

RCE V. APPEAL: CONSIDERATIONS



JUDGE

JUDGE

JUDGE

PARTNER

JASON CHUNG

MIKE CYGAN

DEBRA DENNETT

CLINT MEHALL



Tuesday,
February 27



4:00pm-5:00pm



Co-chair, Ken Adamo

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Co-chair, Charley Macedo

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Additionally, the following content is presented solely for discussion and illustration and does not comprise, nor is it to be considered legal advice.

Options After Final Rejection

Judge Mike Cygan, Judge Debra Dennett, and Judge Jason Chung

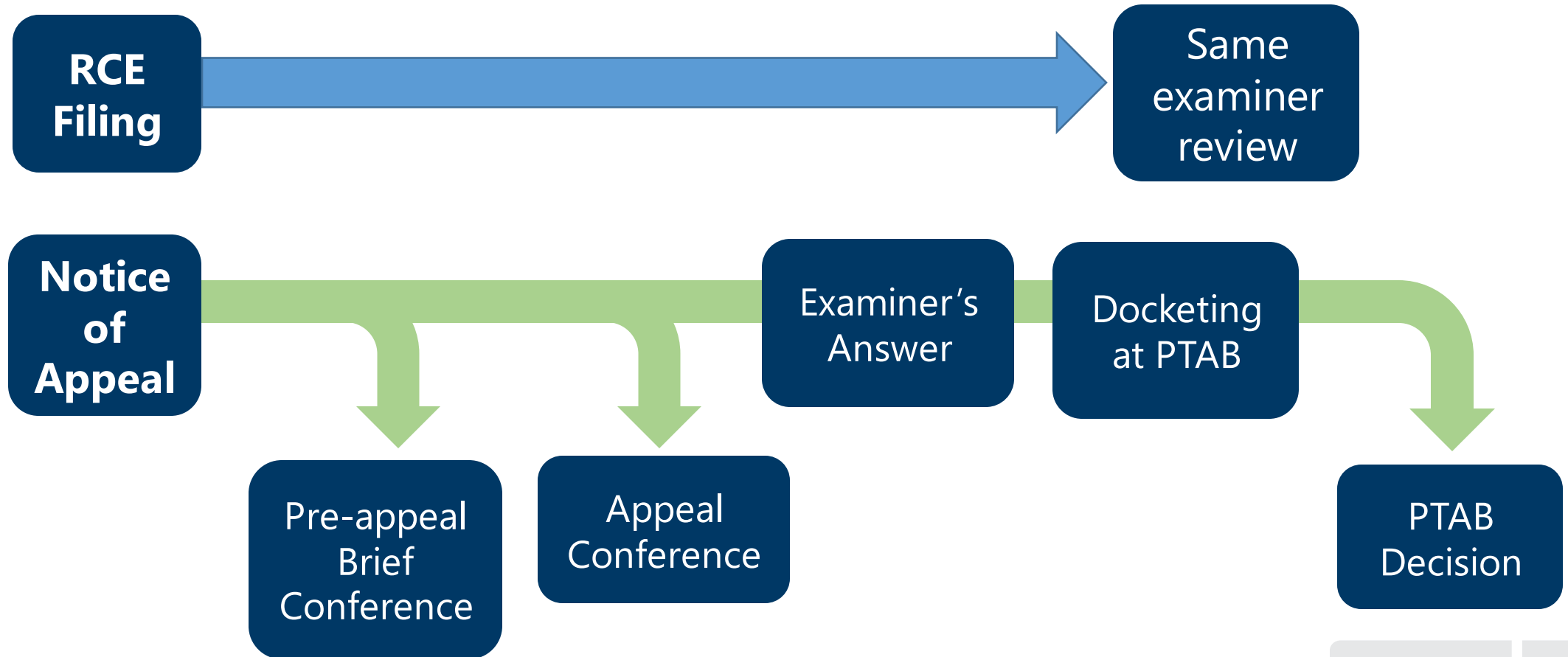
Patent Trial and Appeal Board

February 2024



UNITED STATES
PATENT AND TRADEMARK OFFICE ®

Steps in review process



Appeals v. RCEs: considerations

- Decision makers;
- Scope of evidence and arguments;
- Timing;
- Costs;
- Outcomes; and
- Other

Discussion

- What other considerations do practitioners want/need to take into account when counseling a client on filing an RCE v. Appeal?
- What consideration is most important?

Decision makers

- **RCEs**

- Typically, same Examiner continues examination after entry of responsive submission accompanying the RCE

- **Appeals to PTAB**

- Pre-Appeal Brief Conference Pilot Program: An optional review by a three-examiner panel (including supervisor and examiner of record) that may be requested with filing of Notice of Appeal
- Appeal Conference: A review by a three-examiner conference (that includes the supervisor and examiner of record) after Appeal Brief
- Decision: After docketing at PTAB, typically decided by three administrative patent judges (APJs)

Scope of evidence and arguments

- **RCEs**

- Can present new evidence, new arguments, and certain new claim amendments
- Can request an examiner interview

- **Appeals to PTAB**

- New evidence and claim amendments are limited after filing an appeal
- Appellant generally may only rely on a new argument in the appeal brief but not in a reply brief (unless a new ground of rejection in the answer)
- Can request an oral hearing

Timing*

- **RCEs**

- Currently Examiner responds to RCE in about 1.8 months

- **Appeals to PTAB**

- PTAB issues a decision on appeal, on average, about 12 months after the appeal forwarding fee is paid
- Fast track appeals available upon request with payment of petition fee
 - Decision on appeal issued within 6 months of petition (currently under 2 months)



Costs*

- **RCEs**

- 1st request: \$1,360
- 2nd and subsequent requests: \$2,000
- Costs to prepare response to final rejection

- **Appeals to PTAB**

- Notice of appeal fee: \$840
 - This fee covers three considerations from the PTO: pre-appeal conference, the appeal conference, and the examiner's answer
- Appeal forwarding fee: \$2,360
- Optional Fast-Track Appeals fee: \$420
- Optional request for oral hearing fee: \$1,360
- Costs to prepare appeal brief and reply brief

