Fawcett, Susan

From: Mircea Achiriloaie [machiriloaie@ceres-inc.com]
Sent: Friday, August 08, 2008 4:43 PM
To: Fawcett, Susan
Subject: 0651-00xx Board of Patent Appeals and Interferences Actions comment
Attachments: Ceres BPAI Actions Comments.pdf

Dear Ms. Susan Fawcett,

Please see the attached comments related to the *Board of Patent Appeals and Interferences Actions* 73 FR 111, 32559-32561(June 9, 2008)

For questions or concerns, please contact me directly via phone or email.

Best regards,
Mircea Achiriloaie

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VIA EMAIL – Susan.Fawcett@uspto.gov

August 8, 2008

Attn.: Susan K. Fawcett, Records Officer, Office of the Chief Information Officer, Customer Information Services Group, Public Information Services Division, U.S. Patent and Trademark Office

Re: 0651–00xx Board of Patent Appeals and Interferences Actions comment, 73 FR 111, 32559-32561(June 9, 2008)

Dear Susan Fawcett:

Ceres, Inc. is grateful to the U.S. Patent and Trademark Office (PTO) for the opportunity to provide information and comment on the recently-published Final Rule that revises the Rules of Practice Before the Board of Patent Appeals and Interferences (BPAI) in *Ex Parte* Appeals.

Ceres, a corporation headquartered in Thousand Oaks, California, and an employer of about 130 people, is the nation's leading developer of dedicated energy crops like switchgrass for the emerging cellulosic biofuels industry. The importance of alternative fuels to the country's economy cannot be overstated. Ceres has an established reputation as an innovator in the industry and is owner or licensor of about 100 U.S. patents and applications pending before the PTO.

Ceres is concerned about the provisions of the Final Rule and the effect on plant biotechnology and the emerging biofuels industry, where patents play a critical role in protecting the fruits of innovation and attracting investment. Ceres is neither alone in its concerns nor out of step with other companies in the biotechnology industry. Among the public comments received on the proposed rule changes published in August 2007, 7 of the 10 comments attributed to "corporations and associations" came from the biotechnology, pharmaceuticals, and materials sector.

First, Ceres believes that the proposed collection of information is vital to the PTO's function and is encouraged by the PTO's efforts to go this extra step. Ceres also sincerely hopes that the information provided – in sum – will convince the agency of the substantial impact that the Final Rule will have on patent applicants who rely on a straightforward and cost-effective appeals process. In fact, Ceres questions whether the Office of Management and Budget (OMB) should

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not have had an opportunity to assess the inevitable financial burdens on applicants at an earlier stage in the rule-making process.

As to the quality of the information sought, Ceres is concerned that the usefulness of the comments may be impacted if not all technology areas are represented in the various submissions, and if other important details such as the numbers of claims and rejections at issue in a particular appeal are not provided. There is also clearly a limit to what can be captured in a single number (a burden hour), and averaging that number over a range of technical disciplines and specific cases is likely to obscure important narratives. The types of information that could be usefully sought as part of the process do lend themselves to other formats than those made available on this occasion. For example, a web-based interface may permit more detailed questions to be asked and make it easier – in turn – for interested applicants to furnish that information.

The main theme of Ceres' comments on this occasion, however, addresses the accuracy of the agency estimates of the times to prepare various documents in the appeals process under the Final Rule. Ceres notes, as an initial matter, that the estimates do not appear to take into account applicants' need to fully digest the new rules – which will be the second time the rules of practice before the BPAI have been revised in as many years – before implementing them in their own forms and templates. This time will be not inconsiderable for the majority of applicants, and could be at least 10 – 15 hours per applicant in and of itself.

