

These comments are submitted on the proposed changes to the rules of practice before the Board of Patent Appeals and Interferences, Notice of Proposed Rule Making 72 FR 41472 et seq.

The proposed rules should not be adopted.

### **General comments**

The new regulations do nothing to increase quality of examination and are pernicious because they significantly increase the likelihood that meritorious appeals will be abandoned due to undue expense, or even worse, that such appeals will be held abandoned for failure to satisfy some new formality that has no relevance to the appeal or is completely unnecessary to the address the issues presented on appeal.

The Notice asserts that practices used in interferences have been helpful to the Board and should be imposed on ex parte applicants. Not so. Interferences are extremely costly. There is no good reason to impose on every applicant expenses comparable to interferences in order to obtain review of an examiner's error. The frequency of interference is miniscule compared to the frequency of examiner error. Imposing the costs of the rare interference on the frequent appellant is unjust and irrational.

The Notice seeks to justify the proposed rules on the basis of increased workload. The principal reason why the Board is experiencing an increase in appeals is that applicants believe that they are experiencing a decrease in the quality of examination.

In recent years the quality of examination has become absolutely abysmal. Examiners are routinely resorting to outright fiction as the basis for rejection, misrepresenting the prior art and ignoring responses pointing out the misstatements; are frequently not bothering to read the application before it is rejected, or simply ignoring what they read; and often persist in asserting unreasonable claim constructions in the face of direct and unambiguous evidence demonstrating the art does not utilize such construction or the applicant has clearly used the term in a different context or with his own definition.

Applicants need cheaper and much more effective review, not more roadblocks to appeal.

Recently the Office has been equating successful final rejection disposals with an increase in "quality." This is bizarre nonsense, based upon the false logic that the final disposals reflect better quality at the examination stage. Under that false logic every meritorious applicant who gives up at any stage of the process prior to patenting counts as a quality rejection. Nothing could be further from the truth.

Every meritorious applicant who does not get a patent represents a massive quality **failure** by the Office. It is as much the job of the Office to grant patents on meritorious applications as it is to refuse non-meritorious ones. Consequently measuring quality in the manner currently touted by the Office is outright fraud.

Increased success of final disposals is due in large part to the decreased effectiveness of review procedures, including very specifically the increasing expense imposed in recent years by the formalities of the Appeal Brief and the fact that Examiners have learned that they do not actually have to produce an Answer.

The new rules will substantially reduce the already weak review and so contribute to the "quality" fraud perpetrated by the Office.

The Board should not be looking to encourage the current Kafkaesque circular examination system under which applicants invest large sums to prepare an appeal brief and then the Examiner simply withdraws the rejection only to replace it with another. In many cases this is the first time that the Examiner seriously reviews the actual claims at issue. Furthermore if the Examiner still has not articulated a sound basis for rejecting the case he can easily make the applicant write an entirely new appeal brief against the new rejection and then withdraw the second appeal to impose yet a new rejection. This happens under the current system. Such new rejections are not a quality improvement. They simply reflect the total absence of quality analysis that Examiners give to the initial examination.

The comments in the Notice seem to encourage this laxity by stressing a supposed need for the examiner to learn where he has gone wrong. This is tremendously bad policy and it is improper since the Board's jurisdiction only pertains to the issues on appeal.

The Office has recently asserted that withdrawn appeals with new rejections "should be rare." It is not. It is very frequent. In some arts it's the usual practice.

Furthermore the Notice of Non-Compliant Appeal Brief is routinely being used as a delaying tactic to defer deadlines for taking action on the Appeal Brief and at the same time to and increase applicant's Appeal expense. The most trivial and inconsequential deviations prompt these notices. Further the Notice of Non-Compliant Appeal Brief is also being improperly used to require editorial changes in appeal brief arguments, not merely to assert trivial formalities. Petition review of these abuses is completely useless because any changes demanded in these Notices have to be made and a new appeal brief must be prepared and submitted long before the petition will be decided. A petition is therefore always subject to dismissal for mootness or waiver, and in any case will never remedy the expense that the improper Notice has caused. The petition process only increases that expense and so adds to the damage caused by this abusive practice, without providing any remedy.

Discouraging appeals by putting increasing roadblocks to submission and resolution of Appeals disproportionately affects the meritorious applicant already burdened by an unwarranted rejection. These new rules appear to be part of an overall abusive and improper effort of the Office to reduce applications by substantially increasing application expense and insulating error from review.

These rules will likely at least treble the briefing cost of the average appeal. Nothing in the proposed benefits to the Office justifies imposing this cost on already aggrieved inventors.

