

New Rules of Practice Before the Board of Patent Appeals and Interferences - The Proposed Rules for Ex Parte Appeals, Appeals Data, and Practice Advice

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I. Introduction

Ex parte appeals before the Board of Patent Appeals and Interferences ("BPAI") involve procedural and substantive issues that do not exist in ex parte prosecution. This paper considers those issues, particularly in the context of the anticipated new rules based upon the Notice of Proposed Rulemaking, "Rules of Practice Before the Board of Patent Appeals and Interferences" 72 FR 41472 (July 20, 2007). That publication contains both proposed rules of practice (herein after the "proposed rules") and discussions of those proposed rules (herein after "discussion"). I spoke with both BPAI Chief Administrative Patent Judge ("CAPJ") Fleming, BPAI Appeals Administrator Dale Shaw, and Kery Fries in the Office of Patent Legal Administration ("OPLA") in preparing this paper, and I thank them for their insights. In addition, CAPJ Fleming recently identified to me his requested changes to the proposed rules, which I identify herein during the discussion of the rules. This paper deals primarily with rules and procedures, not substantive law or advice. However, full compliance with applicable rules is *extremely important* in BPAI appeals, even more so under the proposed rules, since compliance affects pendency, patent term, and the substantive decision on the appeal.²

II. Delays in Prosecution in Ex Parte Appeals

Delays in prosecution defer issuance of a patent. The delay caused by a successful appeal results in Patent Term Adjustment ("PTA"), to the extent that such delay is not the fault of the appellant.³ Since delay affects pendency and patent term, it is useful to understand the causes of delay in appeals. This section examines appeals data to determine the causes and amounts of appeals related delay.

Tables I-III in the Appendix contain appeals data in applications that I prosecuted. Table IV in the Appendix contains appeals data derived the BPAI FOIA final decisions database.⁴

Table I identifies fifteen applications containing appeals. I identified those applications by sequencing through docket numbers for certain clients, identifying those containing an appeal,

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²Ex parte Letts, (BPAI, January 31, 2008)(precedential)("In taking the action we take today, we wish to make clear that publication of this opinion is intended to put appellants on notice of the ineffectiveness of a conditional withdrawal of a claim. With this notice, appellants should not expect the Board in the future to exercise discretion to permit them from avoiding the consequence of such an approach. *Adherence to the requirements of the rules is essential* if the Board is to efficiently handle the increasing docket of ex parte appeals it is currently receiving." Italics supplied for emphasis.)

³35 USC 154(b)(1)(C)(iii) and (b)(2)(C).

⁴At <http://des.uspto.gov/Foia/BPAIReadingRoom.jsp>.

and including those applications in Table I. Significantly, most of the cases in Table I are in the business methods area. Table II represents appeal statistics for the fifteen applications of Table I. Table III lists average delays in appeals derived from cases in Table I.

Table IV lists data on appeals from the fifteen most recent records, as of March 21, 2008, in the BPAI FOIA final decisions database. This data differs from data for Tables I-III in that it looks back in time on cases having the most recently decided appeals, and was not selected based upon technology area.

Tables II-III suggests a problem with appeals disappearing in the USPTO for substantial periods of time with no action, at least in the business methods area or at least for older cases than those currently receiving decisions on appeal.⁵ Out of those fifteen cases, there were ten administrative remands from the BPAI to the examiner causing an average delay of twenty one months. Table IV shows that in fifteen recent appeals decisions, such remands occurred in two cases, causing an average delay of six months.

In addition, both data sets show that it is more likely than not that an appeal will receive at least one notice from the examiner in response to an appeal brief requiring the appellant to file a corrected appeal brief. The delay from the time the appellant responded to such a notice until the next official action averaged nine months in the Table I cases and 3 months in the Table IV cases.

In addition, both data sets show that the average time from filing the first appeal brief until docketing at the BPAI or a panel decision is on the order of two years.

Moreover, some cases fall at the extreme ends of the bell curve. For example, in application 09/307,988, a decision on appeal has been delayed for five years merely due to the examiner's alleging non compliance with brief formalities. In 09/478,351, a decision on appeal has been delayed four years because of repeated BPAI Orders remanding the case to the examiner to correct the record.

In addition, some cases relating to BPAI proceedings seem to fall off the USPTO docket system. For example, in application 10/733,292, there was a six year period after a favorable BPAI decision in an interference until action by the examiner, and only in response to a status inquiry from the applicant. Similarly, in 09/307,988, there was a period of over three years after a brief filed in response to a Notice of defective brief until action by the examiner, and only in response to multiple status inquiries from the applicant.

III. Underlying Causes of the Delays in Ex Parte Appeals

The various basis for the examiners reopening prosecution in response to an appeal brief include both new grounds of rejection and new requirements for restriction.⁶

⁵See Gholz, "The Black Hole of the Interference System," 6 Intellectual Property Today No. 11 at page 26 (1999), for a similar phenomena identified in the past with interferences.

⁶In those cases receiving a restriction requirement in response to an appeal brief, I petitioned against the restriction requirement. In those cases, I had no decision as of March 2008, on those petitions. The existence of those undecided petitions formed at least part of the basis for two of the administrative remands from the BPAI to the examining corps noted in the data in the Appendix.

The various basis for the examiners' requiring corrected appeal briefs included: lack of page and line numbers in support section for dependent claims not containing means plus function recitations (an erroneous requirement); lack of reference to structural drawings' elements in showing of support for method claims (an erroneous requirement); a signature block listed two attorneys's names but contained only one attorney's signature (an erroneous requirement); incorrect list of which claims were pending (a proper requirement); brief properly filed pursuant to 37 CFR 1.192 (old rules) not complying with the requirements of 37 CFR 41.37 (an erroneous requirement); and use of the word "whether" in stating the issues (an erroneous requirement)⁷. The majority of the Notices requiring corrected briefs were improper since the alleged failures of the briefs were erroneous.

The various Orders from the BPAI administratively remanding for action by the examiners contained the following requirements: to review and correct identification of appealed claims; to consider on the record Information Disclosure Statements ("IDSs") for which there is no record of its consideration; to decide undecided petitions against a restriction requirement; to identify on the record whether terminal disclaimers were entered; to identify whether an amendment was considered by examiner.

In at least two cases (10/733,292 and 09/307,988), it was clear that the delay was caused by the USPTO's failure to docket any action.

I spoke with Appeals Administrator Dale Shaw regarding how the Board handles defective records. Dale indicated that existing BPAI procedure is to review files transferred to the BPAI to ensure that their records are correct and that the papers in the appeal comply with regulatory and MPEP requirements. When they do not comply, the BPAI issues an order directed to the examining corps. Some of those orders require action by the appellant, and some by the examining corps.

Dale indicated the common basis for such orders requiring action by the appellant included:

1. Incomplete evidence section; missing cited evidence.
2. Defective summary of claimed subject matter. For example, failure to show support for claims wherein a MPF dependent claim was argued separately.
3. Defective claims appendix, for example a claims appendix listing claims as amended by an amendment after final that was not entered.
4. A defective related proceedings appendix. For example a partial document, missing certain pages or a 2 sided document only one side of which was copied.
5. Unsigned briefs.

Dale indicated that the basis for such orders requiring action by the examining corps included:

1. Papers not acted on, such an IDS or petition.
2. Examiners' answers failing to properly list the applied prior art.
3. Examiners' answers containing a new ground of rejection without an authorizing signature from TC director or delegee (as required by MPEP 1207.03)
4. Supplemental examiners' answers without authorizing signature from TC director or

⁷In application 10/497,852, which does not appear in Table I.

delegee (as required by MPEP 1207.03)

IV. How to Minimize Delays in Ex Parte Appeals

The data shows that most appeal proceedings contain avoidable delays of the types noted above. One can minimize those delays by implementing the following procedures.

Upon preparing to file an appeal, review the record to identify issues that might result in the BPAI issuing an order sending the file back to the examiner, inform the examiner or the SPE of those issues, and request prompt correction. These issues include: consideration of IDSs, terminal disclaimers, outstanding petitions; errors in office communications such as improper identification of claims status or citations of references; and accuracy of the statements in the examiner's answer.

