

**UNDERSTANDING AFTER FINAL AND
AFTER ALLOWANCE PATENT
PRACTICE¹**

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I. INTRODUCTION

Though sometimes a long and arduous process, the prosecution of a patent application will eventually come to an end. Two of the most common events that end prosecution of a patent on the merits are actions taken by a patent examiner (“examiner”). After reviewing amendments and responses to previous Office Actions, the examiner may either (1) decide that the application is still unacceptable and issue a final rejection, or (2) decide that the application is

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allowable and issue a Notice of Allowance. In each instance, the applicant is faced with choices on how to proceed with prosecution of the patent application. This paper takes a look at some prosecution strategies for each situation.

In the first instance, a final rejection resonates ominously, particularly for an applicant (or the patent practitioner representing the applicant) who is new to patent prosecution. However, a final rejection does not necessarily preclude the applicant from ultimately obtaining a patent. To help understand and address the final rejection, we look at what the final rejection is, when the U.S. Patent and Trademark Office (“Patent Office”) typically issues one, and options available to address it properly. We also review strategies to consider relating to final rejections.

In the second instance, an allowance resonates with the promise of a soon to issue patent. However, allowance of an application does not end patent prosecution for the applicant. To help understand prosecution after allowance, we look at some common response and amendment related issues that may arise after allowance of an application (but before issuance) and a few strategies to consider in view of those issues.

II. THE FINAL REJECTION

Turning first to the final rejection (or action), it signifies a beginning of an end to prosecution of the application at the present stage. This section provides an introduction to the final rejection, a basis for the final rejection, responding to the final rejection, and strategies in view of the final rejection.

A. An Introduction to the Final Rejection

The final rejection is defined in the Code of Federal Regulations (C.F.R.) at 37 C.F.R. § 1.113, which states in part:

a) On the second or any subsequent examination or consideration by the examiner the rejection or other action may be made final, whereupon applicants . . . reply is limited to appeal in the case of rejection of any claim (§ 1.191), or to amendment as specified in § 1.114 or § 1.116. Petition may be taken to the Commissioner in the case of objections or requirements not involved in the rejection of any claim (§ 1.181). Reply to a final rejection or action must comply with § 1.114 or paragraph (c) of this section. . . .

(b) In making such final rejection, the examiner shall repeat or state all grounds of rejection then considered applicable to the claims in the application, clearly stating the reasons in support thereof.

(c) Reply to a final rejection or action must include cancellation of, or appeal from the rejection of, each rejected claim. If any claim stands allowed, the reply to a final rejection or action must comply with any requirements or objections as to form.

The final rejection was introduced by the Patent Office to conclude prosecution of an application as quickly as possible. The Patent Office considers the public's interest in limiting prosecution to as few actions as is consistent with a thorough consideration of its merits. Moreover, the Patent Office notes that neither the statutes nor the rules of practice confer any right on an applicant to an extended prosecution.³

To advance the prosecution of an application, the Patent Office discourages an applicant from switching between one subject matter to another in the claims presented in successive amendments. The Patent Office also discourages an examiner from switching between one set of references to another in rejecting claims, in successive actions, that are of substantially the same subject matter.⁴ Prosecution in this manner would defeat attaining the goal of early termination, either by an allowance or by a final rejection of the application. Hence, the Patent Office seeks

³ Manual of Patent Examining Procedures ("MPEP"), 8th Ed. (Revision 1), 2003) § 706.07 ("MPEP") (citing *Ex parte Hoogendam*, 1939 C.D. 3, 499 O.G.3, 40 USPQ 389 (Comm'rComm'r Pat. 1939)).

⁴ *Id.*

to ensure that the invention as disclosed and claimed is thoroughly searched in a first Office Action (“first Action”) and that the references are fully applied. In reply to this first Action, the applicant should amend the application with a view towards avoiding all the grounds of rejection and objection.⁵

With the above background in mind, the remainder of the paper works through an analysis for use with final rejections.⁶ We also provide some prosecution strategies responding to final rejections.

B. Basis for the Final Rejection

The Manual of Patent Examining Procedures (“MPEP”) provides that a final rejection may be proper on a second Office Action (“second Action”), and even on a first Action in some circumstances.⁷

An examiner may properly issue a final rejection on a second Action for various reasons. For example, an examiner may not be persuaded by the applicant’s arguments in response to the first Action to overcome the rejections in that Action. Likewise, an examiner may properly issue a final rejection when the examiner is not persuaded that the

⁵ *Id.*

⁶ This paper does not deal with final rejections in reexamination applications, which merits a separate discussion.

⁷ *See* MPEP §§ 707.07(a)-(b).

applicant's amendment in response to a prior art rejection overcomes the prior art of record.

Another instance in which an examiner may properly issue a final rejection is when the applicant amends the claims in response to a prior art rejection in the first action. If that amendment requires the examiner to perform a new search, and the examiner finds references necessitating a new ground for the rejection of the amended claims, a final rejection would be proper. Lastly, the examiner may issue a final rejection on a second Action where an information disclosure statement was filed after the first action, and a new ground for a rejection was necessitated by a reference cited in that information disclosure statement.

