

THE FINAL OFFICE ACTION – CHECKMATE?

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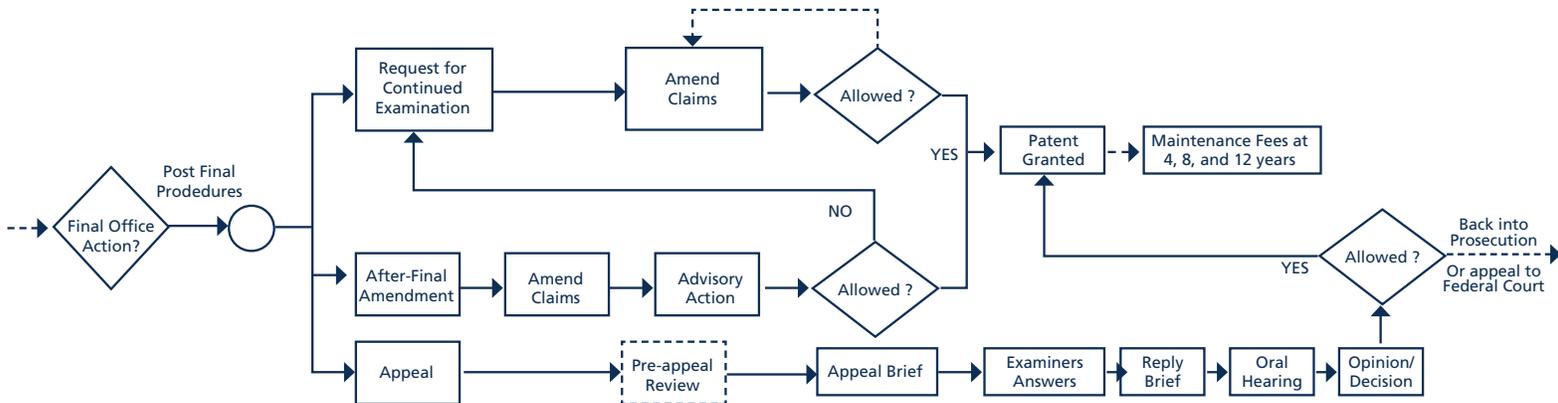


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With a basic filing fee, a patent applicant is guaranteed two office actions, a first non final office action and a second or “final” office action. In some cases, the examiner may issue a second nonfinal action, but this is generally rare. So what is an applicant to do once the final office action is received? Using the analogy of chess, receiving a final office action is more like a “check” than a “checkmate.”

The actions taken at this point depend on the circumstances and the applicant’s goals. As such there are many strategies, but basically it comes down to:

- After Final Amendment
- Request for Continued Examination
- Appeal
- Continuation Applications



As you can tell from the process map, the options and permutations of this process and get complicated and confusing. Let’s take each option step by step.

After Final Amendment

Once the final office action is received, the applicant has the option of filing a response, creatively referred to as an “after-final amendment.” The applicant has three months to file the response, but generally we try to file within two months so we receive a subsequent document, known as an Advisory Action, from the examiner. An Advisory Action

is similar to an office action, but it is generally shorter and the examiner does not provide the same level of analysis. An Advisory Action can sometimes provide information that guides future prosecution strategy.

Sometimes the final office action rejects the claims for issues related to formalities or other minor issues. In other cases, the final office action can contain some allowed claims and some rejected claims. If the allowed claims are acceptable to the applicant, the rejected claims can then be cancelled. An after final response can correct these issues and this allows the examiner to issue a Notice of Allowance.

Generally speaking, an examiner will not consider extensive amendments or arguments after final. This is partially due to the way examiners are measured at the U.S. Patent and Trademark Office (USPTO). They are not given any credit for work performed after the Final Office Action unless it is a notice of allowance. However, at the time of this writing the USPTO has a pilot program that allows (and provides credit to the examiner) for a limited amount of searching for the examiner to consider the amendments. Entry into this program is completely at the discretion of the examiner. In my experience, the examiners allow entry in much less than 50% of the applications in which we have attempted this. It is nevertheless worthwhile to try because it is free (no government fees) and if successful can reduce the overall cost and result in a patent faster.

The outcome from an after-final response is either a notice of allowance, or an advisory action where all the claims remain rejected. At this point we need to consider pursuing one of the remaining three procedures. Note: depending on the circumstances you may simply skip the after-final response (e.g. the examiner is not likely to change their position).

Request for Continued Examination

A Request for Continued Examination, most commonly referred to as an “RCE,” is a procedure for extending prosecution in order to overcome the examiners rejections. RCEs can also be used for other reasons where issues need to be addressed that cannot be corrected via the after-final amendment. Basically, by filing an RCE and paying the requisite fee, the applicant is given two more office actions (a nonfinal and a Final Office Action) subject to some conditions. RCEs are often used when the applicant and the examiner are close, but not quite across the finish line on allowability of the claims. The RCE allows for the applicant to make three more amendments/arguments in an attempt to convince the examiner. RCEs may also be used when the applicant desires broad claim scope and wants to make small adjustments to the claims rather than overly limit the scope.

One thing to note is that when filing an RCE, always make at least one amendment to the claims (such as in a dependent claim). The USPTO procedures allow examiners to issue a Final Office Action immediately if (in the examiners view) the response filed with the RCE does not present any new arguments on patentability. Theoretically you could provide new arguments and get a non-Final Office Action; however, in practice, the examiners take advantage of the first action final whenever they can.