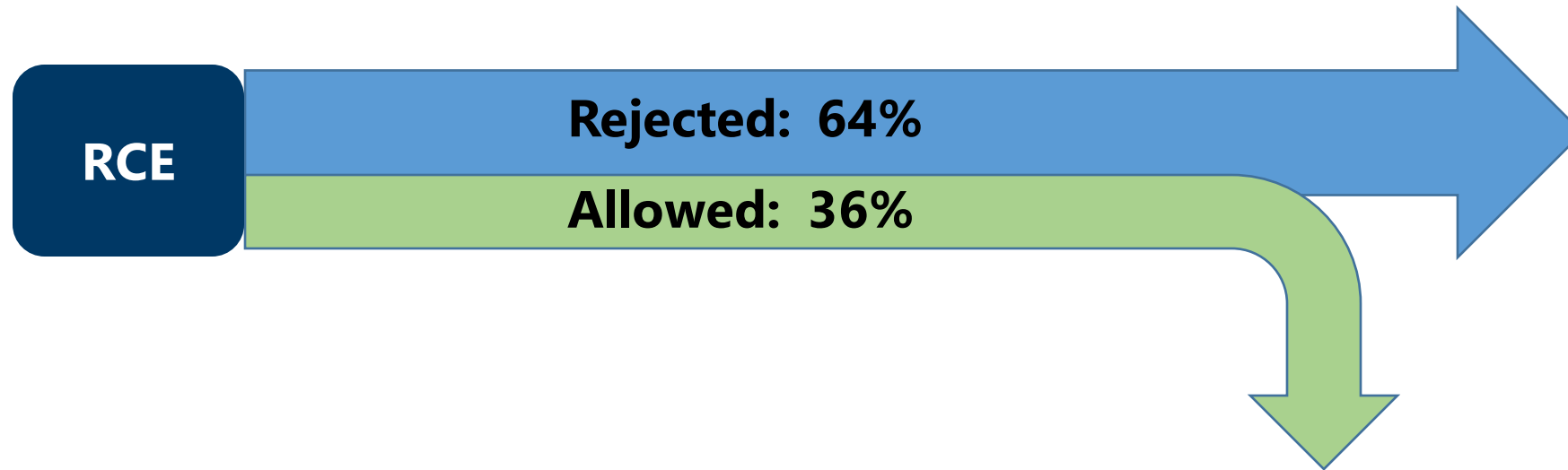
*fees shown as undiscounted, large entity cost;
small entity is 50% discount; micro entity is 75% discount (except Fast-Track fee)



Discussion

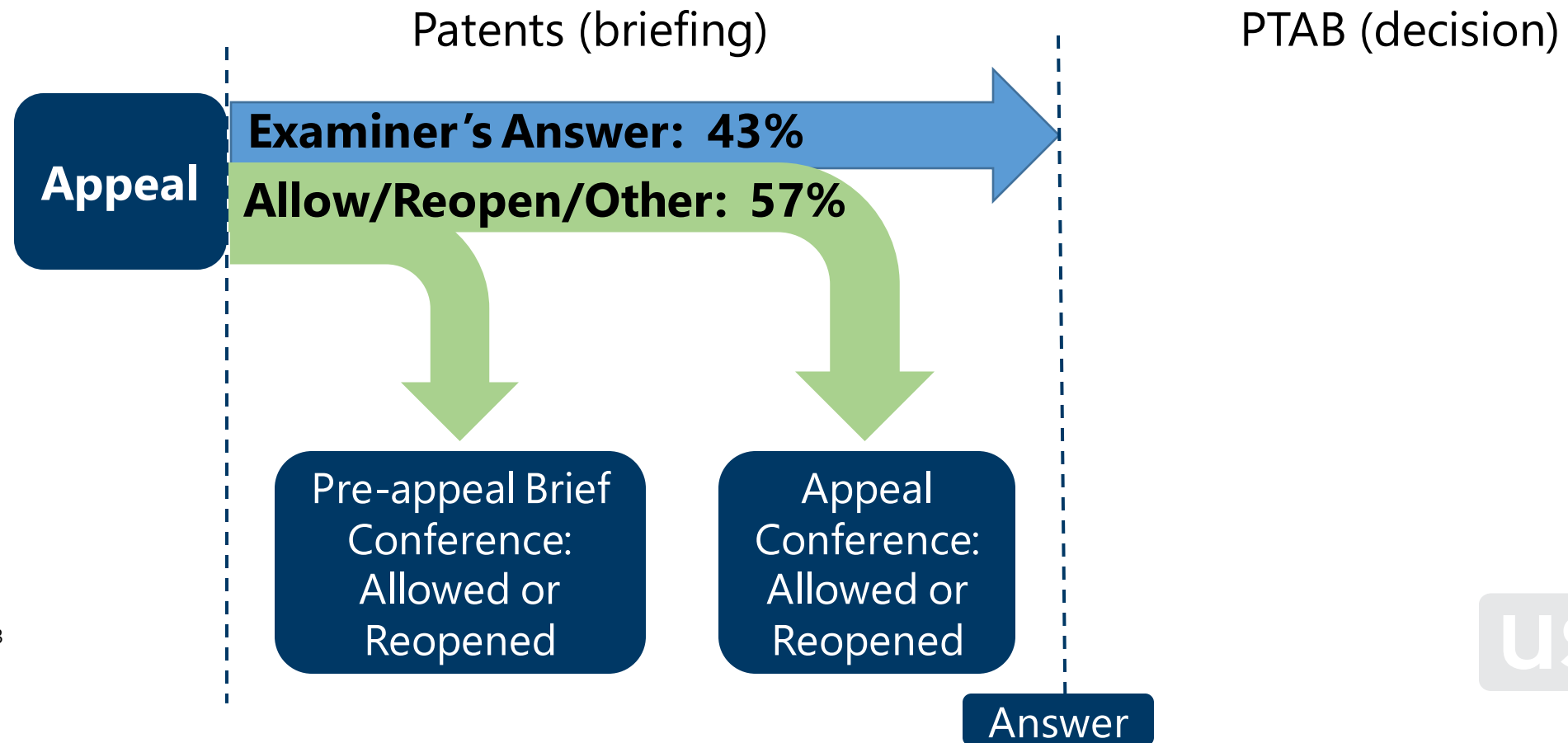
- For a typical case, how much consideration do practitioners give to who the decision maker(s) is/are in counseling a client on filing an RCE v. Appeal?
- Given that examiner responses occur in ~ 1.8 months, and PTAB responses are in ~12 months, which path is preferable? Why?
- How much of an issue to client is cost of RCE v. Appeal?