In some instances an examiner may issue a final rejection in a first Action. Specifically, a final rejection in a first Action is permissible in a new application, where that new application

is a continuing application of, or a substitute for, an earlier application, and [] all claims of the new application (1) are drawn to the same invention claimed in the earlier application, and (2) would have been properly finally rejected on the grounds and art of record in the next Office action if they had been entered in the earlier application.⁸

⁸ MPEP § 706.07(b).

However, a final rejection in a first Action would be improper in a continuing or substitute application where that application contains material that was presented in the earlier application after final rejection or the closing of prosecution, but was not entered because (1) new issues were raised, e.g., through an amendment, that required further consideration or a new search, or (2) an issue of new matter was raised. Likewise, a final rejection in a first Action would be improper in a continuation-in-part application where any claim includes subject matter not present in the earlier application.⁹

A final rejection is not proper, however, in the absence of one of the bases described above. Additionally, the MPEP explains that a final rejection is never proper when

the examiner introduces a new ground of rejection that is neither [(1)] necessitated by applicant's amendment of the claims nor [(2)] based on information submitted in an information disclosure statement filed during the period set forth in 37 C.F.R. 1.97(c)¹⁰ with the fee set forth in 37 C.F.R. 1.17(p).¹¹

⁹ *Id.*

¹⁰ 37 C.F.R. § 1.97(c) states:

An information disclosure statement shall be considered by the Office if filed by the applicant after the period specified in paragraph (b) of this section, provided that the information disclosure statement is filed before the mailing date of either a final Action under 1.113, or a notice of allowance under 1.311, whichever occurs first, and is accompanied by either: (1) A

However, whether a new rejection is “necessitated by” an applicant’s amendment can, and often is, argued between the examiner and applicant. Fortunately, the MPEP also provides a safe harbor in which the examiner cannot issue a final rejection. This safe harbor is where an originally presented claim is rejected on a new art reference that was not cited in an information disclosure statement by the applicant.¹² Accordingly, applicants can use these rules to their advantage to avoid final Office Actions when crafting responses and amendments to non-final Office Actions.

C. Responding to the Final Rejection

If an applicant receives an Office Action with a final rejection (“final Action”) that appears to be premature, the

statement as specified in paragraph (e) of this section; or (2) The fee set forth in 1.17(p).

In addition, 37 C.F.R. 1.97(e) provides:

A statement under this section must state either: (1) That each item of information contained in the information disclosure statement was cited in a communication from a foreign patent office in a counterpart foreign application not more than three months prior to the filing of the information disclosure statement; or (2) That no item of information contained in the information disclosure statement was cited in a communication from a foreign patent office in a counterpart foreign application, and, to the knowledge of the person signing the statement after making reasonable inquiry, no item of information contained in the information disclosure statement was known to any individual designated in 1.56(c) more than three months prior to the filing of the information disclosure statement.

¹¹ MPEP § 706.07(a).

¹² *Id.*

applicant may request that the examiner withdraw the final rejection.¹³ Once it is determined that the final rejection in the final Action was proper, the applicant should determine (1) the appropriate response, and (2) the appropriate period in which to respond.

1. Determining an Appropriate Response

To respond to a final Action, an applicant may proceed along one of five paths: (1) file a “response after final” to the final Action to convince the examiner to allow the claims without amending them; (2) file an “amendment and response after final under 37 C.F.R. § 1.116” in which one or more claims are amended; (3) re-file the application as a continuation application under 37 C.F.R. § 1.53; (4) appeal the rejection to the Board of Patent Appeals and Interferences (“Board”) under 37 C.F.R. § 1.191; or (5) abandon the application. Each of these options is further discussed below in the context of a final rejection.

a. Response After Final

After reviewing a final rejection, an applicant may decide that the claims are patentable over the references cited in the final rejection and that there is no need to file any claim amendments. To respond, the applicant may simply argue on the merits that the cited references do not apply.

¹³ See MPEP §§ 706.07(c)-(d).

For example, for anticipation-type references under 35 U.S.C. § 102, the applicant may argue which claimed elements or clauses are not disclosed by the cited reference or references. For obviousness-type references under 35 U.S.C. § 103, the applicant may show that the examiner failed to set forth a prima facie case of obviousness.¹⁴

If the examiner has found previous remarks in response to a prior rejection unpersuasive, he is unlikely to withdraw a final rejection based on a restatement of the same arguments without more. At this stage, the examiner ostensibly believes that the basis of the rejection is proper and that additional claim amendments are needed to make the claims patentable. In such a case, the examiner will not typically consider the arguments, which results wasted time and money. Hence, this option should only be used where the remaining rejection is based on a ministerial issue or a minor oversight by the examiner, which if clarified will lead to allowance of the application. An example of the latter is where a rejected claim should have been allowed in view of other allowed claims of substantially similar scope.