Discuss with the examiner concerns about a draft brief requirement, if you have any doubt, to avoid a notice of defective brief.

Review the record for compliance the issues noted above. One mechanism to effectively bring those issues to the examiner's attention is to identify them in a brief. Table VI in the Appendix is an example of this practice. Table VI contains text filed in a second reply brief in 09/505,632 that identifies errors in that application's record.

Always docket status check reminders to make sure your case does not languish, and if there is no action on your case for an unusual period of time, take appropriate action.

Finally, *a compliant brief will be both more difficult and more important when the proposed rules are promulgated.* Double check or triple check your briefs against the applicable rules when you think they are done and ready for filing. This issue is so important that I may implement at my firm a brief pre-filing check list to ensure we comply.

V. Background to Rules In Ex Parte Appeals

The existing rules of practice before the BPAI reside in 37 CFR 41. 37 CFR 41 is relatively new, promulgated by the final rule package at 69 FR 49960 (August 12, 2004). Those rules were ostensibly implemented to "address concerns about the duration of proceedings before the Board." 69 FR 49960.

Rules generally applicable to BPAI proceedings reside in 37 CFR 41, subpart A, which includes rules 41.1 to 41.20. Rules applicable to ex parte appeals reside in 37 CFR 41, subpart B, which includes rules 41.30 to 41.56. These divisions are maintained by the proposed rules.

The proposed rules provide a few changes to subpart A and completely replaces subpart B. The discussion states that the purpose of the proposed rules is to reduce the number of appeals proceedings, reduce pendency of appeals, reduce PTA, and make the decision making process more efficient. 72 FR 41472. The proposed rules include changes to both appeals procedure and brief content. The following section contains a description of both procedural and brief content requirements under the proposed rules.

VI. Proposed Rules in 37 CFR SubPart A - General Provisions

37 CFR 41, Subpart A contains the following changes to practice.

41.2 is proposed to revise the definitions of "Board" and "Contested Case".

41.3 is titled "Petitions". 41.3(a) is titled "Deciding Official."

41.3(a) is proposed to require that, for any filed petition authorized under 37 CFR 41, a copy be filed that is addressed to the CAPJ. The discussion of specific rules states that this requirement is to minimize the chance that a petition may be overlooked. The additional requirement to file a copy is of course an additional requirement and therefore additional burden on the petitioner. 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) is proposed to specify that 41.3 covers petitions on matters "pending before the Board," petitions authorized under 37 CFR 41, and petitions under 35 USC 135(c). Proposed 41.3(b) excludes petitions on issues committed by statute to a panel and procedural issues in contested cases.

The discussion states that proposed 41.3 would authorize the CAPJ to decide petitions for an extension of time after an appeal brief is filed, and to enlarge the page limits of briefs and requests for rehearing. That is, while an appellant is still before the examiner and while the examining corps still had jurisdiction over the file, these types of petitions would be decided by the CAPJ. Moreover, the proposed rules uniformly require a petition under 41.3 be timely filed and granted in order for the appellant to be accorded procedural relief from any requirement. For example, an enlargement of a page limit, or an extension of time to file any brief or request in an appeal.⁸

41.4 is titled "Timeliness", and it deals with standard for granting extensions of time.

Proposed 41.4(b)(1) provides for revival of an application or reexamination proceeding before the BPAI pursuant to 37 CFR 1.137, which is the rule for revival of applications based upon unintentional and unavoidable abandonment.

Proposed 41.4(b)(2) provides a standard for excusing a late filing not resulting in abandonment, the standard of "excusable neglect or a Board determination that consideration on the merits would be in the interests of justice."

Proposed 41.4(c) states that rule 41 "governs proceedings before the Board, but does not apply to filings related to Board proceedings before or after the Board has jurisdiction." It provides the examples of extensions during ex parte prosecution, and the filing of a notice of appeal or an appeal brief as related proceedings for which rule 41 does not apply.

It appears that rule 41 governs standards for petitions while the BPAI has jurisdiction, which begins after they docket an appeal. However, rule 41.3 and the discussion indicate that the CAPJ (or the CAPJ's delegee) will decide petitions for increase of the brief page limit and the brief filing deadline, which must be filed before the BPAI has jurisdiction. Apparently, the 4.14 standards would not apply to such petitions.

⁸The only brief for which one may not petition for an extension of time is a brief in response to a Board order requiring the appellant to brief matter or supply information defined in a proposed 41.47(f) requirement for briefing; see 41.47(g).

CAPJ Fleming recently indicated to me that he no longer supported the proposed rules relating to petitions. Apparently, CAPJ Fleming believes the USPTO can effectively allocate decision making responsibility for petitions without rule making.

VII. Proposed Rules in 37 CFR SubPart B - Ex Parte Appeals Provisions

The proposed rules replace all rules in subpart B with new versions of those rules and add new rule 41.44.

Existing 41.30 contains definitions. 41.30 is proposed to include a definition of "record on appeal". The record on appeal is proposed to include the specification and drawings, all US patent references of record, the appeal brief, all examiner's answer and reply briefs, requests for rehearing, orders or decisions entered by the Board or CAPJ, and any other evidence considered, as indicated in any opinion. The discussion indicates that this definition would clarify to a reviewing Court what constituted the record below.

The impact of defining the record on appeal is unclear. This is because the record on appeal is defined by rules of the Court, not the definitions of the BPAI.⁹

The differences between existing and proposed rules are summarized in Table V in the Appendix.

A. Right of Appeal and Whether to Appeal

While the examiner may cite new evidence and the examiner and the BPAI may enter new grounds of rejection throughout the appeal proceeding, the appellant is stuck with his appealed claims and may not present new evidence after filing a brief. In view of those disadvantages, the appellant should have all possibly relevant evidence and all foreseeable backup limitations claimed in response to the first office action, that is, before a final rejection, to increase the likelihood of success on appeal.

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; two office actions rejecting a claim for a patent in a pending application.¹⁰

The language of the statute, particularly 35 USC 134(a), suggests that the attorney is

⁹Federal Rules of Civil Procedure 30 requires the appellant to prepare and file an appendix to the brief, which constitutes the record on appeal. The appendix must contain *only* relevant documents. The corresponding Court of Appeals for the Federal Circuit ("CAFC") rule 30 specifies its purpose is to limit the size of the appendix (a.k.a. record on appeal). In fact, CAFC rule 30(2)(B) *prohibits* including parts of the record that are not referenced in a brief. Moreover, CAFC rule 30(2)(D) requires *the appellee to advance costs to the appellant* for including in the appendix items not referenced in the briefs. It is hard to imagine the Solicitor's office (representing the Director appellee in the CAFC) violating CAFC 30(2)(B) just to comport the record on appeal to the CAFC with the BPAI definition of record on appeal!

¹⁰35 USC 134; Ex parte Lemoine, 46 USPQ2d 1420 (BPAI 1994)(precedential decision).

directly representing the applicant in any appeal. Applicant means the inventor.¹¹ This raises a concern regarding practitioners duties to inventors, and whether an attorney client relationship exists with inventors when the practitioner is engaged by the assignee. However, judicial interpretation of representation in patent applications indicates that merely having a power of attorney from the inventor does not establish an inventor attorney client relationship.¹²

The appeals data discussed above shows that in many cases the examiner re-opened prosecution in response to an appeal brief or issued a Notice requiring the appellant to file a corrected brief. Anticipate these factors in deciding whether to appeal and advising clients what to expect.

Although not specifically stated in the existing or proposed rules, the appellant may respond to an office action reopening prosecution by filing another appeal brief and a new notice of appeal, which procedure will maintain the accumulated PTA.¹³ Given the negative impact on PTA of resuming prosecution (loss of all potential PTA due to the appeal proceeding), I usually maintain the appeal by filing a brief in response to the examiner reopening prosecution.¹⁴

For the same reason, I petition against improper requirements, pointing out why PTA

¹¹35 USC 134(a) states that "An applicant for a patent, any of whose claims has [sic] been twice rejected, may appeal". 35 USC 115, 116, and 261 are statutory provisions defining 35 USC 134's "applicant for a patent" and "patent owner". 35 USC 115 states in pertinent part that "The applicant shall make oath that he believes himself to be the original and first inventor." 35 USC 116 states in pertinent part that "When an invention is made by two or more persons jointly, they shall apply for patent jointly and each make the required oath, except as otherwise provided in this title." These sections define applicant to mean inventor.

