

Predicting The Success Of Claim-Rejection Appeals

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Applicants may seek review of examiners' claim rejections by initiating an appeal with the Patent Trial and Appeal Board. A typical appeal cycle has several stages. First, an appeal brief is filed by the applicant;^[1] second, an examiner's answer is issued in response to the appeal brief;^[2] and third, a final decision is issued by the PTAB.^[3] Appeal entry decisions, however, warrant an applicant's careful consideration because an appeal may result in several potential outcomes that significantly differ with respect to delay, cost and allowance prospects.

Further complicating the matter, the appeal cycle involves several decision-makers who independently impact the appeal's chances of allowance at various stages. The decision-makers include the application's examiner, the supervisory patent examiner (SPE) who must approve of each U.S. patent and Trademark Office action (e.g., examiner answer, allowance, or office action) issued during an appeal cycle, and the PTAB, which optionally hears oral arguments^[4] and issues a final decision.^[5]

Navigating the appeal cycle from appeal brief filing to allowance can be a daunting task for applicants, given the complexities of the various stages and decision-makers. We previously reported that a substantial portion of appeals exit the appeal cycle with a favorable result before the appeal reaches the PTAB.^[6]

Using this data point and additional analyses, we set out to identify whether there were any predictors of post-appeal-brief allowances. Particularly, we investigated allowance rates of examiners and of art units (to approximate allowance rates associated with SPEs). Any identified predictors could be used to inform applicants' appeal entry decisions and appeal expectations.

Data Collection and Analysis Techniques

To investigate whether allowance rates of examiners or allowance rates of art units predict appeal success, we used LexisNexis PatentAdvisorSM to identify each appeal brief filed between Jan. 1, 2010, and Dec. 31, 2011. The PatentAdvisorSM data tracked each of these appeals throughout its appeal cycle, so as to identify the stage at which the appeal exited the appeal process and the allowance rates of each of the examiner and the art unit.



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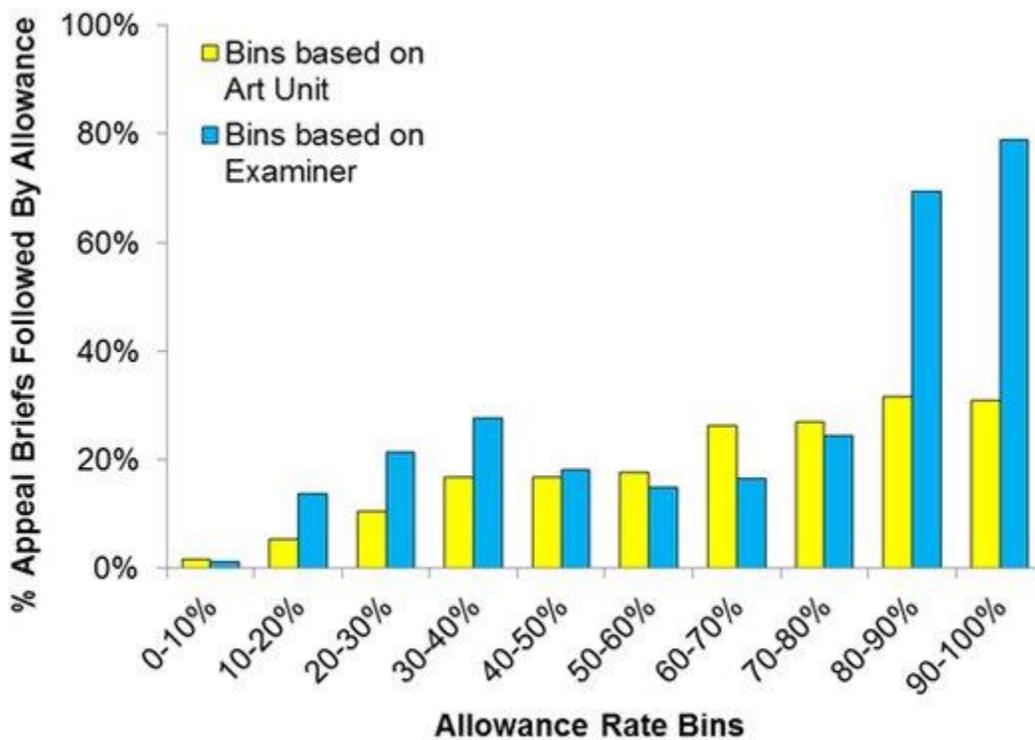


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Our methodology was twofold. First, we assigned each appeal to a bin representing a 10 percent range of art unit (AU) allowance rates. For example, a first bin includes all appeals in which the application was assigned to an art unit with an allowance rate of 10 percent or below, a second bin includes all appeals of applications in art units with allowance rates of 11-20 percent, and so on. We then determined the distribution of events following filing of the appeal brief for each allowance rate bin. Second, we similarly assigned each appeal to a bin representing a 10 percent range of examiner allowance rates and calculated the distribution of events following appeal brief filing for each bin.

