be either clarified or reconsidered.

Comments on Specific Sections

§ 41.30 Definitions

The proposed rule states that the term “Record” means the items listed in the content listing of the image file wrapper of the official file of the application or reexamination proceeding on appeal, excluding papers that were denied entry. While this seems appropriate for the vast majority of files that are maintained as an image file wrapper, it does not appear to take into account the older applications that are still maintained in paper form. Clarification of the definition of “Record” is requested for files that are not maintained as an image file wrapper.

§ 41.31 Appeal to Board

AIPLA supports the retention of the provision that a notice of appeal need not be signed (§ 41.31(b)), and the adoption of the presumption that an appeal is taken from the rejection of all claims under rejection unless cancelled by an appropriate amendment (§ 41.31(c)).

Section 41.31(c) also provides that “[q]uestions relating to matters not affecting the merits of the invention may be required to be settled before an appeal can be considered.” (Emphasis added.) It is not clear whether this applies to questions created by actions of the examiner, of the appellant, or even of the Board considering the appeal. Clarification is requested.

§ 41.33 Amendments and Affidavits or Other Evidence After Appeal

The USPTO has reconsidered its initial notice and declined to propose a more flexible approach to the restriction on the types of amendments and evidence that can be filed after filing an appeal or appeal brief. This is an unfortunate decision which will simply encourage additional USPTO actions and Requests for Continued Examination (RCEs) to achieve the same result. It is possible that introducing amendments/evidence just before the case is transmitted to the Board may deny the Board a full development of the issues. However, the examiner would retain the discretion to deny any amendment or the introduction of any evidence that was controversial. On the other hand, if rejections can easily be overcome or appeals withdrawn as a result of last-minute amendments and/or evidence, it is in everyone’s best interest to expedite the process. Further reconsideration is requested.

§ 41.35 Jurisdiction Over Appeal

This section proposes that jurisdiction over the appeal passes to the Board upon the filing of a reply brief or the expiration of the time by which to file such a reply brief, whichever is earlier. The Board plans to continue to issue a docket notice as a courtesy to appellants and as an indication that the Board actually has jurisdiction of the appeal. Although the Notice makes clear that examiners would no longer be required to acknowledge receipt of reply briefs, it is not clear whether an examiner would have discretion to consider reply briefs or be required to do so.

For the same reasons articulated by the USPTO in declining to adopt the suggestion that the Board acquire jurisdiction upon filing a notice of appeal, AIPLA suggests that examiners be required to consider reply briefs and acknowledge that consideration before jurisdiction passes to the Board. As noted by the USPTO, if the Board takes jurisdiction too soon, it would foreclose the opportunity for the examiner, upon reviewing the brief (or reply brief), to find some or all of the appealed claims patentable prior to the Board taking jurisdiction, thus obviating the need to proceed with the appeal. The USPTO should reconsider the jurisdiction issue.

In paragraph (b) of proposed § 41.35, the USPTO is proposing to remove from the current rule the provision that gives the Board the power to return an appeal to the examiner, but the proposed subparagraph (b)(1) would permit a Director-ordered remand to the examiner. Since the Director presumably can delegate that authority, it does not appear that this proposal will remedy the problem created by remand authority, *i.e.*, an opportunity for the examination process to be protracted without resolving an examiner's initial errors. The remand authority removes the incentive for an examiner to do a good and complete job the first time around. AIPLA believes that remands should take place only at the applicant's initiative.

§ 41.37 Appeal Brief

AIPLA supports and appreciates the efforts made by the USPTO to simplify the current briefing requirements for an appeal brief. Specifically, the proposal would eliminate requirements to include statements of the status of claims and grounds of rejection to be reviewed on appeal and the requirements to include a claims appendix, an evidence appendix and a related proceedings appendix.

AIPLA supports these changes except for the proposal relating to the claims appendix. According to the Notice (75 Fed. Reg. at 69836), the requirement for a claims appendix is being deleted because the last entered amendment is the most accurate reflection of the claims on appeal. This may be true for applications amended in accordance with 37 C.F.R. § 1.121 where all pending claims are reproduced. However it is not true in reissue applications (37 C.F.R. § 1.173(b)(2); MPEP 1453) and reexamination proceedings (37 C.F.R. § 1.530(d)(2); MPEP 2250) where only the claims amended or new claims presented appear. Unless and until the USPTO makes uniform the claim amendment practices in all the matters covered by the proposed rulemaking, the latest entered amendment may not reflect all pending claims on appeal. Reconsideration and clarification are requested.

Pro Se Appellant

The provisions of proposed paragraph (c)(1) of § 41.37 indicate that an appellant who is not represented by a registered practitioner need only substantially comply with certain subparagraphs of this section. While it is appropriate to impose fewer requirements on *pro se* appellants, the proposal is not clear as to whether such an appellant must comply with all requirements, but only substantially as to some, or whether such an appellant does not have to comply with all requirements, and only substantially as to the identified paragraphs. Clarification is requested. We also question the wisdom of exempting even a *pro se* appellant from identifying the date the last entered amendment was filed, since no one should be pursuing an appeal if they are not familiar with the claims on appeal.

