DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Parts 1 and 41

[No. PTO–P–2009–0021]

RIN 0651–AC37

Rules of Practice Before the Board of Patent Appeals and Interferences in Ex Parte Appeals

AGENCY: United States Patent and Trademark Office, Commerce.

ACTION: Notice of proposed rulemaking; request for comments.

SUMMARY: The United States Patent and Trademark Office (USPTO or Office) proposes changes to rules governing practice before the Board of Patent Appeals and Interferences (Board or BPAI) in *ex parte* patent appeals. After considering public comments raised in response to an Advanced Notice of Proposed Rulemaking, which proposed potential modifications to the stayed final rule, the Office is proposing to rescind the stayed final rule and is issuing this notice seeking public comment on proposed new revisions to the current rule. The goal of this proposed rulemaking is to simplify the appellate process in a manner that effects an overall lessening of the burden on appellants and examiners to present an appeal to the Board.

DATES: The deadline for receipt of written comments on the proposed rulemaking is 5 p.m. Eastern Standard Time on January 14, 2011.

ADDRESSES: Written comments on the proposed rulemaking should be sent by electronic mail message over the Internet addressed to *BPAI.Rules@uspto.gov*. Comments on the proposed rulemaking may also be submitted by mail addressed to: Mail Stop Interference, Director of the United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313–1450, marked to the attention of "Linda Horner, BPAI Rules." Although comments may be submitted by mail, the USPTO prefers to receive comments via the Internet.

FOR FURTHER INFORMATION CONTACT: Linda Horner, Administrative Patent Judge, Board of Patent Appeals and Interferences, by telephone at (571) 272–9797, or by mail addressed to: Mail Stop Interference, Director of the United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313–1450, marked to the attention of Linda Horner.

SUPPLEMENTARY INFORMATION:

Background

On July 30, 2007, the Office published a notice of proposed rulemaking governing practice before the Board in *ex parte* patent appeals (72 FR 41,472 (Jul. 30, 2007)). The notice was also published in the Official Gazette. 1321 Off. Gaz. Pat. Office 95 (Aug. 21, 2007). The public was invited to submit written comments. Comments were to be received on or before September 28, 2007.

On June 10, 2008, a final rulemaking was then published in the **Federal Register** (73 FR 32,938 (Jun. 10, 2008)). This final rule stated that the effective and applicability dates were December 10, 2008. On June 9, 2008, the Office published a 60-day **Federal Register** notice (73 FR 32,559 (Jun. 9, 2008)) requesting the Office of Management and Budget (OMB) establish a new information collection for BPAI items in the final rule and requesting public comment on the burden impact of the final rule under the provisions of the Paperwork Reduction Act (PRA). On October 8, 2008, the Office published a 30-day **Federal Register** notice (73 FR 58,943 (Oct. 8, 2008)) stating that the proposal for the collection of information under the final rule was being submitted to OMB and requesting that comments on the proposed information collection be submitted to OMB. Because the information collection process had not been completed by the original effective and applicability date of the final rule, the Office published a **Federal Register** notice (73 FR 74972 (Dec. 10, 2008)) notifying the public that the effective and applicability dates of the final rule was not December 10, 2008, and that the effective and applicability dates would be delayed until a subsequent notice.

On January 20, 2009, the Assistant to the President and Chief of Staff instructed agencies via a memorandum entitled, "Regulatory Review," (74 FR 4435 (Jan. 20, 2009)) to consider seeking comments for an additional 30 days on rules that were published in the **Federal Register** and had not yet become effective by January 20, 2009. On January 21, 2009, the Office of Management and Budget issued a memorandum entitled, "Implementation of Memorandum Concerning Regulatory Review," (available at *http://www.whitehouse.gov/sites/default/files/omb/assets/agencyinformation_memoranda_2009_pdf/m09-08.pdf*) which provided agencies further guidance on such rules that had not yet taken effect. For such rules, both memoranda stated that agencies should consider reopening the rulemaking process to review any significant concerns involving law or policy that have been raised.

On December 22, 2009, the Office published an Advance Notice of Proposed Rulemaking (ANPRM) proposing further modifications to the stayed final rule and seeking public comment via a public roundtable and written comment (74 FR 67,987 (Dec. 22, 2009)).

Request for Comments

In light of the comments received to these notices, the Office is now proposing to rescind the stayed final rule and is proposing new changes to the current rules of practice before the Board in *ex parte* appeals, and is publishing this Notice of Proposed Rulemaking (NPRM) to solicit input from interested members of the public on the proposed new changes to the current rule.

Purposes for Proposed Changes to the Current Rule

The USPTO proposes to amend the rules of practice in *ex parte* patent appeals to avoid undue burden on appellants or examiners to provide information from the record to the Board, to eliminate any gap in time from the end of briefing to the commencement of the Board's jurisdiction, to clarify and simplify petitions practice in appeals, and to reduce confusion as to which claims are on appeal. For example, the Office proposes to amend the rules to: (1) Remove several of the current briefing requirements for an appeal brief, (2) provide for the Board to take jurisdiction over the appeal earlier in the appeal process, (3) eliminate the Board's authority, absent the Director's approval, to remand an application to the examiner, (4) no longer require examiners to acknowledge receipt of reply briefs, (5) create specified procedures under which an appellant can seek review of an undesignated new ground of rejection in either an examiner's answer or in a Board decision, (6) provide that the Board will presume that the appeal is taken from the rejection of all claims under rejection unless cancelled by an applicant's amendment, and (7) clarify that, for purposes of the examiner's answer, any rejection that relies upon new evidence shall be designated as a new ground of rejection.

For clarity, this notice refers in places to the "current" Board rules. The current rules in effect are the current Board rules as published in 37 CFR 41.1 through 41.81 (2010).

One purpose of this proposed rulemaking is to ensure that the Board

has adequate information to decide *ex parte* appeals on the merits, while not unduly burdening appellants or examiners with unnecessary briefing requirements. In particular, the goal of this proposed rulemaking is to effect an overall lessening of the burden on appellants and examiners to present an appeal to the Board. For example, statements of the status of claims, the status of amendments, the grounds of rejection to be reviewed on appeal, and the claims appendix would no longer be required in the appeal brief (Proposed Bd.R. 41.37) or in the examiner's answer. Because this information is already available in the Image File Wrapper, it is unnecessary for appellants or examiners to provide this information to the Board. Moreover, by eliminating these briefing requirements, the Office expects to reduce the number of non-compliant appeal briefs and the number of examiners' answers returned to the examiner due to non-compliance, which are a significant cause of delays on appeal. *See* USPTO, *Top Eight Reasons Appeal Briefs are Non-Compliant, http://www.uspto.gov/ip/boards/bpai/procedures/top_8_reasons_appeal_brf_dec09.pdf.*

Another purpose of this proposed rulemaking is to eliminate any gap in time from the end of briefing to the commencement of the Board's jurisdiction, and to minimize the number of appeals that transfer back-and-forth between the Board and the examiner. For example, under the proposed rules, the Board would take jurisdiction upon the earlier of the filing of a reply brief or the expiration of the time in which to file a reply brief (Proposed Bd.R. 41.35(a)). Examiners would no longer be required to acknowledge receipt of the reply brief (Proposed Bd.R. 41.43 [removed]). The proposed rules also eliminate the Board's independent authority to remand an application to an examiner (Proposed Bd.R. 41.50(a)). Therefore, the Board would be required to decide the appeal on the merits, and only with the Director's approval may the Board remand an application back to the examiner (Proposed Bd.R. 41.35(c)).

The proposed rulemaking is also intended to clarify and simplify petitions practice on appeal. For example, except under limited circumstances, any information disclosure statement or petition filed while the Board possesses jurisdiction over the proceeding would be held in abeyance until the Board's jurisdiction ends (Proposed Bd.R. 41.35(d)). Also, in response to public comments, and based on a comprehensive survey of case law from the United States Court of Appeals for the Federal Circuit (Federal Circuit) and United States Court of Customs and Patent Appeals (CCPA), the Office will provide improved guidance in the Manual of Patent Examination Procedure (MPEP), discussed *infra,* as to what constitutes a new ground of rejection in an examiner's answer. The proposed rulemaking explicitly sets forth the procedure under which an appellant can seek review of the Office's failure to designate a new ground of rejection in either an examiner's answer (Proposed Bd.R. 41.40) or in a Board decision (Proposed Bd.R. 41.50(c)).

Another purpose of this proposed rulemaking is to reduce confusion as to which claims are on appeal. For example, under the proposed rules, the Board would presume that the appeal is taken from the rejection of all claims under rejection unless cancelled by an applicant's amendment (Proposed Bd.R. 41.31(c)). This change would simplify practice for the majority of appellants who seek review of all claims under rejection by obviating the need to enumerate the rejected claims that are being appealed. This proposed rule would avoid the unintended cancellation of claims by the Office due to appellant's mistake in the listing of the claims in either the notice of appeal or in the appeal brief. Under current practice, if an appellant incorrectly lists the claims on appeal, or is silent in the brief as to some of the claims under rejection, then the Office assumes that such claims are not on appeal, and notes that those non-appealed claims should be cancelled by the examiner. *Ex parte Ghuman,* 88 USPQ2d 1478, 2008 WL 2109842 (BPAI 2008) (precedential) (holding that when appellant does not appeal some of the claims under rejection and does not challenge the Examiner's rejection of these claims, then the Board will treat these claims as withdrawn from the appeal, which operates as an authorization for the Examiner to cancel those claims from the application). The Office is proposing to change this practice in order to avoid the unintended cancellation of claims due to oversight or mistake by appellants in listing the claims on appeal. This proposed change would replace the Office's procedure under *Ghuman* and simplify practice for examiners by no longer requiring examiners to cancel non-appealed claims.

The **SUPPLEMENTARY INFORMATION** in this notice provides: (1) A brief explanation of the proposed changes to the current rule, (2) a discussion of the differences between the proposed rule and the current rule, and (3) a copy of the proposed amendments to the regulatory text.

Brief Explanation of Proposed Changes to the Current Rule

The notable changes in the proposed rule, as compared to the current Board rule, are: (1) The Board would presume that an appeal is taken from the rejection of all claims under rejection unless cancelled by an amendment filed by appellant (Proposed Bd.R. 41.31(c)); (2) the Board would take jurisdiction upon the filing of a reply brief or the expiration of time in which to file such a reply brief, whichever is earlier (Proposed Bd.R. 41.35(a)); (3) the requirements to include statements of the status of claims and grounds of rejection to be reviewed on appeal and the requirements to include a claims appendix, an evidence appendix and a related proceedings appendix would be eliminated from the appeal brief (Proposed Bd.R. 41.37(c)); (4) the Board may apply default assumptions if a brief omits a statement of the real party-in-interest or a statement of related cases (Proposed Bd.R. 41.37(c)(1)(i) and (ii)); (5) for purposes of the examiner's answer, any rejection that relies upon new evidence shall be designated as a new ground of rejection (Proposed Bd.R. 41.39(a)(2)); (6) the appellant can await a decision on a petition seeking review of an examiner's failure to designate a rejection in the answer as a new ground of rejection prior to filing a reply brief (Proposed Bd.R. 41.40) and thereby avoid having to file a request for extension of time in which to file the reply brief; and (7) the examiner's response to a reply brief would be eliminated (Proposed Bd.R. 41.43 [removed]). A more detailed discussion of all of the proposed changes follows.

Discussion of Proposed Changes to the Current Rule

Explanation of Proposed Changes

Existing rules in Part 1 are denominated as "Rule x" in this supplementary information. A reference to Rule 1.136(a) is a reference to 37 CFR 1.136(a) (2010).

Existing rules in Part 11 are denominated as "Rule x" in this supplementary information. A reference to Rule 11.18(a) is a reference to 37 CFR 11.18(a) (2010).

Existing rules in Part 41 are denominated as "Bd.R. x" in this supplementary information. A reference to Bd.R. 41.3 is a reference to 37 CFR 41.3 (2010).

Proposed rules are denominated as "Proposed Bd.R. x" in this supplementary information.

The Board has jurisdiction to consider and decide *ex parte* appeals in patent applications (including reissue, design and plant patent applications) and *ex parte* reexamination proceedings.

The proposed rules do not propose to change any of the rules relating to *inter partes* reexamination appeals. Nor do the proposed rules propose to change any of the rules relating to contested cases.

For purposes of this notice of proposed rulemaking, some paragraphs that are proposed to be deleted are shown as "reserved." These "reserved" paragraphs will be deleted entirely in the final rule, and the remaining paragraphs in each section will be renumbered, as appropriate.

Discussion of Proposed Changes to Specific Rules

Part 1

Termination of Proceedings

Proposed Rule 1.197 proposes to revise the title of this section and to delete paragraph (a), the provision that sets forth when jurisdiction passes from the Board to the examiner after a decision has been issued by the Board. The operative language of this paragraph has been incorporated into Proposed Bd.R. 41.54, except that "transmittal of the file" has been omitted. Most patent application files are electronic files (Image File Wrapper files), not paper files. Accordingly, a paper file is no longer "transmitted" to the examiner. The changes to Proposed Rule 1.197 and Proposed Bd.R. 41.54 are intended to more accurately reflect the fact that files are handled electronically within the Office, and do not imply that there would be a change in the practice for passing jurisdiction back to the examiner after decision by the Board—the process would remain the same under the proposed rule.

The ANPRM did not propose any changes to this section. As such, no comments were received in connection with this section.

Part 41

Authority

The listing of authority for Part 41 would be revised to add references to 35 U.S.C. 132, 133, 306, and 315. Section 132 provides that the Director shall prescribe by regulations to provide for the continued examination of applications for patent at the request of the applicant. Section 133 states that upon failure of the applicant to prosecute the application within six months after any action therein, the application shall be regarded as abandoned. Section 306 establishes the patent owner's right to appeal in an *ex parte* reexamination proceeding. Section 315 establishes the right to appeal in an *inter partes* reexamination proceeding.

Subpart A

Citation of Authority

Proposed Bd.R. 41.12 proposes to delete from the current rule the requirements: (1) To cite to particular case law reporters, and (2) to include parallel citations to multiple reporter systems. The proposed rule indicates a Board preference for citations to certain reporters and for limited use of non-binding authority.

The ANPRM proposed to delete the requirement in Bd.R. 41.12 to use parallel citations. The Office received one comment that the changes to this section proposed in the ANPRM were unclear. Specifically, the comment questioned whether the proposed changes made certain citations mandatory or if the citations were a preference of the Board. The Office also received one comment stating that requiring reporter cites is burdensome on parties and does not provide any efficiency to the Board. This comment further noted that requiring the filing of a copy of authorities relied upon would be unduly burdensome.

This section of the proposed rule has been revised to eliminate the previously proposed requirement to cite to a particular case law reporter and the previous requirement to include parallel citations to multiple reporter systems. The requirement to include pinpoint citations, whenever a specific holding or portion of an authority is invoked, is maintained. Because Administrative Patent Judges have access to both the West Reporter System and the United States Patents Quarterly, it is unnecessary for appellants to cite to both reporters.