¹²*Sun Studs, Inc., v. Applied Theory Associates, Inc.*, 772 F.2d 1557; 1568 70 , 1985 U.S. App. LEXIS 15269, ; 227 USPQ 81, (CAFC 1985)("General principles of agency law indicate that a power of attorney does not ipso facto create an attorney client relationship. For example, one who grants a power of attorney for the benefit of a third person does not create an attorney client relationship between the grantor and the attorney.*** Hunter's power of attorney was given for the benefit of Sun Studs, not for his own or ATA's benefit. *** Based on the foregoing, we hold that there was no sound basis for the trial court to disqualify the Chernoff firm, and accordingly reverse that portion of the judgment.")

¹³Question and answer D2 and D3 at the BPAI's web page <http://www.uspto.gov/web/offices/dcom/bpai/fr2004/bpaifaq.html> reads as follows:

D2. If prosecution is reopened and a subsequent appeal is taken, will applicant be required to again file a notice of appeal and an appeal brief and pay the notice of appeal and appeal brief fees?

If appellant wishes to file a second appeal, appellant must file a second notice of appeal and an appeal brief in compliance with § 41.37(c)(1). Once the notice of appeal and appeal brief fees have been paid, however, a second set of notice of appeal and appeal brief fees will not be required except if a final Board decision has been made on the first appeal. See Rules of Practice Before the Board of Patent Appeals and Interferences, 69 Fed. Reg. 49959 [PDF], 49975 (August 12, 2004) (final rule), answer to Comment 44. If, however, the fees set forth in 37 CFR 41.20 have increased since they were previously paid, then applicants must pay the difference between the current fee(s) and the amount previously paid.

D3. How does an applicant reinstate an appeal? [updated 4Jan2005]

An applicant can reinstate an appeal by filing a second notice of appeal in compliance with 37 CFR 41.31 and a complete new brief in compliance with 37 CFR 41.37. Any fees paid for the notice of appeal, appeal brief, and request for an oral hearing (if applicable) will be applied to the reinstated or second appeal on the same application as long as a final Board decision has not been made on the first appeal. If, however, the appeal fees set forth in 37 CFR 41.20 have increased since they were previously paid, then applicants must pay the difference between the current fee(s) and the amount previously paid.

¹⁴37 CFR 1.703(b)(4) provides for PTA from the date the notice of appeal is filed until the date of a final decision of the BPAI, Court, or notice of allowance, pursuant to 37 CFR 1.702(e).

should not be reduced.¹⁵ A successful petition, or even a petition dismissed as moot, will vitiate an argument in litigation that the PTO improperly extended the term of the patent by failing to subtract time due to a response to a Notice requiring a corrected brief.

B. Initiating an Ex Parte Appeal

Proposed 41.31 is titled "Appeal to Board". It states the requirements for appeal, including the Notice of appeal, fee, time limit for filing, and extensions of time under 1.136(a).

Proposed 41.31(e) requires that a petitionable issue be "timely presented before jurisdiction over an appeal is transferred to the Board," noting that failure to timely petition may constitute waiver. This "waiver" notice imposes a new regulatory requirement.

As noted in the appeal cases data in the Appendix, the examiners' responses to a significant number of appeal briefs has been issuance of a restriction requirement. It has been and remains necessary to petition from a restriction before jurisdiction on an appeal passes to the BPAI. 37 CFR 1.144 (petition must be filed not later than appeal). However, 41.31(e) suggests that additional issues might require a petition before appeal in order to avoid waiver. For example, some objections to claims are tantamount to rejections of the claims. In those types of situations, I have in the past identified in appeal briefs those issues as rejections of claims, and requested the BPAI issue a decision thereon. Under proposed rule 41.31, it would have been necessary to petition against objections that are tantamount to rejections of claims, before jurisdiction for an appeal passes to the BPAI, in order to preserve those issues.

The discussion of proposed 41.31(e) provides the additional examples of an examiner refusing to enter a paper, such as an appeal brief or a response to a final rejection, as petitionable, and for which failure to timely petition will result in waiver. An examiner's refusal to enter a brief presumably is concurrent with the an examiner's issuing a Notice requiring the appellant to file a corrected brief. If refusal to enter the brief is improper, the appellant may consider petitioning against it to avoid an issue relating to loss of PTA. Failure to petition may impact patent term because 37 CFR 1.704(c)(7).

Proposed 41.33 is titled "Amendments and evidence after appeal". Under existing 41.33, no new evidence is admissible after filing a notice of appeal. Under proposed 41.33, specifically 41.33(d), evidence filed after a notice of appeal and prior to the date the brief is filed may be admitted by the examiner on (1) a showing of good cause and (2) if the examiner determines that the evidence overcomes some or all rejections under appeal.¹⁶

The goal of this proposed rule change is to dispose of appeals, or at least issues in appeals, so that those issues do not consume BPAI panel time. While the rule is useful, there appears to be no basis to require the showing of good cause in order to achieve the intended result of reducing issues requiring decision by the BPAI. That is, if late filed evidence will reduce an issue, whether the applicant shows good cause for its untimely submission of the evidence or not, why limit the examiner's discretion in considering that evidence?

¹⁵37 CFR 1.704(c)(7) reduces PTA by *the period between "[s]ubmission of a reply having an omission" and [the date the reply or other paper correcting the omission was filed]*.

¹⁶The discussion of this rule is confused. I rely here on the proposed rule.

C. Jurisdiction of the BPAI in an Ex Parte Appeal

41.35 is titled "Jurisdiction over appeal". Existing 41.35(a) specifies that the BPAI obtains jurisdiction when it receives the file. In contrast, proposed rule 41.35(a) specifies that the BPAI jurisdiction begins when "a docket notice is entered by the Board." Proposed 41.35(b) specifies that BPAI jurisdiction ends when the BPAI remands to the examiner or after a final decision when judicial review is sought or the time for review expires.

The impact of proposed 41.35(a) is to dramatically limit the time that a case falls under the jurisdiction of the BPAI. The current BPAI practice is to receive a file but not docket it as at the BPAI until after the BPAI concludes that there is no need for an Order administratively remanding the file to the examining corps. Under the current jurisdictional rule, the time the file is in the black hole between the BPAI and the examining corps it is under BPAI jurisdiction. Under proposed 41.3, a case on administrative remand never actually enters BPAI jurisdiction. Hence, during that time, it is unclear which petitions, other than those specified for page enlargement and extensions of time, should be directed to the CAPJ. For example, would a petition complaining of black hole delay, a new restriction, or objections that are in effect rejections, be directed to the CAPJ, or not? If so, one must copy the CAPJ on such a petition.

The jurisdictional issue may also dramatically affect appellants. The authority for examiners to issue notices of non compliance of appeal briefs appears to reside in existing rule 41.39(a)(2), last sentence. The proposed rules contain no corresponding authority. This change suggests a change in internal USPTO policy wherein the examiner will be relieved from the obligation to review the briefs for regulatory compliance.

This might seem like a welcome change, since a majority of appeals incur at least one notice requiring a corrected brief for lack of regulatory compliance, and each such notice results in an enlargement of pendency on the order of many months. Moreover, my experience with such notices is that the majority of them are improper. However, if the examiners are precluded from issuing such requirements, and in fact a brief does not literally comply with the 41.37 brief requirements, then action on that lack of compliance may be delayed until the file is received and reviewed at the BPAI. That occurs typically years after the appeal is filed. The substantive consequences of such a change in USPTO procedure may be dramatic, for two reasons.