¹⁴ For more information on what examiners must show to establish a prima facie case of obviousness, see MPEP § 2142.

b. Amendment and Response After Final Action
Filed Under 37 C.F.R. § 1.116

An applicant may also file an amendment and response under 37 C.F.R. § 1.116(b) in response to a final Action. This section of the rules states:

After a final rejection or other final Action (1.113) . . . amendments may be made cancelling claims or complying with any requirement of form expressly set forth in a previous Office action. Amendments presenting rejected claims in better form for consideration on appeal may be admitted. The admission of, or refusal to admit, any amendment after final rejection, and any related proceedings, will not operate to relieve the application or patent under reexamination from its condition as subject to appeal or to save the application from abandonment under § 1.135¹⁵

¹⁵ 37 C.F.R. § 1.135 is entitled “Abandonment for failure to reply within time period.” It states:

If an applicant of a patent application fails to reply within the time period provided under 1.134 and 1.136, the application will become abandoned unless an Office action indicates otherwise. (b) Prosecution of an application to save it from abandonment pursuant to paragraph (a) of this section must include such complete and proper reply as the condition of the application may require. The admission of, or refusal to admit, any amendment after final rejection or any amendment not responsive to the last action, or any related proceedings, will not operate to save the application from abandonment. (c) When reply by the applicant is a bona fide attempt to advance the application to final Action, and is substantially a complete reply to the non-final Office action, but consideration of some matter or compliance with some

Hence, under this section the applicant needs to amend the claims to cancel rejected claims or to obviate the basis of any objections or rejections. If the examiner is satisfied that the amended claims overcome the cited references of record and any other basis for claim rejections and/or objections, the examiner may allow the patent application.

However, if the claim amendments are substantial they may raise new issues of patentability. If so, the examiner may state that the claim amendments require further search and refuse to enter the amendment.¹⁶ The applicant may request that the un-entered amendment be entered in a subsequent continuation application, described below.

c. Continuation Applications and Requests for Continued Examination

When an applicant seeks to continue prosecution of an application after a final Action, the applicant may elect to file a continuation application, a request for continuing prosecution under 37 C.F.R. § 1.114 (“RCE”), or in the case of a design application, a continued prosecution application

requirement has been inadvertently omitted, applicant may be given a new time period for reply under 1.134 to supply the omission.”

¹⁶ See MPEP § 702.02(e)

under 37 C.F.R. § 1.53(d) (“CPA”).¹⁷

An RCE removes the finality of the most recent Office Action, thus allowing the applicant to make additional amendments and have any new arguments considered. The filing of an RCE requires a “submission.” If a reply to an Office Action is outstanding, then the “submission” must include a bona fide reply to that Office Action.¹⁸ If no bona fide reply is included, the RCE will be deemed improper, and will not be entered. In such instances the application could ultimately go abandoned after the six-month period to respond to the Office Action elapses.

Note also that the filing of an RCE does not trigger the patent term extension provisions of the American Intellectual Property Act of 1999 (“AIPA”). Accordingly, if patent term adjustment is important to the applicant, consider filing a continuation application to take advantage of any Patent Office delays in examination.

In some situations a final Action may include some claims that are not rejected, but which are instead either objected-to or allowed. Objected-to claims typically include allowable subject matter, but also contain some informality

¹⁷ Effective July 14, 2003, CPAs are no longer available for utility patent applications. CPAs continue to be available for design patent applications, in which RCEs are not permitted.

¹⁸ 37 C.F.R. §§ 1.111, 1.114.

that must be addressed before the examiner will allow the claim. Most often, a claim will be objected to because, though it is otherwise allowable, it maintains a dependency from a rejected independent claim. In that instance, rewriting the claim in independent format will generally overcome the objection.

If there is allowable subject matter indicated by the examiner in the final Action, the applicant has several options for proceeding. This decision is guided by factors that include, among other things, the breadth of the allowed claims and the applicant's desire to have an issued patent sooner, rather than later. If the allowed claims are of sufficiently broad scope to be valuable, or if there is a potential infringer lurking in the wings, the applicant may want to have a patent issue immediately. On the other hand, if the claims are so narrow that protection is extremely limited and designing around them would be trivial, it may not be worth the cost to pay an extra set of issue and maintenance fees to have those claims issue in a separate patent.

As for proceeding with prosecution in the case of a final Action with allowable subject matter, in the case of an objected-to claim, if an applicant amends it to be an independent claim, e.g., by expressly inserting the limitations

found in the independent claim and removing the dependency, the examiner may allow such claim and possibly issue a Notice of Allowance.¹⁹ However, if the applicant deems the allowable subject matter to be unacceptable, e.g., too narrow in scope, the applicant may continue prosecution in the Patent Office by filing an RCE in response to the final Action as previously discussed. With skilled prosecuting technique (and in some instance, luck!), the applicant may eventually get all of the claims allowed, and have the patent granted.