The proposed appeal rules also reflect the arrogant and wrong-headed attitude that applicants should be required to take a stand on anything that might be relevant to some cases, without

regard to the relevance to the particular case at hand. This is arrogant because the Office totally disregards the added burden and expense this imposes. It is wrong-headed because it significantly devalues the patents that the Office issues by requiring in all cases statements that unnecessary for resolution of most of them.

Every statement that the applicant makes during prosecution is a potential source for an assertion of file wrapper estoppel or even misleading the patent office. As long as the doctrines of Equivalents and of inequitable conduct in prosecution exist, every unnecessary statement devalues the patent obtained. Applicants therefore must try to negotiate the examination with a minimum of unnecessary statements in order to preserve their property value. While this may create problems for examination, the Office must understand the legal and economic costs to patentees of any proposed cure for those problems. The Office has a duty to try to limit the patent property devaluation its regulations cause. Requirements for information therefore should always be limited to the information needed to resolve the particular case at hand. They should not be required for issues irrelevant to that case merely because they might potentially be needed in some other case.

Comments on specific proposed rules:

#### **41.31(e) Non Appealable Issues**

The Office should provide a practical route to resolution of petitions prior to filing the appeal brief by deferring the appeal brief due date until each outstanding petition has been decided. As it stands now if, by decision on petition, an amendment after final were to be entered, additional evidence were to be entered, or a restriction requirement were to be withdrawn, the appeal brief will have already been filed and will then have to be completely rewritten. The impracticality and expense of this required duplication effectively precludes the applicants from petitioning in most instances. There is no justification for requiring an appeal brief to be prepared and filed while an issue as to the content of the claims or of the record is still outstanding.

Because petitions do not toll the due dates for briefs, they are not in fact effective remedy to remedy the error complained of. Consequently the applicant does not have a full and fair opportunity to litigate the petitioned issue. Waiver is not appropriate.

In any case, the Office should clarify that the waiver does not extend to subsequent applications. If the Examiner refuses to enter an item of evidence and the appeal is sustained on the resulting incomplete record in one application, the Applicant still has the right to submit the evidence in a subsequent proceeding and have it considered. A waiver theory precluding consideration of evidence that was refused entry in a prior proceeding would violate due process in most cases because building a complete record for proper evaluation of patentability is not practically possible in a single response to a first rejection in the first place. That is a major reason why applicants have been given *by statute* the right to file continuation applications and it is the principle reason why the RCE was invented. Now that the RCE option has effectively been removed from most applications by the imposition of the new continuation/RCE rules, the Board needs to recognize that the applicants do not in fact have a full and fair opportunity to build a complete record in a single application. Consequently an appeal decided on an incomplete record in a first application does not preclude reconsideration of the same issue in a continuation which has been filed to complete the record. Bringing the appeal in the first case will be necessitated by the enormous structural problems created by the Office continuation/RCE rules, and the unwillingness of the Office to allow supplementation after Final, not due to any fault of the applicant, and therefore it cannot in justice be said to create any waiver for any, still permitted, subsequent application in which the applicant presents a fuller record.

#### **41.35 Jurisdiction over appeal**

The Board's jurisdiction begins when the applicant invokes its statutory right of review of the examiner's action. That is, when the notice of appeal is filed, and it ends at the time the patent is granted or the time for further action is expired. All decisions reversing a rejection from that point on, whether they come from the examiner, a review panel, or the Board itself, are decisions on the appeal and should be treated as such. Treating the Board's jurisdiction as starting only when the docket notice is entered, and excluding periods of remand, may deprive applicants of patent term extensions to which they are entitled.

#### **41.37(h) Jurisdictional Statement**

This requirement is just busy work of no consequence to the appeal. If it is getting appeals on matters required to be decided on petition, requiring a Jurisdictional Statement will not do anything to reduce those appeals. The Board has not shown it has an extensive problem with ex parte appeals taken before a second or Final Rejection. It has jurisdiction in all other appeals. The Board is not like a federal court that has thousands of statutes as well as common law upon which jurisdiction might be based and so has a pressing need for the jurisdictional basis to be articulated. The Board probably has never been asked to review a decision of another patent office or even of a decision by the USPTO in an International preliminary examination.

There is no point in requiring this statement other than to reduce the amount of space available to present the substantive appeal arguments or to lay a trap for appellants to incur formalities objections in order to permit delay in the appeal process or even dismissal without resolution on the merits. This section should be dropped or limited to a single sentence on the cover page, that is not taken into account in any page limits, reporting the date of the rejection being appealed and the date of the notice of appeal. The lengthy statement provided in the discussion has no place in a brief to the Board. That statement fills a 1/2 page of the double spaced 14 point font required in proposed rule 41.37(v)(5).

