



February 12, 2016

The Honorable Michelle K. Lee
Under Secretary of Commerce for Intellectual Property &
Director of the United States Patent and Trademark Office
Mail Stop CFO
P.O. Box 1450
Alexandria, Virginia 22313-1450

Attention: Michael Cygan

Via email: TopicsSubmissionForCaseStudies@uspto.gov

Re: IPO's Submission of Topics for USPTO Quality Case Studies

Dear Director Lee:

Intellectual Property Owners Association (IPO) submits the following patent quality-related
topics for study in response to the United States Patent and Trademark Office's "Request for
Submission of Topics for USPTO Quality Case Studies," published in 80 Fed. Reg. 79277
(Dec. 21, 2015).

IPO is a trade association representing companies and individuals in all industries and fields
of technology who own or are interested in intellectual property rights. IPO's membership
includes over 200 companies and more than 12,000 individuals who are involved in the
association through corporate or other classes of membership.

IPO appreciates the USPTO's effort to allow stakeholders the opportunity to propose topics
for study. These comments are directed to five specific suggestions for issues that should be
the subject of a case study as requested in the Federal Register notice.

Thank you for considering these comments. We welcome dialogue and other opportunities to
support the USPTO's patent quality initiatives.

I. Markush Grouping Rejections

Proposal for Study: We propose that the USPTO study whether rejections made under the
"judicially approved improper Markush grouping doctrine" are consistent with the treatment
of Markush claims as guided by the case law, USPTO policy, and the MPEP. We have
noticed unsettled practice with respect to rejections made under this doctrine.

We began to notice significant numbers of rejections on this basis following issuance of the
"Supplemental Examination Guidelines for Determining Compliance with 35 USC 112, and
for Treatment of Related Issues in Patent Applications" 76 Fed. Reg. 27 (Feb. 9, 2011) (2011
FR Notice). The 2011 FR Notice and follow-on training materials permitted/directed

- President
Kevin H. Rhodes
3M Innovative Properties Co.
Vice President
Henry Hadad
Bristol-Myers Squibb Co.
Treasurer
Daniel J. Staudt
Siemens
Directors
Steven Arnold
Micron Technology, Inc.
Paul Bartusiak
Motorola Solutions, Inc.
Edward Blocker
Koninklijke Philips N.V.
Tina M. Chappell
Intel Corp.
Karen Cochran
DuPont
John Conway
Sanofi
William J. Coughlin
Ford Global Technologies LLC
Anthony DiBartolomeo
SAP AG
Luke R. Dohmen
Boston Scientific Corp.
Daniel Enebo
Cargill, Inc.
Barbara A. Fisher
Lockheed Martin
Louis Foreman
Enventys
Scott M. Frank
AT&T
Darryl P. Frickey
Dow Chemical Co.
Gary C. Ganzi
Evoqua Water
Technologies LLC
Krish Gupta
EMC Corporation
Carl B. Horton
General Electric Co.
Michael Jaro
Medtronic, Inc.
Philip S. Johnson
Johnson & Johnson
Thomas R. Kingsbury
Bridgestone Americas
Holding Co.
Charles M. Kinzig
GlaxoSmithKline
Joseph C. Kirincich
Avaya Inc.
David J. Koris
Shell International B.V.
William Krovatin
Merck & Co., Inc.
Dan Lang
Cisco Systems, Inc.
Allen Lo
Google Inc.
Timothy Loomis
Qualcomm, Inc.
Thomas P. McBride
Monsanto Co.
Steven W. Miller
Procter & Gamble Co.
Micky Minhas
Microsoft Corp.
Rimma Mitelman
Unilever
Douglas K. Norman
Eli Lilly and Co.
Richard F. Phillips
Exxon Mobil Corp.
Dana Rao
Adobe Systems Inc.
Curtis Rose
Hewlett-Packard Enterprise
Matthew Sarboraria
Oracle Corp.
Manny Schecter
IBM, Corp.
Steven Shapiro
Pitney Bowes Inc.
Dennis C. Skarvan
Caterpillar Inc.
Brian R. Suffredini
United Technologies, Corp.
James J. Trussell
BP America, Inc.
Phyllis Turner-Brim
Intellectual Ventures, LLC
Roy Waldron
Pfizer, Inc.
BJ Watrous
Apple Inc.
Stuart Watt
Amgen, Inc.
Steven Wildfeuer
RELX Group
Mike Young
Roche Inc.
General Counsel
Michael D. Nolan
Milbank Tweed
Executive Director
Mark W. Lauroesch

examiners to make rejections of Markush claims as follows: “[A] Markush claim may be rejected under the judicially approved ‘improper Markush grouping’ doctrine when the claim contains an improper grouping of alternatively useable species. A Markush claim contains an ‘improper Markush grouping’ if: (1) the species of the Markush group do not share a ‘single structural similarity,’ or (2) the species do not share a common use.” 2011 FR Notice at 7166, para. bridging col. 1-2 (internal citations omitted). The 2011 FR Notice states that “[m]embers of a Markush group share a ‘single structural similarity’ when they belong to the same recognized physical or chemical class or to the same art-recognized class. Members of a Markush group share a common use when they are disclosed in the specification or known in the art to be functionally equivalent.” *Id.* (internal citations omitted).