Ceres does welcome – as will many other applicants – the PTO's increase in the page limit for the Appeal Brief from 25 to 30 pages, and the removal from the Final Rule of the ability of an examiner to introduce a new ground of rejection in the Answer. Nevertheless, the formatting requirements of the Appeal Brief and Reply that remain in the Final Rule are onerous and cumbersome, and still impose greater strictures on Applicants than on Examiners' Answers, leading to a one-sided process. Furthermore, the requirements of double-spaced 14-pt. type-face mean that a 30-page brief will contain around 6,500 words only, at most. This number, despite the PTO's statistics on current brief lengths, will be insufficient for applicants in many technology areas, in particular biotechnology where the subject matter is complex and requires careful explanation, and where the rejections tend to be numerous and detailed. For example, the PTO has not accounted for the amount of time that will be required by Applicants to ensure both that all substantive requirements (such as the "statement of facts") are met and that all of the strict formatting requirements are also met.

Furthermore, the PTO has not established the processes by which it arrived at the published numbers of hours it estimates an applicant will require to prepare a given submission. Those numbers should , of course, not be based on mere belief, but on some objective data. For example, the estimate of 15 hours to prepare a petition for an increased page limit in an Appeal Brief seems wildly out of line when seen alongside the estimate of 30 hours to prepare the

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Appeal Brief itself. Without knowing the types of deliberation that went into generating the estimated numbers, it is hardly possible to agree that they are reasonable.

In the Federal Register, the PTO has identified several key aspects in which Appeal Briefs under the Final Rule differ from those under the current rules and cursorily concluded that the resulting additional costs for Applicants would be minimal. In essence, the PTO states that the newly-required "jurisdictional statement", "table of contents", and "table of authorities", are merely paralegal work requiring a matter of minutes only to prepare. Ceres believes the PTO is overly optimistic about the time needed to satisfy these new requirements, and has ignored the basic requirement that an Appeal Brief must be reviewed and checked by the practitioner signing the document. Given the PTO's keen attention to details when assessing a brief's compliance with the rules, the PTO should expect that applicants' counsel will, in turn, place a greater emphasis on checking those aspects, resulting in substantial additional expense for applicants.

The PTO also states that the new "statement of facts" section imposes no additional costs because such a statement was typically present anyway in briefs prepared under the current rules. This overlooks the fact that the new "statement of facts" must be presented in a different way from the current format and must be crafted with a rigid page limit in mind. The selection process that goes into marshalling the facts in question will take a significant amount of time in most cases.

The Final Rule has a new requirement that the "argument" section of the Appeal Brief must identify where an argument was made in the first instance to the examiner, or state that it is a new argument. The PTO concludes that this new requirement "would add 10 minutes to the preparation of the brief." In actuality, the length of time required will depend upon the number of arguments at issue – that is, on the complexity of the case – as well as on the length of the file history. Although the PTO points out that this requirement should be straightforward for a case that is appealed after only a first office action, a single response by applicants, and a second or final office action. However, it will be only a fraction of cases that go up on appeal so early in prosecution. In biotechnology, in particular, prosecution can be protracted over several office actions and one or more request for continued examination and/or expert declarations, due in part to the complexity of the subject matter, and due also to the fact that examiners in the biotechnology area are accustomed to issuing rejections on multiple grounds. Thus, in the majority of cases, identifying such support is more likely to take a significant amount of time.

Finally, the "claim support and drawing analysis section" and the "means or step plus function and analysis section" are, according to the PTO, "analogous to the current summary of the claimed subject matter section in the appeal brief" and therefore "will not add cost to the appeal brief". In fact, the PTO is of the belief that the clarity provided by these sections may, overall, lead to cost savings by Applicant. This view seems overly optimistic. Although, under the current rule, a summary section may require careful working, a claim chart, by its very nature is a time-consuming and labor-intensive project that will — notwithstanding any downstream

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potential benefits — represent an additional cost for applicants. It will also be a cost that is in proportion to claim length, and the number of claims at issue, and thus is not one that can be overlooked by applicants, particularly those in biotechnology.

In sum, we believe that the 30 hour projection for time required to prepare an Appeal Brief under the Final Rule is a significant underestimate of the actual time that will be required by many applicants, even where the 30 page limit is met. Therefore, we believe the Final Rule should not be implemented for being overly expensive to applicants for biotechnology inventions, and counterproductive to both applicants and the PTO.

Respectfully submitted,

Steven C. Bobzin, Ph.D.
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