1. Potential Impact on PTA

a. USPTO Position and Construction of the Rules

First, it may impact patent term via PTA based upon the appeal. Construction of the USPTO rules suggests that PTA may be reduced by the period of time between filing the defective brief and the corrected brief.¹⁷ If the USPTO delays identifying defects in briefs,

¹⁷35 USC 154(b)(1)(C)(iii) provides for PTA ("PTA") in case where appellate review results in "a decision in the review reversing an adverse determination of patentability." 35 USC 154(b)(2) reduces 35 USC 154(b)(1)(C)(iii) PTA by the period of time during which the applicant failed to engage in reasonable efforts to conclude prosecution." 37 CFR 1.704(c)(7) reduces PTA by *the period between when a defective paper purporting to respond to an action was filed to the date a paper curing the defect was filed.*

construction of the rules suggests that the amount of PTA lost will increase proportionally. Specifically, 37 CFR 1.704(c)(7) identifies one of the enumerated circumstances in which the Director will deem the applicant to not have engaged in reasonable efforts to conclude prosecution, and therefore provide for a loss of otherwise accumulated PTA. 37 CFR 1.704(c)(7) reads as follow:

(7) Submission of a reply having an omission (§1.135(c)), in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the day after the date the reply having an omission was filed and ending on the date that the reply or other paper correcting the omission was filed;

I discussed the issue of PTA relating to appeals with Kery Fries of OPLA in some detail. He informed me that current procedure in the USPTO is to not subtract time from PTA due to an applicant's filing of a corrected paper during an appeal in response to a Notice requiring correction of an appeal brief (including reply brief). He indicated that the reason is that the USPTO does not consider an appeal brief to be a "reply" within the meaning of 37 CFR 1.704(c)(7). Specifically, he stated via email that:

Enclosed please find a response to your inquiry. Sorry for any delay in responding to your inquiry. The answer to your inquiry is that the Office does not assess a reduction for a non-compliant brief because the rule (37 CFR 1.704(c)(7)) is for submission of a reply having an omission (37 CFR 1.135(c) in which case the period of adjustment set forth in 37 CFR 1.703 shall be reduced ...

The operative word is reply. The submission of the appeal brief is not considered a reply to the Office. Rather the submission of an appeal brief is necessary to perfect appeal. The Office is not reducing for noncompliant briefs under 37 CFR 1.704(c)(7). In addition, presently note that the Office does not reduce for applicant's appeal brief that is more than three month's from date of notice of appeal because the submission of a appeal brief is not a reply to notice or office action by the Office. See 37 CFR 1.704(b).

I do note that the Office does have authority in deeming certain activities as failure to engage but presently we have not deemed such periods as reductions. See 35 USC 154(C)(iii). [Email from Kery Fries to Rick Neifeld dated 5/5/2008.]

However, there appears to be no official record position (proposed rules comments, final rules comments, Q and A's or O.G. notices) supporting that official USPTO interpretation.

Moreover, the official interpretation of the USPTO of the meaning of "reply" noted above, that is, the official position of the USPTO interpreting one of its own rules, is arguably inconsistent with USPTO rules, as noted below.

37 CFR 1.704(c)(7) refers to section 1.135(c), which reads:

(c) When reply by the applicant is a bona fide attempt to advance the application to final action, and is substantially a complete reply to the non-final Office action, but consideration of some matter or compliance with some requirement has been inadvertently omitted, applicant may be given a new time period for reply under § 1.134 to supply the omission.

What is the antecedent for "reply" in 37 CFR 1.704(c)(7)? That antecedent appears in 37 CFR 1.704(b) which reads as follows:

(b) With respect to the grounds for adjustment set forth in §§ 1.702(a) through (e), and in particular the ground of adjustment set forth in § 1.702(b), an applicant shall be deemed to have failed to engage in reasonable efforts to conclude processing or examination of an application for the cumulative total of any periods of time in excess of three months that are taken to reply to *any notice or action by the Office making any rejection, objection, argument, or other request*, measuring such three-month period from the date the notice or action was mailed or given to the applicant, in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the day after the date that is three months after the date of mailing or transmission of the Office communication notifying the applicant of the rejection, objection, argument, or other request and ending on the date the reply was filed. The period or shortened statutory period, for reply that is set in the Office action or notice has no effect on the three-month period set forth in this paragraph. [Italics added for emphasis.]

Thus, the reply referred to in 37 CFR 1.704(c)(7) means a filing that is a "reply to *any notice or action by the Office making any rejection, objection, argument, or other request.*" An ex parte appeal brief is a reply to a second or final action containing a rejection. Therefore, it falls within the definition of "reply" in 37 CFR 1.704(b). Moreover, the rules dealing with ex parte appeals treat appeals as replies. For example, current 37 CFR 41.31 is titled "Appeal to Board". Sub sections (a)(1), (2), and (3) refer to a right to appeal "within the time period provided under § 1.134 of this title for reply." Moreover, 37 CFR 41.41 refers to extensions of time to "reply" in connection with the time for filing of a reply brief. Thus, there the USPTO's current procedure appears to be inconsistent with interpretation of the relevant rules, resulting in some cases in apparently overly large PTA.

Furthermore, the USPTO's explanation of its reason why it does not currently apply 37 CFR 1.704(c)(7) to appeals is contrary to its explanation of that rule when it was promulgated. Specifically, in the final rule package 65 FR 56366 (September 18, 2000) promulgating 37 CFR 1.704(c)(7), at 65 FR 56372, the USPTO stated that:

The reference to "§ 1.135(c)" is parenthetical because § 1.704(c)(7) is not limited to Office actions under § 1.135(c) but *applies when the Office issues any action or notice indicating that a reply has an omission which must be corrected....* [Italics

added for emphasis.]

Given the foregoing, I predict that eventually this issue will be litigated on the theory that some patent's term expired earlier than determined by the USPTO's PTA determination.

Thus, in order to avoid loss of PTA due to improper USPTO requirements during an appeal, or at least to vitiate that issue as a defense in subsequent patent infringement litigation, the applicant should timely file a petition requesting that improper requirements be withdrawn.

b. Amelioration of the Issue by Proposed Regulatory Change to Dramatically Reduce Appeals Pendency

During my discussions with CAPJ Fleming, he indicated a desire to reform the handling of appeals in the USPTO. One of his objectives was to have the technology centers review files containing appeals before sending the files to the BPAI in order to minimize administrative remands. However, if the review of briefs at the technology centers for compliance with rules is delayed until the case is ready for the BPAI, years may have elapsed since a defective brief was filed. Thus, significant periods of patent term may be affected.¹⁸

Moreover, CAPJ Fleming recently indicated to me the following changes to the published proposed rules, which will result in a dramatic streamlining of the appeals process:

1. No new ground of rejection in an examiner's answer.
2. No supplemental examiner's answer.
3. Examiner not required to review briefs for regulatory compliance.
4. Appeals panels will be instructed to treat defective briefs on their merits, making appropriate inferences based upon defects in the briefs, such as lack of support, lack of evidence, or failure to argue claims separately.

Assuming these changes to the proposed rules are implemented, average appeal duration should dramatically decrease.

2. Failure to File a Compliant Brief May be Deemed Misconduct

Second, proposed rule 41.46 defines *inter alia* failure to comply with the rules as misconduct. Proposed 41.46 authorizes the BPAI to impose sanctions for misconduct, up to and including holding an application abandoned or a reexamination proceeding terminated. Hence, failure to comply with formalities in the appeals process theoretically could have disastrous consequences. Moreover, given the substantially increased complexity of appeal briefs under the proposed rules, lack of compliance is more likely than in the past.

¹⁸MPEP 2732 provides office policy generally on 37 CFR 1.704(c)(7), but it does not squarely address the situation of a requirement to correct a paper filed long prior to the most recent paper filed by the applicant or appellant. It is possible that the USPTO would deem the PTA lost to be the period starting from the date of the *most recent* filing by the appellant, not the filing by the appellant subject to an order requiring correction. However, a literal reading of the rule indicates that the USPTO will deem the period of loss of PTA to begin on the date of filing of the paper requiring correction.

D. Appeal Brief Requirements

41.37 is titled "Appeal brief". Proposed 41.37 is substantially more detailed containing many new additional requirements and limitations on appeal briefs.

Proposed 41.37(e) specifies the requirements for the content of the brief. They include, under appropriate headings and in the order indicated:

- (1) Statement of the real party in interest.
- (2) Statement of related cases.
- (3) Jurisdictional statement.
- (4) Table of contents.
- (5) Table of authorities.
- (6) Status of claims.
- (7) Status of amendments.
- (8) Rejections to be reviewed.
- (9) Statement of facts.
- (10) Argument.
- (11) An appendix containing a claims section, a claim support section, a drawing analysis section, a means or step plus function analysis section, an evidence section and a related cases section.

