



# US BPAI Sets Forth Ground Rules for Patent Prosecution and Appeals

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*Ex parte Frye*, Appeal No. 2009-006013, US Board of Patent Appeals and Interferences, 26 February 2010

## Abstract

An expanded panel, including the Director and Deputy Director of the USPTO, clarifies procedures and burdens of applicants, examiners, and the board for patent examination and appeals to the US Board of Patent Appeals and Interferences.

## Legal context

Budget crises, large backlogs in pendency, and large numbers of appeals to the US Board of Patent Appeals and Interferences are some of the many challenges Director David Kappos has faced since taking office. In an apparent effort to help clarify the respective burdens and responsibilities of applicants, examiners, and the Board in appeals to the Board, the Director and Deputy Director took the unusual step of joining in the panel in *Ex parte Frye*, Appeal No. 2009-006013, slip op. (US Bd. Pat. App. & Inter. 26 February 2010) to issue a precedential opinion setting forth guidelines on how anticipation and obviousness issues should be framed in initial examination and how such issues should be framed and considered on appeal to the Board.

## Facts

The patent application at issue is directed to a shoe which requires, inter alia, that 'the rear heel section of the insole and the forward toe section of the insole meet at a point *substantially halfway* with respect to the upper surface.' (emphasis added) (*Ex parte Frye*, Appeal No. 2009-006013, slip op. US Bd. Pat. App. & Inter at 2. 26 February 2010). The claims were rejected based on, *inter alia*, a reference ('Snabb') which, the examiner asserted, met this limitation. The examiner and the applicant disputed whether Snabb showed the meeting point to be 'substantially halfway'. The Board described the issue raised on appeal as:

Has the Examiner erred in finding that Snabb discloses a shoe having an insole with a forward toe section of substantially constant thickness and a rear heel section having a decreasing thickness that meet at a point "substantially halfway" with respect to the upper surface or



outsole, as called for in independent claims 1, 11, and 16? (Id. at 4.)

## Analysis

Using what on its face seems like a relatively straightforward factual inquiry as a springboard, an expanded panel of the Board, including both the Director and Deputy Director, embarked on a review of the procedures, burdens of proof, and the inquiries that the Board is required to make and may make at its discretion. *Frye* is interesting for the broader procedural issues it addresses.

### The examination process: standards

In *Frye*, the Board began by explaining the respective burdens of production of examiners and applicants when addressing a rejection based on prior art during the patent examination process.

A. The examiner has the ‘initial burden’ to set forth a ‘prima facie case’ of invalidity (id. at 8). This requires the examiner ‘to set forth the basis for any rejection so as to put the patent applicant on notice of the reasons why the applicant is not entitled to a patent on the claim scope that he seeks’ (id.). The Board confirmed that ‘[t]he term “*prima facie case*” refers only to the initial examination step’ and thus ‘serves as a procedural mechanism that shifts the burden of going forward to the applicant, who must produce evidence and/or argument rebutting the case of unpatentability’ (id., quoting *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992)).

B. Once the examiner makes a prima facie case of invalidity, the burden shifts to the applicant, ‘who must produce evidence and/or argument rebutting the case of unpatentability’ which, in the case of an obviousness rejection, ‘may relate to any of the Graham factors including the so-called secondary considerations’ (id, quoting *In re Piasee* 745.F.2d 1468, 1472 (Fed. Cir. 1984)).

With respect to anticipation rejections, *Frye* confirmed the governing standard as follows:

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. To establish anticipation, every element and limitation of the claimed invention must be found in a single prior art reference, arranged as in the claim (id. at 11 (internal quotations and citations omitted)).

With respect to the standard for obviousness rejections, turning to the two leading US Supreme Court cases (*Graham v John Deere Co.*, 383 US 1 (1966), and *KSR Int’l Co. v Teleflex Inc.*, 550 US 398 (2007)), *Frye* summarized the governing standard as follows:

Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary



skill in the art to which said subject matter pertains.’ *KSR Int’l Co. v Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v John Deere Co.*, 383 U.S. 1, 17–18 (1966). See also *KSR*, 550 U.S. at 406–07 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”). (Id at 11–12.)

