

Appealing to the PTAB: Bypassing the Examiner May Be Best for Your Client

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Changing USPTO Landscape Favors Appeals

- **AFCP 2.0 has Ended**
- **RCE fees have increased at mucher higher rates than Appeals fees**
- **The new USPTO Patent Examiner Performance Appraisal Plans reduces Examiner Interviews**

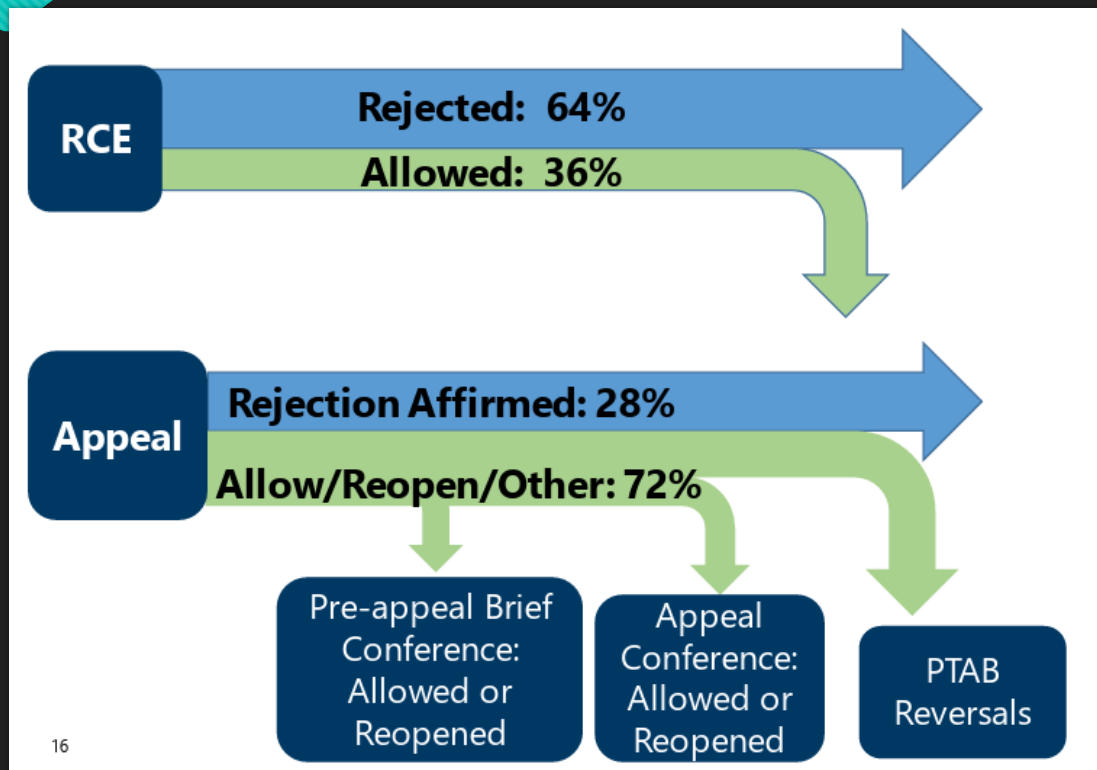
Stop trying to negotiate with unreasonable patent examiners, but be selective

- Examiners have varying standards of patentability
- For example, in art unit 2183, the average allowance rate is historically 76%, but the most difficult examiner has an allowance rate of 58.6% and the easiest examiner has an allowance rate of 93.2%
- You should always consider appealing an examiner with a low outlier allowance rate

Stages for resolving an appeal

- (1) Pre-Appeal Brief Conference,
- (2) Appeal Conference, or
- (3) PTAB decision.

Statistics presented by the USPTO at the PTAB Ex Parte Appeals Road Show



Summary of PatentAdvisor stats

- For applications disposed since 2016 (without taking abandonments and RCEs during the appeal process into account):
- 54.7% of appeals make it to the PTAB for a decision
- 22.4% result in reopening prosecution
- 22.9% are allowed without a PTAB decision
- For the PTAB decisions, 39.9% are wins, and 60.1% are losses

Art Unit Breakdown (1600 and Business Methods are toughest)

