

Intellectual Property & Technology Law Journal

Edited by the Technology and Proprietary Rights Group of Weil, Gotshal & Manges LLP

VOLUME 33 • NUMBER 10 • November-December 2021

Winning an Ex Parte Appeal: Part II – Appeal Brief and Board Stages

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The first part of this two-part article, published in the October 2021 issue of the *Intellectual Property & Technology Law Journal*, provided factors for applicants to consider when deciding on when to appeal an application. It also provided data to show a percent of appealed cases that were allowed at the pre-appeal and notice of appeal stages across various tech center groups and various time periods.

This second part provides similar data analysis as in the first part, but focuses on the appeal brief and Patent Trial and Appeal Board (“Board”) stages to provide additional perspective on how pushing an application through these later stages of the appeals process may impact potential allowability.

DATA ANALYSIS

As in the first part of this article, we have again analyzed an assortment of data showing the

allowance rate at each stage of the appeals process; however, this time focusing on the appeal brief and Board decision stages.¹

We first evaluated data from 2014 to 2021 to show an allowance rate based on tech center group at the appeal brief and Board stages.

We next evaluated this data again in an effort to show the impact the U.S. Patent and Trademark Office (“USPTO”) issuance of its 2019 Subject Matter Patent Eligibility Guidance (“2019 PEG”) seems to have had on the allowance rate across tech center groups specifically when addressing Section 101 challenges. The data was separated into two date ranges in order to provide these trends – i.e., from 2014 to 2019 (“pre-2019 PEG”) and from 2019 to 2021 (“post-2019 PEG”).²

Finally, we evaluated data from 2014 to 2021 to show an applicant’s rate of receiving additional rejections at the Board stage.

The following table provides the tech center groups that were evaluated as part of these analyses:

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1610	Organic Compounds – Bio-affecting, Body Treating, Drug Delivery, Steroids, Herbicides, Pesticides, Cosmetics, and Drugs
1620	Organic Chemistry
1720	Fuel Cells, Batteries, Solar Cells, Liquid Crystal Compositions
1760	Organic Chemistry, Polymers, Compositions
2120	AI & Simulation/Modeling
2140/2170	GUI and Document Processing
2150/2160	Databases and File Management
2190	Inter-process Communications and Software Development
2430/2490	Cryptography and Security
2440/2450	Computer Networks
3620	Business Methods – Incentive Programs, Coupons; Operations Research; Electronic Shopping; Health Care; Point of Sale, Inventory, Accounting; Cost/Price, Reservations, Shipping and Transportation; Business Processing
3680	Business Methods – Incentive Programs, Coupons; Electronic Shopping; Business Cryptography, Voting; Health Care; Point of Sale, Inventory, Accounting; Business Processing, Electronic Negotiation
3690	Business Methods – Finance/Banking/ Insurance

APPEAL BRIEF STATISTICS

As the first part of this article illustrated, in some instances applicants received a notice of allowance following the filing of a notice of appeal and/or a pre-appeal brief. In those instances where a notice of allowance was not yet obtained, applicants have the option of filing an appeal brief, at no additional fee, in support of the notice of appeal. While drafting a full appeal brief is certainly an investment, the below data shows how this extra step may be tremendously worthwhile.

As illustrated below, from 2014 to 2021, each of the reviewed tech center groups shows a significant allowance rate upon filing an appeal brief, particularly when compared to each tech center group's respective allowance rate upon filing a notice of appeal or pre-appeal brief, as illustrated below.

With the exception of tech center group 1620, providing an outlier at the notice of appeal stage, all other reviewed tech center groups show at least some increase in allowance rate between filing a notice of appeal and a pre-appeal brief, and another increase between filing the pre-appeal brief and filing an appeal brief.

As was discussed in the first part of this article, subject matter eligibility considerations may also play a large role in determining appeal brief strategy.

As illustrated below, each of the reviewed tech center groups shows an increase in the percent of allowances at the appeal brief stage since issuance of the 2019 PEG. Pre-2019 PEG, tech center groups 1610, 1620, 1720, and 1760 had allowance rates of 6.47 percent, 5.40 percent, 10.67 percent, and 12.62 percent, respectively. Each of these tech center groups has seen an increase to 10.46 percent, 10.15 percent, 12.67 percent, and 21.95 percent, respectively, since issuance of the 2019 PEG.