Proposed sections 41.37(f) - (o) contain explanations of the requirements of 41.37(e)(1) - (11). Proposed requirements that are new to briefs include the jurisdictional statement, tables of contents and authorities, statements of facts, an appendix containing a claim support section, a drawing analysis section, a means or step plus function analysis section, explicit elections, format of arguments, sequential numbering through the end of the appendix, and very importantly, page limitations.

41.37(h) is titled "Jurisdictional Statement". It proposes to require a statement that "shall establish the jurisdiction of the Board to Consider the appeal," including statute, and dates of filings showing that the appeal is timely.

41.37(i) proposes that the table of contents must include the items required to be listed in the appeal brief, and the page on which each item begins. It does not say that other items cannot be listed, such as sub headings, for example for different arguments.

41.37(j) is titled "Table of Authorities". It proposes to require a table listing cases alphabetically arranged, statutes, and other authorities along with references to the pages where each authority is cited in the brief.

41.37(k) proposes requiring a statement of the status of all pending claims. However, the discussion of the proposed rules lists examples of status different from those required in amendments, specifically being "rejected-appealed"; "rejected-not appealed"; "cancelled"; "allowable"; "withdrawn"; "objected to".

41.37(l) and (m) proposes requiring listing status of amendments and rejections to be reviewed.

41.37(o) is titled "Argument". The existing rule for arguments in briefs requires them to include "The contentions of the appellant with respect to each ground of rejection presented for review." In contrast, proposed 41.37(o) requires the appellant "explain why the examiner is believed to have erred". That is, the proposed argument section requires the appellant to respond to the examiner, not provide contentions in their own format with respect to a rejection. The discussion indicates that this proposed rule would require an argument comprising an analysis explaining why the appellant believes the examiner erred in each rejection.

41.37(o) proposes requiring the appellant to address all points made by the examiner with which the appellant disagrees, apparently even any points not relevant to the appeal. 41.37(o) proposes that points made by the examiner not challenged will be presumed to be correct. It is unclear whether that would apply against the appellant, to related cases or downstream ex parte prosecution.

41.37(o) also proposes to require that the appellant identify where in the record they previously made each argument to the examiner or to state that the argument was not previously made. The discussion on 41.37(o) strongly suggests magic language to use in framing the arguments, language whose "format would be acceptable under Proposed Bd.R. 41.37(o)(3)."¹⁹

In my view, the issue for decision on appeal is whether to affirm or reverse a rejection. Why the examiner erred is inconsequential to the issue of whether the examiner erred. Accordingly, I think 41.37(o) unduly limits the appellants right to explain whether the examiner erred, not why or how.

41.37(o)(1) proposes to require an "explicit election" by the appellant that rejected claims do not stand or fall together; otherwise the BPAI will treat the claims as standing or falling together.

41.37(o)(2) is titled "Arguments considered". It proposes that arguments not included in the brief are waived.

41.37(o)(3) is titled "Format of argument". It proposes to require that the appellant specifically identify the point made by the examiner to which the appellant is responding, by page and line number in the record, and either indicate where in the record the appellant previously made that response or state that the appellant has not previously made that response.

41.37(o)(4) through (8) identify the common statutory bases for rejections and what the appellant needs to show in the brief.

41.37(n) is titled "Statement of facts". It proposes requiring stating "the material facts relevant to the rejections on appeal." In addition, each fact must include a point cite. The

¹⁹The discussion at 41477 FR 72 spanning the left and center columns provides the following examples:

Example 1. In the case where an argument had been previously presented to the examiner, the following format would be acceptable under Proposed Bd.R. 41.37(o)(3). "The examiner states that Reference A teaches element B. Final Rejection, App., page x, lines y z. In response, appellant previously pointed out to the examiner why the examiner is believed to have erred. App., pages 8 9. The response is [concisely state the response]." A similar format has been successfully used for some years in oppositions and replies filed in interference cases.

Example 2. Alternatively, in the case where an argument has not been previously made to the examiner, the following format would be acceptable under Proposed Bd.R. 41.37(o)(3). "In response to the examiner's the final rejection (App., page 4), appellant's response includes a new argument which has not been previously presented to the examiner. The response is [concisely state the response]." Use of this format will minimize any chance that the examiner will overlook an argument when preparing the examiner's answer.

discussion indicates for example that for obviousness rejections, that the facts should address scope and content of prior art, differences between the claim on appeal and the prior art, and level of skill in the art. In other words, facts directed to the legal criteria relating to the rejection.

41.37(p) is titled "Claims section." It proposes requiring as part of the appendix a clean copy of all claims pending, including a parenthetical status identifier, giving the following examples for such identifiers: rejected; objected to; withdrawn; and allowed. Both the requirement to list all claims, including those not involved in the appeal, and to provide these identifiers, is new in the proposed rule.

This requirement makes some sense in view of the fact that the BPAI has long considered itself to have the authority to impose new grounds of rejection to claims not under rejection. 35 USC 6(b) authorizes a BPAI panel to "review adverse decisions of examiners upon applications for patents". The BPAI's view of its right to reject claims not currently under rejection is consistent with its holding in Lemoine, supra. Lemoine interprets BPAI jurisdiction to extend to hear appeals for claims for a patent, likening an adverse decision of examiners to be adverse to the granting of a patent. Therefore, the BPAI interprets its jurisdiction to be over all claims examined, not just those claims on appeal. While the BPAI may enter a new ground of rejection, it should not merely comment on otherwise allowable claims.²⁰

41.37(q) is titled "Claim support section". It proposes requiring for each claim argued separately an annotated copy of the claim indicating in bold face between braces "{}" the page and line number after each limitation where the limitation is described in the specification as filed.

41.37(r) is titled "Drawing analysis section". It proposes requiring for each claim argued separately, and having at least one limitation illustrated in a drawing or amino acid or nucleotide sequence, an annotated copy of the claim indicating in bold face between braces "{}" where each limitation is shown in the drawings or sequence. Moreover, if there is no drawing or sequence, the drawing analysis section shall state there is no drawing or sequence.

41.37(s) is titled "Means or step plus function analysis section" It proposes requiring for each claim argued separately and for each limitation that the appellant regards as a means or step plus function limitation, an annotated copy of the claim indicating in bold face between braces "{}" the page and line number and drawing figure and element numeral support. Moreover, if there are no means or step plus function limitations, this section must so state.

41.37(t) is titled "Evidence section". It proposes an evidence section that must include a table of contents, the office action or actions setting out the rejections on appeal, all evidence relied on by the examiner, except the specification, figures, and U.S. patent publications, those

²⁰In Hyashibara, the CCPA soundly criticized the BPAI decision for commenting on an allowed claim that was not subject to the BPAI decision, stating that:

Since claim 9 was allowed by the examiner and was not the subject of the board's decision, we have no jurisdiction with respect to it. In re Borg, 55 C.C.P.A. 1021, 392 F.2d 642, 157 U.S.P.Q. 359 (1968). We have no more authority to express views or to make comments on the patentability of claim 9 than the board had. Insinuations, even if made, as here, apparently without justification and admittedly without jurisdiction, are still not "decisions" within the meaning of 35 U.S.C. § 141. In re Loehr, supra. We must therefore deny appellants' request. Were we to say anything about claim 9 we would merely be compounding the board's error in exceeding its powers.

portions of prior filings showing arguments in the appeal that were previously made to the examiner, affidavits and declarations and other evidence if any, relied upon.

CAPJ Fleming recently informed me that he had dropped most of the requirements for the evidence section in the published proposed rule. His revised proposal only requires inclusion only of declarations and affidavits.

41.37(u) is titled "Related cases section". It proposes to include copies of the orders and opinions identified in the statement of related cases.

E. Appeal Brief Format

41.37(v) is titled "Appeal brief format requirements"

41.37(v)(1) is titled "Page and line numbering". It requires all pages of the brief and its appendix be consecutively numbered.