Next action after RCE



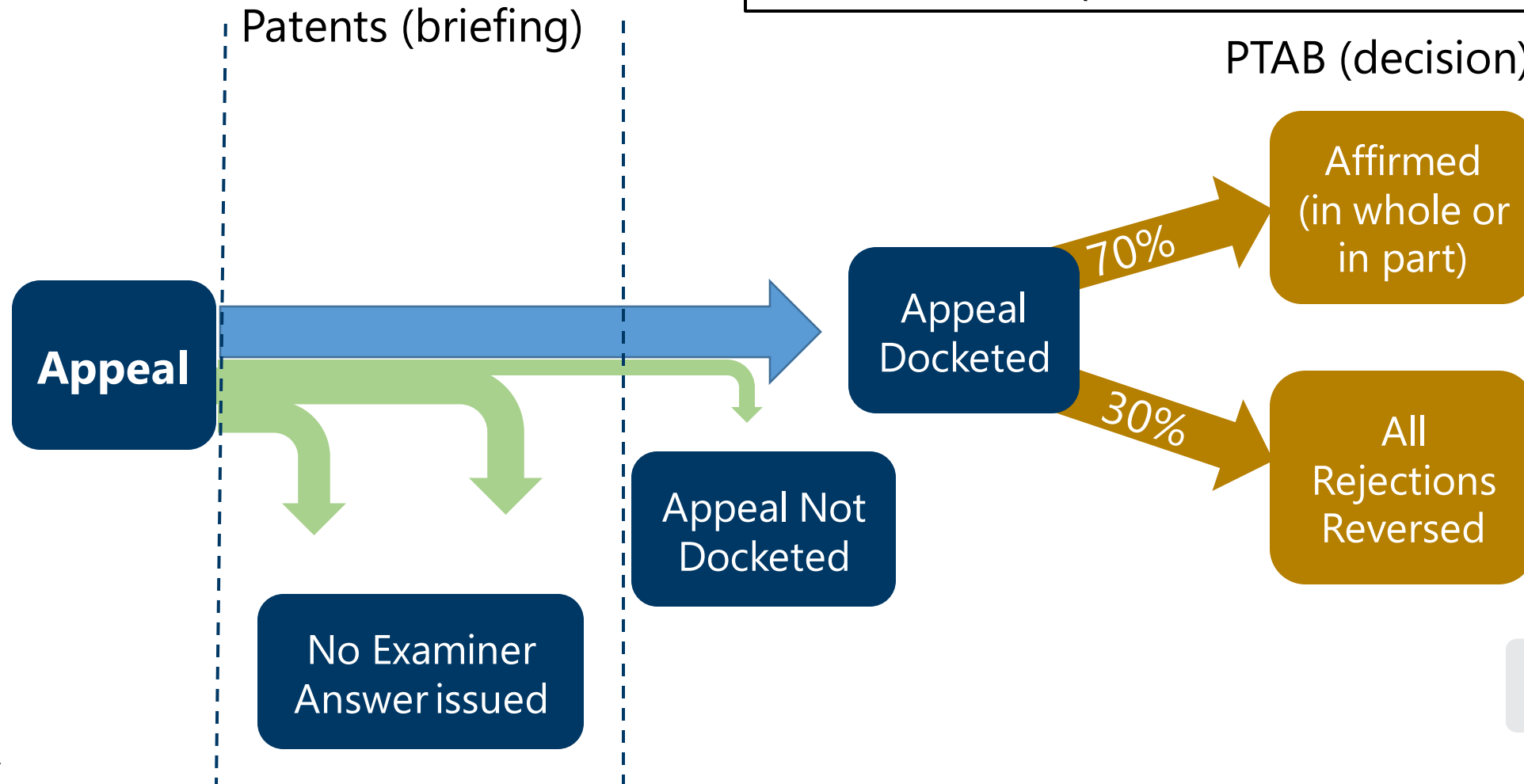
Appeal: Pre-Board Reviews

Only 43% of Appeals result in an Examiner's Answer (FY 2010-2020, +/-3%)