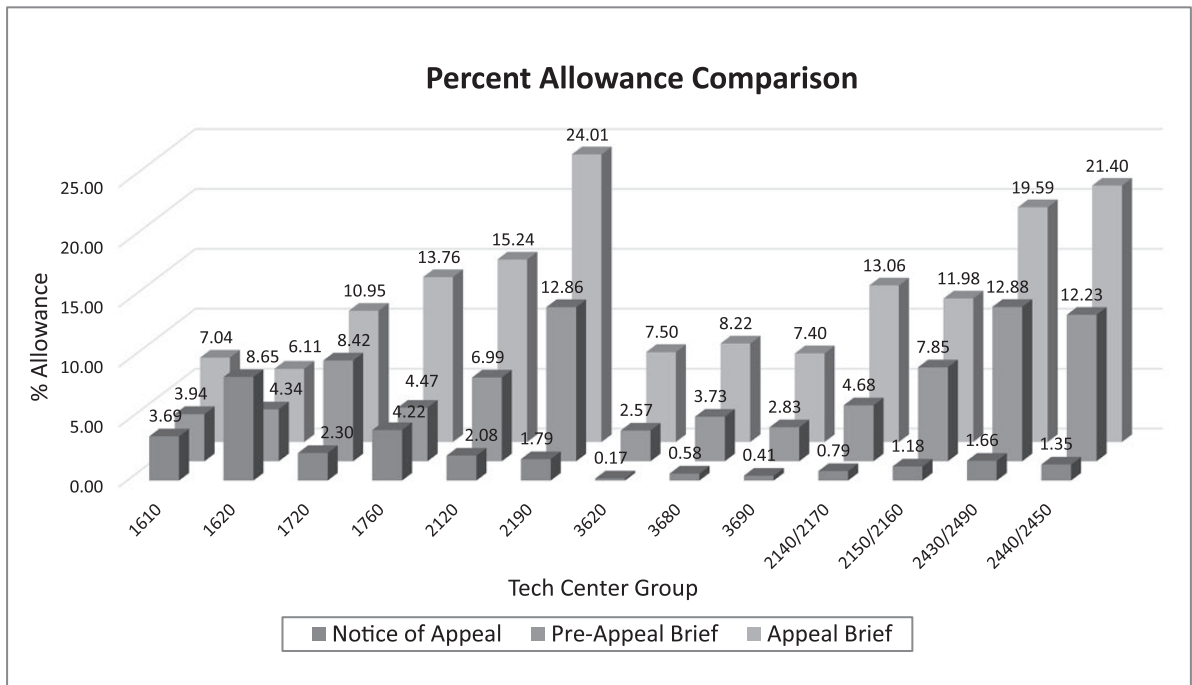
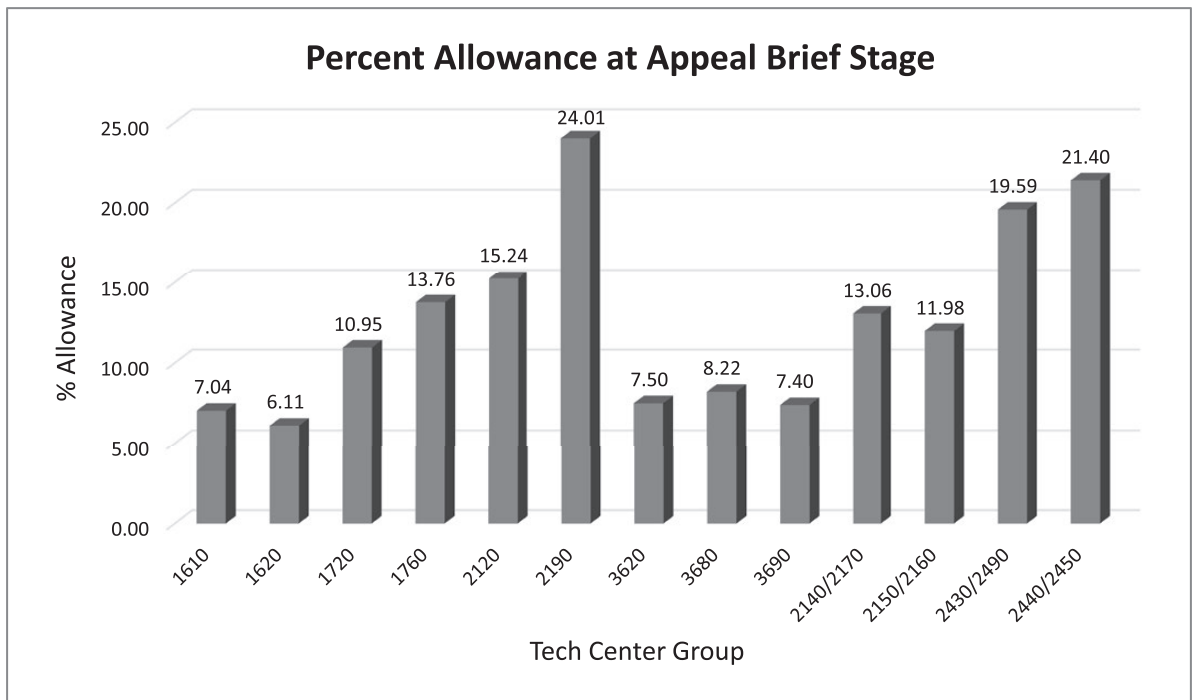
Additionally, tech center groups 2120 and 2190 have increased from 14.60 percent and 22.54 percent, respectively, to 21.43 percent and 33.85 percent, respectively, since the 2019 PEG.