If the allowable subject matter only includes a subset of the total presented claims, the applicant could also cancel the rejected claims without prejudice and in short order obtain an allowance on the remaining claims. The cancelled claims could then be pursued in a continuation application under 37 C.F.R. § 1.53(b). For applicants electing to file a continuation application under this section of the regulations, the law requires that any priority claim made back to the parent application must be made by the later of 16 months from the filing of the parent application or 4 months from the

¹⁹ One caveat: The examiner's indication that the claims would be allowable if re-written in independent format is not a guarantee. Occasionally, the claims will be rejected even when presented in independent format. This could happen, for example, because the examiner has become aware of some new art and issues a rejection based on it, or because the examiner's SPE does not agree that the claims are allowable.

filing of the continuation application.²⁰ In addition, continuation applications filed under 37 C.F.R. § 1.53(b) will be published unless the applicant can, and does, file a request for non-publication at the time of filing the continuation.²¹ In some instances it may be advantageous to include with the new application some preliminary remarks that respond to the rejections in the parent application to help expedite the prosecution process.

d. Appeals Under 35 U.S.C. § 134 and 37 C.F.R. § 1.191

When examination of an application has truly stalled, an applicant may seek review of an examiner's rejection by the Board of Patent Appeals and Interferences ("the Board"). Though considered by some to be a last resort, the appeal is yet another tool in the arsenal against unwarranted claim rejections, and practitioners are well advised to become familiar with the appeal process. But that is not to say appeal is appropriate for all – or even most – situations.

In considering whether to appeal a rejection, an applicant must weigh a number of factors. On the positive side, the applicant may use the appeal process to overcome a rejection without having to unduly narrow the claims. At the same time, appealing a rejection in lieu of narrowing a

²⁰ 35 U.S.C. §§ 119, 120; 37 C.F.R. § 1.78.

rejected claim's scope can, perhaps, avoid harmful estoppel.²² Weighing against appeal, however, are the significant time and expense involved in the process. Although this time delay may be mitigated by patent term extension if the appeal is ultimately successful,²³ the issuance of the patent may still be delayed.

Accordingly, if the applicant is eager to have a patent issued, the applicant should consider taking narrower claims immediately and pursuing the rejected claims in a continuation, as discussed above. When these claims are rejected again in the continuation, the applicant could then appeal the rejection to the Board. In so doing, the applicant could pursue the broader claims in an appeal while enjoying the benefit of some patent protection during the appeal process.

The cost-benefit analysis having been made, it is necessary to understand the rules for when and how to appeal. An applicant may appeal any claim in a pending

²¹ See 35 U.S.C. § 122(b).

²² In *Festo*, the Court justified application of estoppel due to a narrowing amendment at least in part based on the applicant's decision to forego the right to appeal a rejection. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushki Co.*, 535 U.S. 722, 734 (2002). However, there is no reason that statements made during an appeal, such as arguments in the applicant's briefs, cannot create estoppel. *Id.* At 735.

²³ 35 U.S.C. § 154.

patent application that has been twice rejected.²⁴ To do so, the applicant must first file a timely “Notice of Appeal.”²⁵ The Notice of Appeal must be filed within the three-month period after the Office Action from which the appeal is taken was mailed; however, and as with responses to Office Actions, extensions up to the six-month statutory limit are available with payment of the required fees. Not surprisingly, the filing of a Notice of Appeal also requires a separate fee.²⁶

Once a Notice of Appeal is filed, the applicant must file an “Appeal Brief” within the latter of two months from the filing of the Notice of Appeal²⁷ and the deadline to respond to the Office Action from which the appeal is taken (normally, three months from the mailing date of the Office Action). This period is generally not extendable.

The Patent Office regulations outline detailed formal

²⁴ 35 U.S.C. § 134. Note that the applicant need not wait for a final Action to appeal a rejection. Moreover, the rejections need not be in the same application, as a claim rejected for the first time in a continuation application is “twice rejected” under the statute if it was previously rejected in a parent application. MPEP § 1205. Also, the practitioner should carefully distinguish the appealable from the petitionable, the former being decided by the Board, and the latter being decided by the Commissioner.

²⁵ 37 C.F.R. § 1.191(a).

²⁶ 37 C.F.R. § 1.17(b).

²⁷ This two-month period is measured from the day the Patent Office receives the Notice of Appeal, notwithstanding a Certificate of Mailing or Transmission under 37 C.F.R. § 1.8. MPEP § 512.

requirements for the Appeal Brief to which an applicant must pay careful attention.²⁸ Otherwise, the Appeal Brief may be rejected for failure to comply with the formal requirements, after which a period of one month will be set to fix the deficiencies in the Appeal Brief before the appeal is dismissed. At this point, the examiner still has jurisdiction of the patent application, so it is the examiner who determines whether the formal requirements of the Appeal Brief have been met.

The Patent Office regulations detail a number of formal requirements for the Appeal Brief, including the particular items that must be provided, their corresponding “appropriate headings,” and the order in which they must be provided.²⁹ While many of these items are straightforward,

²⁸ 37 C.F.R. § 1.192; *see also* MPEP § 1206.

²⁹ 37 C.F.R. § 1.192. The Rules list these required items and their required headings in the required order:

(1) *Real party in interest*. A statement identifying the real party in interest, if the party named in the caption of the brief is not the real party in interest.

(2) *Related appeals and interferences*. A statement identifying by number and filing date all other appeals or interferences known to appellant, the appellant’s legal representative, or assignee which will directly affect or be directly affected by or have a bearing on the Board’s decision in the pending appeal.

(3) *Status of claims*. A statement of the status of all the claims, pending or cancelled, and identifying the claims appealed.

(4) *Status of amendments*. A statement of the status of any amendment filed subsequent to final rejection.