Tech Center	Reopened after <u>preappeal</u>	Allowed after <u>preappeal</u>	Reopened after appeal brief	Allowed after appeal brief	Total reopened, <u>preappeal</u> + brief	Total allowed, <u>preappeal</u> + brief	PTAB win	PTAB loss
1600	8.8%	6.9%	10.6%	12.0%	19.4%	18.8%	19.8%	42.0%
1700	8.4%	7.0%	12.1%	13.7%	20.5%	20.6%	21.2%	37.6%
2100	10.6%	8.4%	13.1%	14.4%	23.8%	22.7%	21.7%	31.8%
2400	10.6%	10.8%	10.2%	15.1%	20.8%	25.9%	21.7%	31.6%
2600	8.2%	9.8%	8.5%	16.4%	16.7%	26.2%	22.6%	34.5%
2800	14.7%	13.9%	15.2%	17.6%	29.9%	31.5%	17.1%	21.5%
3600 BM	6.2%	4.1%	11.3%	9.0%	17.5%	13.2%	17.8%	51.6%
3600 - BM	9.1%	9.7%	13.9%	17.1%	23.0%	26.9%	26.7%	23.4%
3700	10.4%	7.3%	16.8%	14.5%	27.3%	21.8%	26.4%	24.5%
Total	9.7%	8.6%	12.6%	14.4%	22.4%	22.9%	21.8%	32.9%

Appeal Can Be Cost-Effective

- Appeal fees have increased less than RCE fees
- Filing multiple RCE's may cost more than filing one appeal
- Strategically filing appeals makes more sense under current conditions

RCEs have increased at higher rate than appeals

	2015	2025	increase	% increase
Notice of Appeal	\$800	\$905	\$105	13.1%
Appeal forwarding fee	\$2,000	\$2,535	\$535	26.8%
Full appeal	\$2,800	\$3,440	\$640	22.9%
1 st RCE	\$1,200	\$1,500	\$300	25.0%
2 nd and subsequent RCE	\$1,700	\$2,860	\$1,160	68.2%
2 RCEs	\$2,900	\$4,360	\$1,460	50.3%
3 RCEs	\$4,600	\$7,220	\$2,620	57.0%

Fee change takeaways

- Ten years ago, filing a Notice of Appeal was \$400 less expensive than an RCE, and now it is \$595 less expensive
- Two RCEs in 2015 were around the same price as a full appeal (\$2,900 vs. \$2,800) but now is \$920 more expensive (\$4,360 vs. \$3,440)
- This is especially important when you consider that only around half of appeals go to full appeal and thus the applicant only incurs the \$905 Notice of Appeal fee, and not the \$2,535 appeal forwarding fee

Use Examiner Analytics

- Useful stats: allowance rate in comparison to the examiner's art unit, number of office actions per patent, allowance rate with and without an examiner interview, and appeal statistics
- Helps clients might the right decision:
 - “The examiner's position is unreasonable, and I recommend to appeal” is less helpful than “The examiner's position is unreasonable and based on the examiner's allowance rate being 30% lower than the art unit, his average office actions per patent being 3.5 and his loss rate on appeal being 70%, I recommend to appeal”

Appeals Offer Strategic Advantages

- Bypass extended negotiation cycles with examiners
- Preserves claim scope and reduces risks of narrowing amendments
- Path to a more objective third party when the examiner discussions are less likely to succeed

Takeaways

- Strategically appealing to the PTAB can be the best approach for clients
- End of AFCP 2.0, rising RCE fees, and fewer interviews support this strategy
- Practitioners should consider appeals early for difficult examiners

Why a Strategic Appeal Matters

- Appeals give clients leverage when the examiner's rejection is weak or unreasonable
- Success depends on how arguments are presented
- Strategic appeals may maximize outcomes instead of just negotiating with the examiner

Tactic 1: Lead with Technical Arguments and Case Law

- Start with your strongest technical argument
- Support arguments with relevant case law
- Read PTAB reversals to understand how the PTAB writes reversals, and use case law like the PTAB does
- As a lawyer, you should be better at arguing case law than a non-lawyer examiner (some are attorneys)

Tactic 2: Focus on Claim Language

- Highlight the exact wording of claims
 - The PTAB usually does not care about the invention story (there are of course exceptions, such as unexpected results and 101 rejections), and reversal decisions issued by the PTAB in ex parte appeals focus on the claim language
- Avoid emphasizing unclaimed advantages
- Avoid unnecessary prosecution history estoppel
 - If you have strong arguments that are more focused on the claim language at the point of novelty, you should ditch arguments towards the cited prior art not teaching conventional features
- Focus on arguments that cannot be used to limit the scope during litigation
 - For example, arguing that there is no reason to combine prior art references or that the examiner has not set forth reasoning having a rational underpinning are arguments that are less likely to come back to burn your client in the future

Tactic 3: Add Fallback Dependent Claims Early

- Three main advantages:
- (1) Increases the chances that you will win on appeal
- (2) The unreasonable rejection of dependent claims can cause the two senior examiners to take an unfavorable view of the examiner's rejections as a whole
- (3) If you have strong arguments to multiple dependent claims on appeal, you are creating quite a bit of work for the examiner

Tactic 4: Challenge Examiner's Reasoning

- You do not gain anything by being deferential to the examiner on appeal
 - Change your tone - do not simply repeat your remarks from an Office Action response
- If the examiner's reasoning is unreasonable, call the examiner's reasoning unreasonable
- If the examiner's position misinterprets the prior art, tell the PTAB that the examiner is wrong
- If there is absolutely no evidence supporting the examiner's position, call this out
- Examiners will not hold it against you!