C. ‘The examiner then determines patentability “on the totality of the record, by a preponderance of the evidence with due consideration to the persuasiveness of argument”. (quoting *Oetiker*, 977 F.2d at 1445) (id at 8–9).

Significantly, with respect to the USPTO’s burden, *Frye* confirmed:

[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. In *re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006), *cited with approval in KSR*, 550 US at 418. (Id at 12.)

### **The appeal process: standards**

Next, the Board explained its role, and the respective burdens on an examiner and applicant in an appeal.

First, the *Frye* Board clarified that under section 6(b) of the Patent Act, the Board’s role in any subsequent appeal is to, ‘*on written appeal of an applicant*, review adverse decisions of examiners upon applications for patents.’ (quoting 35 USC § 6(b), (2006), emphasis supplied) (id at 9).

On appeal, in order to overcome an obviousness rejection, the applicant may submit arguments and/or evidence to show that the examiner made an error in either:

1. an underlying finding of fact upon which the final conclusion of obviousness was based, or
2. the reasoning used to reach the legal conclusion of obviousness.

The applicant may also submit evidence of secondary considerations of non-obviousness.

Once the evidence and arguments are submitted on appeal, ‘[t]he panel then reviews the obviousness rejection for error based upon the issues identified by appellant, and in light of the arguments and evidence produced thereon’ (id.). In this regard, *Frye* explained:

Specifically, the Board reviews the particular finding(s) contested by an appellant anew in light of all the evidence and argument on that issue.\*\*\* Filing a Board appeal does not, unto itself,



entitle an appellant to de novo review of all aspects of a rejection. If an appellant fails to present arguments on a particular issue – or, more broadly, on a particular rejection – the Board will not, as a general matter, unilaterally review those uncontested aspects of the rejection. \*\*\* Thus, the Board will generally not reach the merits of any issues not contested by an appellant. \*\*\* For example, if an appellant contests an obviousness rejection only on the basis that a cited reference fails to disclose a particular limitation, the Board need not review the other, uncontested findings of fact made by the examiner underlying the rejection, such as the presence of uncontested limitations in the prior art.

Thus, in *Frye*, the Board took the opportunity to remind applicants appealing rejections that an issue not specifically raised and addressed in the appellate brief will not be considered a basis for reversal of a rejection.

### **Application to the facts left more questions**

When the above standards were applied to the particular facts in *Frye*, the Board disagreed with the construction of the term ‘substantially halfway’ and the examiner’s finding that the prior art met such a limitation. Thus the Board reversed the stated rejection and remanded the case for further proceedings.

However, after noting the elephant in the room, ie, whether it would in any event be obvious to modify the Snabb prior art so that the meeting point of the prior art soles would be ‘substantially halfway’, the Board noted that this issue was not raised on appeal, and left it for another day.

Thus *Frye* reaffirmed that ‘[t]he Board does not “allow” claims of an application and cannot direct an examiner to pass an application to issuance. Rather, the Board’s primary role is to review adverse decisions of examiners including the findings and conclusions made by the examiner’ (id at 15).

The Board also noted in a footnote that it has ‘discretion to enter a new ground of rejection of a claim should the Board have knowledge of any grounds not involved in the appeal for rejecting any pending claim’ (id at 15 n 2).

Despite this discretion, the Board elected not to exercise its discretion and address the potential rejection it identified, since the examiner did not make that rejection:

The Examiner in the present case has not based any of the rejections for our review on a theory that locating the claimed point “substantially halfway” as claimed would have been obvious to a person having ordinary skill in the art at the time of Appellant’s invention in view of the prior art, and thus we take no position on this issue in the present opinion. (Id at 15.)

In sum, while the stated rejection was reversed, the Board left open for potentially another appeal whether it would have been obvious to modify Snabb to render obvious the claim.



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## Practical Significance

Frye provides some more transparency to the procedures that the USPTO will follow under the new administration. While an examiner will be required to make a prima facie case in the first instance, the applicant is then expected to present its arguments, and the full record is to be considered. Thereafter, the Board will only be obliged to consider the issues raised by the examiner and the applicant, although it may raise new grounds for rejection if it so chooses.

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