(5) *Summary of invention*. A concise explanation of the invention defined in the claims involved in the appeal, which shall refer to

some are worth mentioning here.

In the “grouping of claims” section, the applicant must group the rejected claims into one or more groups that stand or fall together for the purposes of the appeal. Effectively, this allows the Board to choose a single representative claim for evaluation (often the broadest claim in the case of an art rejection). If the Board determines that the rejection is proper for that claim, the rejection of all claims in that group is affirmed. An applicant may organize the claims into as many groups as desired, and may even designate a separate group for each claim. However, the applicant must provide arguments in the “argument” section

the specification by page and line number, and to the drawing, if any, by reference characters.

(6) *Issues*. A concise statement of the issues presented for review

(7) *Grouping of claims*. For each ground of rejection which appellant contests and which applies to a group of two or more claims, the Board shall select a single claim from the group and shall decide the appeal as to the ground of rejection on the basis of that claim alone unless a statement is included that the claims of the group do not stand or fall together and, in the argument under paragraph (c)(8) of this section, appellant explains why the claims of the group are believed to be separately patentable. . . .

(8) *Argument*. The contentions of appellant with respect to each of the issues presented for review in paragraph (c)(6) of this section, and the basis therefor, with citations of the authorities, statutes, and parts of the record relied on. . . .

. . . .

(9) *Appendix*. An appendix containing a copy of the claims involved in the appeal.

Id. § 1.192(c). Note, however, that this requirement does not apply to an applicant appealing the rejection pro se. *Id.*

of the Appeal Brief that explain distinct or additional grounds in support of patentability for each group. If an applicant fails to designate any groups, the Board will select a single claim as the representative claim for all claims on appeal.

The “argument” section of the Appeal Brief provides the substantive arguments in support of the applicant’s position. In this section, the applicant must explain the factual and legal bases that support the patentability of each of the groups so identified.³⁰ The applicant should also include citations to legal authority to support the legal contentions in the Appeal Brief – unlike the standard practice of many practitioners when responding to Office Actions.

Once the Appeal Brief is filed and accepted by the examiner, the examiner must either hold an “appeal conference” or withdraw the rejection.³¹ The appeal conference is attended by three examiners – typically the examiner who rejected the claims, a supervisory patent examiner (“SPE”), and a third examiner. These three examiners review the Appeal Brief and decide whether to maintain or withdraw the rejection. If they do not agree to maintain the rejection, the final Office Action will be

³⁰ Indeed, the Rules provide a set of detailed guidelines for how the applicant must respond to several commonly appealed statutory rejections. *Id.* § 1.192(c)(8)(i)-(v).

withdrawn and a new Office Action or a Notice of Allowance will be issued. In this way, the applicant may “win” the appeal without its ever being heard by the Board. If they decide to maintain the rejection, one of the examiners will prepare an “Examiner’s Answer,” to be signed by the three participants of the appeal conference.³²

Importantly, this Examiner’s Answer may not include a new ground of rejection.³³ The Examiner’s Answer is therefore likely to parallel the most recent Office Action rejecting the claims that are on appeal, so the applicant should have a good idea about the arguments that will be presented in the Examiner’s Answer in support of the rejection. Strategically, the applicant should prepare the Appeal Brief with those rejections in mind. In this way, the applicant may be able to foreclose certain positions held by the examiner during prosecution by anticipating them and refuting them in the Appeal Brief. The examiner may then be forced to do more than provide an Examiner’s Answer

³¹ MPEP § 1208. Therefore, the filing of an Appeal Brief alone may be sufficient to overcome the rejection if the examiner capitulates.

³² 37 C.F.R. § 1.193(a); MPEP § 1208 (describing requirements of Examiner’s Answer).

³³ If the examiner decides that a different rejection is more appropriate, the examiner has to withdraw the pending rejection, effectively conceding the appeal, and then include the new rejection in a new Office Action by reopening prosecution. MPEP § 1208.02.

that is little more than a carbon copy of large sections of previous Office Actions. Beneficially, this may further encourage the examiner to capitulate after the appeal conference rather than maintain a rejection that is likely to be reversed by the Board.

After the mailing of the Examiner's Answer, the applicant has two months to file a "Reply Brief."³⁴ Unlike the Appeal Brief, there are few formal requirements that an applicant must satisfy in the Reply Brief. Filing a Reply Brief is optional, although the applicant generally should take the opportunity presented by the Reply Brief to focus on the important arguments and to rebut arguments made by the examiner in the Examiner's Answer.

Also within two months of the Examiner's Answer, the applicant must file a request for an oral hearing, if one is desired.³⁵ The Patent Office regulations warn that a hearing should be requested in only those circumstances considered necessary, but such a request might be appropriate where, as is often the case, the technological issues involved are better understood through two-way communication.³⁶ An oral

³⁴ 37 C.F.R. § 1.193(b). The two-month time period is extendable only on a showing of sufficient cause. *Id.* § 1.136(b). See generally MPEP § 1208.03 for a discussion of the Reply Brief.

³⁵ 37 C.F.R. § 1.194; MPEP § 1209. This request also requires a fee. 37 C.F.R. § 1.17(d).

