

Fawcett, Susan

From: Rosanne Chow [rchow@graybeal.com]
Sent: Wednesday, August 06, 2008 1:06 PM
To: Fawcett, Susan
Cc: Paul F. Rusyn
Subject: Letter re: Proposed Rules
Attachments: Letter to SFawcett USPTO re proposed BPAI rules 2008-08-06.pdf

Dear Ms. Fawcett:

Please see the attached letter from Paul Rusyn regarding the Proposed Rules of Practice before the Board of Patent Appeals and Interferences in ex parte appeals.

Sincerely,

Rosanne Chow
Paralegal
Graybeal Jackson Haley LLP
155 - 108th Avenue NE, Suite 350
Bellevue, Washington 98004-5973
Telephone: (425) 455-5575
Facsimile: (425) 455-1046
rchow@graybeal.com

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LAW OFFICES OF

GRAYBEAL JACKSON HALEY LLP

155 - 108TH AVENUE N.E., SUITE 350
BELLEVUE, WASHINGTON 98004-5901
TELEPHONE: (425) 455-5575
FACSIMILE: (425) 455-1046
WWW.GRAYBEAL.COM

PAUL F. RUSYN
EMAIL: PRUSYN@GRAYBEAL.COM

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August 6, 2008

Via E-Mail to Susan Fawcett (Susan.Fawcett@uspto.gov)

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

Dear Ms. Fawcett:

I am respectfully submitting these comments on changes to the Rules of Practice Before the Board of Patent Appeals and Interferences in Ex Parte Appeals (the "proposed Rules") proposed by the U.S. Patent & Trademark Office ("PTO").

I am a patent attorney at Graybeal Jackson Haley LLP, a Pacific Northwest intellectual property law firm in a region widely recognized as a center of excellence and strategic importance for innovation and world trade. My clients are actively engaged in all aspects of procurement and commercialization of patents, both domestically and internationally. As a patent practitioner in one of the leading technology centers in the United States, the impact of the proposed Rule Changes would be direct, immediate, and highly detrimental.

I fully support changes to the rules that are designed to increase the issuance of patents that should be issued and decrease the issuance of patents containing claims that do not meet the statutory criteria of patentability. I would support rule changes that allow both applicants, on the one hand, and examiners and PTO reviewers, on the other, to have a clear and complete statement of each other's position before the filing of an appeal brief. The proposed Rules do not meet this basic standard of fairness.

Unfortunately, the proposed Rules contain numerous elements that do not promote the issuance of valid patents. Specifically, the proposed Rules contain significant and severe restrictions on the ability of an applicant to present evidence (proposed Rules 41.33(d) and (e); 41.47(i); and 41.47(k)); to amend claims (e.g., proposed Rules 41.33(a), (b), and (c); 41.37(t); and 41.41(i)); and to present arguments (41.37(o)(2) and 41.37(v)(2), (3), (4), and (5)).

Under the proposed Rules, an applicant could have only one opportunity to present evidence, amend claims, or make arguments in response to a rejection before it files an appeal. This would be after receipt of the first office action on the merits, in which the examiner first rejects the

claims. The examiner's bases for a rejection should be complete and fully explained in the first office action so that an applicant could present a full set of evidence, amendments, and arguments in response to the rejection. In most instances, however, first rejections are not so full, complete, and detailed. Most often, an applicant must go through multiple rounds of rejections and responses before the full basis of a rejection is explained and understood.

Previously, this dialogue between an examiner and an applicant was permitted by a system that provided for continuation applications and requests for continued examination ("RCEs"). Indeed, effective prosecution depended on the extended dialogue to effectively reduce the issues and clarify the rejection and suitably amend the claims. Recent rule changes, however, have greatly restricted these examination tools that assisted the PTO and applicants in getting the right decision on examinations. Without these tools, under the proposed Rules, applicants will have greater difficulty creating a record that would permit a full and appropriate examination of the issues on appeal.

Thus, for example, in the discussion of specific proposed Rules the PTO encourages applicants to file a response under Rule 116 when a final rejection is entered in order "to possibly avoid an appeal all together." 72 Fed. Reg. 41472, 41476 (July 30, 2007). However, current practice provides great discretion to the PTO to limit entry of amendments that "raise new issues that would require further consideration and/or search"; "raise the issue of new matter"; "are not deemed to place the application in better form for appeal by materially reducing or simplifying the issues for appeal"; and/or "present additional claims without canceling a corresponding number of finally rejected claims." MPEP § 706.07(f) at 700-88 (8th ed., rev. 5, August 2006). Affidavits or other evidence are not entered unless the applicant can show "good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented." 37 C.F.R. 1.116(e). Under proposed Rule 41.33(d), evidence filed after a notice of appeal and before an appeal brief must overcome "some or all rejections under appeal" and be accompanied by a showing of "good cause why the evidence was not earlier presented."