#### **41.37(i) Table of Contents**

Producing tables of contents is a tedious time-consuming task that should be required only for briefs that exceed a page limit. In these Briefs the table is merely redundant of the format rules themselves. The format of the brief is so formalized that the Board can easily follow the argument or locate any item of procedural information in the brief without need to impose this expense. It should be dropped from any final rule.

#### **41.37(j) Table of Authorities**

This is as unnecessary as the Table of Contents. The Board deals with only a limited area of law and is expert at the law involved. The Board doesn't routinely go back and read every case statute or rule listed in the table. It will only do so when the argument prompts the Board to

consider doing so. In that context the table serves no purpose other than the added cost it improperly imposes on the appellant. It should be dropped from any final rule.

The Board should provide a standard list of frequently cited authorities, including cases, statutes, regulations and MPEP locations, together with a short form abbreviation for each which if employed do not have to be cited in full. Many appeals could be streamlined with such a standard list, without burden to the applicant and without slowing processing of the appeal by the Board.

#### **41.37(n) Statement of Facts**

This section will add significantly to the cost because it has to be written after the argument is completed. If it is not abused by the formalities examiners this section could be a useful innovation, but since the format is expressly required for the benefit of the Examiner initially, and if necessary the Board thereafter, it is not properly considered in the page limits of the Brief. Under the proposed rule this statement deprives the appellants the opportunity to advocate their case. It should not be counted in the page limits because it is expressly required to be non-argumentative. Also the formalities examiners should not be allowed to any raise objections as to the content of this section. Otherwise the potential for escalation of the current abusive practices is frightening.

Still further the suggestion in the Discussion of this proposed rule that applicants challenging a 103 rejection should be addressing "at least" the scope and content of the prior art, any differences between the claim and the prior art and the level of skill in the art, suggests that the Office is trying to minimize its responsibility to make out a prima facie case of obviousness in the first instance. The final rule should make it clear that an appellant only needs to address such facts as are asserted to make out the prima facie case in the first instance.

#### **41.37(o) Argument**

Requiring that applicants challenge every so-called finding and every conclusion reached by the Examiner is not appropriate. Only those "findings" and conclusions stated in the rejection appealed from are entitled to such treatment. Otherwise appellants will have to scour the record

for erroneous statements made at any time about anything. This is not proper and does not comport with due process.

The fact is that prior to final action Examiner, frequently fail to articulate a proper rejection as a matter of law or make particular erroneous statements that the applicant considers dispositive of the initial rejection. Applicants often challenge those rejections on these grounds without regard to other factual errors the Examiner makes, and as a consequence the Final rejection is frequently stated very differently from an earlier one and often relies on different prior art. Even more frequently, clearly erroneous statements are often made in restriction requirements. Such errors are often not responded to because they are harmless error when made, there being no rejection to respond to. If the Applicant is not given explicit notice in the Action appealed from that the Office is in fact relying on something the Examiner said earlier as a "finding," the Board has no rational basis to do so. Such treatment sandbags applicants if the statement is not made in a context that has clear connection to the rejection on appeal. No rational legal theory allows the Board to rely on some statement made outside that context as a so-called fact finding.

#### **41.37(o)(1) Arguments considered**

A separate subheading for each claim separately argued is appropriate but it significantly adds to the page length of the brief. Due process is deprived whenever this requirement, taken together with the page limits actually deprives an applicant of the opportunity to present an argument as to each claim under appeal for each rejection.

#### **41.37(o)(3) Format of Argument**

There is no purpose useful to the Board decision for an applicant to state where or when an argument has been presented to the Examiner. This provision should be eliminated from the final rule.

The question presented to the Board is whether on the record the Examiner's rejection will be sustained. The appellant has to make the case for error on the record. This is a difficult task in itself. It is the only task the Board should concern itself with.



Making the applicant scour the record to identify who said what, and when, might be relevant to a petition to withdraw finality of a rejection. It is not relevant to the question of whether a rejection should be sustained. Addressing this in the brief deprives the appellant of the opportunity to make its case to the Board on the record and so violates due process.

To the extent that the Notice justifies this requirement on the hopes that the Examiner will address the issues actually raised in the Brief rather than merely regurgitating a prior rejection, the remedy called for is not to impose additional work on the appellant. The remedy is to insist that Examiners write their Answers, and that the Answers address the issues raised in the Appeal Brief.

#### **41.37(o)(6) Anticipation argument**

The discussion suggests that the applicant needs to show why a reference does not meet a recitation by inherency. Inherency is a fact that must be established by the Office on the record. Applicant has no duty to show that something is not inherent simply because the case is on appeal. Applicants do not need to address absence of inherency unless the Examiner has affirmatively contended the element is present by inherency and provided some rationale for that contention.

