

January 14, 2011



Mail Stop Interference
Attention: Ms. Linda Horner, BPAI Rules
Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

ATTORNEYS AT LAW

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Re: Comment on the Proposed Rules of Practice Before the BPAI in Ex Parte Appeals.

Dear Ms. Horner:

This comment is responsive to the published notice of the Federal Register (Volume 75, Number 219) entitled *Proposed Rules of Practice Before the Board of Patent Appeals and Interferences in Ex Parte Appeals*.

It is our opinion that the proposed rules, in the vast majority of circumstances, will foster increased efficiencies in the processing/disposing of *ex parte* appeals before the Board of Patent Appeals & Interferences (BPAI). In this regard, the Office is to be commended for their hard work and continued vigilance in refining office practices to correspond to the needs of stakeholders. Although our impression of the proposed changes are overwhelmingly positive, we urge caution with respect to the implementation of proposed new Bd.R. 41.40.

As proposed, new Bd.R. 41.40 provides a mechanism to toll the time period for filing a Reply Brief. That is, upon Appellant's filing of a petition under 37 CFR § 1.181 citing potential new grounds of rejection in the Examiner's Answer Brief, the time for filing a Reply Brief is tolled. The proposed rules explain the justification for this petition provision as, "[t]he 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." 75 Fed. Reg. 69840 (November 15, 2010).

Certainly, this proposed rule, if implemented, will be beneficial to Applicants. This is because Applicants will be able to avoid unnecessary legal fees, and such filers have little, if any, incentive to delay Board resolution by the filing of a frivolous petition. On the other hand, certain Patent Holders in *ex parte* patent reexamination may have significant interest in seeking such a delay.

Historically, 32% of *ex parte* reexaminations are conducted concurrently with litigation¹; that number is believed to be significantly higher in contemporary filings. A Patent Owner

¹ www.uspto.gov/patents/stats/Reexamination_Information.jsp (ex parte reexamination historical statistics)

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involved in such concurrent litigation may have an incentive to delay the appeals process for the purpose of forestalling an adverse Board decision². In such cases, patent owners may game the proposed petition procedure as delay tactic to frustrate the special dispatch that must be accorded such proceedings. 35 U.S.C. § 305: “[a]ll reexamination proceedings under this section, including any appeal to the Board of Patent Appeals and Interferences, will be conducted with **special dispatch** within the Office.” (emphasis added).

In our experience, pendency of a petition under 37 C.F.R. § 1.181 varies significantly, and can be upward of 4-6 months. Thus, should such a petition be filed on the last day of the two-month Reply Brief period, coupled with the likely petition pendency, a Patent Owner could potentially delay final disposition of the Board by a year or more.

Accordingly, we encourage the Office to consider implementing safeguards to protect against abusive petition practices in *ex parte* patent reexamination proceedings. In order to ensure that the special dispatch accorded *ex parte* patent reexaminations is not affected by this new petition procedure, modifications to Bd.R. 41.40 are believed to be in order. We offer the following suggestion:

1. Provide for an expedited petition review for *ex parte* patent reexaminations. For example, by:

Requiring such petitions be filed with a designated ombudsman/BPAI official for decision within a non-extendable time period of the Examiner Answer (i.e., a time less than the full two month period for submitting a Reply Brief, such as 30 days). Likewise, require a decision of the agency within a targeted time limit (e.g., 30-45 days such as done in the Pre-Appeal Brief Conference Program).

It is urged that some modification along the lines above be adopted to ensure the continued reduction in patent reexamination pendency. Such a modification to proposed new Bd.R. 41.40 will achieve that stated goals of this valuable mechanism while at the same time ensure the consistent and continued progress of the Board in expeditiously handling *ex parte* patent reexamination appeals.

² Of course, if the concurrent litigation were stayed pending conclusion of the patent reexamination proceeding, this motivation would not exist.

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With best regards,

Very truly yours,

OBLON, SPIVAK, McCLELLAND,
MAIER & NEUSTADT, L.L.P.

A handwritten signature in black ink, appearing to read "S. A. McKeown". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Scott A. McKeown

A handwritten signature in black ink, appearing to read "Stephen G. Kunin". The signature is cursive and somewhat stylized.

Stephen G. Kunin

SAM/SGK/cmc