Further, the PTO states that an applicant intending to submit a new amendment (or, presumably, new evidence or argument) can file an RCE. 72 Fed. Reg. at 41480. The RCE route, however, in many cases will be blocked by the recently promulgated Changes To Practice for Continued Examination Filings, Patent Applications Containing Patentably Indistinct Claims, and Examination of Claims in Patent Applications. 72 Fed. Reg. 46716, 46841 (Aug. 21, 2007). Thus, if an RCE were filed in any application in a related family, no RCE will be available unless the applicant can show that "the amendment, argument, or evidence sought to be entered could not have been submitted prior to the close of prosecution in the application." *Id.* In view of the recently enacted rule changes limiting RCE practices, the proposed Rules are unrealistic and create a situation in which an applicant will not have a fair opportunity to prosecute its application and respond to rejections of pending claims.

In a typical prosecution practice, an applicant will have only a single opportunity to make all arguments, submit all evidence, and make all amendments upon which the applicant wishes to

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rely in pursuing the appeal. This is an unrealistic burden on an applicant, particularly when the first rejection is often not fully developed nor fully explained. Significantly, under the proposed Rules, the PTO is permitted to make new rejections or arguments at any point in the appeal process, yet at no point is the PTO required to provide "a clear and complete statement" of its position. Indeed, under the proposed Rules, the examiner can reopen prosecution on the merits after the applicant/appellant has filed a reply to the answer filed by the examiner.

The proposed Rules seem to draw upon the experience of the BPAI or the Court of Appeals for the Federal Circuit in handling contested cases. It is important to note that contested cases, by their nature, give the appellant a fair opportunity to fully develop the record upon which the appeal is based. The proposed Rules do not.

For these reasons, I respectfully requests that the proposed Rules be reconsidered and modified to give applicants more opportunity to make new arguments, to submit new evidence, and to make new amendments at some point after a final rejection before or during the appeal process. An applicant should be given "a clear and complete statement" of the position that the examiner and PTO will take on appeal and thereafter *before* a final office action issues and the applicant is precluded from making new arguments or amendments or presenting new evidence.

I also have concerns about presumptions created during the appeal process under the proposed Rules. Specifically, proposed Rule 41.37(o) states that, "Any finding made or conclusion reached by the examiner that is not challenged will be presumed to be correct." Proposed Rule 41.37(o)(2) further states that "Appellant waives all other arguments." These provisions create unnecessary uncertainty about what is meant by a "finding" or "conclusion." An examiner may state many things that are rendered irrelevant in a particular instance by the applicant's response. This rule apparently requires the applicant to use part of the brief confronting each statement made by an examiner regardless of the scope of issues relevant to the rejection in question. Given the limitations on the page limits of a brief, an applicant must identify the crux of the issue, and has limited opportunity to address every statement of fact, and otherwise avoid creating a "presumption" or a "waiver."

Moreover, if the appellant fails to address and challenge every statement of fact in the case, the scope of resulting waiver is uncertain, as well as the context in which such waiver operates. For example, on its face, the presumption and waiver might extend beyond the specific proceedings in front of the Board in a particular case to prosecution in the application if it were reopened, to a subsequent RCE or continuation application, to related copending application(s) and even, possibly, to litigation arising from a later-issued patent.

The language in the current Rule avoids the ambiguity created by the proposed Rule language and accomplishes the legitimate goal of the Board and the Office. Specifically, current Rule 41.379(c)(1)(vii) states that, "Any arguments or authorities not included in the brief or a reply brief filed pursuant to § 41.41 will be refused consideration by the Board, unless good cause is

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shown." I respectfully suggest that this language be carried over into the proposed Rules in place of the language that speaks of "presumptions" and "waivers."

I am also concerned that proposed Rule 41.37(o)(4), (5), and (7) require appellants to prove the patentability of its claims under 35 U.S.C. §§ 112 and 103. It is the applicant's responsibility to respond to a specific rejection made by the PTO. Congress has not placed upon an applicant the burden of proving the patentability of a claim. I respectfully suggest that the language of these proposed sections be changed so as to ensure that an applicant need only respond to the rejection of record.

In conclusion, I wish to reiterate the appreciation of the challenges faced by the PTO, and the Director's genuine efforts to address these challenges. I believe, however, that the proposed Rules are overly detrimental to the legitimate protection of intellectual property and, thus, to innovation.

Respectfully submitted,

GRAYBEAL JACKSON HALEY LLP

A handwritten signature in black ink, reading "Paul F. Rusyn". The signature is written in a cursive style with large, flowing letters.

Paul F. Rusyn

PFR/rfc