Comparing Decision-Makers: Can AU or Examiner Allowance Rate Predict Appeal Success?

Figure 1 shows the percentage of appeals that were allowed after the filing of an appeal brief and before an examiner answer was issued. Data is shown as a function of examiner allowance rate (blue bars) and also as a function of art unit allowance rate (yellow bars). The data relative to the art unit allowance rate monotonically increases across bins, meanwhile the data relative to the examiner allowance rate shows a more complicated relationship. We note that for the two highest bins in the examiner-binned data, few appeals were assigned to these bins (e.g., approximately $n \leq 150$ for the highest bin).



Therefore, art unit allowance rate may be a more useful metric in predicting the likelihood of receiving an early allowance.

Several reasons may explain the correlation between appeal success and art unit allowance rates. For example, at least in some capacity and as noted above, art-unit allowance decisions tend to be driven by SPEs. Once an application enters the appeal cycle, the SPE is necessarily more involved in the process. In particular, the SPE must approve of an appeal exit initiated by the examiner, either by allowance or a new grounds of rejection.[7] Presumably, an SPE who is more inclined to allow cases can be reflected in

the SPE's art unit allowance rate. For instance, the SPE may be more inclined to guide the appeal to allowance than to the PTAB.

An examiner's allowance rate, however, represents the examiners' likelihood of allowing applications during normal prosecution. While the SPE may exert influence during normal prosecution, the examiner is typically largely autonomous. The examiner has less independence in the appeal cycle than in normal prosecution. The SPE must approve examiner-initiated appeal exits, including exits to allowance, whereas, examiners can allow applications without an SPE signoff during prosecution.

Conclusion

Savvy applicants can leverage the correlation between art unit allowance rates and appeal cycle allowance prospects to inform appeal entry decisions. For example, our data shows that appeals for applications assigned to high-allowance-rate art units are more likely to exit the appeal cycle early with a favorable outcome than appeals for applications assigned to low-allowance-rate art units. In contrast, our data shows that examiner allowance rates are not strong predictors of allowance prospects of an appeal. Therefore, prosecution decisions and expectations can be developed based on art unit allowance rates to determine whether to initiate an appeal cycle and to appreciate likely outcomes of such a decision.

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[1] See MPEP 1205.

[2] See MPEP 1207. After the examiner answer is issued, the appellant has the opportunity to file a reply brief within two months from issuance of the answer. Appellants are not normally required to file reply briefs, however, when the examiner answer sets forth a new ground of rejection, then the Appellant must respond in a reply brief. In addition, appellants must pay a forwarding fee of \$2,000 within two months after issuance of the examiner answer in order for the appeal to be forwarded to the Board.

[3] See MPEP 1213.

[4] See Kate S. Gaudry & Sameer Vadera, *Ex Parte Appeal Oral Hearings: Making Your Case Right Before Decision Time*, IPWatchdog.com (forthcoming).

[5] The examiner decides whether to issue an examiner's answer or to propose pulling the appeal out of the appeal cycle to his or her SPE. The SPE decides whether to approve (or initiate) pulling the appeal out of the appeal cycle. Lastly, the PTAB is the decision-maker for appeals that reach the end of the appeal cycle.

[6] See Kate S. Gaudry & Sameer Vadera, *The Appeal Process: The Statistical Likelihood of Success*, *Landslide*, Vol. 8, No. 4, at 12 (March 2016); see also Kate S. Gaudry & Sameer Vadera, *Ex Parte Appeal as a Potential Means to Quick Allowances*, IPWatchdog.com, (March 21, 2016), available

at <http://www.ipwatchdog.com/2016/03/21/ex-parte-appeals-quick-allowances/id=67297/> (last viewed Aug. 21, 2016).

[7] See MPEP 1207.

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