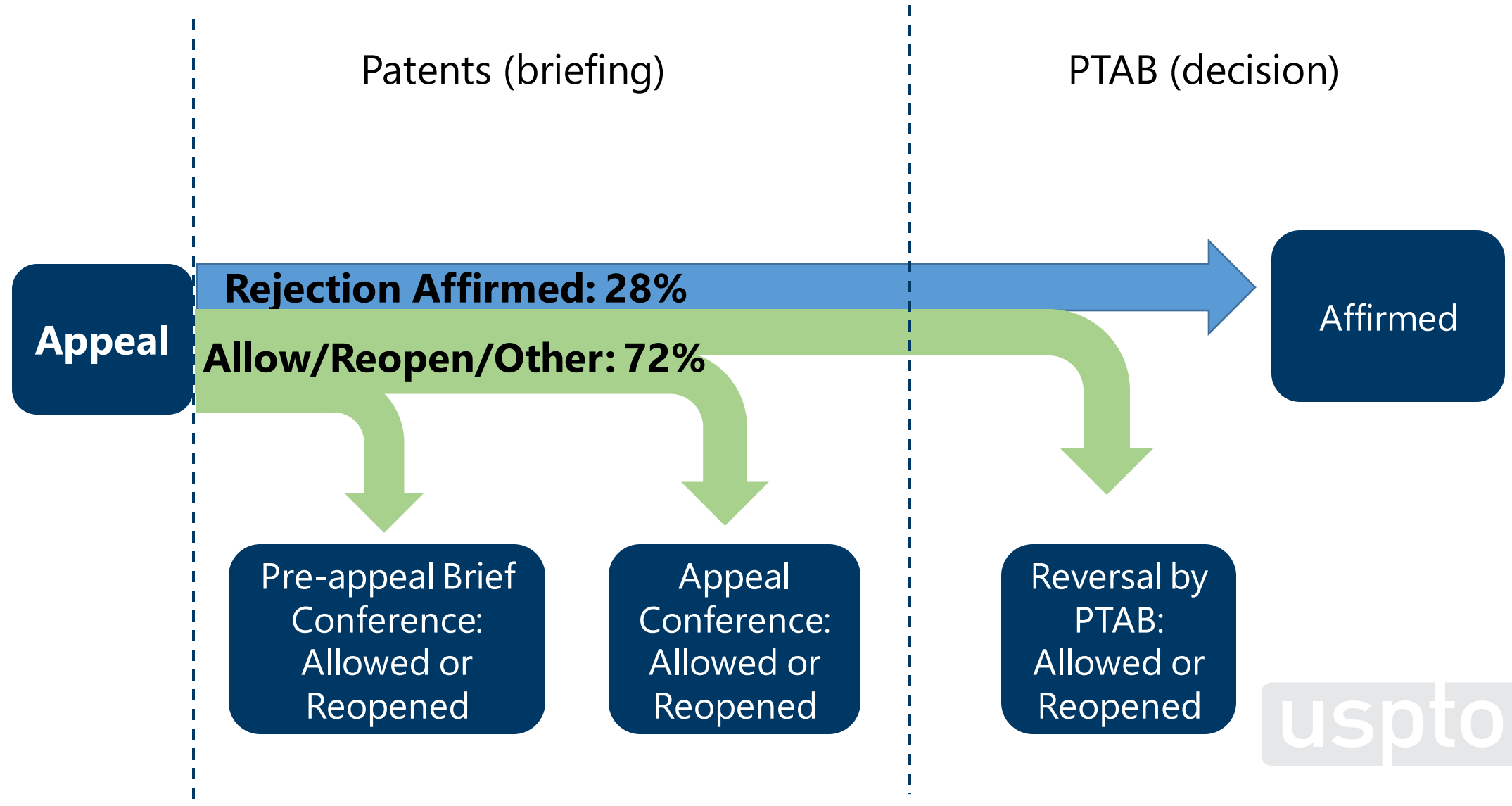


Appeals: PTAB Decision

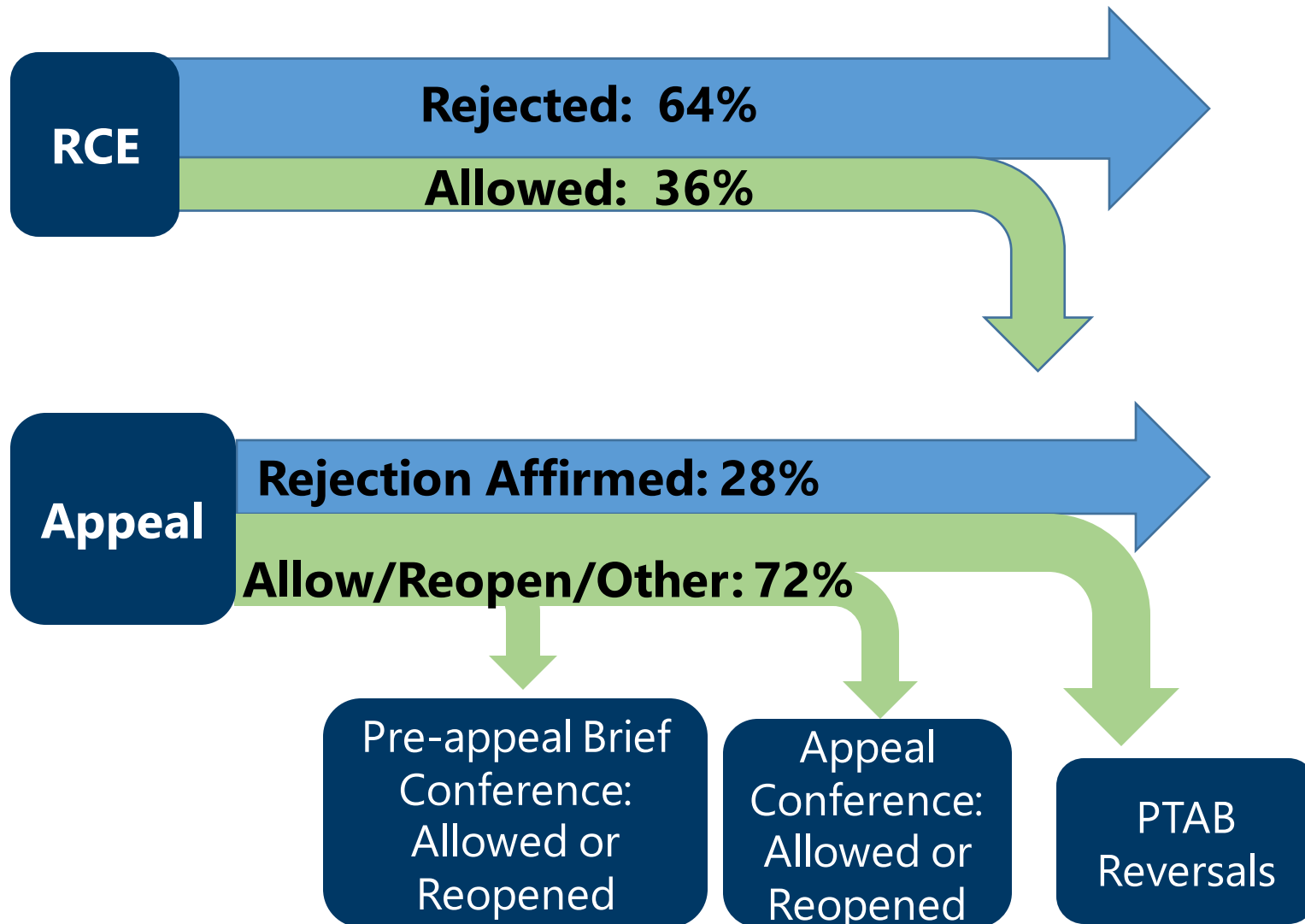
30% of docketed Appeals are fully reversed at PTAB (FY2016-2022, +/- 3.5%)



Overall Outcome after Appeal



Summary



Discussion

- Do these numbers surprise you?
- Are these numbers consistent with your experience?

Other benefits of an appeal

- Unlike for RCE, for a reversal, receive patent term adjustment for entire appeal period
- May take additional issues off the table in a post grant challenge

Takeaways

The facts of the case are the best guide to selecting how to proceed after final rejection.

- Same examiner for RCE versus multiple fresh reviewers for PTAB Appeal
- Viable amendment or new evidence allowed in RCE
- Timeframe
 - RCE is ~1.8 months
 - Appeal to PTAB ~12 months after forwarding fee paid.
 - Can be 2 months or less with Fast-Track.
- Cost
 - Appeals are marginally more expensive compared to RCE
 - Appeal fees: lower upfront cost provides for full briefing
 - Issues may be resolved quickly during briefing for Appeal