The proposed rule, as well as the current rule, states that appellants should provide a copy of an authority if the authority is not an authority of the Office and is not reproduced in the United States Reports or the West Reporter System. This provision is designed to ensure that a full record is before the Administrative Patent Judge to allow an efficient and timely decision to be made on the merits of the case.

Subpart B

Definitions

Proposed Bd.R. 41.30 proposes to add a definition of "Record" to the current rule so that, when subsequent sections of Subpart B refer to the "Record", it is clear what constitutes the official record on appeal. The proposed rule would state that the official record contains the items listed in the content listing of the image file wrapper, excluding papers that were denied entry. The proposed definition of "Record" includes the items listed in the content listing of the image file wrapper because, in some cases, physical items that form part of the official file are not able to be scanned into the image file wrapper and are maintained elsewhere, such as in an artifact file. Some examples of such items include original drawings in design patent applications and sequence listings. In such cases, the image file wrapper will include an entry in the contents listing that points to this artifact file.

The ANPRM proposed to amend Bd.R. 41.30 to add a definition of "Record" to mean "the official content of the file of an application or reexamination proceeding on appeal." The Office received only one comment to this proposed change in the ANPRM, which approved of the proposal.

This section of the proposed rule includes a slightly different, but clearer, definition of "Record" than that which was proposed in the ANPRM. In particular, the definition in Proposed Bd.R. 41.30 explicitly excludes any amendment, evidence, or other document that was denied entry. Because an examiner's refusal to enter an amendment, evidence, or other document is a petitionable matter that is not subject to review by the Board, the exclusion of such un-entered documents from the proposed definition of "Record" reflects the fact that the Board's review of patentability determinations is properly based on the record of all entered documents in the file.

Appeal to the Board

Proposed Bd.R. 41.31(a) proposes to revise the current rule to make clear that an appeal to the Board is taken by filing a notice of appeal. This proposed change is not intended to change the current practice of the Office. The Office currently requires appellants to file a notice of appeal in order to appeal an adverse decision of the examiner to the Board.

The ANPRM proposed to amend 41.31(a) to clarify that an appeal is taken to the Board by filing a notice of appeal. The Office received a comment that the changes proposed in the ANPRM, which would have deleted reference to the statutory conditions under which a right of appeal arises, lacked clarity. Specifically, the comment noted that it would promote efficiency to retain the specific statutory conditions for appeal

in the rules to provide clarity to appellants and practitioners who might read only the rules and not the underlying statutes. Proposed Bd.R. 41.31 proposes to keep the language of sections (a)(1), (a)(2), and (a)(3) found in the current rule, thus retaining the statutory conditions under which a right of appeal arises.

The Office received another comment that proposed eliminating the notice of appeal requirement altogether because it causes unnecessary delay in the appellate process. This suggestion is not adopted. The filing of the notice of appeal is an important procedural step of the larger prosecution process at the Office. For example, the filing of a notice of appeal triggers the appellant's ability to file a pre-appeal brief conference request.

The Office received a comment to the ANPRM requesting that the Office provide statistics on the Pre-Appeal Brief Conference program. For each full fiscal year (FY) since the Pre-Appeal Brief Conference program was launched, the following charts show: (1) The annual number of such requests, (2) the percent of notices of appeal that contain a request, (3) the outcomes of the conferences, and (4) a comparison of the outcomes of the Pre-Appeal Brief Conference to the Appeal Conference.

PRE-APPEAL BRIEF CONFERENCE EFFECTS: ACTIONS IN RESPONSE TO REQUEST FOR PRE-APPEAL BRIEF REVIEW

FY	Number of requests	Frequency of requests (percent)	Proceed to board (percent)	Prosecution reopened (percent)	All rejections withdrawn (percent)	Defective request (percent)
06	6,525	24	55	37	5	3
07	7,240	25	56	38	4	2
08	8,255	27	59	37	2	2
09	9,967	30	56	39	3	2
10	12,019	34	56	38	5	1

APPEAL CONFERENCE EFFECTS: ACTIONS IN RESPONSE TO APPEAL BRIEF

FY	Examiner's answer (percent)	Prosecution reopened (percent)	All rejections withdrawn (percent)	Other action (percent)
98	58	12	29	1
99	52	15	32	1
00	46	21	32	1
01	40	25	34	1
02	38	26	34	1
03	38	29	31	1
04	39	32	27	2
05	39	35	24	2
06	49	30	19	2
07	56	28	14	2
08	59	28	12	1
09	56	27	16	1
10	59	23	17	1

Proposed Bd.R. 41.31(b) proposes to revise the current rule to make clear that the signature requirements of Rules 1.33 and 11.18(a) do not apply to the notice of appeal. This proposed change updates paragraph (b) to add a reference to Rule 11.18(a) to avoid any conflict between the rules of practice in *ex parte* appeals and the rules governing practice by registered practitioners before the Office.

The ANPRM proposed to remove the provision that a notice of appeal need not be signed. One comment requested clarification as to why the ANPRM proposed to delete paragraph (b) of the current rule. The comment suggested removing this flexibility might lead to mistakes and more work for both the Office and appellants to correct such mistakes. In light of this comment, Proposed Bd.R. 41.31(b) would retain the provision that a notice of appeal need not be signed and would further clarify that Rule 11.18(a) does not apply to a notice of appeal, so as to avoid any conflict in the requirements for practitioners under this title.

Proposed Bd.R. 41.31(c) proposes to revise the current rule so that an appeal, when taken, would be presumed to seek review of all of the claims under rejection unless canceled by an amendment filed by the appellant. This proposed change, obviates the need for the majority of appellants who seek review of all claims under rejection to affirmatively state (in the notice of appeal and/or in the status of claims section of the appeal brief) which claims are on appeal. Rather, under Proposed Bd.R. 41.31(c), the Board would presume that an appellant intends to appeal all claims under rejection except for those that the appellant has canceled. This proposed change avoids the unintended cancellation of claims by the Office due to an appellant's mistake in the listing of the claims in either the notice of appeal or in the appeal brief. Under current practice, if an appellant incorrectly lists the claims on appeal, or is silent in the brief as to any of the claims under rejection, then the Office assumes that such claims are not on appeal, and notes that those non-appealed claims should be cancelled by the examiner. *Ex parte Ghuman,* 88 USPQ2d 1478, 2008 WL 2109842 (BPAI 2008) (precedential) (holding that when appellant does not appeal some of the claims under rejection and does not challenge the Examiner's rejection of these claims, then the Board will treat these claims as withdrawn from the appeal, which operates as an authorization for the Examiner to cancel those claims from the application). The proposed rule would avoid potential unintended cancellation of claims due to oversight or mistake by appellants in listing the claims on appeal. This proposed change would replace the Office's procedure under *Ghuman* and simplify practice for examiners by no

longer requiring examiners to cancel non-appealed claims. Any appellant who wishes to appeal fewer than all rejected claims should file an amendment cancelling the non-appealed claims. If an appellant does not file an amendment cancelling claims that the appellant does not wish to appeal, but then also fails to provide any argument in the appeal brief directed to those claims, then the Board may simply affirm any rejections against such claims.

Amendments and Affidavits or Other Evidence After Appeal

Proposed Bd.R. 41.33(c) proposes to delete cross-references to Bd.R. 41.50(a)(2)(i) and Bd.R. 41.50(c) from the current rule. As noted *infra,* Proposed Bd.R. 41.50 proposes to delete paragraph (a)(2)(i) from the current rule and to amend paragraph (c) so that it is no longer applicable to Proposed Bd.R. 41.33(c).

Proposed Bd.R. 41.33(d)(2) proposes to delete the cross-reference to Bd.R. 41.50(a)(2)(i) from the current rule. As noted *infra,* Proposed Bd.R. 41.50 proposes to delete paragraph (a)(2)(i) from the current rule.

The ANPRM proposed to limit the types of amendments and evidence that could be filed on or after an appeal brief. The restrictions set forth in the ANPRM were identical to the restrictions in current Bd.R. 41.33.

The Office received one comment that the restrictions set forth in the ANPRM would limit the examiner's ability to enter amendments or evidence after an appeal is filed, thus potentially preventing an examiner from entering an amendment suggested by the examiner that would possibly render the claims allowable. The comment suggested adding a third condition for allowance to section (b) for an examiner-approved amendment and to add a new rule allowing appellants to submit examiner-requested evidence after an appeal is filed.

Proposed Bd.R. 41.33 does not substantively change the current rule. Both the current rule and the rule proposed in this NPRM restrict the types of amendments and evidence that can be filed after filing a brief. This approach is designed to promote efficiency of the Board in its review by ensuring that the Board has the benefit of the examiner's final evaluation of the weight and sufficiency of any evidence relied upon by appellants prior to the Board rendering a decision on appeal.

The Office received another comment that the restrictions set forth in the ANPRM would prevent appellants from submitting evidence to rebut an examiner's position raised for the first time after a notice of appeal is filed, specifically in an examiner's answer. Proposed Bd.R. 41.40 has been added to respond to the comments desiring clarification of how appellants can file a petition to the Director under Rule 1.181 seeking review of the examiner's failure to designate a rejection as a new ground of rejection if they feel that the examiner's answer contains a new ground of rejection that necessitates the filing of new amendments or new evidence. Thus, appellants are afforded due process by granting a fair opportunity to respond to all aspects of a rejection prior to appeal. Since the filing of such a Rule 1.181 petition tolls the period for filing a reply brief, appellants would not need to incur the expense of preparing and filing a reply brief if their petition is granted, and examiners would not be required to respond to appellants' requests under Rule 1.136(b) for extensions of time in which to file a reply brief while the petition is being decided.

The Office received another comment that the rule proposed in the ANPRM seemed to conflict with § 556(d) of the Administrative Procedure Act (APA) which guarantees the right to submit rebuttal evidence in agency proceedings and with case law from the Federal Circuit. As noted *supra,* the Proposed Bd.R. 41.40 in this NPRM provides appellants with procedures to file a petition to the Director under Rule 1.181 seeking review of the examiner's failure to designate a rejection as a new ground of rejection and, consequently, if granted, have an opportunity to reopen prosecution and submit rebuttal evidence, consistent with the APA.

Jurisdiction Over Appeal

Proposed Bd.R. 41.35(a) proposes to revise the current rule to provide that jurisdiction over the appeal passes to the Board upon the filing of a reply brief or the expiration of the time in which to file such a reply brief, whichever is earlier. This proposed change is deemed necessary because current Bd.R. 41.35(a) provides that the Board acquires jurisdiction upon transmittal of the file to the Board. Most patent application files are electronic files (Image File Wrapper files), not paper files. Accordingly, a paper file is no longer "transmitted" to the Board.

The Board intends to continue sending a docket notice as a courtesy to appellants to indicate that the Board has assigned an appeal number to the appeal. By having the Board's jurisdiction commence immediately upon the filing of a reply brief or the expiration of the time in which to file such a reply brief, there would be no affirmative step required to be taken by the Board prior to assuming jurisdiction and no gap in time from the end of the briefing to the commencement of jurisdiction by the Board.

The ANPRM proposed that jurisdiction of the Board would begin when a docketing notice was mailed by the Board. The Office received one comment suggesting that an appeal should be instantly docketed at the Board upon receipt of a reply brief. The Office has adopted this proposed change substantially as suggested, while taking into account that some appellants may choose not to file a reply brief. The Office received another comment suggesting that jurisdiction should pass to the Board upon the filing of the notice of appeal, and thus, the Board would be the only entity reviewing briefs for compliance with the rule. The Office chose not to adopt this proposed change, because if the Board acquired jurisdiction upon filing of a notice of appeal, this change would foreclose the opportunity for the examiner, upon reviewing the appeal brief, to find some or all of the appealed claims patentable prior to the Board taking jurisdiction, thus obviating the need to proceed with the appeal. To address the concern raised by the public comment, the Office chose instead to implement a streamlined procedure for review of briefs in *ex parte* appeals in which the Chief Judge of the Board is the sole reviewer of briefs for compliance with the rules. A streamlined procedure for review of briefs in appeals involving both patent applications (75 FR 15,689 (March 30, 2010)) and *ex parte* reexamination proceedings (75 FR 29,321 (May 25, 2010)) has already been implemented. As such, the Board is currently the only reviewing body for appeal brief compliance.

Proposed Bd.R. 41.35(b) proposes to remove from the current rule the provision that gives the Board the power to return an appeal to the examiner if the Board deems that a file is not complete or not in compliance with the requirements of Subpart B. Rather, if a file is not in condition for the Board to render a decision on the appeal, the file may be remanded to the examiner by a Director-ordered remand pursuant to Bd.R. 41.35(c). Proposed Bd.R. 41.35(b) also proposes to revise the current rule to make clear when the Board's jurisdiction ends so that no gaps in time exist between the end of the Board's jurisdiction and further action by the examiner.

The ANPRM similarly proposed revising Bd.R. 41.35(b) to set forth when the Board's jurisdiction ends. The Office

received no comments in response to this proposed change.

Proposed Bd.R. 41.35(c) proposes to add to the current rule a paragraph heading and a cross-reference to a relevant section of the rule.

Proposed Bd.R. 41.35 proposes to add a new paragraph (d) to the current rule to provide that, except for petitions authorized by part 41 of this title, the Board would not return or remand an application for consideration of an information disclosure statement or a petition filed while the Board possesses jurisdiction, and that consideration of such filings would be held in abeyance until the Board's jurisdiction ends. The Board's jurisdiction begins upon the filing of the reply brief or upon the expiration of the time for filing a reply brief. Therefore, under both current and Proposed Bd.R. 41.33(d)(2), the filing of an information disclosure statement during the Board's jurisdiction constitutes the introduction of untimely evidence. Similarly, because Rule 1.181 provides that petitions must be filed within two months of the mailing date of the action or notice from which relief is requested, and because the Board's jurisdiction begins up to two months after the mailing date of the examiner's answer (assuming no petition under Rule 1.181 is filed), it follows that all petitions relating to the examination phase of the application or reexamination proceeding ought to be filed prior to the time the Board takes jurisdiction. It is in the interest of compact prosecution that the Office not delay a decision on appeal for consideration of untimely evidence and petitions. Proposed Bd.R. 41.35(d) excludes "petitions authorized by this part." For example, petitions authorized by part 41 include petitions under Bd.R. 41.3.

Proposed Bd.R. 41.35(d) was not part of the ANPRM, and thus no comments were received pertaining to it.

Appeal Brief—Timing and Fee; and Failure To File a Brief

Proposed Bd.R. 41.37(a) and (b) propose to add paragraph headings to the current rule.

The ANPRM proposed minor wording changes to paragraphs (a) and (b), but proposed no substantive amendments. No comments were received regarding these paragraphs. In order to avoid changes to the current rule that are not necessary for clarification or improved practice and procedure, these paragraphs of the proposed rule add only descriptive headings and the remainder of the text is the same as the current rule.