Tactic 5: ALWAYS File a Reply Brief

- Respond to examiner's arguments to avoid leaving points unchallenged
- Summarize key arguments, quote examiner, and reply clearly
- Makes sure the client has the final word

Leveraging PTAB-Cited Case Law

- Using case law that the PTAB frequently cites in reversal decisions increases chances for a decision to be written in your clients favor
- Embedding these precedents strengthens appeal arguments and positions the client strategically

Common Grounds for PTAB Reversal

- PTAB most often reverses based on:
 - (1) Prior art does not teach what the examiner asserts.
 - (2) Obviousness reasoning is conclusory or lacks rational underpinning.
 - (3) Examiner's claim interpretation is unreasonable.
 - (4) Examiner reasoning is speculative or factually unsupported.
- Focus on these areas in your appeal briefs to maximize success

Examiner has not met the initial burden

- The examiner bears the initial burden to present a prima facie case of unpatentability
- Until the case has been made, the applicant has no obligation to rebut
- *In re Oetiker*, 977 F.2d 1443 (Fed. Cir. 1992) – “The examiner bears the initial burden ... of presenting a prima facie case of unpatentability.”
- *ACCO Brands v. Fellowes*, 813 F.3d 1361 (Fed. Cir. 2016) – prima facie standard requires evidentiary support
- *In re Caveney*, 761 F.2d 671 (Fed. Cir. 1985) – PTO must meet the preponderance of evidence standard, i.e., 50-50 tie goes to Applicant

Examiner's Reasoning Lacks Rational Underpinning

- Obviousness cannot rest on conclusory statements — there must be a clear, factual rationale
- *KSR v. Teleflex*, 550 U.S. 398 (2007) – Requires “articulated reasoning with some rational underpinning”
- *Motor Vehicle Mfrs. Ass’n v. State Farm*, 463 U.S. 29 (1983) – USPTO “must examine the relevant data and articulate a satisfactory explanation for its action including a ‘rational connection between the facts found and the choice made.’”
- *Synopsys v. Mentor Graphics*, 814 F.3d 1309 (Fed. Cir. 2016) - agencies “must articulate logical and rational reasons for [its] decisions”

Examiner's Reasoning Lacks Rational Underpinning

- Use in the Appeal Brief:
 - Point out conclusory phrases like “it would have been obvious”
 - Demand factual reasoning or evidence supporting each modification or combination
 - Argue that without an articulated rationale, the conclusion is legally unsupported

Examiner's Assertions are Speculative

- Speculation and hindsight cannot replace factual evidence
- *In re Warner*, 379 F.2d (CCPA 1967):
- "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." (emphasis in original).
- *In re Jones*, 958 F.2d 347 (Fed. Cir. 1986) "Conspicuously missing from this record is any evidence, other than the PTO's speculation (if it be called evidence)...."
- *In re Kaplan*, 789 F. 2d 1574 (Fed. Cir. 1986) "[T]here must be some clear evidence to establish why the variation would have been obvious which can properly qualify as 'prior art.'"

Examiner's Assertions are Speculative

- Quote Examiner's speculative phrases (“might have”, “could have,” “in the realm of possibilities”)
- a definition of speculative is “theoretical rather than demonstrable.”
 - If the advantage asserted by the examiner is theoretical, the examiner is speculating

Claim Construction as Beyond the Broadest Reasonable Interpretation

- Broadest reasonable" ≠ "broadest possible"
- *In re Suitco Surface*, 603 F.3d 1255 (Fed. Cir. 2010) – “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.”
- *PPC Broadband v. Corning*, 815 F.3d 747 (Fed. Cir. 2016) – “Above all, the broadest reasonable interpretation must be reasonable in light of the claims and specification.”
- *In re Smith Int'l*, 871 F.3d 1375 (Fed. Cir. 2017) – Interpretation must align with how the inventor describes the invention

Additional Effective and Ineffective Arguments

- **Effective:**

- Hindsight Reconstruction: Show Examiner used the invention as a roadmap
- Inherency Misapplied: Inherency requires inevitability, not possibility

- **Less Persuasive:**

- Teaching Away – ~18% reversal rate
- Non-Analogous Art – ~26% reversal rate
- No Reasonable Expectation of Success – ~27% reversal rate