CLE Code

Obviousness Argument Analytics

21

DAVIDSON, DAVIDSON & KAPPEL, LLC

Common Obviousness Arguments

22

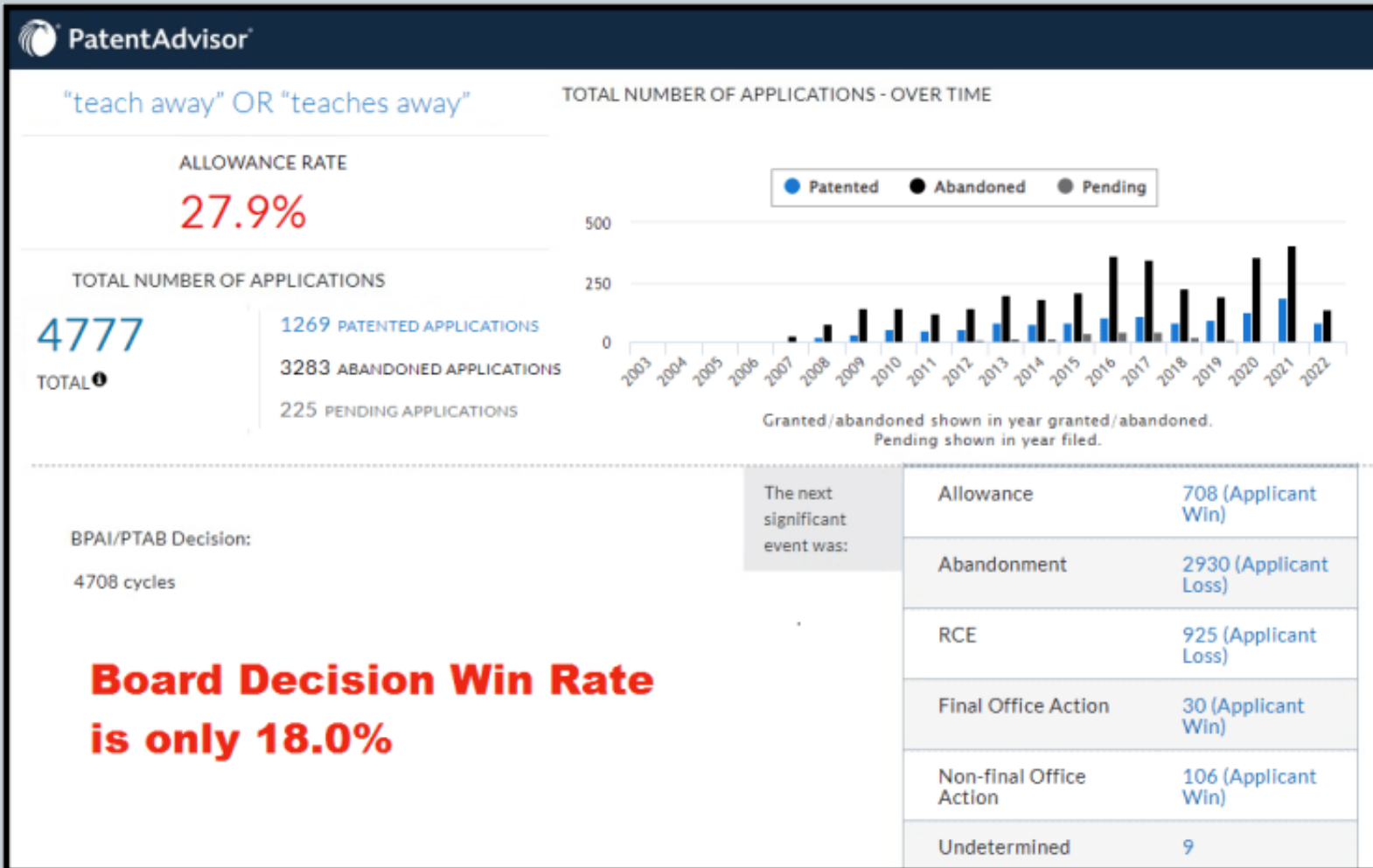
- I searched through PTAB ex parte appeal decisions using LexisNexis PatentAdvisor to see which common arguments were most likely to result in wins when mentioned in a PTAB decision

Common Arguments

23

- The prior art teaches away
 - -should only be used in specific circumstances where prior art essentially teaches modification would not work
 - -should not be used if prior art mentions it is more expensive, has inferior property, is a trade off between two properties

Common Arguments



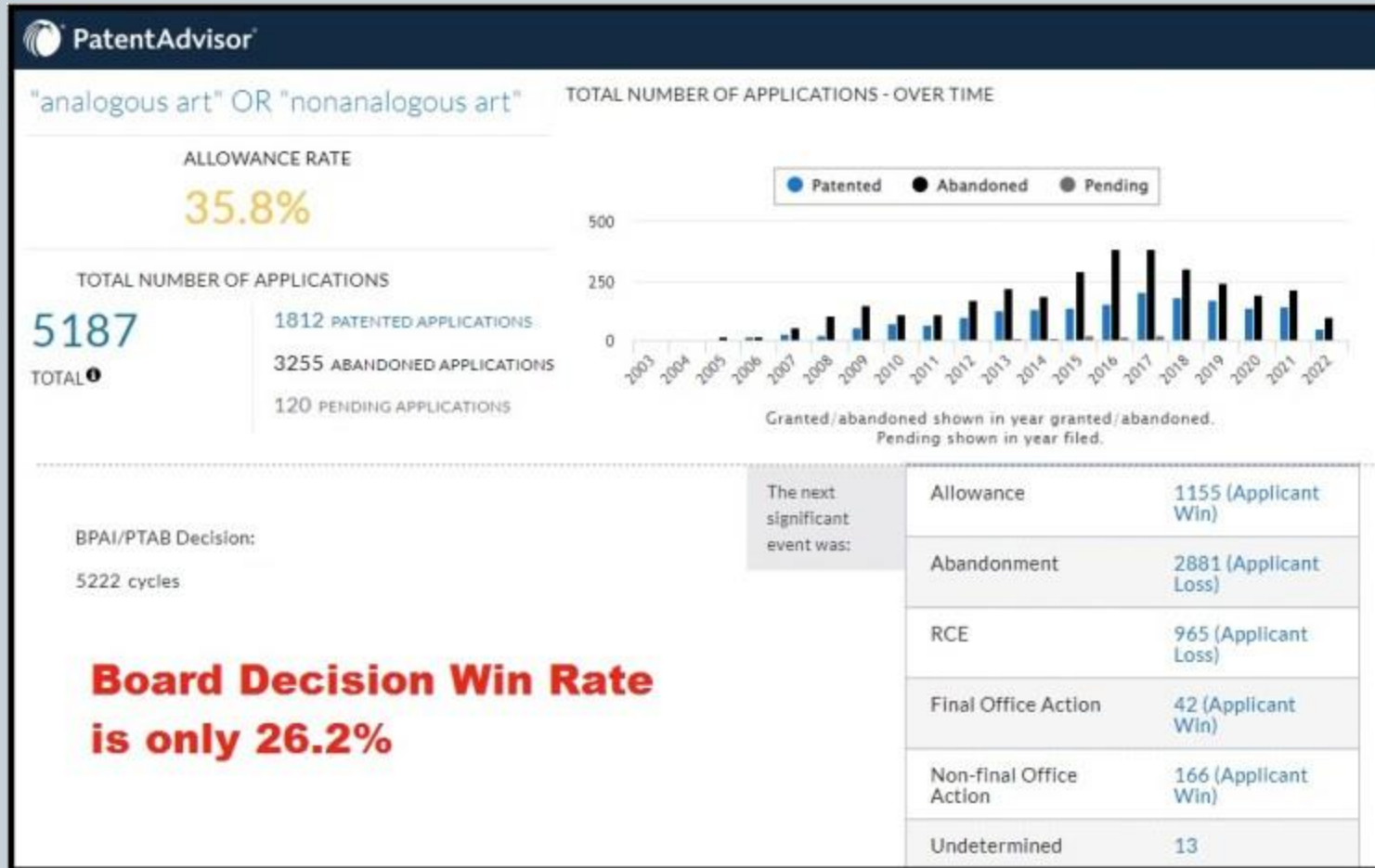
Common Arguments

25

- **The prior art is non-analogous art**
 - -have to show that (1) the prior art is not in the field of endeavor of the application and (2) the prior art is not reasonably pertinent to the problem faced by the inventor