The other reason for filing an RCE is adjust the claims or reduce the issues in preparation for an appeal.

Appeal

So, you’ve amended your claims as much as you believe is needed and presented your best arguments, and the examiner still will not allow your claims? The applicant in this case may consider filing an appeal to the Patent and Trademark

Appeals Board (PTAB). This is an internal/administrative procedure within the USPTO to have your claims reviewed by a panel of three administrative patent judges.

The appeals process starts with the applicant filing a notice of appeal and an appeal brief. The examiner has an opportunity to respond in a document called an examiner's answer. The applicant can then supplement their appeal brief with a reply brief (to address issues raised in the examiner's answer). The documents are then sent to the PTAB panel who will take up the appeal in order. Both the applicant and examiner have the opportunity to present oral arguments to emphasize important points.

The positive aspect to the appeals process is that you have an independent third party review your claims with a higher level of scrutiny (and possibly a better understanding of the law) than the examiner provided. When you come to a dead end with the examiner, or if you want the broadest claims you are legally entitled to, sometimes an appeal is the only route to proceed forward. From my experience, appeals judges are very good at what they do. While we won't discuss it here, if you disagree with the opinion of the appeal, you also have the option of appealing this to a court and ask a judge to review your claims.

There are several negative factors to an appeal and it is usually used as a last resort. The appeals process can take a long time, sometimes as long as two to three years, meaning your patent grant may be delayed by at least that long, or even longer, if the appeal results in a mixed ruling with some claims allowed and some rejected. Next, the appeal can be expensive. There are the government fees for the appeal and then attorney time to prepare the briefs. Finally, in a number of cases you file an appeal brief and your prosecution gets reopened - taking it out of the appeals process. There are probably a number of reasons for this,

possibly because the examiner's supervisor reviews the appeal brief and finds holes in the examiner's arguments. The reopening of prosecution (in my experience) is frustrating because it drags out the process and you end up once again filing an appeal in the future.

In a nutshell, use appeals as a last resort.

Continuation Application

In the U.S. patent system, it is possible to file a second, third, or more patent applications that are legally related to a first filed application. This legal relationship is called "claiming priority" and the effect is that these subsequent applications are considered to have the same effective filing date as the first application. Sometimes these later applications are referred to as the "children" of the "parent" application. There are three types of these applications: 1) a continuation application; 2) a continuation-in-part (CIP) application; and 3) a divisional application. We will discuss the CIP and divisional applications in a later article.

The biggest requirement for a continuation application is that it needs to be filed while the next earlier application (the parent) is still pending. In other words, prior to the parent application being granted/issued or abandoned.

Continuation applications may be used for a variety of reasons that we will cover for a later date. For our purposes here, we will focus on their uses in a post-Final Office Action situation. In this context, the continuation application performs the same function as an RCE, except that with an RCE you will expect to receive an office action in three to five months. When a continuation application is filed, you are moved to the bottom of the queue and the first action window will be about 18-24 months. So, filing a continuation application in most cases will slow down the prosecution. However, I have had examiners see a continuation application and pick it up within three months of

filing, so if the intent is to slow things down, filing a continuation application is likely to accomplish this, but it is not a guarantee.

I've also seen other reasons for filing a continuation application, such as to:

- change the claiming strategy (directed to the same invention)
- change the scope of invention (pursue an alternative invention)
- get a different examiner (unlikely to work unless claims are changed so it is routed to a different art group)

There are rules within the USPTO regarding significantly changing the scope of the invention, at least how they define the invention. We have run into situations where the initially drafted claims are going nowhere (full disclosure, this has happened when the applications were transferred to us) and the changes that are needed are significant. It can also happen when there is a restriction requirement issued between the apparatus and method claims and it becomes clear during prosecution that the elected invention (e.g. the apparatus) is not allowable, but the nonelected invention (e.g. the method) is. The USPTO will not allow you to switch claims, so a continuation or divisional application is the only option.

One note on trying to get different examiners. Theoretically speaking, it shouldn't matter which examiner you get, but the reality is that with more than 8,000 examiners, there is variety among the examiners' levels of knowledge and skill and in their attitudes

toward applicants. We've run into examiners who have a 10% allowance rate (all this data is public via one of the online analytics sites) when their art group has an allowance rate of 80%. Clearly there is something off in that situation. It's hard to tell a client that they got the luck of the draw on the "difficult" examiner. That being said, I have good working relationships with many examiners. My personal opinion is that trying to game the system to get a different examiner is difficult since the assignment of applications internally at the USPTO is a black box.

There are tools available that allege that they can help steer your application to an art group with a higher allowance rate. They do this by analyzing your claim language and suggesting changes that would more likely cause the incoming examination group to assign it to art group A instead of art group B. I've tended not to use these tools because they are changing the claims in a way that I don't believe is beneficial to my clients' goals. Yes, we didn't get into the preferred art group, but we did get claims that are directed to what is best for the client. Remember, if your claims are patentable, they should be patentable no matter which examiner you get. Getting a patent because of poor examination or an "easy" examiner just means you are likely to have an invalid patent. If you get a "difficult" patent, you always have the right to appeal their decision.

That just about covers the basics of U.S. patent prosecution. Next time we move on to discuss some aspects of protecting your invention internationally, and some of the differences between prosecuting patent application in the U.S. vs non-U.S. patent offices (from a U.S. perspective).

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