Keep in mind that the proposed appendix consists of multiple sections of distinct work product in the form of claim charts, table of evidence contents, and evidence. Preparation of an integrated document consecutively numbered is feasible but will be a substantial burden. Most such documents are assembled, piece by piece, from smaller documents each one of which is consecutively numbered during its creation. It is however possible to use pdf scripts to write to a pdf image document consecutive page numbers. If however you plan to use such a script, you will want to ensure that it does not number in the location on any page where page numbers of the component document reside. So for example, one might attempt to number all component documents in the lower left side, merge the documents, and then run a script writing the page number to the lower right hand side.

41.37(v)(2)-(4) contain lines spacing, margin, and font requirements for double spacing, one inch margins, and fourteen point Times New Roman font.

41.37(v)(5) is titled "Length of Appeal Brief". It proposes limiting an appeal brief to twenty five pages, inclusive of the jurisdictional statement, status of claims, status of amendments, rejections to be reviewed, statement of facts, and argument. Only the tables of contents and authorities, identification of the real party in interest, statement of related cases, signature block and appendix, would be excluded from the page count.

I had previously asked CAPJ Fleming what to do if one needed more than twenty five pages for a brief, and he indicated that one should file a petition to him requesting enlargement of the page limit.

Note that the statement of facts is included in the twenty five page limit in the proposed rule, whereas in interferences the current Standing Order²¹ does not include any page limit on the statement of facts. In interferences, however, a motion will not be granted unless the facts listed in the motion include all facts required to support the legal basis for granting the motion. Unlike in interferences, the requirement in the proposed rules to list facts relevant to the appeal is non specific as to what facts are required to be listed, making listing of many facts optional. Thus, the appellant has the right to trade off cogent argument with optional listing of facts. Given that both argument and facts count to the page limit, I expect briefs under the proposed rules to list so

²¹At http://www.uspto.gov/web/offices/dcom/bpai/Standing_Order.pdf. See section 122.4.2.

few facts as to provide no benefit to the panels deciding the appeals.

In interferences, page limits apply against both parties. In contrast, the proposed rules for ex parte appeals provide no limits on the pages of examiner's papers, placing the appellant at a further disadvantage.

Most of my appeal briefs have arguments sections between twenty and forty pages. However, those briefs did not require statements of relevant facts and other items counting towards a page limit. I would expect in most cases the page limits to constrain me in what I include in my briefs. Given the delays in obtaining granted petitions, I would tend to file a petition to extend the page limit immediately upon deciding to appeal, and citing both the length of the examiner's arguments in support of rejections and the length of my prior amendments in the case as material facts supporting the right to relief. However, I am concerned that these petitions would not be decided in time to be of any use in the appeals process.

41.37(v)(6) proposes to require in the signature block telephone, fax, and email addresses.

F. After the Appeal Brief - Notices of Non-Compliance, Office Actions Reopening Prosecution, Examiner's Answers, Reply Briefs, Responses thereto, and Supplemental Briefs

A good analogy to the procedure following filing an appeal brief is a game of pinball. The requirement to act corresponds to the ball. The ball may bounce back and forth between appellant, examiner, and BPAI, several times, before a final decision, as outlined below. However, the rules are designed so that, at each point the ball is in the appellant's court, the appellant is encouraged to abandon the appeal and resume ex parte prosecution, thereby minimizing the number of appeals issues the BPAI has to decide.

In response to an appeal brief, the examiner may issue a Notice of non compliance, an office action reopening prosecution, or an examiner's answer (proposed 41.39(1)), and the answer may contain a rejection designated as a new rejection (proposed 41.39(b)).²²

²²Whether a rejection constitutes a new ground is not an appealable issue, and therefore should be decided via petition. It is not clear from the new rules whether such a petition should be directed to the CAPJ pursuant to proposed rule 41.3.

I have in the past identified in my reply briefs new unauthorized (unauthorized under rules then effective) grounds of rejection in an answer. In at least one such case, the panel chastised the examiner for including a new unauthorized grounds of rejection in the reply brief. Thus, there is hope that a new ground in an answer not identified as such would at least result under the proposed new rules in a remand to the examiner to correct the record.

The test for whether a rejection constitutes a new ground of rejection is whether appellants have had fair opportunity to react to the thrust of the rejection. In re Kronig, 539 F.2d 1300, 1303, 1976 CCPA LEXIS 140; 190 USPQ 425, (CCPA 1976)("Appellants urge that the ultimate criterion of whether a rejection is considered "new" in a decision by the board is whether appellants have had fair opportunity to react to the thrust of the rejection. We agree with this general proposition, for otherwise appellants could be deprived of the administrative due process rights established by 37 CFR 1.196(b) of the Patent and Trademark Office."); see also Ex parte Werner K. Maas and Carlton L. Gyles, 1987 Pat. App. LEXIS 18; 9 USPQ2d 1746; 14 USPQ2d 1762 (BPAI 1987); Ex parte Bollinger, Appeal No. 2004 0106 Application 09/907,974, 2001 Pat. App. LEXIS 112, 8 (BPAI November 22, 2001)("Because our rationale for sustaining the rejections of claim 30, and claims 31 through 35 which stand or fall therewith, differs from that advanced by the examiner, we hereby designate our action in this regard as a new ground of rejection under 37 CFR § 1.196(b) in order to afford the appellant a fair opportunity to react thereto."); and Ex parte Bergeron, Appeal No. 2004 1008 Application No. 10/091,591, 2002 Pat. App. LEXIS 299, (BPAI February 1, 2002)("We find no evidence on this record that the composition of Bergeron does not necessarily or inherently possess the characteristics of appellant's claimed [*10] composition. Accordingly, we affirm the rejection of claim 1 under 35 U.S.C. § 102(b) as anticipated by Bergeron. Claims 2 7 fall together with claim 1. However, since our basis for affirming the rejection differs from the examiner's,

In response to an examiner's answer that contains a rejection designated as a new rejection, the appellant can either reopen prosecution (proposed 41.39(b)(1)) or maintain the appeal by filing a reply brief (proposed 41.39(b)(2)). The time for filing the reply brief is not extendable, except via petition for cause, whereas the time for reopening prosecution is extendable under rule 1.136(a). Proposed 41.39(c).

If the examiner's answer does not contain a rejection designated as a new rejection, the appellant may only file a reply brief. Proposed 41.41 titled "Reply brief". (Of course, the appellant could always file a request for continued examination under rule 1.114(b) to continue prosecution at any time during the appeal).

In response to a reply brief, the examiner may reopen prosecution or furnish a supplemental examiner's answer. Proposed 41.43 titled "Examiner's response to reply brief".

In response to a supplemental examiner's answer, the appellant must file a supplemental reply brief. Proposed 41.44 titled "Supplemental reply brief."

CAPJ Fleming recently informed me that he had dropped sections authorizing supplemental answers and new grounds of rejection in answers. As a result, an examiner need not even review a reply brief and as a result the filing of the reply brief will trigger transfer of the file to the BPAI. If his revisions are promulgated, the current appeals ping pong, should end.

In response to the final reply brief, the BPAI receives the file. The BPAI may then administratively remand the file to the examiner to correct the record or issue a Notice or Order to the appellant requiring correction of a brief.

In addition, the BPAI panel may affirm or reverse (proposed 41.50(a)); remand to the examiner requiring a supplemental examiner's answer (proposed 41.50(b); enter a new grounds of rejection (proposed 41.50(d)).

If the BPAI enters a new ground of rejection, the appellant may reopen prosecution (proposed 41.50(d)(1)) or request rehearing (proposed 41.50(d)(2)).

Proposed 41.50(b) and (c) deal with a decision of the BPAI that includes a remand to the examiner. Although not stated in the rule, the discussion of proposed 41.50(c) suggest a novel procedure. It states that the appellant may request the panel the "make final" affirmed rejections of claims not involved in the remand, thereby entitling the appellant to seek judicial review of those claims. That is, seek judicial review despite the fact that jurisdiction has been returned to the examiner as to the claims forming the basis for the remand. 41481 FR 72 right hand column bottom paragraph.