Finally, tech center groups 3620, 3680, 3690, 2140/2170, 2150/2160, 2430/2490, and 2440/2450 have increased from 6.44 percent, 7.17 percent, 6.29 percent, 11.13 percent, 10.07 percent, 18.08 percent, and 19.42 percent, respectively, to 15.07 percent, 15.21 percent, 15.94 percent, 27.49 percent, 26.17 percent, 29.25 percent, and 33.46 percent, respectively.

These increases are even more significant than those provided in the first part of this article with respect to the notice of appeal and pre-appeal brief stages. As was mentioned in the first part of this article, the 2019 PEG provided applicants with an additional argument for overcoming a Section 101 rejection (and Examiners an additional option for allowing claims), i.e., even if the claims are directed to a judicial exception, the claims integrate that exception into a practical application and are thus allowable over Section 101. The below data indicates that having the opportunity to outline and discuss arguments for allowability in a full appeal brief, increases applicants' chances of reaching allowance at this stage of the appeals process.

BOARD STAGE STATISTICS

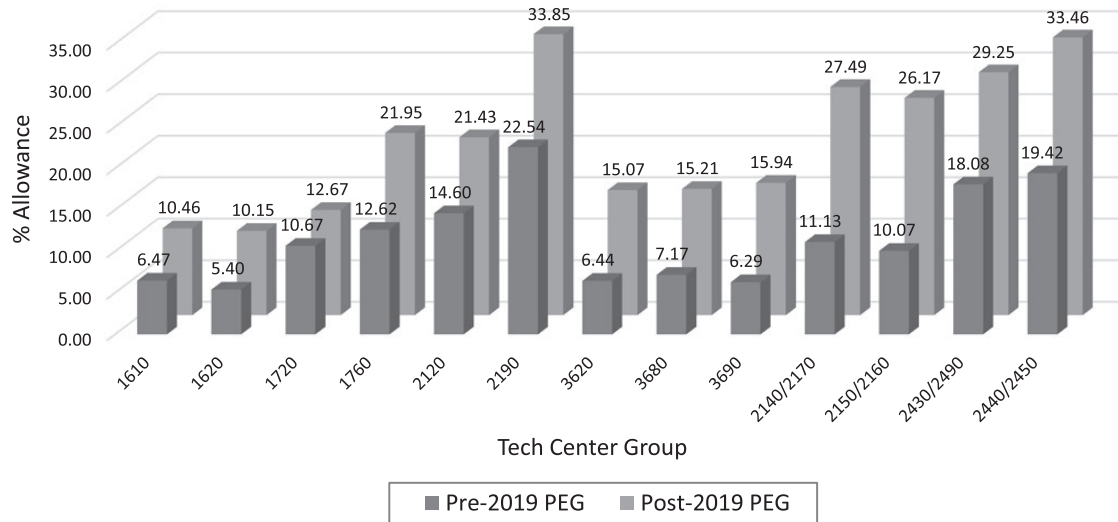
While applicants may obtain an allowance following the filing of an appeal brief, most applicants