³⁶ In this context, "two-way" refers to communications between the applicant and the three-judge panel of the Board. The examiner

hearing also allows the practitioner to use visuals and present arguments outside the written record.

The Board will consider the arguments for and against the rejection and render its decision. Among its many options, the Board may affirm or reverse the rejection, or remand the case to the examiner for further consideration.³⁷ If the Board reverses the rejection, the case is immediately forwarded to the examiner for action, e.g., a Notice of Allowance. At this point, the examiner is strongly discouraged from performing a new search to find additional art.³⁸ If the examiner's rejection is affirmed, the applicant may abandon the case, continue prosecution of the claims (which may require the filing of a continuation), petition the Board for rehearing,³⁹ bring a civil action to obtain the patent in the district court for the District of Columbia,⁴⁰ or appeal the Board's decision to the Federal Circuit.⁴¹

who made the rejection at issue is generally not required to attend the hearing, and it is probably more often than not the case that the hearing is conducted completely *ex parte*. The examiner is instructed to make a formal request to be present at the hearing, which allows the applicant to have a good idea about anyone else who might attend the hearing. MPEP § 1208.

³⁷ 37 C.F.R. § 1.196; MPEP § 1213.

³⁸ MPEP § 1214.04 (“The examiner should never regard such a reversal as a challenge to make a new search to uncover other and better references”).

³⁹ 37 C.F.R. § 1.197.

⁴⁰ 35 U.S.C. § 145.

⁴¹ 35 U.S.C. § 141.

Overall, the appeal process in the Patent Office can be long and complex. Moreover, the process can be quite expensive and time-consuming. Hence, the applicant should carefully weigh a decision to file an appeal in response to a final Action (or other appropriate Office Action) against other potential courses of action available to the applicant, such as filing a continuation application or a RCE.

e. Abandonment

In selecting a course of action to take in response to a final Action, an applicant may review the basis of the rejection and the pending claims and decide that the claimed invention is simply not worth pursuing any longer. For example, the applicant may find that the claimed invention is unpatentable over the cited references, will ultimately result in claim coverage having very narrow scope and little value, or is economically too costly to pursue the application to issuance. In this situation, the applicant may elect to abandon the patent application. The applicant can abandon the application explicitly⁴² or may allow it to automatically lapse after the passage of both the three month shortened statutory period and the three month extension of time period for responding to a final Action.⁴³

⁴² 37 C.F.R. § 1.138.

⁴³ 37 C.F.R. § 1.135.

2. Period in Which to Respond

When an applicant receives a final Action, the applicant typically has a shortened statutory period of response that expires three months from the mailing date of that final Action. However, the final Action should also advise the applicant that if the reply is filed within two months of the date of the final Action, the shortened statutory period will expire at three months from the date of the final Action or on the date the advisory action is mailed from the Patent Office, whichever is later. Thus, a variable reply period will be established.⁴⁴ However, in no event can the statutory period for reply expire later than six months from the date of the final rejection.⁴⁵

In response to the final Action, an applicant may file an appropriate reply (i.e., an amendment and/or response). If the applicant files a complete reply to the final Action within two months of the date it is mailed from the Patent Office, the examiner must determine if the reply: (1) places the application in condition for allowance, in which case the application should be processed as an allowance and no extension fees are due; (2) places the application in condition for allowance except for matters of form which the examiner

⁴⁴ MPEP § 702.07(f).

⁴⁵ 35 U.S.C. § 133; 37 C.F.R. § 1.136.

can change without authorization from applicant,⁴⁶ in which case the application should be amended as required and processed as an allowance and no extension fees are due; or (3) does not place the application in condition for allowance, in which case the advisory action should inform applicant that the shortened statutory period for reply expires three months from the date of the final rejection or as of the mailing date of the advisory action, whichever is later.

If the applicant files a response to the final Action after the two-month period from which the final Action was mailed by the Patent Office, the applicant may still submit a response. However, if the application is not placed in condition for allowance as stated above, the applicant will need to carefully monitor that the time period in which to respond does not eclipse six months from the date the final Action was mailed because the application will be abandoned. Hence, an applicant should plan in advance on an appropriate course of action in such instances as described previously, e.g., filing of a request for continued prosecution, a continued prosecution application, or an appeal.

D. Strategies In View of the Final Rejection

With an understanding of the final rejection in mind, an applicant has a number of post- and pre-final rejection

⁴⁶ See MPEP § 1302.04.

strategies available for consideration during prosecution of a patent application before the Patent Office. Some considerations in each circumstance are further explored below.

1. Strategy After Receiving a Final Rejection

When an applicant receives a final Action, an ensuing response strategy may depend on whether all the claims have been rejected or whether some claims are rejected while others are objected to or allowed. When all the claims are rejected and the goal continues to be obtaining a Notice of Allowance, the applicant must consider the likelihood of obtaining the allowance in view of the potential responses.

In preparing a response strategy where all the claims are rejected, the applicant should once again evaluate whether the examiner understands the claimed invention and/or the cited references. For example, if the examiner has previously rejected the claims in view of the same cited references, the odds are that a Notice of Allowance in response to the final rejection is unlikely. Thus, if it appears that there is a misunderstanding about the claimed invention, the cited references or both, the applicant may request an examiner interview to help clear up this misunderstanding and refine the record. Although the examiner is not required to grant the interview, many do out of courtesy to the

applicant and to better understand the invention and the outstanding issues remaining in prosecution.