Appeal Brief—Content of Appeal Brief—Preamble

Proposed Bd.R. 41.37(c)(1) proposes to add a paragraph heading to the current rule. Additionally, Proposed Bd.R. 41.37(c)(1) proposes to add the introductory phrase "Except as otherwise provided in this paragraph" to the current rule to clarify that several of the content requirements listed in paragraph (c)(1) contain exceptions that may result in an appeal brief containing fewer than all items listed in paragraph (c)(1). Proposed Bd.R. 41.37(c)(1) would also revise the current rule to correct the cross-references in light of further changes to this section, discussed *infra.*

Appeal Brief—Content of Appeal Brief—Real Party in Interest

Proposed Bd.R. 41.37(c)(1)(i) proposes to revise the current rule to provide that the statement identifying the real party in interest should be accurate as of the date of filing of the appeal brief. Proposed Bd.R. 41.37(c)(1)(i) would revise the current rule to allow the Board to assume, if the statement of real party in interest is omitted from the appeal brief, that the named inventors are the real party in interest. These changes are proposed to decrease the burden on appellants by allowing appellants to omit this statement if the named inventors are the real party in interest. The purpose of this section is to enable Administrative Patent Judges to determine whether they have a conflict of interest with the real parties in the case and then to appropriately recuse themselves if such a conflict of interest is found. The information required in Proposed Bd.R. 41.37(c)(1)(i) is the minimum information needed by the Board to effectively make this determination.

The ANPRM proposed a default rule that if the brief omits this statement, the Office would assume that the named inventors are the real party in interest. The Office received no comments in response to these proposed changes.

The proposed rule includes substantially the same default provision as the ANPRM, but it states that the Office "may" make the assumption. Thus, the Office is not required to make the assumption if it is aware of information to the contrary.

Appeal Brief—Content of Appeal Brief—Related Appeals and Interferences

Proposed Bd.R. 41.37(c)(1)(ii) would be revised to limit the required disclosure of related appeals, interferences and judicial proceedings (collectively "related cases") to only those which: (1) Involve an application or patent owned by the appellant or assignee, (2) are known to appellant, and (3) may have a bearing on the Board's decision. The section would also be revised to permit appellants to omit the statement entirely if there are no such related cases, and to provide a default assumption for the Office in the event the statement is omitted.

The ANPRM proposed revising this requirement to make clear that appellants are under a continuing obligation to update the statement of related cases. The ANPRM also proposed a default rule that if the brief omits this statement; the Office would assume that there are no such related cases.

The Office received several comments to the proposed changes to this section in the ANPRM (41.37(g) of the ANPRM). Specifically, one comment stated that the language of the ANPRM was overly broad, and suggested that the rule should be narrowed to require disclosure of only applications of the assignee, and that the continuing obligation to update this information was unduly burdensome to appellants. Another comment stated that the information that was required in the ANPRM was available to the Office and that requiring appellants to disclose this level of detail would be unduly burdensome. Another comment was concerned with charges of inequitable conduct for failure to include related appeals and proposed that the rules require appellants to identify only related U.S. court actions and decisions, and that the Office should bear the burden of searching the IFW system to identify related cases. Another comment stated that the rules should not impose a continuing obligation to update this information throughout the course of the appeal as that places a large burden on appellants. Another comment posited that the language in the ANPRM was overbroad and vague. Another comment stated that the term "significant" used in the ANPRM was indefinite. Another comment expressed concern that the term "related case" was used differently in the ANPRM than it is used for Information Disclosure Statements and suggested clarifying the term or adopting new terminology.

In response to some of the concerns raised by these comments, the proposed rule has narrowed the information required to be included in the statement of related cases in the appeal brief, as compared to the current rule, to limit the statement to appeals in cases which are owned by the same appellant(s) or assignee. The proposed rule removes the language in the prior proposed Bd.R.

41.37(c)(1)(ii) regarding a continuing obligation to update this information. The proposed rule in this NPRM retains a default provision, originally proposed in the ANPRM, so that a statement that there are "no known related cases" is not required and that fact "may" be inferred from the absence of a statement. The proposed rule also no longer requires filing of copies of decisions in related cases. The narrowed scope of this proposed section, as compared to the current rule, lessens the burden on appellants from the statement that is currently required and addresses concerns raised in the comments received to the ANPRM.

Appeal Brief—Content of Appeal Brief—Status of Claims

Proposed Bd.R. 41.37(c)(1)(iii) omits the current requirement for the appeal brief to contain an indication of the status of claims.

Appeal Brief—Content of Appeal Brief—Statement of Last Entered Amendment

Proposed Bd.R. 41.37(c)(1)(iv) proposes to eliminate the current requirement to provide a statement of the status of any amendment filed subsequent to final rejection, and would require that appellants simply provide a statement identifying, by date of filing, the last entered amendment of the claims. The proposed rule also provides a default that the Office may assume no amendments to the claims exist if the appeal brief omits this statement.

The ANPRM, like the current rule, required the appeal brief to include a statement of the status of all amendments filed after final rejection. The Office is proposing instead in this NPRM that the Office bear the burden of reviewing the IFW to identify the claims on appeal. The proposed rule requires appellants to provide the date of filing of the last entered amendment only so that the Board will know the set of claims to which the appellant's arguments apply.

Appeal Brief—Content of Appeal Brief—Summary of Claimed Subject Matter

Proposed Bd.R. 41.37(c)(1)(v) proposes to revise the current rule to require that the summary of claimed subject matter include an annotated copy of each rejected independent claim wherein the annotations would appear after each limitation in dispute by appellant and include a reference to the specification in the Record showing support for the claim language sufficient to allow the Board to understand the claim. Proposed Bd.R. 41.37(c)(1)(v) would also apply to each means plus function or step plus function recitation in dispute by appellant. Additionally, Proposed Bd.R. 41.37(c)(1)(v) would clarify that reference to the pre-grant patent application publication is not sufficient to satisfy the requirements for the summary of claimed subject matter.

The ANPRM proposed to revise the summary of claimed subject matter to require an annotated copy of each element of each independent claim. The ANPRM also proposed to revise this requirement to call for an annotated copy of every means plus function or step plus function recitation in any independent claim on appeal or in any dependent claim separately argued.

The Office received a comment that it was not clear in the ANPRM whether this rule would have imposed a requirement to cite every instance of support, or simply to provide citations sufficient to understand the scope and meaning of the claim limitations. Another comment similarly requested the Office to clarify that this provision is only an aid to understanding the claimed subject matter, and that the Office will construe claims based upon the entire disclosure. Another comment suggested that the rule should not require appellants to cite to every instance of support in the Specification, but only the "best" support in the Specification.

These comments were well taken. The proposed rule makes clear that the reference to the specification and figures required under this section need only be "sufficient to understand the claim," thus clarifying that every reference to the claim limitation in the specification need not be cited.

The Office received numerous comments that the rule should not require appellants to map claim elements not in dispute. Some comments stated that it is against a practitioner's interest to say more than what is required for issues on appeal as it raises potential malpractice issues for practitioners. Other comments stated that requiring appellants to map all claim elements, including elements not in dispute, would be comparable to requiring the practitioner to evaluate claim support, which would potentially waive arguments or take positions that create estoppels or disclaimers, leading to potential malpractice claims.

In response to these comments, the proposed rule limits the requirement to annotate the claims to only those limitations which are actually in dispute, thus significantly limiting any potential estoppel or malpractice issues.

The Office received another comment suggesting that there should be no requirement to map claim support for independent claims which are not argued separately as they will be affirmed or rejected as a group.

The Office declined to change this requirement of the current rule. Thus, the proposed rule still requires appellants to provide a summary of claimed subject matter for each rejected independent claim. The Office decided not to change this requirement because each independent claim in a group may be different in scope and no one claim may clearly be the "broadest." The Board has the option to select a single claim from a group to decide the appeal as to the group of claims. The Board needs claim mapping for each independent claim so that it can select which claim is representative of the group. Otherwise, appellants might select one claim to map and the Board might decide to select a different claim as representative of the group, in which case the Board will not have the benefit of the claim summary for the selected representative claim.

The proposed rule further clarifies the requirement for reference to the specification by noting that it should be by annotation of the actual claim language with reference to the page and line number or paragraph number of the specification. The proposed rule further clarifies that citation to the pre-grant publication of the application is not acceptable.

The Office received one comment suggesting that the Board clarify the current rule by giving examples and guidance to practitioners rather than by adopting a new rule. The following are examples of acceptable claim summaries:

In each example, the only claim limitation in dispute in the appeal, and thus the only claim limitation annotated, is the "pivot axle" limitation of the claim.

Example 1:

1. An apparatus, comprising:
   A first arm;
   a second arm; and
   a pivot axle (Spec. 6, ll. 1–10; Spec. 7, ll. 21–27; figs. 1, 2) disposed between said first arm and said second arm.

Example 2:

1. An apparatus, comprising:
   A first arm;
   a second arm; and
   a pivot axle (paras. 0032, 0033, 0040; figs. 1, 2) disposed between said first arm and said second arm.

The Office received one comment requesting that the rule should allow various formats based on USPTO provided models, including a columnar chart, which would provide more

flexibility to appellants. This suggestion was not adopted because the formats received under the current rule vary widely, with some summaries containing little to no useful information. It is important to impose a specific format for this rule to ensure that the Board obtains the information that will be most useful. This requirement for a strict format has been offset with a lessening of the burden on appellants by requiring annotation only for those elements in dispute. Also, the proposed rule is more flexible than the current rule in that it allows citation to paragraph number, rather than limiting citations to page and line number of the specification.

The Office received another comment that the current rule is sufficient to provide an "easy reference guide * * * to the relevant sections of the specification" and that a more detailed requirement (such as that proposed in the ANPRM) is unnecessary. In drafting the proposed rule, the current rule was used as the basis for the revisions, rather than the rule proposed in the ANPRM. Proposed Bd.R. 41.37(c)(1)(v) would provide a less detailed requirement than Bd.R. 41.37(c)(1)(v) because the proposed rule requires annotation only for those elements in dispute.

The Office received another comment suggesting that if appellant does not identify structure for a § 112, ¶ 6 analysis, then "for purposes of the appeal" such limitations should not be limited to their corresponding structure under § 112, ¶ 6. In light of the Federal Circuit's decision in *In re Donaldson Co.,* 16 F.3d 1189, 1195 (Fed. Cir. 1994) (en banc), in which the court held that the Office "may not disregard the structure disclosed in the specification corresponding to [means-plus-function] language when rendering a patentability determination," the Board cannot ignore the structure corresponding to a means plus function limitation to decide an appeal. As a compromise, the proposed rule does not require appellant to provide claim mapping for a § 112, ¶ 6 limitation if that limitation is not in dispute.

Appeal Brief—Content of Appeal Brief—Grounds of Rejection To Be Reviewed on Appeal

Bd.R. 41.37(c)(1)(vi) requires that the appeal brief include a statement of the grounds of rejection. The proposed rule eliminates the requirement for a statement of the grounds of rejection from the brief. Under Proposed Bd.R. 41.31(c), discussed *supra,* the Board would presume that all rejections made in the Office Action from which the appeal was taken are before it on appeal, unless appellant cancels the claim(s) subject to a particular rejection. Moreover, under Proposed Bd.R. 41.37(c)(1)(vii), discussed *infra,* the headings of the argument section of the brief shall reasonably identify the ground of rejection being contested. Therefore, it is unnecessary for the appeal brief to contain a separate statement of the grounds of rejection on appeal—a source of internal inconsistency in appeal briefs filed under the current rules.

Appeal Brief—Content of Appeal Brief—Argument

Proposed Bd.R. 41.37(c)(1)(vii) proposes to revise the current rule to clarify that the argument section should specifically explain why the examiner erred as to each ground of rejection contested by appellants. The proposed revision would also provide that, except as provided for in Proposed Bd.R. 41.41, 41.47, and 41.52, any arguments not included in the appeal brief will not be considered by the Board "for purposes of the present appeal." Additionally, Proposed Bd.R. 41.37(c)(1)(vii) would require that each ground of rejection argued be set forth in a separate section with a heading that reasonably identifies the ground being argued therein. Further, the proposed rule would require that any claim(s) argued separately or as a subgroup be placed under a separate subheading that identifies the claim(s) by number.

The ANPRM proposed to amend the argument section of the brief to require an explanation as to why the examiner erred. The ANPRM also stated that any finding or conclusion of the examiner that is not challenged would be presumed to be correct and that appellant would waive all arguments that could have been, but were not, addressed in the argument section of the brief.

The Office received a large number of comments regarding the presumption of examiner correctness language in the ANPRM. Several comments stated that the proposed presumption of examiner correctness language improperly placed the burden of persuasion on appellants to show error in the examiner's rejection, is inconsistent with the statutory requirements of the Board, and is inconsistent with case law. Other comments noted concern that the duration and scope of the presumption of examiner correctness was not made clear in the proposed language of the ANPRM. Another comment noted that it is difficult to respond to all "points" stated by the examiner when the examiner's positions are not clearly delineated in the Office action. Other comments expressed concern that such a presumption would force appellants to contest every point made by the examiner instead of allowing them to focus the issues for appeal. In response to these comments, the proposed rule in this NPRM omits the presumption of examiner correctness from the rule.

One comment suggested that the argument section of this rule should be changed to read, "The 'argument' shall explain why the examiner erred as to each ground of rejection to be reviewed. Each ground of rejection shall be separately argued under a separate heading." The proposed rule substantially adopts this suggested language.

The Office received further comments regarding the waiver language of this portion of the ANPRM. Specifically, the Office received some comments that the waiver provision would limit the Board's ability to independently review the examiner's rejections and base the decision on the entire record on appeal. Other comments stated that the waiver provision would lead to piecemeal review of the examiner's rejection. One comment suggested that, if the Board adopted this waiver language, the Board should also limit the review of the examiner's answer to the facts and reasons set forth therein. One comment distinguished between Federal Circuit waiver cases and BPAI waiver cases, because at the Federal Circuit both sides are precluded from raising new issues on appeal, whereas at the Board the examiner may raise new issues.

The proposed rule in this NPRM omits the waiver language from the rule. Nonetheless, the case law supports the Office's position on waiver, so despite the waiver language not being included in the rule, the Board will still treat as waived, for purposes of the present appeal, any arguments not raised by appellant. *See Hyatt* v. *Dudas,* 551 F.3d 1307, 1313–14 (Fed. Cir. 2008) (the Board may treat arguments appellant failed to make for a given ground of rejection as waived); *In re Watts,* 354 F.3d 1362, 1368 (Fed. Cir. 2004) (declining to consider the appellant's new argument regarding the scope of a prior art patent when that argument was not raised before the Board); and *In re Schreiber,* 128 F.3d 1473, 1479 (Fed. Cir. 1997) (declining to consider whether prior art cited in an obviousness rejection was non-analogous art when that argument was not raised before the Board).