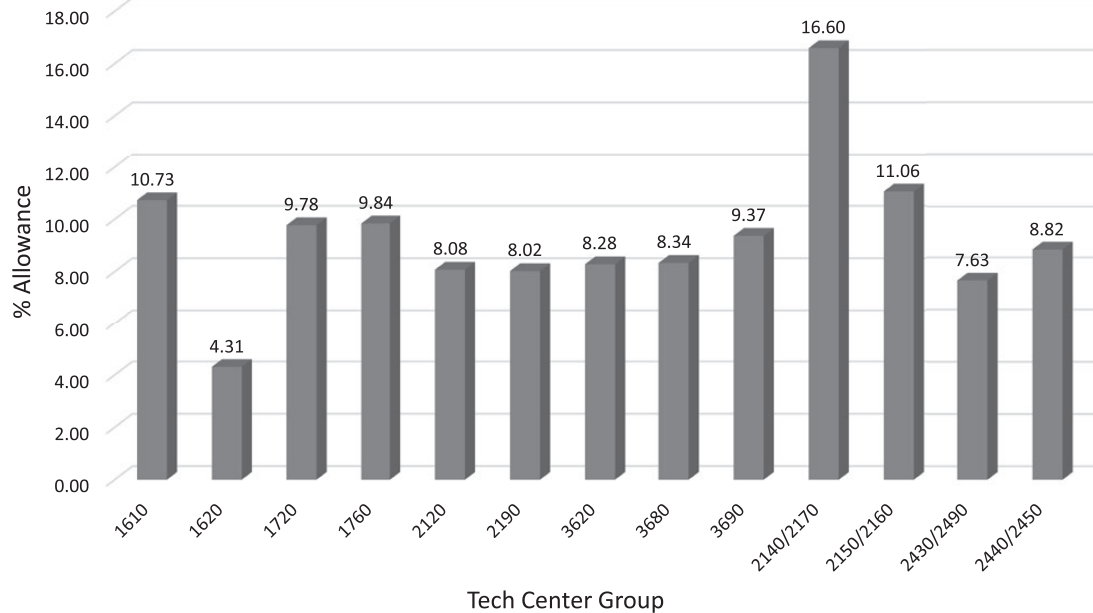
will find themselves in a position where they will need to forward their appeal to the Board, at an additional fee. Additionally, applicants have the option to request an oral hearing with the Board, along with a separate fee, if they feel presenting arguments