The rules require that both reply briefs and supplemental reply briefs comply with substantially the same requirements and limitations as the principle brief. In addition, a reply brief has a 25 page limit if responding to an answer containing a rejection designated as a new rejection; otherwise a 15 page limit. A supplemental reply brief has a 10 page limit. In addition, each additional fact in the statement of facts must "identify the point raised in the examiner's answer to which the fact relates." In addition, the appendix must include any new rejection and all new evidence upon which the new rejection relies.

Proposed 41.52 is titled "Rehearing". Proposed 41.52 authorizes a single request for

we designate the affirmance as a new ground of rejection under 37 CFR § 1.196(b) in order to provide appellant with a fair opportunity to respond.").

rehearing. Rehearing may be requested in response to a new ground of rejection entered by the BPAI. Proposed 51.52(f).

Proposed 41.52(d) requires the request for rehearing to comply with substantially the same content and form requirements as for an appeal brief, and is limited to ten pages. In addition, proposed 41.52(f) *requires* a particular format to specify points misapprehended or overlooked, stating:

In filing a request for rehearing, the argument shall adhere to the following format: On page x, lines y z of the Board's opinion, the Board states that [set out what was stated]. The point misapprehended or overlooked was made to the Board in [identify paper, page and line where argument was made to the Board]. The response is [state response].²³

The decision on rehearing is final for purposes of judicial review and incorporates the underlying decision except for those portions of the underlying decision specifically modified on rehearing. Proposed 41.52(h).

Proposed 41.54 is titled "Action following decision." It specifies that the case will be returned to the examiner subject to the appellants right to seek judicial review.

Proposed 41.47 is titled "Oral hearing." It proposes that an appellant can request an oral hearing and pay the fee therefore within two months of the date of the final examiner's answer, and thereafter confirm intent to attend the oral hearing and provide a list of technical terms for the Court reporter.

G. Sanctions

The last of the proposed rules is 41.56 titled "Sanctions." It authorizes the BPAI to impose sanctions against an appellant for misconduct.

Proposed 41.56(a) defines misconduct as including:

- (1) Failure to comply with an order entered in the appeal or an applicable rule.
- (2) Advancing or maintaining a misleading or frivolous request for relief or argument.
- (3) Engaging in dilatory tactics.

As I have noted above, complying with the proposed rules on briefs in all their detail will be quite challenging, and no doubt also subject to interpretation on many points. Thus, proposed rule 41.56 opens up a practitioner in an ex parte appeal to sanctions, no matter how conscientious and diligent the practitioner.

Proposed 41.56(b) is titled "Nature of Sanctions". It enumerates 10 possible sanctions, including:

²³The discussion indicates that this format is not required. However, the rule uses the word "shall" indicating that this format is required.

- (1) An order declining to enter a docketing notice.
- (2) An order holding certain facts to have been established in the appeal.
- (3) An order expunging a paper or precluding an appellant from filing a paper.
- (4) An order precluding an appellant from presenting or contesting a particular issue.
- (5) An order excluding evidence.
- (6) An order requiring terminal disclaimer of patent term.
- (7) An order holding an application on appeal to be abandoned or a reexamination proceeding terminated.
- (8) An order dismissing an appeal.
- (9) An order denying an oral hearing.
- (10) An order terminating an oral hearing.

With respect to proposed 41.56 the discussion states only that "[w]hether and which sanction, if any, should be imposed in any specific circumstance would be matters within the discretion of the Board." Thus, the discussion of proposed 41.56 provides no guidance in anticipating what sanctions would be imposed for failure to comply literally with all applicable rules.

On a bright note, CAPJ Fleming recently informed me that he intended to soften this provision by modifying the proposed sanction rule to require CAPJ authorization for any sanction.

VIII. Summary of CAPJ Fleming's Updates on Changes to the Published Proposed Rules

I provide here the changes to the published proposed rules that CAPJ Fleming recently identified to me.

1. Appeals filings will have a hard cut off based upon the reply brief. No supplemental examiner's answers will be allowed. No new grounds of rejection in examiner's answers will be allowed. While this will likely result in a blip in appeals, it will in the long term reduce the duration of an appeals process.
2. No requirement that the examiner review the reply brief. Presumably, jurisdiction on appeals will automatically pass to the BPAI upon the filing of a reply brief.
3. Petitions relating to appeals do not need to be cc'd to the CAPJ.
4. Evidence appendix requirement limited to evidence such as affidavits and declarations.
5. Examiner's relieved from requiring corrections to appeal briefs. Instead, the BPAI panel will consider failings of an appeal brief in their substantive decisions. For example, lack of showing of support for claims will be treated as a substantive failing by the panel when rendering a decision.
6. Sanctions will require CAPJ approval.
7. Effective date: For any new appeal brief filed, 6 months from the date of publication of the final rule package.
8. As to the Black Hole, PALM is being modified to track the black hole cases. PALM reports will identify cases remanded and how long since the remand so that supervisors may prompt the

examiner to take appropriate action.

IX. Conclusions

There are substantial procedural delays in ex parte appeals. The proposed new rules would make compliance with appeals rules substantially more burdensome and lack of compliance even more costly. Practitioners should carefully review and monitor cases under appeal to ensure they receive timely USPTO action, and in view of the proposed rules even more carefully review their appeals drafts for regulatory compliance.

APPENDIX

TABLE I - CASES FROM DATA IN TABLES II AND III DERIVED

Attorney docket number	Application number
CAT-26A-OBRI-CP	09/146,199
CAT/29SCROCO2CP	09/478,351
CAT/29-SCROCO4	09/716,404
CAT/29-SCRO-CO3	09/567,274
CAT/29-SCRO-CO2	(NOT YET PUBLICLY AVAILABLE)
CAT/29US-SCRCO2	(NOT YET PUBLICLY AVAILABLE)
CAT/29US-SCRCO3	(NOT YET PUBLICLY AVAILABLE)
CAT/29US-SCROCO	(NOT YET PUBLICLY AVAILABLE)
CAT/29US-SCROD1	09/401,198
CAT/29US-SCROD2	09/410,086
CAT/34-SCRO-CCP	09/505,632
CAT/34-SCRO-US	08/873,974
OBSP/3WILL-USC1	10/448,194
OBSP5GARD-USC2	09/893,775
VISX0011U/US	09/307,988

TABLE II - APPEALS STATISTICS DERIVED FROM CASES TABLE I

Table II list statistics derived from the fifteen cases identified in Table I, as of 3/15/2008.

Number of applications	15
Number of appeals filed	17
Number of appeal briefs filed (including supplemental appeal briefs, briefs in response to the examiner reopening prosecution, and briefs to the CAFC)	42
Number of actions by the examiner <i>reopening prosecution after an appeal was filed</i>	12
Number of actions by the examiner in response to an appeal brief <i>requiring the applicant to file a corrected appeal brief</i>	7
Number of actions allowing applications in response to filing of an appeal brief	2
Number of BPAI orders <i>administratively remanding the file to the examiner</i>	10

Number of applications receiving a decision from the BPAI on an appeal	7
Number of decisions by the BPAI (excluding decisions on rehearing)	8
Number of applications receiving a decision from the CAFC (including one dismissal)	3
Number of actions by the examiner <i>rejecting claims after a BPAI or CAFC decision resulting in at least one allowable claim</i>	4
Number of <i>cases</i> having administrative remands from the BPAI to the examining corps to deal with file irregularities <i>that had returned to the BPAI as of March 2008</i>	5
Number of <i>cases</i> having administrative remands from the BPAI to the examining corps to deal with file irregularities <i>that had not returned to the BPAI as of March 2008</i>	3

TABLE III - APPEALS DELAYS DERIVED FROM CASES IN TABLE I

Average number of months between administrative remands from the BPAI to the examining corps until case returned to the BPAI (5 cases)	21
Average number of months from administrative remands from the BPAI to the examining corps for cases not yet returned to the BPAI (3 cases)	14
Average number of months from filing a corrected appeal brief <i>until case docketed to the examiner</i> (7 cases)	4
Average number of months from when a case is <i>docketed to the examiner</i> after filing a corrected appeal brief <i>until receiving the next office communication</i> (5 cases)	5