The Office received another comment noting concern that the scope of the "waiver" is unclear, and noting that appellants should not be precluded from making arguments during

continued prosecution based on a waiver set forth in a prior appeal. Several comments suggested that the waiver should be limited in applicability for "purposes of appeal only." The proposed rule permits the Board to refuse to consider arguments not raised in the appeal brief, except as provided in Proposed Bd.R. 41.41, 41.47, and 41.52. This proposed language is substantially the same as the current Bd.R. 41.37(c)(1)(vii), which states that "[a]ny 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 shown." Proposed Bd.R. 41.41, 41.47, and 41.52 have provisions allowing certain new arguments for good cause in reply briefs, at oral hearing, or in requests for rehearing which ensure that appellants have a full and fair opportunity to be heard before the Board. The proposed rule clarifies that the Board's right to refuse consideration of arguments not raised is "for purposes of the present appeal" so as to clarify that such right of refusal does not extend to subsequent Board appeals in the same or related applications. *See Abbott Labs.* v. *TorPharm, Inc.,* 300 F.3d 1367, 1379 (Fed. Cir. 2002) ("[P]recedent has long supported the right of an applicant to file a continuation application despite an unappealed adverse Board decision, and to have that application examined on the merits. Where the Patent Office has reconsidered its position on patentability in light of new arguments or evidence submitted by the applicant, the Office is not forbidden by principles of preclusion to allow previously rejected claims." (internal citation omitted)).

Proposed Bd.R. 41.37(c)(1)(vii) also proposes to revise the current rule to clarify the proper use of headings and to require the use of subheadings in order to clearly set out the ground of rejection and the specific claims to which each argument presented applies. These headings and subheadings will make certain that arguments are not overlooked by the examiner or the Board. The Office received one comment suggesting that allowing "substantial" compliance with the heading requirement of the appeal brief would prevent unnecessary delays in the appellate process. The comment stated that the requirement for headings has sometimes been interpreted by the Office to require a verbatim correlation to the ground of rejection as articulated by the examiner. The comment suggested that to prevent this requirement from being interpreted as a verbatim requirement, the rule should contain the following language "An appeal brief that substantially complies with the content requirements will not be deemed non-compliant for minor errors in form." While the Office declined to add this proposed language to the rule, now that the Office has a sole reviewer of appeal briefs for compliance with this rule, the content requirements of this paragraph will not be interpreted as verbatim requirements and briefs will not be held non-compliant for minor formatting issues. In particular, as to the heading requirement, Proposed Bd.R. 41.37(c)(1)(vii) requires, "Each ground of rejection contested by appellant must be argued under a separate heading, each heading shall reasonably identify the ground of rejection being contested (*e.g.,* by claim number, statutory basis, and applied reference, if any)." This proposed language means that the heading should contain enough detail so that the Office knows which ground of rejection is being argued. As to the subheading requirement, Proposed Bd.R. 41.37(c)(1)(vii) requires, "Under each heading identifying the ground of rejection being contested, any claim(s) argued separately or as a subgroup shall be argued under a separate subheading that identifies the claim(s) by number." The Office offers the following examples of appropriate headings and subheadings which can be used for claims argued as a group, subgroup, or separately.

Example 1: Claims 1–20 are pending. Claims 1–10 are rejected under 35 U.S.C. 102(b) as being anticipated by Smith, and claims 11–20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Smith and Jones. Appellant wishes to argue claims 1–10 as a group, and wishes to argue claims 11–19 as a subgroup and claim 20 separately.

[Heading 1:] "Rejection of claims 1–10 under 35 U.S.C. 102(b) as anticipated by Smith"

[Add Argument for claims 1–10 here].

(**Note:** Because claims 1–10 are being argued as a single group for this ground of rejection, there is no need for any subheadings.)

[Heading 2:] "Rejection of claims 11–20 under 35 U.S.C. 103(a) over Smith and Jones"

[Subheading 1:] "*Claims 11–19*"
[Add Argument for claims 11–19 here].
[Subheading 2:] "*Claim 20*"
[Add Argument for claim 20 here].

Example 2: Same facts as in Example 1 above.

[Heading 1:] "Anticipation Rejection"

[Add Argument for claims 1–10 here]

(**Note:** Because there is only one anticipation rejection in the appeal, this heading is sufficient for the Board to know which ground of rejection is being argued. Also, because claims 1–10 are being argued as a single group for this ground of rejection, there is no need for any subheadings.)

[Heading 2:] "Obviousness Rejection"

(**Note:** Because there is only one obviousness rejection in the appeal, this heading is sufficient for the Board to know which ground of rejection is being argued.)

[Subheading 1:] "*Claims 11–19*"
[Add Argument for claims 11–19 here].
[Subheading 2:] "*Claim 20*"
[Add Argument for claim 20 here].

Appeal Brief—Content of Appeal Brief—Claims Appendix

The proposed rule deletes Bd.R. 41.37(c)(1)(viii).

Bd.R. 41.37(c)(1)(viii) and the ANPRM required appellants to include a claims appendix with the brief. The proposed rule deletes the claims appendix from the briefing requirements. Because the last entered amendment is the most accurate reflection of the claims on appeal, the Office would look to the claims as presented in the last entered amendment as the claims on appeal.

Appeal Brief—Content of Appeal Brief—Evidence Appendix

The proposed rule deletes Bd.R. 41.37(c)(1)(ix).

Bd.R. 41.37(c)(1)(ix) and the ANPRM required appellants to include an evidence appendix with the brief. The Office received comments expressing concern that requiring inclusion of an evidence appendix including copies of documents already available to the Board in the Record is burdensome on appellants and does not improve efficiency at the Board. The proposed rule deletes the evidence appendix from the briefing requirements to address these concerns. The Office decided to assume the burden of locating copies of the evidence relied upon in the Record rather than requiring appellants to provide copies with their appeal brief. While it is no longer a requirement to include an evidence appendix, the Office strongly encourages and appreciates receiving copies of the evidence relied upon. This ensures that the Board is considering the proper evidence and avoids any confusion as to

the particular evidence referenced in the appeal brief. In the alternative, the Board recommends that appellants clearly identify in the appeal brief the evidence relied upon using a clear description of the evidence along with the date of entry of such evidence into the Image File Wrapper.

Appeal Brief—Content of Appeal Brief—Related Proceedings Appendix

The proposed rule deletes Bd.R. 41.37(c)(1)(x).

Bd.R. 41.37(c)(1)(x) and the ANPRM required appellants to include a related proceedings appendix with the brief. The Office received one comment expressing concern about the cost burden that this requirement imposes on appellants. To address this concern, the proposed rule deletes the related proceedings appendix from the briefing requirements.

Appeal Brief—New or Non-Admitted Amendments or Evidence

Proposed Bd.R. 41.37(c)(2) adds a sentence to the current rule to make clear in the rule the current Office procedure for review of an examiner's refusal to admit an amendment or piece of evidence by petition to the Director under Rule 1.181.

Appeal Brief—Notice of Non-Compliance

Proposed Bd.R. 41.37(d) proposes to revise the current rule to add a paragraph heading and to provide that under the Office's new streamlined procedure for review of *ex parte* appeal briefs for compliance with the rule, review of a determination of non-compliant appeal brief should be requested via a petition to the Chief Judge.

While the ANPRM did not propose to substantively amend this section of the current rule, the Office received many comments at the roundtable and in the written comments expressing concern that too many briefs were being returned as non-compliant.

To address this concern, the Board, independently from these proposed rules, implemented a streamlined procedure for review of briefs for compliance with Bd.R. 41.37(c) under which the Board has the sole authority to hold briefs as non-compliant (75 FR 15,689 (March 30, 2010)). This process ensures consistent application of the appeal brief rules and leads to fewer determinations of non-compliance. As this change has already been implemented, appellants should notice a decrease in determinations of non-compliance immediately. Also, because the proposed rule includes fewer overall briefing requirements and provides for default assumptions if certain portions of the brief are omitted, the proposed rule will result in even fewer determinations that briefs are non-compliant than under the current rule.

Appeal Brief—Extensions of Time

Proposed Bd.R. 41.37(e) proposes to add a paragraph heading to the current rule.

Examiner's Answer

Proposed Bd.R. 41.39(a) proposes to add a paragraph heading and preamble to the current rule.

Proposed Bd.R. 41.39(a)(1) proposes to revise the current rule to provide that the examiner's answer, by default, incorporates all the grounds of rejection set forth in the Office action which is the basis for the appeal, including any modifications made via advisory action or pre-appeal brief conference decision, except for any grounds of rejection indicated by the examiner as withdrawn in the answer. Proposed Bd.R. 41.39(a)(1) proposes to delete the requirement that the answer include an explanation of the invention claimed and of the grounds of rejection, since the Board would rely on appellant's specification and summary of claimed subject matter for an explanation of the invention claimed and would rely on the statement of the rejection(s) in the Office action from which the appeal is taken.

Proposed Bd.R. 41.39(a)(2) proposes to revise the current rule to provide that if a rejection set forth in the answer relies on any new evidence not relied on in the Office action from which the appeal is taken, then the rejection must be designated as a new ground of rejection, and any answer that contains such a new ground of rejection must be approved by the Director.

The Office received a comment requesting that the rule make clear that any new ground of rejection raised in the examiner's answer must be approved by a Technology Center Director. This requirement is currently in the MPEP. *See* MPEP § 1207.03. The Office chose to include a requirement in the proposed rule that the Director must approve a new ground of rejection in the examiner's answer to make clear that the Office plans to continue this requirement for supervisory review of new grounds of rejection. The Director may choose to delegate this authority as appropriate.

The Office received several comments requesting parity between the requirements and restrictions on the appeal brief (*e.g.,* no new evidence) and those placed on the answer. Additionally, some comments stated that if examiners are permitted to use new evidence in the answer, then appellants should be able to add new evidence in the briefs. The Office also received comments stating that it is often unclear when a new reference actually constitutes a new ground of rejection and requesting that examiners should be required to disclose where a rejection was first entered into the record so as to prevent examiners from adding rejections without so designating them. These comments also raised concerns that when a potential new ground of rejection is not so designated, it forces appellants to file a request for continued examination which negatively impacts patent term. Another comment suggested that examiners should be barred from citing new evidence in an answer unless they designate it as a new ground of rejection. In view of these comments, the Office proposes to amend the rule to clarify that, for purposes of the examiner's answer, any rejection which relies upon new evidence shall be designated as a new ground of rejection. The proposed rule would continue to provide appellants the option to reopen prosecution or maintain the appeal by filing a reply brief to respond to the new ground of rejection.

To further address the desire for parity, the content requirements for appeal briefs have been significantly decreased so as not to create a disparity in the requirements between the brief and the answer. Content requirements for the examiner's answer were not included in the rule, because the Office needs to retain flexibility to add content requirements as needed by revision of the MPEP. However, the Office plans to continue to require that the examiner's answer contain a grounds of rejection section that would set forth any rejections that have been withdrawn and any new grounds of rejection, and the answer would further be required to contain a response to arguments section to include any response the examiner has to arguments raised in the appeal brief. *See* MPEP § 1207.02. The answer would no longer be required to restate the grounds of rejection. The Board would instead rely on the statement of the grounds of rejection in the Office action from which the appeal was taken (as modified by any subsequent Advisory Action or Pre-Appeal Brief Conference Decision).

The Office received several comments opposing an examiner's right to enter a new ground of rejection in an examiner's answer. While the Office agrees that the entry of new grounds of rejection in an examiner's answer

should be a rare occurrence, the Office determined that the option to enter a new ground of rejection in an examiner's answer should be retained in the proposed rule for those situations in which new evidence comes to light later in the prosecution. The proposed rule codifies the Office's standing procedure that requires supervisory approval of each new ground of rejection.

The Office received some comments suggesting to allow appellants the option of reopening prosecution regardless of whether or not an examiner designates a rejection as containing a new ground. The Office received a further comment requesting the Office provide further guidance as to what constitutes a new ground of rejection.

An appellant always has the option to reopen prosecution after filing a notice of appeal, by filing a request for continued examination (RCE) during the pendency of the application, but under the proposed rule the Office would allow appellant to reopen prosecution without having to file an RCE only if the examiner's answer is designated as containing a new ground of rejection. Proposed new Bd.R. 41.40, discussed *infra,* delineates the process by which appellant can seek review of the primary examiner's failure to designate a rejection as a new ground of rejection should appellant feel that the examiner's answer contains a new ground of rejection that has not been designated as such.

The following discussion provides guidance to appellants and examiners as to the Office's view of what constitutes a new ground of rejection. This discussion is limited for "purposes of the examiner's answer," as per Proposed Bd.R. 41.39(a)(2). This discussion does not apply to final rejections under Rule 1.113. The reason for this distinction is that Rule 1.116 affords applicants the opportunity to submit rebuttal evidence after a final rejection but before or on the same date of filing a notice of appeal. An appellant's ability to introduce new evidence after the filing of an appeal is more limited under Bd.R. 41.33(d) and proposed Bd.R. 41.33(d) than it is prior to the appeal. Thus, applicants are able to present rebuttal evidence in response to a final rejection, while they are not permitted to do so in response to an examiner's answer on appeal, unless an answer is designated as containing a new ground of rejection.

If new evidence (such as a new prior art reference) is applied or cited for the first time in an examiner's answer, then Proposed Bd.R. 41.39(a)(2) requires that the rejection be designated as a new ground of rejection. If the citation of a new prior art reference is necessary to support a rejection, it must be included in the statement of rejection, which would be considered to introduce a new ground of rejection. Even if the prior art reference is cited to support the rejection in a minor capacity, it should be positively included in the statement of rejection and be designated as a new ground of rejection. *In re Hoch,* 428 F.2d 1341, 1342 n.3 (CCPA 1970).

Relying on new evidence, however, is not the only way to trigger a new ground of rejection in an examiner's answer. A "position or rationale new to the proceedings"—even if based on evidence previously of record—may give rise to a new ground of rejection. *In re De Blauwe,* 736 F.2d 699, 706 n.9 (Fed. Cir. 1984) (stating that where the Office advances "a position or rationale new to the proceedings, an applicant must be afforded an opportunity to respond to that position or rationale by submission of contradicting evidence" (citing *In re Eynde,* 480 F.2d 1364 (CCPA 1973))).

To avoid triggering a new ground of rejection in an examiner's answer, the examiner is not required to use identical language in both the examiner's answer and the Office action from which the appeal is taken. It is not a new ground of rejection, for example, if the examiner's answer responds to appellant's arguments using different language, or restates the reasoning of the rejection in a different way, so long as the evidence relied upon is the same and the "basic thrust of the rejection" is the same. *In re Kronig,* 539 F.2d 1300, 1303 (CCPA 1976); *see also In re Noznick,* 391 F.2d 946, 949 (CCPA 1968) (no new ground of rejection made when "explaining to appellants why their arguments were ineffective to overcome the rejection made by the examiner"); *In re Krammes,* 314 F.2d 813, 817 (CCPA 1963) ("It is well established that mere difference in form of expression of the reasons for finding claims unpatentable or unobvious over the references does not amount to reliance on a different ground of rejection." (citation omitted)); *In re Cowles,* 156 F.2d 551, 1241 (CCPA 1946) (holding that the use of "different language" does not necessarily trigger a new ground of rejection).

