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Using Ex Parte Patent Appeals To Advance Prosecution

Law360, New York (March 15, 2016, 10:45 AM ET) -- Patent prosecution is a negotiation between an applicant's counsel and an examiner representing the U.S. Patent and Trademark Office. Like all negotiations, the parties will not always reach an agreement. The ex parte appeal procedure is an opportunity for the applicant to take the case out of the examiner's hands and have it reviewed by the Patent Trial and Appeal Board. Statistics show that this procedure is very effective and should be considered when prosecution is at a stalemate.



Stephen Ball

The ex parte appeal process is straightforward. An applicant can file a notice of appeal along with the fee once any claim has been twice rejected. The applicant then has two months to file an appeal brief. Only after a supervisory patent examiner agrees with the examiner that the rejections should be maintained and the appeal should proceed does the examiner file an answer to the appeal brief. The applicant then has two months to file a reply brief along with the appeal forwarding fee, which confers jurisdiction to the PTAB. The applicant can also request an oral hearing by paying the required fee. Once the briefs and any oral argument have been considered, the PTAB issues its decision, which may reverse the examiner in whole or in part, affirm the examiner, or even set forth new grounds of rejection.



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In fiscal year 2014, the PTAB disposed of 9,489 cases, reversing examiner rejections in 3,049 cases and reversing-in-part in 1,193 cases.[1] These statistics show that applicants were at least partly successful in overcoming examiner rejections in approximately 45 percent of cases. In the authors' experience, the percentage of successful outcomes is even higher.

A substantial number of appeals do not ultimately reach the PTAB and, in many cases, the examiner does not even file an answer. Examiners (or their SPEs) may be convinced by the arguments in the appeal brief and immediately allow the application. Examiners may also reopen prosecution and issue more detailed rejections. In either situation, the applicant's counsel has been successful in removing the outstanding rejections and advancing prosecution.

To achieve the best results, it is helpful to have claims of varying scope before pursuing an appeal so that the PTAB can find at least some subject matter allowable. The examiner will not want to risk being reversed, even on dependent claims. It is also important to address any claim objections, such as those directed to written description and clarity, since such objections can be easily affirmed by the PTAB. It may be further beneficial to request a

pre-appeal brief conference in order to have a panel of examiners review the legal and factual basis of the rejections prior to the filing of an appeal brief. Even if the rejections are ultimately affirmed, the applicant still has the opportunity to continue prosecution of the case and amend the claims by filing a request for continued examination.

It also pays to be aggressive early in prosecution. Too often examiners will attempt to force applicants into multiple RCEs with incremental claim amendments. Examiners like RCEs because they contribute to their disposition "count," which is used to grade their performance. By filing an appeal, the examiner is put on notice that the applicant is serious about challenging dubious rejections. If the examiner reopens prosecution before the appeal is finally decided by the board, the appeal fees paid by the applicant can be applied toward a future appeal in the case, allowing the applicant to continue to be aggressive since they have essentially prepaid toward a future appeal. The goal should be compact prosecution that reduces expenses for the applicant. The time and cost of pursuing an appeal can be comparable to an RCE and subsequent back and forth with the examiner, and doing so will typically yield broader claim scope.

The appeal process can have risks, particular for patent applications directed to computer-related inventions. An increasing number of appeals for such patent applications are being filed after the U.S. Supreme Court decision in *Alice Corp. Pty. Ltd. v. CLS Bank Intl.* concerning patent eligibility under 35 U.S.C. § 101. Examiners are hesitant to consider, and in worst cases blindly ignore, any amendments and arguments set forth by applicants to overcome patent eligibility rejections. As such, often the only course of action is to remove the case from the examiner by initiating an appeal, forcing the examiner to explain the reasoning behind patent ineligibility. However, the PTAB affirms examiner rejections the most for these types of inventions. In addition there is the potential that the PTAB may sua sponte consider patent eligibility issues. Accordingly, applicants for these types of inventions should consider whether an appeal could open the door to additional rejections.

For the vast majority of cases, the ex parte appeals process is a useful tool when the applicant and the examiner are at a stalemate. This allows the applicant to take the case out of the examiner's hands and force the examiner to justify the rejections. Not only can this procedure be comparable in time and cost to continued examination and the filing of multiple responses, it typically yields broader claims and more often than not it is successful in advancing prosecution.

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[1] <http://www.uspto.gov/sites/default/files/ip/boards/bpai/stats/receipts/fy2014-sep-e.pdf>, excluding data for Technology Center 3900 (Reexaminations).

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