In December 2011, practitioners and patent owners received further guidance and training materials on this topic at the Biotechnology/Chemical/Pharmaceutical Customer Partnership meeting hosted by TC 1600, where a significant number of these rejections originate, in the form of a slide presentation entitled “35 U.S.C. § 112: Supplemental Examination Guidelines.” A slide from that presentation included “Form ¶ 8.40 Improper Markush Grouping Rejection,” which was to be used when making such rejections. Form ¶ 8.40 was inconsistent with the 2011 FR Notice, particularly with respect to guidance that the “common use” be one “that flows from the substantial structural feature.” TC 1600 only partially adopted Form ¶ 8.40; a significant number of the rejections we have seen did not use Form ¶ 8.40, which introduced further inconsistency to the application of the 2011 FR Notice’s guidance.

**Analysis:** The study can be conducted by identifying applications suitable for review and distinguishing these rejections from garden variety Markush rejections (e.g., minor formatting issues such as use of “consisting of” versus “comprising”, “and” versus “or”, etc.). Improper Markush group rejections typically can be identified by one or more of the following:

- (i) Reference to the 2011 FR Notice
- (ii) Use of the phrase “judicially approved improper Markush grouping doctrine”;
- (iii) Use of obsolete Form ¶ 8.40;
- (iv) Reference to MPEP § 803.02;
- (v) Intra-claim restriction within a Markush group;
- (vi) Rejection of Markush claims for “lacking unity of invention”;
- (vii) Reliance upon *In re Harnisch*, 631 F.2d 716, 206 USPQ 300 (CCPA 1980) or *Ex parte Hozumi*, 3 USPQ2d 1059 (Bd. Pat. App. & Int. 1984) (non-precedential);
- (viii) Requirement to cancel non-elected or non-examined subject matter from the Markush claims; or
- (ix) Statement that the Markush rejection is appealable to the Board and is not an objection.

Because Markush claim grouping rejections are more prevalent in the Chemical areas, we suggest the case study focus on applications in the Chemical disciplines. The study should include a comparison of the results broken out for Technology Center 1600 (Biotech & Organic Chemistry) and for Technology Center 1700 (Chemical and Materials).

The Office should determine whether any claim rejections made under the “judicially approved improper Markush grouping doctrine” are proper, because the current version of the MPEP does not expressly authorize rejections made on this basis and also renders past policy guidance on this issue obsolete. Neither the improper Markush grouping guidance from the 2011 FR Notice nor Form ¶ 8.40 were included in MPEP E8R9 published August, 2012, nor in the subsequent MPEP Ninth Editions published in March, 2014 and in October, 2015. The Foreword to MPEP E8R9 states that “Orders and Notices still in force which relate to the subject matter included in this Manual are incorporated in the text. Orders and Notice, or portions thereof, relating to the examiners[’] duties and functions which have been omitted or not incorporated in the text may be considered obsolete.”

**Relationship to Patent Quality:** This proposal relates to Enhanced Quality Initiative Pillar 1- Excellence in Work Products. Office Actions containing incorrect rejections are covered under OPQA’s in-process review compliance (percent of final and non-final actions reviewed in which no examination deficiency is found). Eliminating or reducing the number of improper rejections made under “judicially approved improper Markush grouping doctrine” would enhance the quality of non-final and final Office Actions.

## **II. Restriction Requirement vs. Unity of Invention**

**Proposal for Study:** We propose that the USPTO study restriction practice in U.S. national stage applications, determine how frequently U.S. examiners find lack of unity when the PCT examiner did not (or issue a restriction requirement that is significantly different from any lack of unity finding), and analyze whether the U.S. examiner’s different restriction requirement was proper under the PCT Unity of Invention rules.

**Analysis:** This study can be conducted by reviewing U.S. national stage applications in which a restriction requirement was issued. If the claims were amended prior to restriction, only applications with claims that parallel those considered by the PCT examiner should be included in the study.

**Relationship to Patent Quality:** If the study reveals that U.S. examiners issue restrictions in U.S. national stage applications that do not comport with the PCT rules, patent quality could be improved by offering additional training on the PCT Unity of Invention rules and closer supervisory review of restriction requirements issued in U.S. national stage applications.