The following examples are intended to provide guidance as to what constitutes a new ground of rejection in an examiner's answer. What constitutes a "new ground of rejection" is a highly fact-specific question. *See, e.g., Kronig,* 539 F.2d at 1303 (finding new ground entered based upon "facts of this case" and rejecting other cases as controlling given "distinctive facts at bar"); *In re Ahlert,* 424 F.2d 1088, 1092 (CCPA 1970) ("[l]ooking at the facts of this case, we are constrained to hold" that a new ground was entered). If a situation arises that does not fall neatly within any of the following examples, it is recommended that the examiner identify the example below that is most analogous to the situation at hand, keeping in mind that "the ultimate criterion of whether a rejection is considered 'new' * * * is whether appellants have had fair opportunity to react to the thrust of the rejection." *Kronig,* 539 F.2d at 1302.

Factual Situations That Constitute a New Ground of Rejection

1. *Changing the statutory basis of rejection from § 102 to § 103.* If the examiner's answer changes the statutory basis of the rejection from § 102 to § 103, then the rejection should be designated as a new ground of rejection. For example, in *In re Hughes,* 345 F.2d 184 (CCPA 1965), the Board affirmed an examiner's rejection under § 102 over a single reference. On appeal, the Solicitor argued that the Board's decision should be sustained under § 103 over that same reference. The court declined to sustain the rejection under § 103, holding that a change in the statutory basis of rejection would constitute a new ground of rejection, and observed that "the issues arising under the two sections [§§ 102 and 103] may be vastly different, and may call for the production and introduction of quite different types of evidence." *Hughes,* 345 F.2d at 186–87. *See also In re Moore,* 444 F.2d 572 (CCPA 1971) (holding the Board's decision contained a new ground of rejection, wherein the examiner rejected the claims under § 102 based on applicant's failure to show prior discovery of utility, and wherein the Board affirmed the rejection based on obviousness of that utility under § 103).

2. *Changing the statutory basis of rejection from § 103 to § 102, based on a different teaching.* If the examiner's answer changes the statutory basis of the rejection from § 103 to § 102, and relies on a different portion of a reference which goes beyond the scope of the portion that was previously relied upon, then the rejection should be designated as a new ground of rejection. For example, in *In re Echerd,* 471 F.2d 632, 635 (CCPA 1973), the examiner rejected the claims under § 103 over a combination of two references. The Board then changed the ground of rejection to § 102 over one of those references, relying on a different portion of that reference for some claim limitations, and asserted that the

remaining claim limitations were inherently present in that reference. The court held that the Board's affirmance constituted a new ground of rejection. *Echerd,* 471 F.2d at 635 ("[A]ppellants should have been accorded an opportunity to present rebuttal evidence as to the new assumptions of inherent characteristics." (citation omitted)).

3. *Citing new calculations in support of overlapping ranges.* If a claim reciting a range is rejected as anticipated or obvious based on prior art that falls within or overlaps with the claimed range (*see* MPEP §§ 2131.03 and 2144.05), and the rejection is based upon range values calculated for the first time in the examiner's answer, then the rejection should be designated as a new ground of rejection. For example, in *In re Kumar,* 418 F.3d 1361 (Fed. Cir. 2005), the examiner rejected the claims under § 103 based on overlapping ranges of particle sizes and size distributions. The Board affirmed the rejection, but included in its decision an Appendix containing calculations to support the prima facie case of obviousness. The court held the Board's reliance upon those values to constitute a new ground of rejection, stating that "the Board found facts not found by the examiner regarding the differences between the prior art and the claimed invention, which in fairness required an opportunity for response." *Kumar,* 418 F.3d at 1368 (citation omitted).

4. *Citing new structure in support of structural obviousness.* If, in support of an obviousness rejection based on close structural similarity (*see* MPEP § 2144.09), the examiner's answer relies on a different structure than the one on which the examiner previously relied, then the rejection should be designated as a new ground of rejection. For example, in *In re Wiechert,* 370 F.2d 927 (CCPA 1967), the examiner rejected claims to a chemical composition under § 103 based on the composition's structural similarity to a prior art compound disclosed in a reference. The Board affirmed the rejection under § 103 over that same reference, but did so based on a different compound than the one the examiner cited. The court held that the Board's decision constituted a new ground of rejection, stating, "Under such circumstances, we conclude that when a rejection is factually based on an entirely different portion of an existing reference the appellant should be afforded an opportunity to make a showing of unobviousness vis-a-vis such portion of the reference." *Wiechert,* 370 F.2d at 933.

5. *Pointing to a different portion of the claim to maintain a "new matter" rejection.* If, in support of a claim rejection under 35 U.S.C. 112, first paragraph, based on new matter (*see* MPEP § 2163.06), a different feature or aspect of the rejected claim is believed to constitute new matter, then the rejection should be designated as a new ground of rejection. For example, in *In re Waymouth,* 486 F.2d 1058, 1059 (CCPA 1973), the claims included the limitation "said sodium iodide * * * present in amount of at least 0.17 mg./cc. of said arc tube volume." The examiner's rejection stated that the claimed "sodium iodide" constituted new matter because the specification was alleged only to disclose "sodium." The Board affirmed the rejection, but did so on a "wholly different basis," namely, that the specification failed to disclose the claimed "0.17 mg./cc." volume limitation. *Waymouth,* 486 F.2d at 1060. The court held that the Board's rationale constituted a new ground of rejection, "necessitating different responses by appellants." *Id.* at 1061.

Factual Situations That Do Not Constitute a New Ground of Rejection

1. *Citing a different portion of a reference which goes no farther than, and merely elaborates upon, what is taught in the previously cited portion of that reference.* If the examiner's answer cites a different portion of an applied reference which goes no farther than, and merely elaborates upon, what is taught in the previously cited portion of that reference, then the rejection does not constitute a new ground of rejection. For example, in *In re DBC,* 545 F.3d 1373 (Fed. Cir. 2008), the examiner rejected the claims under § 103 over a combination of references, including the English translation of the abstract for a Japanese patent. The examiner cited the English abstract for two claim limitations: (1) Mangosteen rind, and (2) fruit or vegetable juice. The Board affirmed the rejection under § 103 over the same references, but instead of citing the abstract, the Board cited an Example on page 16 of the English translation of the Japanese reference, which was not before the examiner. *DBC,* 545 F.3d at 1381. Importantly, the Board cited the Example for the same two claim limitations taught in the abstract, and the Example merely elaborated upon the medicinal qualities of the mangosteen rind (which medicinal qualities were not claimed) and taught orange juice as the preferred fruit juice (while the claim merely recited fruit or vegetable juice). Hence, the Example merely provided a more specific disclosure of the same two generic limitations that were fully taught by the abstract. The court held that this did not constitute a new ground of rejection because "the example in the translation goes no farther than, and merely elaborates upon, what is taught by the abstract." *DBC,* 545 F.3d at 1382 n.5.

2. *Changing the statutory basis of rejection from § 103 to § 102, but relying on the same teachings.* If the examiner's answer changes the statutory basis of the rejection from § 103 to § 102, and relies on the same teachings of the remaining reference to support the § 102 rejection, then the rejection does not constitute a new ground of rejection. For example, in *In re May,* 574 F.2d 1082 (CCPA 1978), a claim directed to a genus of chemical compounds was rejected under § 103 over a combination of references. The primary reference disclosed a species that fell within the claimed genus. Both the examiner and the Board cited the species to reject the claim under § 103. The court affirmed the rejection, but did so under § 102, stating that "lack of novelty is the epitome of obviousness." *May,* 574 F.2d at 1089 (citing *In re Pearson,* 494 F.2d 1399, 1402 (CCPA 1974)). Because the court relied on the same prior art species as both the examiner and Board, the court held that this did not constitute a new ground of rejection. *May,* 574 F.2d at 1089.

3. *Relying on fewer than all references in support of a § 103 rejection, but relying on the same teachings.* If the examiner's answer removes one or more references from the statement of rejection under § 103, and relies on the same teachings of the remaining references to support the § 103 rejection, then the rejection does not constitute a new ground of rejection. For example, in *In re Kronig,* 539 F.2d 1300, 1302 (CCPA 1976), the examiner rejected the claims under § 103 over four references. The Board affirmed the rejection under § 103, but limited its discussion to three of the references applied by the examiner. *Id.* The Board relied upon the references for the same teachings as did the examiner. The court held that this did not constitute a new ground of rejection. *Kronig,* 539 F.2d at 1303 ("Having compared the rationale of the rejection advanced by the examiner and the board on this record, we are convinced that the basic thrust of the rejection at the examiner and board level was the same."). *See also In re Bush,* 296 F.2d 491, 495–96 (CCPA 1961) (Examiner rejected claims 28 and 29 under § 103 based upon "Whitney in view of Harth;" Board did not enter new ground of rejection by relying only on Whitney).

4. *Changing the order of references in the statement of rejection, but relying on the same teachings of those references.*

If the examiner's answer changes the order of references in the statement of rejection under § 103, and relies on the same teachings of those references to support the § 103 rejection, then the rejection does not constitute a new ground of rejection. For example, in *In re Cowles,* 156 F.2d 551, 552 (CCPA 1946), the examiner rejected the claims under § 103 over "Foret in view of either Preleuthner or Seyfried." The Board affirmed the rejection under § 103, but styled the statement of rejection as to some of the rejected claims as "Seyfried in view of Foret," but relied on the same teachings of Seyfried and Foret on which the examiner relied. The court held that this did not constitute a new ground of rejection. *Cowles,* 156 F.2d at 554. *See also In re Krammes,* 314 F.2d 813, 816–17 (CCPA 1963) (holding that a different "order of combining the references" did not constitute a new ground of rejection because each reference was cited for the "same teaching" previously cited).

5. *Considering, in order to respond to applicant's arguments, other portions of a reference submitted by the applicant.* If an applicant submits a new reference to argue, for example, that the prior art "teaches away" from the claimed invention (*see* MPEP § 2145), and the examiner's answer points to portions of that same reference to counter the argument, then the rejection does not constitute a new ground of rejection. In *In re Hedges,* 783 F.2d 1038 (Fed. Cir. 1986), the claimed invention was directed to a process for sulfonating diphenyl sulfone at a temperature above 127° C. *Id.* at 1039. The examiner rejected the claims under § 103 over a single reference. The applicant submitted three additional references as evidence that the prior art teaches away from performing sulfonation above 127° C, citing portions of those references which taught lower temperature reactions. The Board affirmed the rejection, finding the applicant's evidence unpersuasive. On appeal, the Solicitor responded to the applicant's "teaching away" argument by pointing to other portions of those same references which, contrary to applicant's argument, disclosed reactions occurring above 127° C. The court held that this did not constitute a new ground of rejection because "[t]he Solicitor has done no more than search the references of record for disclosures pertinent to the same arguments for which [applicant] cited the references." *Hedges,* 783 F.2d at 1039–40.

Proposed Bd.R. 41.39(b) proposes to revise the current rule to add a paragraph heading. No changes are proposed to Bd.R. 41.39(b)(1). Proposed Bd.R. 41.39(b)(2) does not propose to substantively revise the current rule—the phrase "each new ground of rejection" would be moved to a different location in the sentence in which it currently appears to increase the clarity of the sentence. The Office received a comment stating that the two-month time period for responding to a new ground of rejection is too short to allow appellants to properly respond and that the period should be the same as that afforded to applicants during prosecution (3 months under Rule 1.136(a)). The Office declined to adopt the suggestion to change the current rule because such a change in the time period would increase the overall appeal pendency. The Office notes that appellant can seek extensions of time of this two-month time period under Rule 1.136(b) for patent applications or Rule 1.550(c) for *ex parte* reexamination proceedings.

The Office received another comment stating that the requirement in the rule proposed in 41.39(b)(2) of the ANPRM requiring appellants to file a request to docket the appeal be deleted as it would place an increased burden on appellant. The proposed rule does not propose to change the substance of Bd.R. 41.39(b)(2), which requires appellants to file a reply brief addressing each new ground of rejection in order to maintain the appeal as to the claims subject to the new ground of rejection.

Proposed Bd.R. 41.39(c) proposes to add a paragraph heading to the current rule.

Tolling of Time Period To File a Reply Brief

Proposed Bd.R. 41.40 is proposed to be added to clearly set forth the exclusive procedure for appellant to request review of the primary examiner's failure to designate a rejection as a new ground of rejection via a petition to the Director under Rule 1.181. This procedure should be used if an appellant feels an answer includes a new ground of rejection that has not been designated as such, and wishes to reopen prosecution so that new amendments or evidence may be submitted in response to the rejection. However, if appellant wishes to submit only arguments, the filing of a petition under Rule 1.181 would not be necessary because appellant may submit the arguments in a reply brief.

Proposed Bd.R. 41.40(a) would provide that any such petition under Rule 1.181 would be required to be filed within two months from the entry of the examiner's answer and prior to the filing of a reply brief.

Proposed Bd.R. 41.40(b) would provide that a decision granting such a Rule 1.181 petition would require appellants to file a reply under Rule 1.111 within two months from the date of the decision to reopen prosecution. The appeal would be dismissed if appellant fails to timely file a reply.

Proposed Bd.R. 41.40(c) would provide that a decision refusing to grant such a Rule 1.181 petition would allow appellants a two-month time period in which to file a single reply brief under Proposed Bd.R. 41.41.

Proposed Bd.R. 41.40(d) would provide that if a reply brief is filed prior to a decision on the Rule 1.181 petition, then the filing of the reply brief would act to withdraw the petition and maintain the appeal. Jurisdiction would pass to the Board upon the filing of the reply brief, and the petition under Rule 1.181 would not be decided on the merits.

Proposed Bd.R. 41.40(e) would provide that the time periods described in this section are not extendable under Rule 1.136(a) and appellant would need to seek any extensions of time under the provisions of Rules 1.136(b) and 1.550(c) for extensions of time to reply for patent applications and *ex parte* reexaminations, respectively.

Proposed Bd.R. 41.40 is designed to address the numerous comments received regarding new grounds of rejection by examiners in answers. This proposed rule clearly explains the proper manner for appellants to address a situation where an appellant believes that an examiner's answer contains an undesignated new ground of rejection. The proposed rule does not create a new right of petition—appellants have always had the opportunity to file a petition under Rule 1.181 if an appellant felt that the examiner's answer contained a new ground of rejection not so designated. This proposed section of the rule merely lays out the process to better enable appellant to address such concerns. The proposed rule also now tolls the time period for filing a reply brief, so appellants can avoid the cost of preparing and filing a reply brief prior to the petition being decided, and can avoid the cost altogether if the petition is granted and prosecution is reopened. Similarly, the tolling provision would spare examiners the burden of having to act on appellants' requests under Rule 1.136(b) for extension of the two-month time period for filing a reply brief while the Rule 1.181 petition is being decided.

Reply Brief

Proposed Bd.R. 41.41(a) proposes to revise the current rule to add a

paragraph heading and to clarify that appellants may file only one reply brief and that such a reply brief must be filed within two months of either the examiner's answer or a decision refusing to grant a petition under Rule 1.181 to designate a new ground of rejection in an examiner's answer.

The ANPRM proposed to amend this rule by explicitly stating that the rule allows for only a single reply brief. The Office received no comments directed to this proposed change and has thus adopted it in these proposed rules.