Average number of months from filing the first appeal brief until a BPAI decision.	27
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TABLE IV - APPEALS DELAYS IN CASES DERIVED FROM THE FIFTEEN MOST RECENT RECORDS, AS OF MARCH 21, 2008, IN THE BPAI FOIA DATABASE FOR FINAL DECISIONS OF THE BPAI

Number of actions by the examiner in response to an appeal brief <i>requiring the applicant to file a corrected appeal brief</i>	12
Average number of months from filing of corrected appeal brief to the next action by the examiner.	3
Number of BPAI orders administratively remanding the file to the examiner.	2
Average number of months from an order administratively remanding the file to the examiner to the docketing of the appeal at the BPAI.	6
Average number of months from filing the first appeal brief until a BPAI docket notice.	19
Average number of months from filing the first appeal brief until a BPAI decision.	24

TABLE V - COMPARISON OF PROCEDURAL PROVISIONS OF EXISTING RULES AND PROPOSED NEW RULES

List of Acronyms:

- NOA - Notice of Appeal
- AB - Appeal Brief
- NGR - New Ground of Rejection
- NR - New Rejection
- N/A - Not applicable.
- EA - Examiner's Answer
- RB - Reply Brief
- SRB - Supplemental Reply Brief
- SEA - Supplemental Examiner's Answer

OH - Oral hearing

ACTION	EXISTING RULE	PROPOSED RULE
Appellant NOA	41.31 NOA + fee 1.136(a) applies	41.31. NOA + fee 1.136(a) applies
Appellant AB	41.37, AB + fee; 2 months from NOA, 1.136(a) applies	41.37, AB + fee; 25 page limit ; 2 months from NOA, 1.136(a) applies
Examiner response to AB	41.39 EA: AB Compliance review , Rejections, NGR	41.39 EA: Rejections, NR (no language requiring compliance review)
Appellant response to EA containing NGR or NR	41.39(b)(1) reopen prosecution addressing NGR; 2 months, 1.136(a) N/A; and or 41.39(b)(2) maintain appeal, RB; 2 months, 1.136(a) N/A; and 41.47 optional OH request. Appeal dismissed if no response.	41.39(b)(1) reopen prosecution addressing NR; 2 months, 1.136(a) applies . or 41.39(b)(2) maintain appeal, RB, 15 page limit ; 2 months, 1.136(a) N/A; and 41.47 optional OH request. Application abandoned if no response.
Appellant response to EA, containing no NGR or NR	41.41 RB; 41.47 optional OH request. 2 months, 1.136(a) N/A; and Appeal dismissed if no response.	41.41 RB, 15 page limit ; 41.47 optional OH request. 2 months, 1.136(a) N/A; and Appeal dismissed if no response.
Examiner Response to RB	41.43 Compliance review ; Acknowledgment of RB, SEA, no NGR .	41.43, (no compliance review of RB); Acknowledgment of RB; SEA, (no language precluding another NR)
Appellant response to SEA not based upon BPAI panel remand	41.43, another RB, 2 months, 1.136(a) N/A; and 41.47 optional OH request.	41.44, SRB, 10 page limit 2 months, 1.136(a) N/A; and 41.47 optional OH request.

<p>Appellant response to <i>SEA based upon</i> BPAI panel remand</p>	<p>41.50(a)(2)(i) reopen prosecution; 2 months, 1.136(a) N/A</p> <p>or</p> <p>41.50(a)(2)(i) file RB; 2 months, 1.136(a) N/A</p> <p><i>Appeal dismissed</i> if no response.</p>	<p>41.50(b)(1) reopen prosecution; 2 months, 1.136(a) N/A</p> <p>or</p> <p>41.35 Request Re-docketing; and 41.50(b) file RB; 2 months, 1.136(a) N/A</p> <p>41.50(c), discussion, request the panel "make final" affirmed rejections of claims not involved in the remand, for purposes of judicial review.</p> <p><i>Application abandoned</i> if no response.</p>
<p>Appellant response to BPAI decision containing remand of some claims and affirming rejections of other claims</p>	<p>N/A</p>	<p>Discussion, 72 FR 41481, right hand column, last paragraph, "Following proceedings on remand, and with respect to affirmed rejections and claims not involved in the remand, an appellant could request the Board to enter a final decision so that the appellant could then seek judicial review as to those rejections and claims."</p>
<p>Appellant response BPAI NGR or NR</p>	<p>41.50(b)(1) reopen prosecution, address basis for remand; 2 months, 1.136(a) N/A</p> <p>or</p> <p>41.50(b)(2) request rehearing 2 months, 1.136(a) N/A</p> <p><i>Appeal terminated "as to rejected claims"</i>.</p>	<p>41.50(d)(1) reopen prosecution, address NR; 2 months, 1.136(a) N/A</p> <p>or</p> <p>41.50(d)(2)/41.52 request rehearing, 10 page limit; 2 months, 1.136(a) N/A</p> <p><i>Appeal dismissed "as to any claim subject to the NR"</i>.</p>

Appellant response to BPAI Order to confirm Oral Hearing	N/A	41.47, confirm intent to attend OH, and supply list of technical terms (for court reporter).
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TABLE VI - PORTION OF SECOND REPLY BRIEF IN 09/505,632 IDENTIFYING ERRORS IN THE RECORD

II. THE SUPPLEMENTAL EXAMINER'S ANSWER SHOULD BE WITHDRAWN

The appellant urges the examiner to withdraw the supplemental examiner's answer because it fails to comply with USPTO procedural requirements and will therefore result in a BPAI order remanding the file to the examiner for correction of the record, further delaying this appeals proceeding.

Relevant facts:

FIRST ISSUE

1. 37 CFR 41.43(a) limits the right to a supplemental examiner's answer to respond to a new issue raised in a reply brief.
2. The statement of the supplemental examiner's answer is in all material respects identical, word for word, to the prior examiner's answer, the answer mailed 6/20/2007.
3. The supplemental examiner's answer does not respond to a new issue raised in the original reply brief.

SECOND ISSUE

4. MPEP 1202.07 requires that a TC director or delegee authorize, in writing (that is, sign), a supplemental examiner's answer.
5. The Appeals Administrator at the BPAI will enter an order returning an undocketed appeal to the examiner for lack of compliance with MPEP 1202.07.
6. There is no indication in the supplemental examiner's answer that a TC director or delegee authorized the supplemental examiner's answer.

THIRD ISSUE

7. The supplemental examiner's answer states on page 16 that "[c]opies of the court or Board decision(s) identified in the Related Appeals and Interferences section of this examiner's answer are provided herein."
8. No copies of "the court or Board decision(s)" were provided in the original examiner's answer dated 6/20/2007.
9. No copies of "the court or Board decision(s)" are provided in the supplemental examiner's answer.
10. On 2/21/2008, the appellant filed in this application, under 41.8(b), a decision in a related application.

FOURTH ISSUE

11. Attached to the supplemental examiner's answer is an IDS filed 12/30/2004 which now contains initials of the examiner next to the cited references.

As to the first issue, the supplemental examiner's answer does not respond to anything new and it contains nothing new. Therefore it fails to comply with 41.43(a). In effect, it will waste the panel's time by requiring them, as it required me, to confirm that there is in fact no new information in the supplemental examiner's answer.

As to the second issue, the supplemental examiner's answer is not signed by a TC director or delegee, or at least there is no indication that anyone who signed the supplemental examiner's answer is a TC director or delegee. Accordingly, there is a very high likelihood that the Board will enter an order remanding the application to the examiner to include such a signature.

Third, the supplemental examiner's answer indicates that there are attachments. In fact, there are no such attachments. Accordingly, there is a very high likelihood that the Board will enter an order remanding the application to the examiner, to include those attachments.

As to the fourth issue, there appears to be no reason for the examiner to issue a supplemental examiner's answer merely because the examiner just considered an IDS. If the examiner has any questions, he is urged to contact the BPAI Appeals Administrator, Dale Shaw, to confirm that the BPAI will in fact order the file remanded for correction of the points noted above, and to determine how to proceed to avoid such an order.

As to a response on the merits, I have reviewed the supplemental examiner's answer on its merits, and it contains only the arguments in the original examiner's answer. Since those arguments were addressed in the original reply brief, there is no basis herein for further comment.

ran

Date/time code: May 12, 2008 (5:31pm)

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