After evaluating the examiner's position and understanding, the applicant must determine whether to pursue an amendment and/or response, a continuing application or an appeal. An amendment and/or response would be a logical if the applicant and examiner agree in principle over the scope of the claimed invention in view of the cited references.

If the applicant and examiner do appear agree on the scope of the claims and additional amendments could be made and/or additional issues raised with respect to examination of the application, the applicant should consider filing an RCE as discussed previously.⁴⁷ Often, the RCE is a more cost-effective approach, particularly where the applicant and examiner are close to agreement on the appropriate scope of the claimed invention.

If the applicant chooses to file the RCE, the applicant must file a submission to address the basis for the final rejection to avoid being non-responsive a final rejection. The RCE also provides an opportunity for the applicant to continue building a record for a use in a potential appeal to the Board, where the applicant would argue that the basis for

the examiner's rejections were improper.

When the applicant has made every possible amendment that would be reasonable in view of the cited references and has already raised all appropriate issues for the examiner to address, then an appeal may be an appropriate course of action. When preparing the appeal the applicant will need to consider not only a written appeal strategy, but also an oral appeal strategy.

In preparing a response strategy to a final rejection where some of the claims are rejected while others are objected to or allowed, the applicant should review and understand the examiner's reasoning for why certain claims were objected to or allowed. The applicant can then determine whether the basis for the claim objections and/or allowance provides any additional insights to overcoming the basis of the rejection for the rejected claims.

If it appears that substantial differences exist between the rejected claims and the objected to or allowed claims, the applicant has some alternative avenues to consider. First, the applicant may consider responding to the final rejection to see if the examiner's basis for the rejection can be overcome, e.g., argue for allowance of the rejected claims where such claims may be close in scope to the objected to claims or

⁴⁷ Because the CPA is no longer available for utility applications

allowed claims. Second, the applicant may decide to cancel the rejected claims without prejudice and pursue them in a separate continuation application filed under 37 C.F.R. § 1.53(b). Third, the applicant may decide to appeal the case, although doing so will prolong prosecution.

2. Strategy to Potentially Avoid a Final Rejection

Although the paper has been focused on what the final rejection is, options for responding to final rejections, and strategies to consider in view of receiving a final rejection, with careful planning an analysis an applicant may be able to avoid a final rejection altogether. For example, when the applicant files a patent application, an applicant may consider including independent claims of varying scope (i.e., both broad and narrow claim coverage) to help increase the likelihood of obtaining some allowable claims. Moreover, by having independent claims of varying scope, the applicant may be able to avoid further amendments of one or more independent claims during prosecution, which may inhibit the examiner from issuing a final rejection on a second Office Action.

An applicant may also consider conducting a prior art search in advance of filing the patent application to determine an appropriate scope of coverage of the claims and

effective July 14, 2003, it will not be discussed in this section.

to increase the likelihood of obtaining allowable claims.⁴⁸ Moreover, when newly identified prior art is submitted in an information disclosure statement, for example, when the art is obtained through a foreign application search report, the applicant should consider reviewing the pending claims and making appropriate amendments to the claims to avoid being anticipated by the prior art.

Hence, in some instances advanced prosecution planning may help an applicant avoid a final Action. Moreover, this advanced planning may enable the applicant to reach allowance sooner in prosecution because claim coverage and issues may be scoped commensurate with the coverage that the applicant would be entitled to in view of the potential prior art.

III. AFTER ALLOWANCE

While applicants do not look forward to receiving a final Action, applicants look do forward to a Notice of Allowance⁴⁹ from the examiner. Like a final Office Action, the Notice of Allowance closes prosecution of the patent

⁴⁸ Note that any searching of prior art should be done with careful planning and consideration to address applicant's duties under 37 C.F.R. § 1.56 and to address issues involving any potential duty of care to avoid infringement.

⁴⁹ MPEP § 1302.03 (A Notice of Allowability form PTOL-37 is used whenever an application has been placed in condition for allowance.).

application on the merits. Although there are a number of prosecution topics to consider after receiving Notice of Allowance from the Patent Office (e.g., continued compliance with 37 C.F.R. § 1.56, verification of small entity status, continuation practice considerations, inventorship review, substitute declarations, etc.) this paper focuses on response and amendment practice after mailing of a Notice of Allowance.

In some instances, an applicant receiving a Notice of Allowance may find that further comment or claim amendments may be necessary for inclusion into the prosecution file. Two specific instances include (1) addressing examiner reasons for allowance provided with the Notice of Allowance and (2) amending the application after the Notice of Allowance. Each is considered below.

A. Addressing Examiner Reasons for Allowance

When allowing patent claims, an examiner may provide reasons for allowing the subject matter with the Notice of Allowance.⁵⁰ The examiner provides reasons if “the record of the prosecution as a whole does not make clear his or her reasons for allowing a claim or claims.”⁵¹ Often, the “record as a whole” – the examiner’s actions and the applicant’s replies – makes evident the reasons for

⁵⁰ See MPEP § 1302.14.

allowance. For example, no statement would be necessary when previous Office Actions clearly point out the reasons for rejection in view of cited references, and the applicant's responses explicitly present reasons why claims are patentable over the cited references.