Proposed Bd.R. 41.41(b) proposes to add a paragraph heading and subsections to the current rule and to delete the current provision that a reply brief which is not in compliance with the provisions of the remainder of proposed Bd.R. 41.41 will not be considered by the Board. Specifically, proposed paragraph (b)(1) prohibits a reply brief from including new or non-admitted amendments or evidence, which is the same language as current Bd.R. 41.41(a)(2). The Office received one comment suggesting that appellants should be allowed to rely on new evidence in a reply brief. The Office declined to adopt this suggestion because it is important that the Board have the benefit of the examiner's initial evaluation of any evidence relied upon by appellants prior to the Board deciding any issues pertaining to the relevance and weight to be given to such evidence in deciding the issues on appeal.

Proposed Bd.R. 41.41(b)(2) would provide that any arguments which were not raised in the appeal brief or are not made in response to arguments raised in the answer would not be considered by the Board, absent a showing of good cause.

The ANPRM proposed amending the rule to limit reply briefs to responding to points made in the examiner's answer and to disallow new arguments that were not made previously in the appeal brief and are not responsive to the answer. The Office received a few comments suggesting that new arguments should be allowed in reply briefs to address new arguments and issues presented in the answer—as well as to address new grounds of rejection. The proposed rule allows new arguments in the reply brief that are responsive to arguments raised in the examiner's answer, including any designated new ground of rejection. *See* Proposed Bd.R. 41.41(b)(2)(ii).

The Office also received a few comments suggesting that there be a limited option to raise additional arguments or to revise arguments in a reply brief to address intervening changes in the law. The Office agrees that an intervening change in the law, if pertinent to the issues before the Board, is "good cause" for allowing new or revised arguments to be raised in a reply brief. Proposed paragraph (b)(2) provides a "good cause" exception to the rule against raising new arguments.

The Office received a comment that any requirement for appellants to identify any new, versus previously presented, arguments would be difficult to enforce and would lead to disputes about what is "new." The proposed rule contains no requirement for appellants to identify new arguments.

The ANPRM proposed certain additional formatting requirements for reply briefs. The Office received a comment requesting that these formatting requirements be removed from the proposed rule. The proposed rule in this NPRM contains none of these specific formatting requirements for reply briefs.

Proposed Bd.R. 41.41(c) proposes to add a paragraph heading to the current rule.

Examiner's Response to Reply Brief

The proposed rule would delete Bd.R. 41.43.

The ANPRM proposed to delete Bd.R. 41.43, which currently requires the examiner to acknowledge reply briefs and allows examiners to file supplemental answers. The Office received one comment in favor of removing the section of the rule and no comments opposed to this proposed change. In keeping with the ANPRM, the proposed rule would delete Bd.R. 41.43 in its entirety.

Oral Hearing

Proposed Bd.R. 41.47 proposes removing references to the supplemental examiner's answer in paragraphs (b) and (e)(1), as the proposed rules do not allow for supplemental examiner's answers. The proposed rule would further revise paragraph (b) to change the time period in which a request for oral hearing is due to take into account the potential for the time period for filing a reply brief to be tolled under Proposed Bd.R. 41.40.

The ANPRM proposed several changes to this section of the rules. The Office did not receive any comments to these proposed changes. Despite no opposition to the changes proposed in the ANPRM, in an effort to avoid changing the current rule except where necessary, the current rule was used as the basis for the proposed changes to this section in this NPRM.

Decisions and Other Actions by the Board

Proposed Bd.R. 41.50(a) proposes to revise the current rule by: Adding a paragraph heading; deleting the subsection separation in Bd.R. 41.50(a)(1) and (2); deleting the provision allowing the Board to remand applications to the examiner; and deleting the provision allowing an examiner to write a supplemental examiner's answer in response to a remand by the Board for further consideration of a rejection. This proposed rule would not provide for the Board, under its independent authority, to remand an application to the examiner. The proposed rule would retain the portion of current rule which provides a mechanism for the Director to order an application remanded under Bd.R. 41.35(c). The Director has the option to delegate this remand power as appropriate.

The ANPRM proposed to revise the current rule so that only the Chief Administrative Patent Judge had the authority to remand an application to the examiner. The Office received a wide range of comments regarding this proposed modification, some comments in direct contradiction with others. Two comments expressed the view that the Chief Administrative Patent Judge should not have sole authority over merits remands. However, another comment expressed the opposite view that allowing the Chief Administrative Patent Judge to issue remand orders would improve the appellate process before the Board. Another comment expressed the view that the Board should issue remands sparingly. Yet another comment expressed the distinct view that the remand power is an important tool for the Board to require an examiner to correct errors and that it promotes efficiency at the Board by freeing judges from doing the job of the examiner and allows the examiner to correct errors based on oversight. The comment further notes that if the panel could no longer remand an application, it would require the Board to force decisions into either an affirmance or reversal and would negatively impact the quality of the Board decisions. However, another comment was in favor of the proposed change, noting that the Board has used its remand power to avoid deciding cases on the merits and instead remanded cases to the examiner. The Office agrees with some of the comments noting that remands should be used sparingly. The Office's position is that Director-ordered remands would be used in most instances to correct errors in the appeal that prevent the

Board from otherwise deciding the issues before it. The Board would decide the issues before it based on the rejections as presented by the examiner and the arguments made by appellant. This proposed rule would lead to more compact prosecution because it would provide an incentive for examiners to fully explain and articulate the rejections earlier in the prosecution.

Proposed Bd.R. 41.50(b) proposes to add a paragraph heading to the current rule. Additionally, Proposed Bd.R. 41.50(b) would revise the current rule to clarify the language in the rule allowing the Board to enter a new ground of rejection. The proposed rule also proposes to revise the language in paragraph (b)(1) to clarify the language and to make it consistent with other modifications in the proposed rule (*i.e.,* deleting the reference to the Board remanding the matter to the examiner). Proposed Bd.R. 41.50(b)(2) proposes to revise the current rule to reference the definition of "Record" provided in Proposed Bd.R. 41.30.

Bd.R. 41.50 provides the Board with the authority to enter a new ground of rejection. The Office received a comment to the ANPRM in favor of allowing the Board to enter a new ground of rejection in a decision. The Office received other comments, however, opposing the Board's authority to enter a new ground of rejection. In order for the Board to protect the public from the issuance of claims that have been foreclosed by intervening changes in law, and to shape the law on patentability in areas not yet addressed by the Federal Circuit, the Office determined that the Board should retain its authority to enter new grounds of rejection. Additionally, this authority to enter a new ground is important in situations where the Board's articulation of its reasons for sustaining a rejection goes beyond the thrust of the examiner's articulation of the rejection, such that appellant has not had a fair opportunity to respond to the reasoning. In such cases, the Board would designate its decision as containing a new ground of rejection to give appellants an opportunity to respond.

The Office received two comments requesting that the time frame for responding to a new ground of rejection raised in a decision be changed to three months. As discussed *supra,* in the interest of avoiding an increase in appeal pendency, the Office did not adopt this suggestion. The concerns raised in the comments are understood. However, the proposed rule retains the two-month response time frame in the interest of ensuring that the appeal proceeds expeditiously and efficiently. The Office notes that the rule provides for extensions of time to respond under Rule 1.136(b) for patent applications and Rule 1.550(c) for *ex parte* reexamination proceedings. *See* Proposed Bd.R. 41.50(d).

The Office also received a comment requesting that appellants be given the option to submit new arguments, evidence, and amendments to the Board in response to a new ground of rejection. The proposed rule allows appellants to submit new arguments in response to a designated new ground of rejection in a request for rehearing without reopening prosecution. *See* Proposed Bd.R. 41.52(a)(3). As in the current rule, the proposed rule requires appellants to reopen prosecution to introduce new amendments or evidence. The current rule is retained in this regard because the examiner, with his/her subject matter expertise, should be the first to review new amendments and/or evidence submitted in an application, prior to the Board's appellate-level review.

Proposed Bd.R. 41.50(c) proposes to revise the current rule to remove the Board's power to suggest how a claim may be amended to overcome a rejection and proposes to add new language to the rule explaining the procedure by which appellants can seek review of a panel's failure to designate a decision as containing a new ground of rejection. The proposed rule provides that review of decisions which appellants believe contain a new ground of rejection should be requested through a request for rehearing consistent with the provisions of Proposed Bd.R. 41.52.

The Office received a comment to the ANPRM that appellants should be afforded the right to respond to new grounds of rejection presented in decisions from the Board regardless of whether they are designated as such. To address this concern, the proposed rule allows appellants to respond to new grounds, whether or not designated as such, in a request for rehearing. Proposed Bd.R. 41.52(a)(3) allows for new arguments in a request for rehearing responding to a new ground of rejection designated as such, and Proposed Bd.R. 41.52(a)(4) allows for new arguments in a request for rehearing to argue that the Board's decision contains an undesignated new ground of rejection. If such a request for rehearing under Proposed Bd.R. 41.52(a)(4) is granted, then the Board would modify its original decision to designate the decision as containing a new ground of rejection under Proposed Bd.R. 41.50(b) and provide appellants with the option to either reopen prosecution under Proposed Bd.R. 41.50(b)(1) or request rehearing on the merits of the designated new ground of rejection under Proposed Bd.R. 41.50(b)(2).

Proposed Bd.R. 41.50(d) proposes to revise the current rule to add a paragraph heading, and to delete the "non-extendable" limitation on the response time period which appears in the current rule. The Office received a comment at the roundtable discussion held on January 20, 2010, questioning why this time period was not extendable and noting that appellants may have good cause to show why additional time might be needed. The proposed rule, by removing the "non-extendable" limitation from the rule, now allows appellants to seek extensions of time under Rule 1.136(b) for patent applications and Rule 1.550(c) for *ex parte* reexamination proceedings. The Office received another comment to the ANPRM asserting that the ability of the Board to allow evidence to be submitted under Proposed Bd.R. 41.50(d) is not consistent with the prohibition in Proposed Bd.R. 41.33 prohibiting submission of additional evidence. The Office determined that it was important to retain this authority to seek additional briefing and information from appellants in those rare cases where the Board felt such additional briefing and information would help the Board provide a more informed decision.

The proposed rule proposes to delete current Bd.R. 41.50(e) consistent with the change in Proposed Bd.R. 41.50(a), as the Board would no longer remand cases under this provision.

Proposed Bd.R. 41.50(e) would contain the language of current Bd.R. 41.50(f) and proposes to add a paragraph heading.

Rehearing

Proposed Bd.R. 41.52(a)(1) proposes to add cross-references to relevant sections of the rule and to revise the current rule to clarify that arguments which are not raised and evidence which was not previously relied upon are not permitted in the request for rehearing, unless consistent with the remainder of Proposed Bd.R. 41.52(a).

Proposed Bd.R. 41.52(a)(2) proposes to delete the requirement of a showing of good cause for appellants to present new arguments based on a recent relevant decision of the Board or the Federal Circuit. This change is proposed because it is the Office's position that a new argument based on a recent relevant decision would inherently make a showing of good cause and thus

the text of the current rule seemed redundant.

Proposed Bd.R. 41.52(a)(3) proposes to revise the current rule to change the word "made" to "designated" to clarify that new arguments are permitted in response to a new ground of rejection designated as such in the Board's opinion.

The proposed rules seek to add Proposed Bd.R. 41.52(a)(4) to make clear that new arguments are permitted in a request for rehearing for appellants seeking to have the Board designate its decision as containing a new ground of rejection that has not been so designated.

The proposed rules would not modify Bd.R. 41.52(b).

The ANPRM proposed barring new arguments in requests for rehearing except in response to a new ground of rejection or a new legal development. The Office received a comment that the rule proposed in the ANPRM barring new arguments was too restrictive in its scope because it did not allow for new arguments in the event that the Board used logic not set forth by the examiner. To address the concerns raised in the comments, Proposed Bd.R. 41.52 has been revised to specifically allow appellants to present new arguments in a request for rehearing when they believe that the Board has made a new ground of rejection that has not been so designated. Additionally, appellants are specifically permitted to make new arguments to respond to a designated new ground of rejection in a request for rehearing.

Action Following Decision

Proposed Bd.R. 41.54 is substantially the same as Bd.R. 41.54, except that the proposed rule proposes to revise the current rule to specifically state that jurisdiction over an application or a patent under *ex parte* reexamination passes to the examiner after a decision on appeal is issued by the Board. This slight revision to the language of the current rule is proposed to incorporate the language of Rule 1.197(a), which would be deleted under the proposed rules. By incorporating the language of Rule 1.197(a) into Proposed Bd.R. 41.54, the rules for passing jurisdiction back to the examiner after decision by the Board would not be substantively changed.

Sanctions

The ANPRM proposed including a new section to the rule to clarify instances in which the Board could impose sanctions on an appellant. The Office received numerous comments opposing the addition of a new section on sanctions. The proposed rule does not include any such section.

Rulemaking Considerations

Executive Order 12866: This rulemaking has been determined to be significant for purposes of Executive Order 12866 (Sept. 30, 1993).

Administrative Procedure Act: The changes in the proposed rule relate solely to the procedure to be followed in filing and prosecuting an *ex parte* appeal to the Board.

Therefore, these rule changes involve rules of agency practice and procedure under 5 U.S.C. 553(b)(A), and prior notice and an opportunity for public comment are not required pursuant to 5 U.S.C. 553(b)(A) (or any other law). *See Bachow Commc'ns, Inc.* v. *F.C.C.,* 237 F.3d 683, 690 (D.C. Cir. 2001) (rules governing an application process are "rules of agency organization, procedure, or practice" and exempt from the Administrative Procedure Act's notice and comment requirement); *Merck & Co.* v. *Kessler,* 80 F.3d 1543, 1549–50 (Fed. Cir. 1996) (the rules of practice promulgated under the authority of former 35 U.S.C. 6(a) (now in 35 U.S.C. 2(b)(2)) are not substantive rules to which the notice and comment requirements of the Administrative Procedure Act apply); *Fressola* v. *Manbeck,* 36 USPQ2d 1211, 1215 (D.D.C. 1995) ("it is extremely doubtful whether any of the rules formulated to govern patent or trade-mark practice are other than 'interpretive rules, general statements of policy, * * * procedure, or practice' " (quoting C.W. Ooms, *The United States Patent Office and the Administrative Procedure Act,* 38 Trademark Rep. 149, 153 (1948)).

Because the proposed rule is procedural, it is not required to be published for notice and comment. Nevertheless, the Office is publishing this notice in the **Federal Register** and in the Official Gazette of the United States Patent and Trademark Office in order to solicit public comment before implementing the rule.

Regulatory Flexibility Act: Prior notice and an opportunity for public comment are not required pursuant to 5 U.S.C. 553 or any other law. Neither a Regulatory Flexibility Act analysis nor a certification under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) is applicable to this notice of proposed rulemaking. *See* 5 U.S.C. 603.

