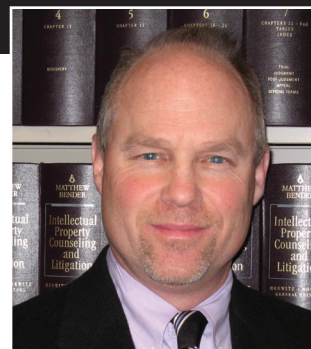


Final Office Action Rejections for Patent Applications: It Ain't Over Until the Fat Lady Sings...Usually



John W. Boger, Esq.
Heslin Rothenberg Farley & Mesiti P.C.

The patent process can be a long and, at times, tedious process. Many inventors assume that once you file your application with the United States Patent and Trademark Office (USPTO), the hard work is done. Unfortunately, for most cases, the hard work has just begun. It is highly unusual for a patent application to not be rejected and receive at least one Office Action from the patent examiner. Typically, inventors will receive multiple Office Actions in which their invention is rejected for any number of reasons, including lack of novelty, obviousness and ineligible subject matter. When an inventor receives a Final Office Action, he has now come to a critical crossroads in the prosecution highway. The inventor may choose from three options: (1) abandon the application, (2) file a Request for Continued Examination and pay a fee or (3) file a Notice of Appeal.

When an inventor receives a Final Office Action, he may 1) abandon the application, 2) file a Request for Continued Examination and pay a fee or 3) file a Notice of Appeal.

Abandonment means exactly that. The inventor will either not file a response within the required time period, or will file a response with the USPTO stating that the application is being abandoned. Some patent practitioners actually use the abandonment route as a tactical tool. For instance, an application has been rejected numerous times for dubious reasons and the communication between the examiner and patent practitioner appears to have reached a dead-end. The patent practitioner may file a continuation application with the USPTO and then abandon the parent application for which there is the outstanding Final Office Action. The patent practitioner typically uses this strategy in an attempt to get a different examiner assigned to the review of the now newly-filed continuation application. Of course, if the previous examiner gets assigned to the continuation application, then this strategy has failed.

The second option for the inventor is to file what is called a Request for Continued Examination or RCE. If an inventor files an RCE with the required fee and a submission (*a submission may be an Information Disclosure Form, an amendment to the*

specification, claims or drawings, new arguments or new evidence for supporting patentability), the examiner will withdraw the finality of the Office Action and the submission will be entered and considered by the examiner. Essentially, the RCE allows the inventor to file a second application to keep the prosecution of the first application alive. The RCE application stays with the same examiner that was reviewing the first application and keeps the same application serial number. Filing an RCE is capitalism at its best: pay more money and file a submission to buy another full examination of your application. However, a potential downside to filing an RCE is, since the application is staying with the same examiner, that examiner may just repeat the same basis for his rejections without considering the newly filed arguments.

The third option when an inventor receives a Final Office Action is the most expensive and time-consuming. This is to file an appeal with the Board of Patent Appeals and Interferences (BPAI). The BPAI is divided into an Appeals division and a Trial division. The Appeals division handles appeals of examiner rejections with a group of 69 administrative patent judges who are divided into various technology areas. The board that actually hears the appeal usually comprises a three-judge panel. The administrative patent judges are typically former patent examiners with the USPTO.

For a claim to be eligible to be appealed, it has to have been “twice rejected” in a patent application. This “twice rejected” pre-requisite does not have to occur in the same application. For instance, the first rejection may occur with a parent application and then that same claim appears in a continuation application and may be rejected again. The inventor can then choose to appeal the rejection in the continuation application.

The appeals process for an inventor starts with the filing of a Notice of Appeal after the subject claims have met the “twice rejected” threshold. The notice *must* be filed within the time allowed for filing a response from the examiner’s last Office Action. In other words, to be timely, the notice has to be filed while the application is still pending. This time period is typically three months, with additional one month extensions allowed with the payment of extension fees, up to a grand total of six months from the mailing of the Final Office Action. The inventor must, in addition to filing the Notice of Appeal, also pay either a small entity fee of \$270 or a large entity fee of \$540.

Within two months of filing the notice and paying the fee, the inventor must file his Appeal Brief with the BPAI. The USPTO has set out numerous requirements regarding content and arrangement of the Appeal Brief. Non-compliance with these standards results in the brief being rejected and returned to the inventor for revision. The contents of the Brief must include: (1) a statement of the real party of interest (used as conflict check for the judges); (2) a statement of related cases (any continuation applications must be identified); (3) a statement of the source or basis of jurisdiction of the BPAI; (4) Table of Contents; (5) a statement of the status of any amendments filed after the final rejection; (6) grounds for the rejections to be reviewed (This is the key section, as it identifies the specific determinations of the examiner to be reviewed by the BPAI. Failure to specifically identify a rejection will result in the waiver for appealing that rejection.); (7) statement of facts; (8) argument (Each ground of rejection to be reviewed must be addressed.); (9) claims section (all claims and their status must be listed); (10) claims support and drawings support listing; (11) if present, means plus function or step plus function analysis; (12) evidence section, if necessary and (13) related cases, if necessary. The Appeal Brief must not exceed 30 double-spaced pages, using 14-point font. As with everything with the USPTO, a fee is charged for filing an Appeal Brief: \$540 for a large entity and \$270 for a small entity.