Where the record is not clear, however, the examiner should make specific reasons for allowance on the record.

But the MPEP cautions:

Where specific reasons are recorded by the examiner, care must be taken to ensure that statements of reasons for allowance (or indication of allowable subject matter) are accurate, precise, and do not place unwarranted interpretations, whether broad or narrow, upon the claims. The examiner should keep in mind the possible misinterpretations of his or her statement that may be made and its possible estoppel effects. Each statement should include at least (1) the major difference in the claims not found in the prior art of record, and (2) the reasons why that difference is considered to define patentably over the prior art if either of these reasons for allowance is not clear in the record. The statement is not intended to necessarily state all the reasons for allowance or all the details why claims are allowed and should not be written to specifically or

⁵¹ 37 C.F.R. § 1.104.

impliedly state that all the reasons for allowance are set forth.⁵²

An examiner's statement regarding allowability of the claimed invention is significant with respect to the file history of a patent application.⁵³ Hence, an applicant should carefully review these reasons and determine whether a response is necessary to avoid acquiescing to those reasons and the negative inferences that may follow.

To respond, the applicant should carefully articulate her position in comments to be included within the file history if she disagrees with the examiner's reasons for allowance. Moreover, these comments should be provided before or with the payment of the issue fee. However, the applicant should note that an examiner may not respond to the applicant's comments, and silence on the part of the examiner does not mean the examiner agrees or acquiesces to the reasoning provided by the applicant.⁵⁴

B. Amendments After Allowance

In some instances, an applicant may need to amend an application after receipt of a Notice of Allowance, but before payment of an issue fee. Examples of when an application may need to be amended include (1) an amendment to the

⁵² MPEP § 1302.14.

⁵³ See *Zenith Labs Inc., v. Bristol-Myers Squibb Co.*, 19 F.3d 1418, 30 U.S.P.Q.2d 1285 (Fed. Cir. 1996).

specification, (2) and amendment to the claims, (3) a change in the drawings, or (4) a change in the inventorship.

Whether an applicant may amend an application is dictated by 37 C.F.R. §1.312, which states:

No amendment may be made as a matter of right in an application after the mailing of the notice of allowance. Any amendment filed pursuant to this section must be filed before or with the payment of the issue fee, and may be entered on the recommendation of the primary examiner, approved by the Commissioner, without withdrawing the application from issue.

An examiner does have authority to enter amendments to an application that are submitted after a Notice of Allowance provided they are merely the correction of formal matters in the specification or drawing, or formal matters in a claim without changing the scope of the claim, or the cancellation of claims from the application. Junior examiners often require approval from supervisory patent examiners for such amendments, but more senior examiners (i.e., primary or supervisory examiners) do not. If an applicant seeks to submit and enter amendments that are more than simple correction of formal matters, further approval may be necessary from the Patent Office to ensure that the amendments do not significantly affect the formal

⁵⁴ 37 C.F.R. § 1.104(e) and MPEP § 1304.14.

requirements of a patent.⁵⁵

As previously noted, 37 C.F.R. § 1.312 does not permit an applicant to amend an application as a matter of right. An applicant should therefore be diligent in addressing and correcting issues during the course of prosecution and try to avoid amendments after a Notice of Allowance. Nevertheless, there are times when an applicant will need to amend an application after a Notice of Allowance to make changes that are more than ministerial and that may affect the substance of the application. But these amendments will only be considered by the Patent Office when they (1) are needed for proper disclosure or protection of the invention, and (2) require no substantial amount of additional work on the part of the Patent Office.

When making substantive type amendments, such as amendments that affect the disclosure, change the scope of a claim, or add a claim, an applicant must include remarks accompanying the amendment that “fully and clearly state the reasons on which reliance is placed to show [(1)] why the amendment is needed; [(2)] why the proposed amended or new claims require no additional search or examination; [(3)] why the claims are patentable; and [(4)] why they were not

⁵⁵ MPEP § 716.14 (requiring showing “(A) that its disclosure be adequately clear, and (B) that any invention present be defined

presented earlier.”⁵⁶ Failure to provide this information may result in a refusal to enter the amendment.

IV. CONCLUSION

In summary, this paper has provided just some of the background, issues, and strategies involved in prosecuting a patent faced with a final rejection or the possibility of a final rejection from the Patent Office. With careful planning and analysis, an applicant can anticipate and address these rejections in one or more different manners – and in some instances avoid such rejections altogether.

The paper also considered remarks and amendment practice after mailing of a Notice of Allowance. With regard to remarks, an applicant has an opportunity to respond to examiner reasons for a Notice of Allowance. In some instances these remarks to help clarify the prosecution record and address an examiner’s reasons for allowance. But because amendments after allowance are not granted as a matter of right, an applicant should be diligent in addressing issues during the course of prosecution.

with sufficient clarity to form an adequate basis for an enforceable contract.”).

⁵⁶ MPEP § 716.14.