Nonetheless, the Deputy General Counsel for General Law of the United States Patent and Trademark Office has certified to the Chief Counsel for Advocacy of the Small Business Administration that, for the reasons discussed below, this notice of proposed rulemaking, Rules of Practice Before the Board of Patent Appeals and Interferences in *Ex Parte* Appeals [RIN 0651–AC37], will not have a significant economic impact on a substantial number of small entities. *See* 5 U.S.C. 605(b) (Regulatory Flexibility Act).

There are no fee changes associated with the proposed rule. The estimates of economic impact provided below are based on agency expertise in patent prosecution practice.

Claims on Appeal

In those instances where appellants wish to appeal all claims under rejection, which are the majority of appeals, there will be a cost savings. The proposed changes eliminate the requirement for appellants to affirmatively state (in the status of claims section of the appeal brief), all of the claims on appeal. There may be a slight increase in cost, however, to a small subset of appellants who choose not to appeal all of the rejected claims. For this small subset of appellants, the proposed rule would require cancellation of any non-appealed claims by filing an amendment.

The Office estimates that, for those appellants choosing to appeal fewer than all of the rejected claims, this proposed change may result in two hours of attorney time toward the preparation of such an amendment. For purposes of comparison, the 2009 report of the Committee on Economics of Legal Practice of the American Intellectual Property Law Association ("the AIPLA 2009 Report") notes that the median cost for the preparation and filing of a patent application amendment/argument of minimal complexity is $1,850. Using the AIPLA 2009 Report's median billing rate for attorneys in private firms of $325 per hour, this cost equates to approximately 5.7 hours of attorney time. The Office's estimate of two hours of attorney time ($650) for an amendment merely canceling claims is based on the fact that such an amendment will not contain an argument section, unlike a regular patent application amendment/argument. As such, the Office estimates that the amendment to cancel claims will be significantly less time-consuming than a regular patent application amendment/argument.

Based on the Office's experience, it estimates that such an amendment canceling claims will only be filed in approximately 1% of appeals. The Board decided *Ex parte Ghuman,* 88 USPQ2d 1478, 2008 WL 2109842 (BPAI 2008) (precedential) in May 2008. Of the approximately 2,056 reported Board decisions and orders issued in the remainder of FY 2008, only ten such

decisions and orders cited *Ghuman* in noting that an appellant had withdrawn claims from appeal. In FY 2009 (October 2008–September 2009), of the approximately 5,612 reported Board decisions and orders, only twenty cited *Ghuman* in noting that an appellant had withdrawn claims from appeal. In FY 2010 (October 2009–September 2010), of the approximately 5,990 reported Board decisions and orders, only twenty-six cited *Ghuman* in noting that an appellant had withdrawn claims from appeal. While these numbers may not represent a precise indication of the numbers of appeals where appellants chose not to appeal all of the rejected claims, these figures are provided as an indication of the relatively small number of appeals in which appellants choose to appeal fewer than all of the rejected claims without canceling such unappealed claims prior to appeal. Based on this data, the Office found that approximately 0.41% of all appeals had *Ghuman* issues, *i.e.,* where fewer than all of the rejected claims were appealed. For purposes of calculating additional cost to appellants from this proposed rule change, the Office rounded up to 1% and used this as a conservative (high) estimate for the number of amendments expected. As such, this proposed rule change will not have a significant economic impact on a substantial number of small entities.

Additionally, for the majority of appellants this proposed change will likely result in cost savings. Because the current rule allows appellants to appeal fewer than all of the claims under rejection, the current rule also requires appellants to affirmatively state (in the status of claims section of the appeal brief), all of the claims on appeal. Under this proposed rule, the Board would presume that appellants intend to appeal all claims under rejection unless those claims under rejection for which review is not sought are canceled. This proposed change to the rule allows the Office to eliminate the current requirement for appellants to identify the claims on appeal in the appeal brief. Thus, in those instances where appellants wish to appeal all claims under rejection, which represents the majority of appeals, the appellant's burden is lessened by not having to include a listing of the status of all of the claims under rejection.

Changes to Appeal Brief Requirements

The Office also estimates a net cost savings to all appellants as a result of the proposed changes to the appeal brief requirements. In particular, the Office estimates a savings due to the proposed elimination of certain appeal brief requirements and proposed changes to other requirements to make them more flexible. The Office estimates a small increase in cost to the subset of appellants who choose to argue claims separately or as a subgroup.

For the subset of appellants who choose to argue claims separately or as a subgroup, the small increase in cost would merely be the addition of subheadings before separately argued claims or subgroups. The Office estimates this added burden may increase the time it takes to prepare an appeal brief by 0.2 hours for those appellants who choose to separately argue claims. This estimate is based on the Office's view of the time it would take to add subheadings based on agency expertise in patent prosecution practice. The estimated small increase in cost would not apply to all appeal briefs because some appellants choose to argue all of the claims rejected under a ground of rejection as a single group. However, since the Office does not track the number of appeals in which appellants argue all claims as a single group versus the number of appeals in which appellants argue some claims separately, the Office has applied this increase to the estimate of all appeal briefs filed. Nevertheless, this proposed change will not have a significant economic impact on a substantial number of small entities.

Notably, the overall proposed changes to the appeal brief requirements will result in net savings to appellants. By allowing for more flexibility in how an appellant chooses to present an appeal to the Board and by eliminating many current appeal brief requirements, appellants will incur less cost overall in preparation of appeal briefs. As discussed *infra* in the Paperwork Reduction Act section of the notice, the Office estimates a net average savings in preparation time under the proposed rule of three hours of attorney time as compared to the previous estimate under the current rule. This estimate is based on the Office's view of the net time saved in preparation of an appeal brief as a result of the proposed changes based on agency expertise in patent prosecution practice. As such, the overall average attorney time and cost it will take to prepare an appeal brief under the proposed rule will be reduced from 34 hours ($11,050) to 31 hours ($10,075). Using the median billing rate of $325 per hour, as published in the AIPLA 2009 Report, the Office estimates that these proposed rule changes will result in an average savings of $975 per appeal brief. This savings will apply equally to large and small entities.

Accordingly, any costs related to the filing of an amendment canceling claims and the addition of subheadings to an appeal brief will not have a significant economic impact on a substantial number of small entities. Moreover, proposed changes to the rule, as a whole, will likely result in a net cost savings to an appellant and, therefore, also not have a significant economic impact on a substantial number of small entities.

Unfunded Mandates: The Unfunded Mandates Reform Act requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of $100 million or more (adjusted annually for inflation) in any given year. This rule would have no such effect on State, local, and tribal governments or the private sector.

Executive Order 13132: This rulemaking does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

Paperwork Reduction Act: This proposed rule involves information collection requirements which are subject to review by the Office of Management and Budget under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). The collections of information in the rule have been reviewed and previously approved by OMB under control numbers 0651–0031 and 0651–0063.

As stated above in the Regulatory Flexibility Act section of this notice, while the majority of the changes to the rule being proposed will either have no impact on or will lessen the burden to the public as compared to the collection of information previously approved by OMB, the Office has identified two proposed changes that may, in certain circumstances, increase the burden to the public.

Specifically, the Office has estimated that the proposed change to Bd.R. 41.31(c) will impose an increased burden of two hours time to a small subset of appellants (1%) who choose not to seek review of all claims under rejection by requiring such appellants to file an amendment canceling any unappealed claims, or otherwise have the Board treat all rejected claims as being on appeal. Additionally, the Office estimated that the proposed change to the briefing requirements in Bd.R. 41.37(c)(1)(vii) (requiring appellants to place any claim(s) argued separately or as a subgroup under a separate subheading that identifies the

claim(s) by number) would result in 0.2 hours of added time for those appellants who choose to separately argue their claims. The estimates are based on the Office's expertise in patent prosecution practice. This increase in burden hours would not apply to all appeal briefs because some appellants choose to argue all of the claims rejected under a ground of rejection as a single group. However, since the Office does not track the number of appeals in which appellants argue all claims as a single group versus the number of appeals in which appellants argue some claims separately, for purposes of estimating the overall burden, the Office has applied this 0.2 hour increase to the estimate of all appeal briefs filed.

The Office has also specifically identified below at least eleven proposed changes that will lessen the burden to the public as compared to the current rule.

1. The proposed change to Bd.R. 41.12(b) lessens the burden on appellant by removing the current requirement for appellant to include parallel citations (Bd.R. 41.12(a)(2)–(3)) to both the West Reporter System and to the United States Patents Quarterly for any decision other than a United States Supreme Court decision, and further lessens the burden on appellant by no longer requiring citation to a particular reporter.

2. The proposed change to Bd.R. 41.37(c)(1)(i) lessens the burden on appellant because it provides for a default in the event that this item is omitted from the brief, such that the appellant is not required to include this section in the brief if the inventors are the real party in interest.

3. The proposed change to Bd.R. 41.37(c)(1)(ii) lessens the burden on appellant because it: (a) Limits the duty to provide information as to only those related cases that involve an application or patent co-owned by appellant or assignee; (b) provides a default assumption in the event that this item is omitted from the brief so that appellants are no longer required to make a statement that "there are no such related cases"; and (c) no longer requires filing of copies of decisions in related proceedings.

4. The proposed change to Bd.R. 41.37(c)(1)(iii) lessens the burden on appellant by eliminating the requirement to identify the status of claims in the appeal brief.

5. The proposed change to Bd.R. 41.37(c)(1)(iv) lessens the burden on appellant by lessening the required disclosure from a statement of the status of any amendments to simply an identification of the filing date of the last-entered amendment. This proposed change further lessens the burden on appellant by providing a default assumption of no such amendments in the event that this item is omitted from the brief, such that the appellant is not required to include this section in the brief in the event that no amendments were made to the claims.

6. The proposed change to Bd.R. 41.37(c)(1)(v) lessens the burden on appellant by limiting the summary of the claimed subject matter to require annotation only for "each limitation in dispute by appellant." The proposed rule provides more flexibility than the current rule by allowing citation to paragraph number (instead of limiting citation to page and line number). The proposed rule similarly limits the requirement for a § 112, ¶ 6 summary to only those recitations "in dispute by appellant." The proposed change also clarifies the current Office policy, which does not allow reference to the patent application publication in the summary of claim subject matter. Since improper reference to the patent application publication is a current cause of defective briefs, this rule change is proposed to reduce confusion.

7. The proposed change to Bd.R. 41.37(c)(1)(vi) lessens the burden on appellant by eliminating the requirement that appellant state the grounds of rejection to be reviewed on appeal in the appeal brief. The Board would look to documents already of Record (*i.e.,* the Office action from which the appeal is taken and any subsequent Advisory Action or Pre-Appeal Conference Decision) to determine the grounds of rejection on appeal.

8. The proposed change to Bd.R. 41.37(c)(1)(vii) lessens the burden on appellant by allowing appellant's headings to "reasonably identify the ground being contested (*e.g.,* by claim number, statutory basis, and applied reference, if any)." The current rule has occasionally been interpreted as a verbatim requirement and resulted in briefs being found defective for failure to state the ground of rejection in the heading exactly the same as stated in the Office action from which the appeal was taken. The proposed rule clarifies that this is not a verbatim requirement and allows more flexibility in the brief.

9. The proposed change to Bd.R. 41.37(c)(1)(viii) lessens the burden on appellant by eliminating the requirement for appellants to file a claims appendix containing a copy of claims on appeal. The Board would look to the last-entered amendment in the Record to identify the claims on appeal.

10. The proposed change to Bd.R. 41.37(c)(1)(ix) lessens the burden on appellant by eliminating the requirement for appellant to file an evidence appendix containing copies of evidence relied upon. The Board would look to the Record to obtain copies of the evidence relied upon in the briefs.

11. The proposed change to Bd.R. 41.37(c)(1)(x) lessens the burden on appellant by eliminating the requirement for appellant to file a related proceedings appendix containing copies of decisions in related proceedings. The Board would look to the records in the Office and other publicly available sources to locate and review decisions rendered in any related proceedings.

In the approved information collection [OMB Control Number 0651–0063], the Office estimated the average appeal brief took 34 hours to prepare. In light of the proposed changes to the current rule for briefing requirements for filing appeal briefs, and taking into account the eleven proposed changes that will lessen the burden and the one proposed change (i.e., addition of subheadings) that will add a burden, the agency estimates that the proposed changes to the current rule will result in a net average decrease of approximately 3 hours per appeal brief from the prior estimate, thereby lowering the previous average estimate of approximately 34 hours to 31 hours to prepare an appeal brief. This estimate is based on the net impact of the proposed changes and time saved in preparation of an appeal brief based on agency expertise in patent prosecution practice. Using the median billing rate of $325 per hour, as published in the AIPLA 2009 Report, the Office estimates that these proposed rule changes will result in an average savings of $975 per appeal brief.

The Office notes that the number and significance of these proposed changes effecting a lessening of the burden to appellants substantially outweigh the proposed changes that may result, in certain circumstances, in increased burden to appellants. The Office will submit an information collection package to OMB for its review and approval.

Interested persons are requested to send comments regarding this information collection, including suggestions for reduction of this burden to: (1) The Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10202, 725 17th Street, NW., Washington, DC 20503, *Attention:* Desk Officer for the Patent and Trademark Office; and (2) The Board of Patent Appeals and

Interferences, P.O. Box 1451, Alexandria, VA 22313–1451, *Attention:* Linda Horner.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

List of Subjects

37 CFR Part 1

Administrative practice and procedure, Courts, Freedom of Information, Inventions and patents, Reporting and recordkeeping requirements, Small Businesses.

37 CFR Part 41

Administrative practice and procedure, Inventions and patents, Lawyers.

Proposed Amendments to the Regulatory Text

For the reasons stated in the preamble, the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office proposes to amend 37 CFR parts 1 and 41 as follows:

PART 1—RULES OF PRACTICE IN PATENT CASES

1. The authority citation for part 1 continues to read as follows:

Authority: 35 U.S.C. 2(b)(2), unless otherwise noted.

2. Amend § 1.197 by revising the section heading and removing and reserving paragraph (a).

The revision reads as follows:

§ 1.197 Termination of proceedings.

* * * * *

PART 41—PRACTICE BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

3. Revise the authority citation for part 41 to read as follows:

Authority: 35 U.S.C. 2(b)(2), 3(a)(2)(A), 21, 23, 32, 41, 132, 133, 134, 135, 306, and 315.

Subpart A—General Provisions

4. Revise § 41.12 to read as follows:

§ 41.12 Citation of authority.

(a) For any United States Supreme Court decision, citation to the United States Reports is preferred.

(b) For any decision other than a United States Supreme Court decision, citation to the West Reporter System is preferred.

(c) Citations to authority must include pinpoint citations whenever a specific holding or portion of an authority is invoked.

(d) Non-binding authority should be used sparingly. If the authority is not an authority of the Office and is not reproduced in the United States Reports or the West Reporter System, a copy of the authority should be provided.

Subpart B—Ex parte Appeals

5. Amend § 41.30 by adding a definition for "record" in alphabetical order to read as follows:

§ 41.30 Definitions.

* * * * *

Record means the items listed in the content listing of the image file wrapper of the official file of the application or reexamination proceeding on appeal, excluding amendments, evidence, and other documents that were denied entry.