As you can now tell, filing an appeal can be very costly as the fees to file and the amount of time to craft the Appeal Brief can quickly add up. In an attempt to assist inventors with expediting the review of an application that is being appealed, the USPTO instituted a pilot program in 2005 allowing an inventor to request a pre-appeal brief conference. This program remains in place today, and is quite useful if the inventor feels that the application underwent a sub-par review by the examiner. In this program, the inventor requests a conference at the time of filing the Notice of Appeal. The pending rejections are then reviewed by a panel of examiners. After the conference, the panel can reopen prosecution, allow the claims, allow the application to go to appeal or reject the appeal request on procedural grounds. The pre-appeal brief conference is a low-cost mechanism to obtain a further review of the claims by someone skilled in the art other than the examiner, without having the expense of preparing an Appeal Brief.

Once the Appeal Brief is found to meet the technical requirements of the rules, a mandatory appeal conference is held between the examiner, the examiner's supervisor and another examiner with expertise in the art to discuss the inventor's brief and decide whether to continue the appeal, allow the claims or reopen prosecution. If it is decided that the appeal should continue, the examiner is then charged

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with writing his or her answer. In the Examiner's Answer, the examiner is prohibited from raising new grounds for rejection and must address each of the arguments presented by the inventor in the brief.

Following receipt of the Examiner's Answer, the inventor is allowed to file a Reply Brief, refuting the arguments raised in the Examiner's Answer. The reply must be filed within two months from the date of the Examiner's Answer. Incredibly, there are no fees required for filing a Reply Brief.

The inventor has the option to request an oral hearing, but this should only be done if the circumstances would deem it "necessary or desirable for a proper presentation of the appeal." The written request must occur within two months of the date of the Examiner's Answer and be accompanied by yet another fee, which is \$1,080 for a large entity and \$540 for a small entity. The time allotted for arguments are 20 minutes for the inventor and 15 minutes for the Examiner. The participants may only rely on the arguments that have been presented in their submitted papers, with no additional information or evidence being allowed to be introduced.

After the BPAI has considered the briefs, answers and oral arguments, if presented, it will write its decision. The decision may come in the form of an affirmation of the examiner's rejection, a reversal of the rejections or remand of the application back to the examiner for further review and consideration. The BPAI's decision is required to include specific findings of fact and conclusions of law so to provide the inventor with the ability to appeal, if necessary. Professor Dennis Crouch recently published a study that reviewed 10,000 *ex parte* decisions by the BPAI from November 2009 to June 2011. The majority of these decisions related to questions of obviousness and anticipation for the reviewed claims. Of the cases examined, it was found that 52% fully affirmed the examiners' rejections, 34% reversed and 14% affirmed-in-part. The study also confirmed that the BPAI's backlog continues to grow and that for fiscal year 2011, the backlog has grown more than 25% with over 22,000 pending appeals now waiting for review.¹

So, what happens if the decision you receive is not favorable to your position? Several options remain available, which include amending the claims to overcome the decision by the BPAI or filing a single request for a rehearing on the new grounds of rejection. Such a request for rehearing must come within two months of the BPAI's original decision. The rehearing is limited to arguments in rebuttal to points that the inventor believes have been misapplied or overlooked by

the BPAI. If the decision remands the application back to the examiner, the prosecution is reopened, but only with regards to any new grounds for rejection. Numerous prosecution strategies may then be considered, including amending the claims and filing an RCE. Any request to reopen prosecution must occur within two months of the BPAI's decision.

What happens if the decision is not favorable to your position? Options include amending the claims to overcome the decision, or filing a single request for a rehearing on the new grounds of rejection.

Finally, the inventor may also appeal the BPAI decision to the U.S. Courts of Appeals for the Federal Circuit (CAFC). Any decision by the CAFC may also, on a discretionary basis, be reviewed by the U.S. Supreme Court. Alternatively, the inventor may also decide to bring a civil action against the Commissioner of the USPTO in the U.S. District Court for the District of Columbia. Both of these options are very costly and lengthy endeavors.

In conclusion, many options are at the disposal of an inventor when he receives a Final Office Action. The inventor's course of action will depend upon the budget, the quality of the past examinations performed on the application and the relationship between the patent practitioner and the examiner. It is important for the inventor to remember that receiving a Final Office Action is not the end of the road, but rather just one more twist in the journey to getting a patent issued.

This article is for informational purposes only and should not be interpreted as legal advice to the reader.

John W. Boger is a Partner with the Upstate New York based law firm of Heslin Rothenberg Farley & Mesiti P.C. and is the head of the firm's Medical Products and Technology Practice Group. Before attending law school, Mr. Boger worked for eight years with a large orthopaedic device manufacturer in various engineering and marketing positions. He can now be reached at 518-452-5600 or at jwb@hrfmlaw.com.

Heslin Rothenberg Farley & Mesiti P.C.
www.hrfmlaw.com

¹ Patently-O Blog, *BPAI Judicial Diversity and Appeal Win Rate*, Dennis Crouch and Jason Rantanen, Posted June 17, 2011.