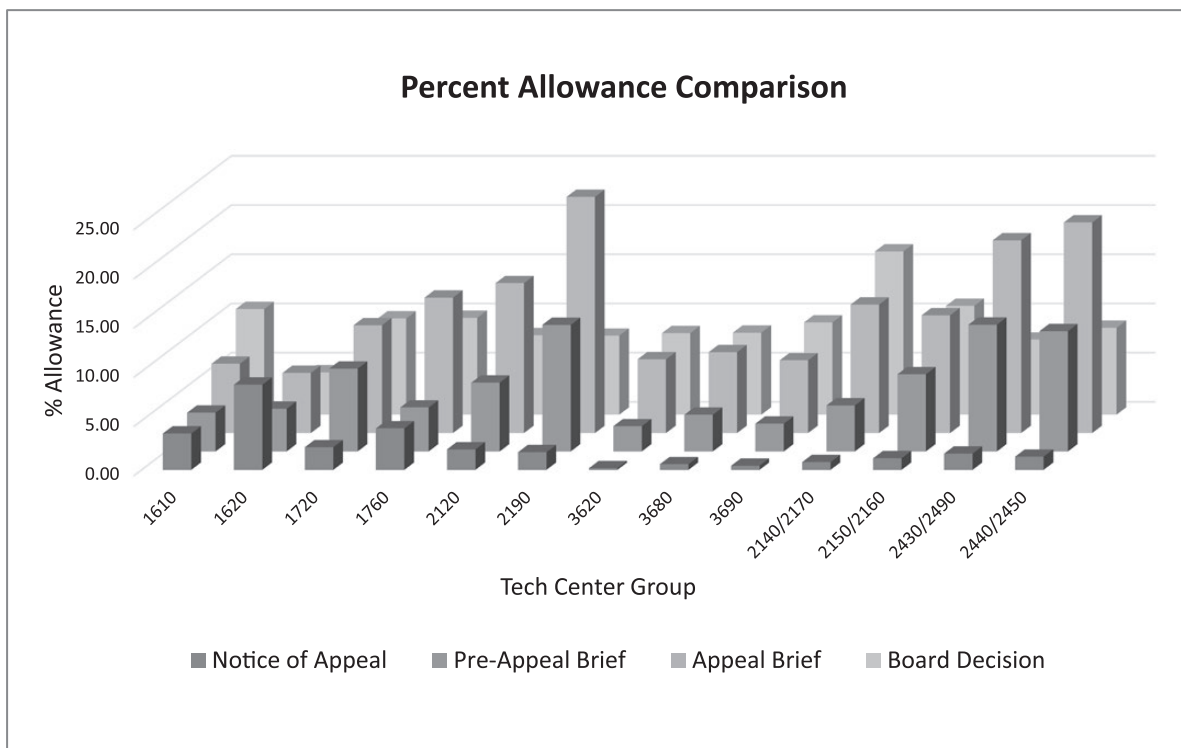
in a live format may help to better articulate their points. While the following data incorporates all Board decisions from 2014 to 2021, regardless of whether an oral hearing was conducted, the data provides insight as to how pursuing the Board's

Percent Allowance at Appeal Brief Stage



Percent Allowance at Board Stage





level of review may be worthwhile across tech center groups.

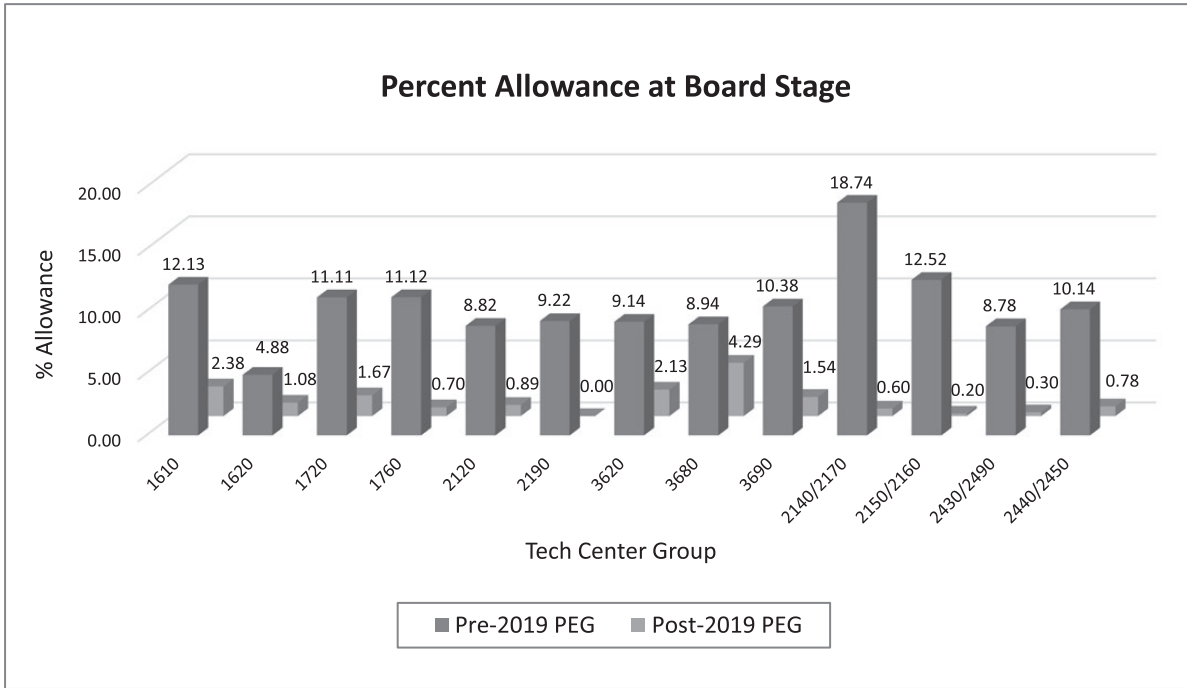
As was illustrated with respect to each of the other appeals process stages from 2014 to 2021, each of the reviewed tech center groups shows at least a reasonable allowance rate following the Board decision. Tech center group 1620 shows a 4.31 percent allowance rate, tech center group 2140/2170 a 16.60 percent allowance rate, and all other tech center groups averaging around a nine percent allowance rate, ranging between a 7.63 percent and 11.06 percent allowance rate.