6. Amend § 41.31 by revising paragraphs (a) introductory text, (b) and (c) to read as follows:

§ 41.31 Appeal to Board.

(a) *Who may appeal and how to file an appeal.* An appeal is taken to the Board by filing a notice of appeal.

* * * * *

(b) The signature requirements of §§ 1.33 and 11.18(a) of this title do not apply to a notice of appeal filed under this section.

(c) An appeal, when taken, is presumed to be taken from the rejection of all claims under rejection unless cancelled by an amendment filed pursuant to §§ 1.121, 1.173, or 1.530 of this title. Questions relating to matters not affecting the merits of the invention may be required to be settled before an appeal can be considered.

* * * * *

7. Amend § 41.33 by revising paragraphs (c) and (d)(2) to read as follows:

§ 41.33 Amendments and affidavits or other evidence after appeal.

* * * * *

(c) All other amendments filed after the date of filing an appeal pursuant to § 41.31(a)(1) through (a)(3) will not be admitted except as permitted by §§ 41.39(b)(1) and 41.50(b)(1).

(d) * * *

(2) All other affidavits or other evidence filed after the date of filing an appeal pursuant to § 41.31(a)(1) through (a)(3) will not be admitted except as permitted by §§ 41.39(b)(1) and 41.50(b)(1).

6. Revise § 41.35 to read as follows:

§ 41.35 Jurisdiction over appeal.

(a) *Beginning of jurisdiction.* Jurisdiction over the proceeding passes to the Board upon the filing of a reply brief under § 41.41 or the expiration of the time in which to file such a reply brief, whichever is earlier.

(b) *End of jurisdiction.* The jurisdiction of the Board ends when:

(1) The Director enters a remand order (*See* § 41.35(c)),

(2) The Board enters a final decision (*See* § 41.2 of this part) and judicial review is sought or the time for seeking judicial review has expired,

(3) An express abandonment which complies with § 1.138 of this title is recognized,

(4) A request for continued examination is filed which complies with § 1.114 of this title,

(5) Appellant fails to take any required action under §§ 41.39(b), 41.50(b), or 41.50(d), and the Board enters an order of dismissal, or

(6) Appellant reopens prosecution in response to a new ground of rejection entered in a decision of the Board (*See* § 41.50(b)(1)).

(c) *Remand ordered by the Director.* Prior to the entry of a decision on the appeal by the Board (*See* § 41.50), the Director may sua sponte order the proceeding remanded to the examiner.

(d) *Documents filed during Board's jurisdiction.* Except for petitions authorized by this part, consideration of any information disclosure statement or petition filed while the Board possesses jurisdiction over the proceeding will be held in abeyance until the Board's jurisdiction ends.

8. Amend § 41.37 by:

a. Adding headings to paragraphs (a) introductory text, (b), (d) and (e);

b. Revising paragraphs (c)(1);

c. Revising the second sentences in paragraphs (c)(2) and (d); and

d. Adding a new third sentence to paragraph (c)(2) and paragraph (d).

The revisions and additions read as follows:

§ 41.37 Appeal brief.

(a) *Timing and fee.* * * *

(b) *Failure to file a brief.* * * *

(c) *Content of appeal brief.* (1) Except as otherwise provided in this paragraph, the brief shall contain the following items under appropriate headings and in the order indicated in paragraphs (c)(1)(i) through (vii) of this section, except that a brief filed by an appellant who is not represented by a registered practitioner need only substantially comply with paragraphs (c)(1)(i), (ii), and (vii) of this section:

(i) *Real party in interest.* A statement identifying by name the real party in

interest at the time the appeal brief is filed, except that such statement is not required if the named inventor or inventors are themselves the real party in interest. If an appeal brief does not contain a statement of the real party in interest, the Office may assume that the named inventor or inventors are the real party in interest.

(ii) *Related appeals and interferences.* A statement identifying by application, patent, appeal or interference number all other prior and pending appeals, interferences or judicial proceedings (collectively, "related cases") which satisfy all of the following conditions: Involve an application or patent owned by the appellant or assignee, are known to appellant, the appellant's legal representative, or assignee, and may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal, except that such statement is not required if there are no such related cases. If an appeal brief does not contain a statement of related cases, the Office may assume that there are no such related cases.

(iii) [Reserved].

(iv) *Statement of last entered amendment.* A statement identifying by date of filing the last entered amendment of the claims. If an appeal brief does not contain a statement of last entered amendment, the Office may assume that there are no amendments of the claims.

(v) *Summary of claimed subject matter.* An annotated copy of each of the rejected independent claims, which shall, for each limitation in dispute by appellant, immediately after each such limitation, refer to the specification in the Record by page and line number or by paragraph number, and to the drawing, if any, by reference characters, sufficient to understand the claim. For each rejected independent claim, and for each dependent claim argued separately under the provisions of paragraph (c)(1)(vii) of this section, if the claim contains a means plus function or step plus function recitation as permitted by 35 U.S.C. 112, sixth paragraph, then the annotated copy must identify, for every means plus function and step plus function recitation in dispute by appellant, the structure, material, or acts described in the specification in the Record as corresponding to each claimed function with reference to the specification in the Record by page and line number or by paragraph number, and to the drawing, if any, by reference characters. Reference to the patent application publication does not satisfy the requirements of this paragraph.

(vi) [Reserved].

(vii) *Argument.* The arguments of appellant with respect to each ground of rejection, and the basis therefor, with citations of the statutes, regulations, authorities, and parts of the Record relied on. The arguments shall explain why the examiner erred as to each ground of rejection contested by appellant. Except as provided for in §§ 41.41, 41.47 and 41.52, any arguments or authorities not included in the appeal brief will be refused consideration by the Board for purposes of the present appeal. Each ground of rejection contested by appellant must be argued under a separate heading, and each heading shall reasonably identify the ground of rejection being contested (*e.g.,* by claim number, statutory basis, and applied reference, if any). For each ground of rejection applying to two or more claims, the claims may be argued separately (claims are considered by appellants as separately patentable), as a group (all claims subject to the ground of rejection stand or fall together), or as a subgroup (a subset of the claims subject to the ground of rejection stand or fall together). When multiple claims subject to the same ground of rejection are argued as a group or subgroup by appellant, the Board may select a single claim from the group or subgroup and may decide the appeal as to the ground of rejection with respect to the group or subgroup on the basis of the selected claim alone. Notwithstanding any other provision of this paragraph, the failure of appellant to separately argue claims which appellant has grouped together shall constitute a waiver of any argument that the Board must consider the patentability of any grouped claim separately. Under each heading identifying the ground of rejection being contested, any claim(s) argued separately or as a subgroup shall be argued under a separate subheading that identifies the claim(s) by number. A statement which merely points out what a claim recites will not be considered an argument for separate patentability of the claim.

(2) * * * *See* § 1.116 of this title for treatment of amendments, affidavits or other evidence filed after final action but before or on the same date of filing an appeal and § 41.33 for treatment of amendments, affidavits or other evidence filed after the date of filing the appeal. Review of an examiner's refusal to admit an amendment or evidence is by petition to the Director. *See* § 1.181.

(d) *Notice of non-compliance.* * * * If appellant does not, within the set time period, file an amended brief that overcomes all the reasons for non-compliance stated in the notification, the appeal will stand dismissed. Review of a determination of non-compliance is by petition to the Chief Judge. *See* § 41.3.

(e) *Extensions of Time.* * * *

9. Amend § 41.39 by revising paragraph (a); adding a heading to paragraph (b) introductory text; revising the second sentence of paragraph (b)(2); and adding a heading to paragraph (c) to read as follows:

§ 41.39 Examiner's answer.

(a) *Content of examiner's answer.* The primary examiner may, within such time as may be directed by the Director, furnish a written answer to the appeal brief.

(1) An examiner's answer is deemed to incorporate all of the grounds of rejection set forth in the Office action from which the appeal is taken (as modified by any advisory action and pre-appeal brief conference decision), unless the examiner's answer expressly indicates that a ground of rejection has been withdrawn.

(2) An examiner's answer may include a new ground of rejection. For purposes of the examiner's answer, any rejection that relies upon any new evidence not relied upon in the Office action from which the appeal is taken (as modified by any advisory action) shall be designated by the primary examiner as a new ground of rejection. An examiner's answer that includes a new ground of rejection must be approved by the Director.

(b) *Appellant's response to new ground of rejection.* * * *

* * * * *

(2) * * * Such a reply brief must address as set forth in § 41.37(c)(1)(vii) each new ground of rejection and should follow the other requirements of a brief as set forth in § 41.37(c). * * *

(c) *Extensions of time.* * * *

10. Add § 41.40 to read as follows:

§ 41.40 Tolling of time period to file a reply brief.

(a) *Timing.* Any request to seek review of the primary examiner's failure to designate a rejection as a new ground of rejection in an examiner's answer must be by way of a petition to the Director under § 1.181 filed within two months from the entry of the examiner's answer and before the filing of any reply brief. Failure of appellant to timely file such a petition will constitute a waiver of any arguments that a rejection must be designated as a new ground of rejection.

(b) *Petition granted and prosecution reopened.* A decision granting a petition under § 1.181 to designate a new ground of rejection in an examiner's answer will provide a two-month time period in

which appellant must file a reply under § 1.111 of this title to reopen the prosecution before the primary examiner. On failure to timely file a reply under § 1.111, the appeal will stand dismissed.

(c) *Petition not granted and appeal maintained.* A decision refusing to grant a petition under § 1.181 to designate a new ground of rejection in an examiner's answer will provide a two-month time period in which appellant may file only a single reply brief under § 41.41.

(d) *Withdrawal of petition and appeal maintained.* If a reply brief under § 41.41 is filed within two months from the date of the examiner's answer and on or after the filing of a petition under § 1.181 to designate a new ground of rejection in an examiner's answer, but before a decision on the petition, the reply brief will be treated as a request to withdraw the petition and to maintain the appeal.

(e) *Extensions of time.* Extensions of time under § 1.136(a) of this title for patent applications are not applicable to the time period set forth in this section. *See* § 1.136(b) of this title for extensions of time to reply for patent applications and § 1.550(c) of this title for extensions of time to reply for *ex parte* reexamination proceedings.

11. Amend § 41.41 by revising paragraphs (a) and (b) and adding a heading to paragraph (c) to read as follows:

§ 41.41 Reply brief.

(a) *Timing.* Appellant may file only a single reply brief to an examiner's answer within two months from the date of either the examiner's answer, or a decision refusing to grant a petition under § 1.181 to designate a new ground of rejection in an examiner's answer.

(b) *Content.* (1) A reply brief shall not include any new or non-admitted amendment, or any new or non-admitted affidavit or other evidence. *See* § 1.116 of this title for amendments, affidavits or other evidence filed after final action but before or on the same date of filing an appeal and § 41.33 for amendments, affidavits or other evidence filed after the date of filing the appeal.

(2) Any argument raised in the reply brief which was not raised in the appeal brief, or is not responsive to an argument raised in the examiner's answer, including any designated new ground of rejection, will not be considered by the Board for purposes of the present appeal, unless good cause is shown.

(c) *Extensions of time.* * * *

§ 41.43 [Removed]

12. Remove § 41.43.

13. Amend § 41.47 by revising paragraph (b) and revising the last sentence of paragraph (e)(1) to read as follows:

§ 41.47 Oral hearing.

* * * * *

(b) If appellant desires an oral hearing, appellant must file, as a separate paper captioned "REQUEST FOR ORAL HEARING," a written request for such hearing accompanied by the fee set forth in § 41.20(b)(3) within two months from the date of the examiner's answer or on the date of filing of a reply brief, whichever is earlier.

* * * * *

(e)(1) * * * The primary examiner may only rely on argument and evidence relied upon in an answer except as permitted by paragraph (e)(2) of this section.

* * * * *

14. Revise § 41.50 to read as follows:

§ 41.50 Decisions and other actions by the Board.

(a) *Affirmance and reversal.* The Board, in its decision, may affirm or reverse the decision of the examiner in whole or in part on the grounds and on the claims specified by the examiner. The affirmance of the rejection of a claim on any of the grounds specified constitutes a general affirmance of the decision of the examiner on that claim, except as to any ground specifically reversed.

(b) *New ground of rejection.* Should the Board have knowledge of any grounds not involved in the appeal for rejecting any pending claim, it may include in its opinion a statement to that effect with its reasons for so holding, and designate such a statement as a new ground of rejection of the claim. A new ground of rejection pursuant to this paragraph shall not be considered final for judicial review. When the Board enters such a non-final decision, the appellant, within two months from the date of the decision, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

(1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the prosecution will be reopened before the examiner. The new ground of rejection is binding upon the examiner unless an amendment or new evidence not previously of record is made which, in the opinion of the examiner, overcomes the new ground of rejection designated in the decision. Should the examiner reject the claims, appellant may again appeal to the Board pursuant to this subpart.

(2) *Request rehearing.* Request that the proceeding be reheard under § 41.52 by the Board upon the same Record. The request for rehearing must address any new ground of rejection and state with particularity the points believed to have been misapprehended or overlooked in entering the new ground of rejection and also state all other grounds upon which rehearing is sought.

(c) *Review of undesignated new ground of rejection.* Any request to seek review of a panel's failure to designate a new ground of rejection in its decision must be raised by filing a request for rehearing as set forth in § 41.52. Failure of appellant to timely file such a request for rehearing will constitute a waiver of any arguments that a decision contains an undesignated new ground of rejection.

(d) *Request for briefing and information.* The Board may order appellant to additionally brief any matter that the Board considers to be of assistance in reaching a reasoned decision on the pending appeal. Appellant will be given a time period within which to respond to such an order. Failure to timely comply with the order may result in the sua sponte dismissal of the appeal.

(e) *Extensions of time.* Extensions of time under § 1.136(a) of this title for patent applications are not applicable to the time periods set forth in this section. *See* § 1.136(b) of this title for extensions of time to reply for patent applications and § 1.550(c) of this title for extensions of time to reply for *ex parte* reexamination proceedings.

15. Amend § 41.52 by revising the fourth sentence of paragraph (a)(1), paragraphs (a)(2) and (3), and adding paragraph (a)(4) to read as follows:

§ 41.52 Rehearing.

(a)(1) * * * Arguments not raised, and evidence not previously relied upon, pursuant to §§ 41.37, 41.41, or 41.47 are not permitted in the request for rehearing except as permitted by paragraphs (a)(2) through (4) of this section. * * *

(2) Appellant may present a new argument based upon a recent relevant decision of either the Board or a Federal Court.

(3) New arguments responding to a new ground of rejection designated pursuant to § 41.50(b) are permitted.

(4) New arguments that the Board's decision contains an undesignated new ground of rejection are permitted.

* * * * *

16. Revise § 41.54 to read as follows:

§ 41.54 Action following decision.

After decision by the Board, jurisdiction over an application or patent under *ex parte* reexamination proceeding passes to the examiner, subject to appellant's right of appeal or other review, for such further action by appellant or by the examiner, as the condition of the application or patent under *ex parte* reexamination proceeding may require, to carry into effect the decision.

Dated: October 21, 2010.

David J. Kappos,

Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

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