Common Arguments

26



Common Arguments

27

- Reason for combination not supported by rational underpinning
 - "[R]ejections on obviousness grounds cannot be sustained with mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness."
 - *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398, 417-18 (2007)

Common Arguments

28

Briefcase Search Results for

“rational underpinning”

ALLOWANCE RATE

55.1%

Board Decision Win Rate is 47.5%

TOTAL NUMBER OF APPLICATIONS

15302

TOTAL

8230 PATENTED APPLICATIONS

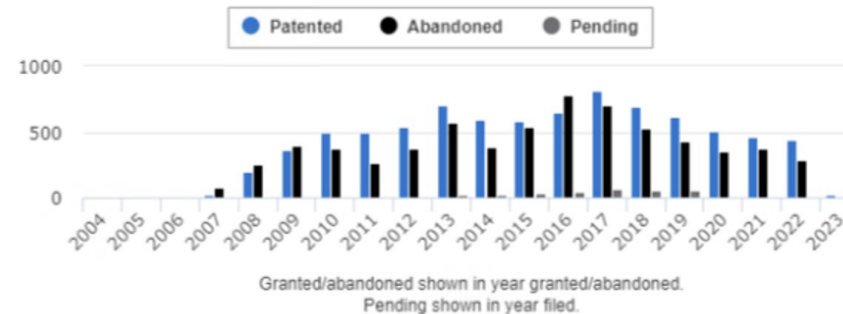
6710 ABANDONED APPLICATIONS

362 PENDING APPLICATIONS

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TOTAL NUMBER OF APPLICATIONS - OVER TIME



Common Arguments

29

- Rejection lacks factual basis
 - “The Patent Office has the initial duty of supplying the factual basis for its rejection. It may not, because *it may doubt* that the invention is patentable, resort to speculation, unfounded assumptions or hindsight reconstruction to supply deficiencies in its factual basis.”
 - *In re Warner*, 379 F.2d 1011, 1017 (CCPA 1967)

Common Arguments

30



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Briefcase Search Results for

"factual basis" "speculation"

Board Win Rate 82.9%

ALLOWANCE RATE

83.9%

TOTAL NUMBER OF APPLICATIONS

1525

TOTAL ⓘ

1222 PATENTED APPLICATIONS

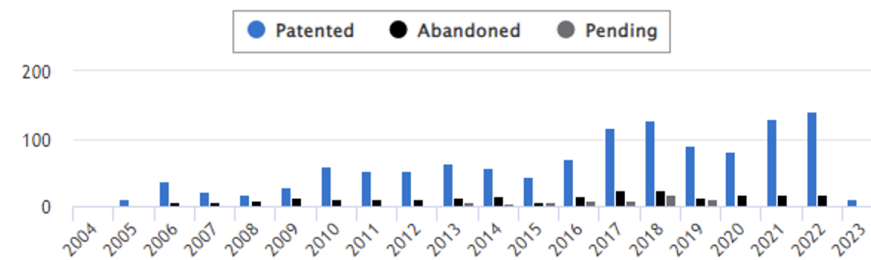
234 ABANDONED APPLICATIONS

69 PENDING APPLICATIONS

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TOTAL NUMBER OF APPLICATIONS - OVER TIME



Granted/abandoned shown in year granted/abandoned.
Pending shown in year filed.

Common Arguments

31

● Hindsight bias

- “Any judgement on obviousness is in a sense necessarily a reconstruction based on hindsight reasoning, but so long as it takes into account only knowledge which was within the level of ordinary skill in the art at the time the claimed invention was made and does not include knowledge gleaned only from applicant’s disclosure, such a reconstruction is proper.”
- *In re McLaughlin*, 443 F.2d 1392, 1395 (CCPA 1971)

Common Arguments

32

Briefcase Search Results for

“knowledge gleaned” “Hindsight”

Board Win Rate 17.9%

ALLOWANCE RATE

27.7%

TOTAL NUMBER OF APPLICATIONS

1249

TOTAL ⓘ

327 PATENTED APPLICATIONS

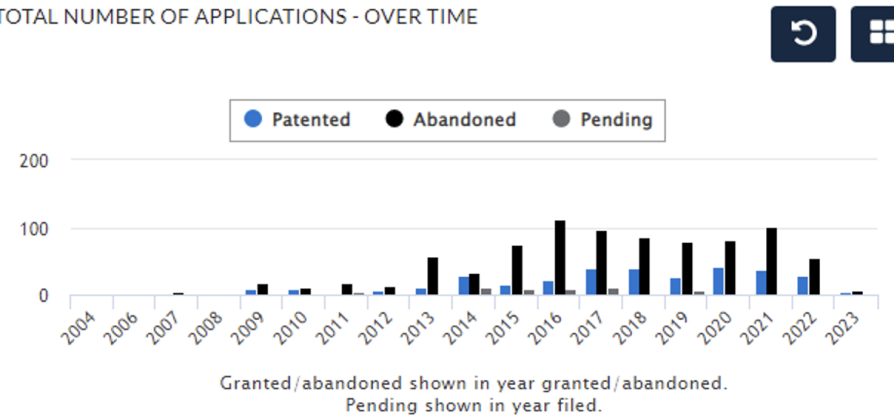
853 ABANDONED APPLICATIONS

69 PENDING APPLICATIONS

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TOTAL NUMBER OF APPLICATIONS - OVER TIME



Common Arguments

33

● Principle of operation

- A proposed modification or combination of the prior art that would change the “basic principles under which the [prior art] was designed to operate” weighs against a conclusion of prima facie obviousness.
- *See, e.g.*, In re Ratti, 270 F.2d 810, 813 (CCPA 1959).