Summary of Claimed Subject Matter

This section would require an annotated copy of each of the rejected independent claims, which shall, for each limitation “in dispute” by appellant, contain a reference to the specification and drawings sufficient to understand the claim. It is not clear why there is not a similar requirement for each dependent claim that is separately argued. The proposed requirement lacks clarity as to what the term “in dispute” is intended to cover. While the meaning may be clear in certain circumstances, *e.g.*, where a particular limitation has been rejected for lack of a written description or enablement, it will not be clear in many other circumstances where prior art issues are involved. Presumably, if appellant does not regard any limitation to be in dispute, this requirement does not exist and appellant would not properly receive a non-compliant brief notice on this ground.

§ 41.39 Examiner’s Answer

Proposed subparagraph (a)(2) would authorize the examiner to make a new ground of rejection in the examiner’s answer if approved by the Director. It further would provide that any rejection that relies on new evidence not relied on in the Office action from which the appeal is taken (as modified by any advisory action) shall be designated as a new ground of rejection. The USPTO has implicitly recognized that new grounds of rejection are often introduced in an advisory action, but there is no opportunity for relief from the modification that often occurs. As the USPTO is proposing to provide an appellant the opportunity to seek review of the primary examiner’s failure to designate a rejection as a new ground of rejection in an examiner’s answer, it should also provide appropriate relief when such a new ground is introduced by way of advisory action.

§ 41.40 Tolling of Time Period to File a Reply Brief

AIPLA supports this proposal which would toll the time period for filing a reply brief when a timely filed petition under § 1.181 was filed seeking review of an examiner’s failure to designate a rejection as a new ground of rejection in the examiner’s answer. If the petition is not granted, the two-month period to file the reply brief is reset to begin on the date of the petition decision. It is also suggested that these petitions be considered by some independent body, such as the Office of Patent Legal Administration, that is thoroughly familiar with the case law regarding new grounds of rejection and is not under the control of the same Technology Center conducting the examination.

AIPLA supports the flexible approach proposed to be adopted by the USPTO in requests for rehearing that would allow appellants to present new arguments when they believe the Board has made a new ground of rejection that has not been so designated. The deletion of the section on “Sanctions” is also a positive development.

Statistics re Pre-Appeal Brief Conference and Appeal Conference Effects

AIPLA appreciates the publication of statistics on the two procedures that can eliminate the need for appeals to be transmitted to the Board for decision. 75 Fed. Reg. at 69831. With an appeal backlog at the Board continuing to increase to unprecedented levels (backlog is reported to be 19,232 at the end of November 2010, compared to less than 1,000 at the end of FY 2005), it is increasingly important to filter out those cases that should not be transmitted to the Board.

The published statistics show that both the Pre-Appeal Conference Request that must be filed before the appeal brief and the Appeal Conference that occurs after an appeal brief has been filed have been reasonably successful in preventing improper rejections from reaching the Board.

Although not directly related to the Board's responsibilities, the statistics also appear to indicate that nearly 2 out of every 5 cases taken to these conferences do not proceed to the Board and that this rate has remained unchanged for at least the last five years. With respect to the Pre-Appeal Conference Requests, it appears that nearly 40% of those requests do not proceed to the Board. With respect to the Appeal Conference statistics, approximately the same rate can be inferred from the percent of cases in which an examiner's answer was filed, *i.e.*, 60% of the cases requiring an examiner's answer proceeded to the Board and the remaining 40% did not. These two types of conferences have clear differences, but it is surprising to see no significant change for either in the percent of cases that proceed to the Board.

Without drawing any conclusions, AIPLA suggests that the meaning of these statistics is worth investigating for other aspects of the examination process. Do the relatively constant percentages suggest anything about the process or the success of training efforts to improve quality? Do they say anything about the quality of the actions taken to conference?

AIPLA recognizes that the quality of final rejections is not a responsibility of the Board, but this still represents a problem for the Board as it struggles to decide appeals effectively and efficiently. Steps should be taken to more effectively supervise and monitor the quality of final Office actions to avoid unnecessary appeals that add to the cost and time to obtain a patent, and add to the increasing inventory of undecided appeals pending at the Board. The Board clearly needs additional staff to manage its increasing workload, but its job can be made more manageable by a significant effort to improve the quality of final actions.

AIPLA appreciates the opportunity to provide these comments on the Notice of Proposed Rulemaking. We would be pleased to answer any questions these comments may raise and look forward to participation in the continuing development of rules appropriate for ex parte practice.

Sincerely



Q. Todd Dickinson
Executive Director