#### **41.37(o)(7) Obviousness argument**

The Office should make it clear that where none of the references shows an element recited in a claim it is sufficient to overcome a rejection under 103(a) to state this deficiency. This deficiency alone defeats a prima facie case of obviousness. The applicant has no burden to articulate any other reason why the subject matter is not obvious.

#### **41.37(r) Drawing analysis section**

Drawing analysis is unnecessary in the vast majority of cases. Requiring a drawing analysis in every case violates due process. In huge numbers of applications drawings are fluff inserted because of Office rules, not because they are actually needed to understand the invention. In any case, if an applicant provides a drawing in the argument that illustrates the issue raised, the Board has no need for a drawing analysis section. Further, the assertion that drawing analysis is

helpful in interferences makes the principle point of these comments. Interferences are prohibitively expensive for most applicants. Imposing the burdens of interference proceedings on ex parte applicants has no place in a properly run Board.

#### **41.37(t) Evidence section**

This section is usually completely unnecessary and abusively expensive.

This item by itself will more than double the average expense of preparing an Appeal Brief.

Under this rule every Applicant will have to prepare a separate record for every appeal, an enormously wasteful multiplication of effort compared to a single task that can easily be undertaken by the Office. The Office already has the record on line and that record already has a Table of Contents. What purpose does it serve to require the appellant to reproduce that record and prepare a new table? The Office can easily add page numbers to every document in every file with a single program. If the Office simply adds sequential page numbers to each entry in the online database, that record could be cited directly by the applicant and the needs of the Board would be fully satisfied. The cost of this programming can be built into the appeal fees so there is no loss to the Office. The only rational reason for imposing this section is the improper one of deliberately trying to discourage appeals by increasing their expense.

The appellant should be authorized to append particular items that may be poorly reproduced in the current file, but otherwise this is completely unnecessary and extremely expensive to prepare on a case-by-case basis.

This appendix will also become an invitation for abuse by formalities examiners objecting to pagination and insisting on inclusion of documents not relevant to the issue on appeal. Papers filed "which show that an argument being made on appeal was made in the first instance before the examiner" are not relevant to the appeal. The only question before the Board is whether the Examiner made an error, not who said what when.

#### **41.37(v)(5) Length of appeal brief.**

The issues of technology which the Board addresses are often complex with detailed facts intensively interwoven. Despite the fact that appellants already have strong motivations accentuate brevity in their submissions to the Office, arguments in complex cases are often, of necessity, lengthy. The Board violates due process when it imposes briefing requirements that make it impossible in practice to present the arguments needed to reasonably articulate every ground for appeal.

In large numbers of cases the combination of the 25 page limit, 14 point font, the inclusions of the jurisdictional statement, statement of facts, heading requirements, imposition of the irrelevant "who said what when" requirements in that limit, and the necessity of raising all disputed issues as to any claims separately, will collectively deprive the appellant of a full and fair opportunity to be heard on a dispositive issue and therefore violate due process. The page limit should be eliminated.

If the Office persists in attempting to impose a page limit it needs to provide some mechanism to assure appellants that petitions to exceed the limits will be readily granted. Applicants should be assured that they have a minimum of ten pages of argument for each rejection and a minimum of three pages for each claim separately argued under each rejection, without regard to the length of any other sections of the Brief.

The 14 point type font is also completely unjustified. In another example of the arrogance of this proposal, the Office has promulgated the rules in the Federal Register forcing the public to scrutinize the proposal in a typeface that is less than 10 point. The Office is entitled to no more consideration than it has given to the public. In any case the application and all papers filed prior to the appeal are done in 12 point type, which is plenty large for the Appeal Brief.

## **Conclusion**

The whole reason for the existence of the patent system, and the **only** reason for the existence of the Office, is to foster innovation. When the Office fails to deliver a patent to a meritorious applicant it actively discourages innovation, completely negating its reason for existence. We

would be better off with no patent system at all than with one that fraudulently runs innovators through a massively complex endless bureaucratic maze that ultimately leads nowhere.

Because the Board is experiencing increased demand for its review services, it is the duty of the Board to work with applicants to streamline the appeals process to substantially reduce briefing costs for applicants so that the inventing public can be reasonably assured that Examiner errs are correctable and are in fact corrected when they occur. These rules do the opposite, rendering appeals too costly to undertake for many meritorious applicants and promoting arbitrary and capricious action by the examination staff. They will discourage innovation.

The proposed Appeal rules, when taken with the bizarre "quality" pronouncements of the Office, the new continuation rules, the 5/25 claims rules, the completely irrational ESD, the new presumed double patenting rules, and the proposed limits on prior art submissions are nothing less than a Declaration of **WAR** on Invention by the Office. The Board should recognize that the Office has no authority to engage in this war and should abandon this proposal.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'Walter J. Steinkraus', with a long horizontal flourish extending to the right.

Walter J. Steinkraus

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