The following chart shows how these allowance rates compare to those previously provided with respect to the notice of appeal, pre-appeal brief, and appeal brief stages.

As the below chart provides, tech center groups 1610, 3620, 3680, 3690, and 2140/2170 show greater allowance rates at the Board stage compared to at the notice of appeal, pre-appeal, and appeal brief stages. All other tech center groups show an allowance rate at the Board stage being lower than the allowance rate at one or more of the other stages.

Despite these variations, however, applicants should consider taking advantage of this potentially favorable step in the appeals process to obtain a decision on whether the Examiner’s rejections are reversed at least in part.

There is also a chance that the Board raises a new ground of rejection. We evaluated Board decision data between 2014 and 2021, and found that while issuance of an office action never occurred in tech center groups 1610, 1620, or 2440/2450, this was the outcome in 5.35 percent of Board decisions in tech center group 1720, 1.92 percent of decisions in 1760, 8.13 percent of decisions in 2120, 6.06 percent of decisions in 2190, 10.31 percent of decisions in 3620, 3.15 percent of decisions in 3680, 8.23 percent of decisions in 3690, 3.12 percent of decisions in 2140/2170, 9.63 percent of decisions in 2150/2160, and 5.03 percent of decisions in 2430/2490. Thus, while this scenario does not happen too frequently, the data shows there is at least another potential positive outcome of taking a case to the Board – another round of prosecution.



It is important to note that even if applicants receive an unfavorable decision from the Board (e.g., Examiner affirmed), applicants may file a request for continued examination (“RCE”) with claim amendments to restart prosecution. Alternatively, applicants may request a rehearing, file a civil suit in federal district court, or appeal to the U.S. Court of Appeals for the Federal Circuit.

With respect to subject matter eligibility, the following data provides a very different perspective on how the 2019 PEG may have impacted the Board decision stage of the appeals process.

As illustrated above, each of the reviewed tech center groups shows a significant decrease in the percent of allowances following the Board stage since issuance of the 2019 PEG. This may be due to Examiners applying the 2019 PEG and allowing applications on their own at earlier stages in prosecution or in the appeals process, such as in response to an appeal brief as described above. Thus, the cases that reach the Board may provide greater difficulty in overcoming the Section 101 hurdle.

Whatever the reasoning may be, however, applicants should be aware of the reality that when battling

Section 101 rejections in particular, the allowance rates at the Board stage have dropped significantly since issuance of the 2019 PEG, as opposed to the increases seen at the notice of appeal and pre-appeal stages, as illustrated in the first part of this article, and the appeal brief stage, as illustrated above.

CONCLUSION

Our hope is that by taking into consideration the appeal decision factors outlined in the first part of this article, and by evaluating the data provided throughout both parts of this article, applicants have a better understanding that they may “win” an appeal long before an appeal reaches the Board, along with their particular likelihood of achieving that allowance at each stage of the appeals process.

Notes

1. Another special thanks to the Lexis Nexis PatentAdvisor® team for providing the data used in this analysis.
2. As in the first part of this article, these date ranges were selected based on the January 7, 2019 publication date of the 2019 PEG.

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