Common Arguments

34



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Briefcase Search Results for

"In re Ratti" "principle of operation"

Board Win Rate 36.1%

ALLOWANCE RATE

46.9%

TOTAL NUMBER OF APPLICATIONS

366

TOTAL

167 PATENTED APPLICATIONS

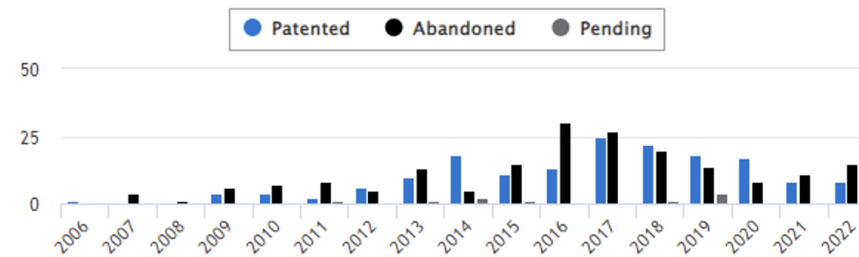
189 ABANDONED APPLICATIONS

10 PENDING APPLICATIONS

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TOTAL NUMBER OF APPLICATIONS - OVER TIME



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Pending shown in year filed.

Common Arguments

35

- Invention cannot be used as a template for its own reconstruction
- “To draw on hindsight knowledge of the patented invention, when the prior art does not contain or suggest that knowledge, is to use the invention as a template for its own reconstruction—an illogical and inappropriate process by which to determine patentability.”
- *Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1570 (Fed. Cir. 1996)

Common Arguments

36

Briefcase Search Results for

"hindsight" AND "template" AND "reconstruction"

Board Win Rate 63.1%

ALLOWANCE RATE

61%

TOTAL NUMBER OF APPLICATIONS

251

TOTAL

150 PATENTED APPLICATIONS

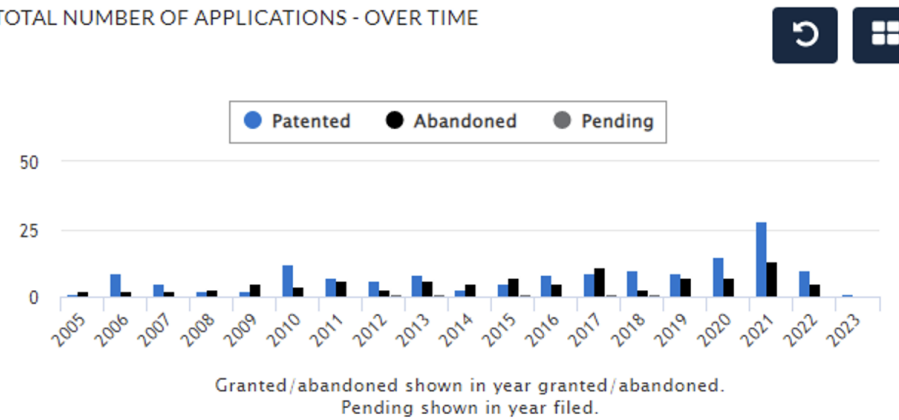
96 ABANDONED APPLICATIONS

5 PENDING APPLICATIONS

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TOTAL NUMBER OF APPLICATIONS - OVER TIME



Common Arguments

37

- **Invention cannot be used as a template for its own reconstruction**
 - “To draw on hindsight knowledge of the patented invention, when the prior art does not contain or suggest that knowledge, is to use the invention as a template for its own reconstruction—an illogical and inappropriate process by which to determine patentability.”
 - *Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1570 (Fed. Cir. 1996)

Common Arguments

38

● **Broadest reasonable construction**

- “The broadest construction rubric coupled with the term “comprising” does not give the PTO an unfettered license to interpret claims to embrace anything remotely related to the claimed invention. Rather, claims should always be read in light of the specification and teachings in the underlying patent.”
- *In re Suitco Surface, Inc.*, 603 F.3d 1255, 1260 (Fed. Cir. 2010)

Common Arguments

39



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Briefcase Search Results for

"603 F.3d 1255" "broadest"

Board Win Rate 66.4%

ALLOWANCE RATE

71.1%

TOTAL NUMBER OF APPLICATIONS

537

TOTAL ⓘ

371 PATENTED APPLICATIONS

151 ABANDONED APPLICATIONS

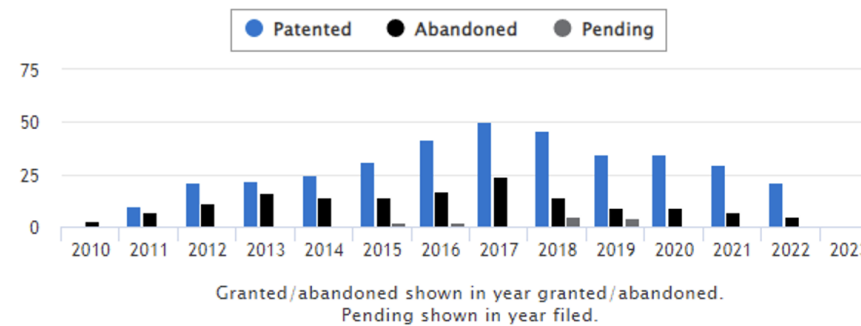
15 PENDING APPLICATIONS

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Windows PowerShell

TOTAL NUMBER OF APPLICATIONS - OVER TIME



Common Arguments

40

- **Showing elements were known is not sufficient to show obviousness**
 - “A patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art.”
 - *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007)

Common Arguments

41

Briefcase Search Results for

“A patent composed of several elements is not proved obvious merely by demo...”

Board Win Rate 79.8%

ALLOWANCE RATE

79.8%

TOTAL NUMBER OF APPLICATIONS

663

TOTAL ⓘ

521 PATENTED APPLICATIONS

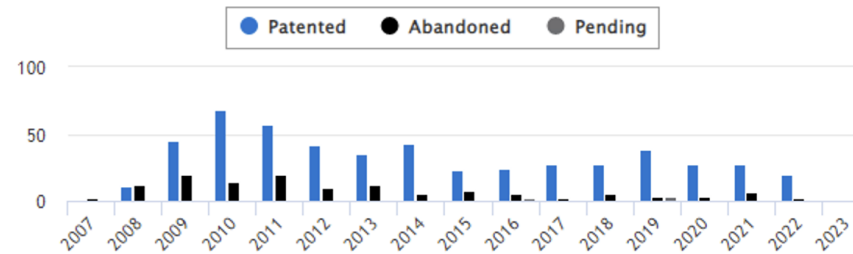
132 ABANDONED APPLICATIONS

10 PENDING APPLICATIONS

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TOTAL NUMBER OF APPLICATIONS - OVER TIME



Granted/abandoned shown in year granted/abandoned.