## **III. Helping Users Evaluate Usefulness of Patent Prosecution Highway Based on Differing Patentability Determinations in U.S. vs. Foreign Patent Applications**

**Proposal for Study:** We propose that the USPTO study applications being examined under the Patent Prosecution Highway (PPH) to determine how frequently U.S. examiners reject claims over prior art considered in the foreign patent application on which the PPH request was based, and categorize the bases for the different patentability determinations.

**Analysis:** This study can be conducted by reviewing PPH applications with prior art rejections and determining whether the same references were cited in the foreign patent application on which the PPH request was based. As a proxy for determining whether the

same references were cited in the foreign patent application, the USPTO could determine if the same references were cited in the Information Disclosure Statement (IDS) submitted to support the PPH request.

When such a prior art rejection is identified, the USPTO should determine whether it was proper under U.S. law, and, if so, whether the basis for the different patentability determination can be categorized, for example whether it is due to: (i) a “broadest reasonable interpretation” of the claim that was not applied in the foreign application; (ii) a different understanding of the claimed invention; (iii) a different understanding of the prior art; (iv) a difference between obviousness under U.S. law and the standard applied by the foreign patent office (e.g., inventive step); or (v) no apparent reason. The USPTO should conduct this study across technology centers, and report the results by technology center.

**Relationship to Patent Quality:** Knowing the rate and circumstances under which U.S. examiners reject claims in PPH applications over prior art considered in a corresponding foreign patent application will help applicants determine whether and when the administrative costs of the PPH are likely to be worthwhile. Identifying how U.S. examiners treat prior art differently from foreign examiners could provide insight into substantive examination quality and identify where additional training may be warranted.

#### **IV. Comparing Office Actions Before and After RCE**

**Proposal for Study:** We propose that the USPTO study office actions before and after RCE to determine whether after final practice can be further improved.

**Analysis:** This study can be conducted by reviewing applications for which an RCE was filed. First, determine if an applicant filed an Amendment in Response to a Final Office Action. Second, check for mailing of a communication (i.e., Advisory Action) from the examiner refusing entry of the after final amendment. For those cases when an RCE was subsequently filed to have the identical claim amendment considered, compare the first office action after RCE with the Final Office Action. Based on the comparison, determine if the examiner performed any additional searching or just reissued the same office action without any substantive changes.

**Relationship to Patent Quality:** This case study would help applicants and the USPTO advance prosecution by improving the information disclosed in an Advisory Action. Consider the scenario under which a non-broadening amendment is filed after final and the examiner responds with an advisory action indicating that further search and consideration is needed, but does not state whether the amendment would overcome the existing prior art of record. A clear statement of whether the proposed amendment would at least overcome the existing prior art of record would help applicants. For example, such a statement would help applicants determine whether any further amendment is necessary in the RCE, which would expedite prosecution. Based on the frequency of this scenario, the USPTO may consider modifying the standard advisory action template.

#### **V. Correlating Appeal Conference Data with Final Rejection Practice and PTAB Outcomes**

**Proposal for Study:** We propose that the USPTO study pre-appeal brief conference data and compare those numbers with final rejections and PTAB outcomes.

**Analysis:** This study can be conducted by reviewing appeal conference outcomes and tracking cases that are reopened or allowed at that stage to determine whether any art units or examiners have a disproportionate number of cases in those categories. Cases that are reopened or allowed at the appeal conference stage are an indicator that the final rejection was improper. Although it is possible that new arguments were set forth in a pre-appeal brief conference or an appeal brief, typically those documents reiterate applicants' positions that are already of record. We also propose that PTAB decisions be reviewed and that cases in which claims were reversed in whole or in part be correlated with the appeal conferee who conducted the appeal conference.

**Relationship to Patent Quality:** The PTAB has experienced a historic number of ex parte appeals forwarded for decision from the examining corps. The historic rise is due in large part to improper final rejections and inefficient appeal conferences.

Applicants can obtain an appeal conference by filing a request for a pre-appeal brief conference or by filing a full appeal brief. The appeal conference is conducted by the examiner, the examiner's SPE, and a conferee. Although current statistics for appeal conference outcomes are not available, historic outcomes show that ~40% of cases reviewed are either reopened or allowed. Current statistics for PTAB outcomes are also not available, but historically the PTAB has reversed or reversed-in-part ~40% of the appeals decided. Clearly, a significant number of cases are receiving an improper final rejection, as well as being forwarded to the PTAB after an appeal conference.

If any SPE or conferee is determined to have served in a disproportionate number of conferences in which the PTAB reversed at least one claim, that person should receive additional training on running an efficient, effective appeal conference. Effective appeal conferences improve patent quality by providing immediate feedback to examiners on how strong their rejections are and provide training opportunities to strengthen examiners' skills.

\* \* \*

We thank you for considering these comments and would welcome any further dialogue or opportunity to provide additional information to assist your efforts in improving patent quality

Sincerely,



Mark Lauroesch  
Executive Director