Common Arguments

42

- **Examiner Has Initial Burden**

- “The examiner bears the initial burden ... of presenting a *prima facie* case of unpatentability.’
- *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992).

Common Arguments

43



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Briefcase Search Results for

Board Win Rate 65.7%

"The examiner bears the initial burden"

ALLOWANCE RATE

67.6%

TOTAL NUMBER OF APPLICATIONS

3480

TOTAL

2326 PATENTED APPLICATIONS

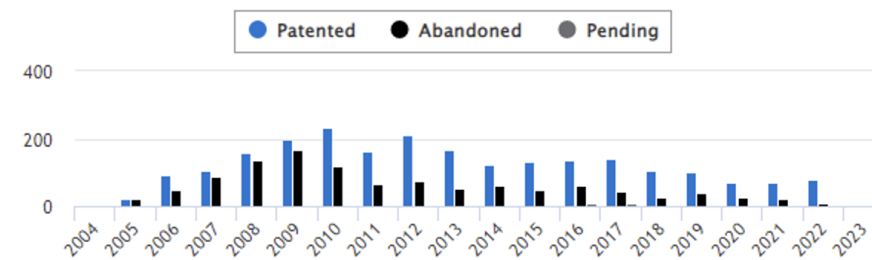
1113 ABANDONED APPLICATIONS

41 PENDING APPLICATIONS

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TOTAL NUMBER OF APPLICATIONS - OVER TIME



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Pending shown in year filed.

Common Arguments

44

- **“Could make” is not enough**
 - “[O]bviousness concerns whether a skilled artisan not only could have made but would have been motivated to make the combinations or modifications of prior art to arrive at the claimed invention.”
 - *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1073 (Fed. Cir. 2015).

Common Arguments

45

Briefcase Search Results for

“not only could have made but would have been motivated”

Board Win Rate 86.5%

ALLOWANCE RATE

87.3%

TOTAL NUMBER OF APPLICATIONS

231

TOTAL

186 PATENTED APPLICATIONS

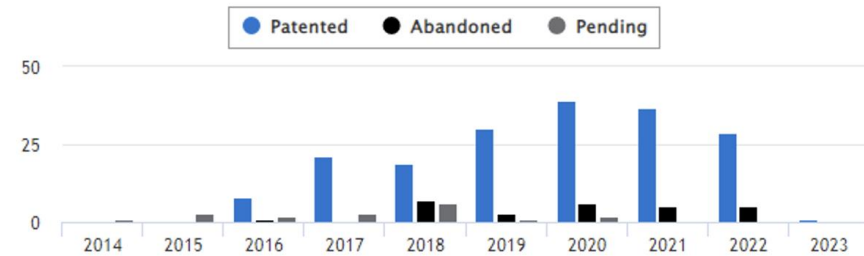
27 ABANDONED APPLICATIONS

18 PENDING APPLICATIONS

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Common Arguments

46

- **No reasonable expectation of success**

- “[T]o have a reasonable expectation of success, one must be motivated to do more than merely [] vary all parameters or try each of [the] numerous possible choices until one possibly arrive[s] at a successful result, where the prior art gave either no indication of which parameters were critical or no direction as to which of many possible choices is likely to be successful.”
- *Pfizer, Inc. v. Apotex, Inc.*, 480 F.3d 1348, 1365 (Fed. Cir. 2007)

Common Arguments

47



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Briefcase Search Results for

“reasonable expectation of success”

Board Win Rate 27.4%

ALLOWANCE RATE

33.3%

TOTAL NUMBER OF APPLICATIONS

6988

TOTAL

2245 PATENTED APPLICATIONS

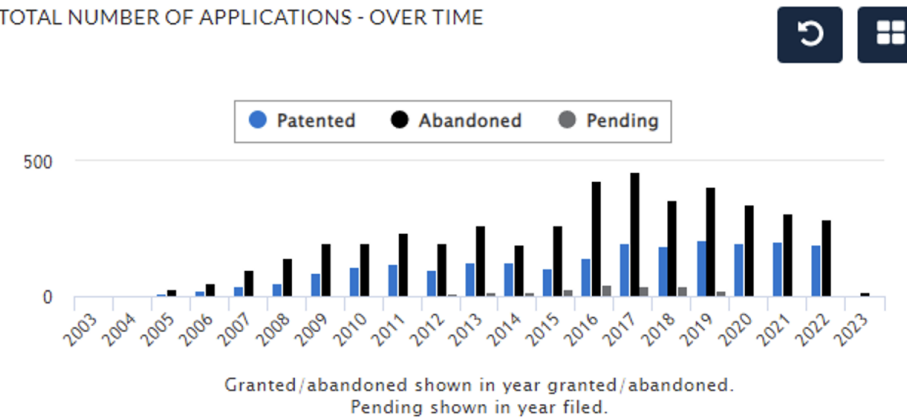
4491 ABANDONED APPLICATIONS

252 PENDING APPLICATIONS

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TOTAL NUMBER OF APPLICATIONS - OVER TIME



Common Arguments

48

- **Prior art needs to suggest modification is desirable**

- "The mere fact that the prior art could be so modified would not have made the modification obvious unless the prior art suggested the desirability of the modification."
- *In re Gordon*, 733 F.2d 900, 902 (Fed. Cir. 1984)

Common Arguments

49



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Briefcase Search Results for

"The mere fact that the prior art could be so modified would not have made ..."

Board Win Rate 91.2%

ALLOWANCE RATE

85.3%

TOTAL NUMBER OF APPLICATIONS

34

TOTAL ⓘ

29 PATENTED APPLICATIONS

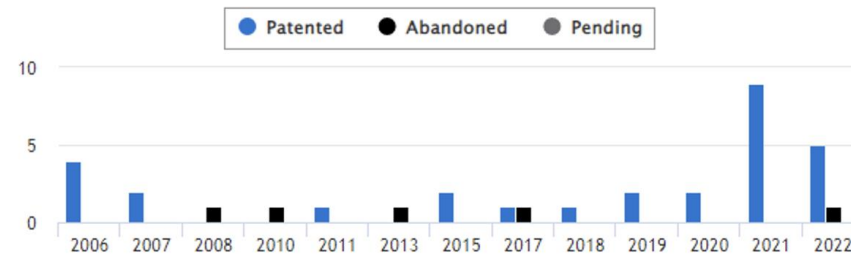
5 ABANDONED APPLICATIONS

0 PENDING APPLICATIONS

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Questions & Discussion