



FEB 19 2002

In re

:
: DECISION ON
: PETITION FOR REGRADE
: UNDER 37 C.F.R. § 10.7(c)
:

MEMORANDUM AND ORDER

(petitioner) received a grade of 67 on the April 18, 2001

Registration Examination, and petitions on July 30, 2001 for regrading his answers to six (6) questions consisting of questions 17, 34, and 43 of the morning section and questions 7, 36, and 41 of the afternoon section. Each question in the Registration Examination is worth one (1) point. A petition fee of \$230 has been submitted.

Credit has been given for morning question 34 and for afternoon question 36 resulting in two (2) additional points, one (1) point for each of the two questions, producing a corrected score of 69.

The petition is denied to the extent petitioner seeks a passing grade (of 70) on the Registration Examination.

BACKGROUND

An applicant for registration to practice before the United States Patent and Trademark Office (USPTO) in patent cases must achieve a combined passing grade of 70

from both the morning and afternoon sections of the Registration Examination. Petitioner's initial combined score was 67. On July 30, 2001 petitioner requested regrading, arguing that the model answers to certain questions were incorrect.

As indicated in the instructions for requesting regrading of the Registration Examination, in order to expedite a petitioner's appeal rights, a single final agency decision will be made regarding each request for regrade. The decision will be reviewable under 35 U.S.C. § 32. The Director of the USPTO, pursuant to 35 U.S.C. § 2(b)(2)(D) and 37 CFR 10.2 and 10.7, has delegated the authority to decide requests for regrade to the Director of Patent Legal Administration.

OPINION

Under 37 C.F.R. § 10.7(c), petitioner must establish any errors that occurred in the grading of the Examination. The directions state: " No points will be awarded for incorrect answers or unanswered questions." The burden is on petitioners to show that their chosen answers are the most correct answers.

The directions to the morning and afternoon sections state in part:

Do not assume any additional facts not presented in the questions. When answering each question, unless otherwise stated, assume that you are a registered patent practitioner. The most correct answer is the policy, practice, and procedure which must, shall, or should be followed in accordance with the U.S. patent statutes, the PTO rules of practice and procedure, the Manual of Patent Examining Procedure (MPEP), and the

Patent Cooperation Treaty (PCT) articles and rules, unless modified by a court decision, a notice in the Official Gazette, or a notice in the Federal Register. There is only one most correct answer for each question. Where choices (A) through (D) are correct and choice (E) is "All of the above," the last choice (E) will be the most correct answer and the only answer which will be accepted. Where two or more choices are correct, the most correct answer is the answer that refers to each and every one of the correct choices. Where a question includes a statement with one or more blanks or ends with a colon, select the answer from the choices given to complete the statement which would make the statement true. Unless otherwise explicitly stated, all references to patents or applications are to be understood as being U.S. patents or regular (non-provisional) utility applications for utility inventions only, as opposed to plant or design applications for plant and design inventions. Where the terms "USPTO" or "Office" are used in this examination, they mean the United States Patent and Trademark Office.

Petitioner has presented various arguments attacking the validity of certain of the model answers. All of petitioner's arguments have been fully considered.

Petitioner has been awarded an additional one (1) point for morning question 34 and an additional one (1) point for afternoon question 36. Accordingly, petitioner has been granted an additional two (2) points on the Registration Examination. No credit has been awarded for morning questions 17, and 43 and afternoon questions 7, and 41. Petitioner's arguments for these questions are addressed individually below.

Morning question 17 reads as follows:

17. Which of the following statements involving an examiner's statement of reasons for allowance in a Notice of Allowance dated February 8, 2001, is in accordance with USPTO rules and procedure?

(A) Failure by applicant or patent owner to file a statement commenting on the reasons for allowance cannot give rise to any implication that the applicant or patent owner agrees with or acquiesces in the reasoning of the examiner.

(B) If applicant files a statement commenting on the reasons for allowance, failure by the examiner to respond to applicant's statement gives rise to the implication that the examiner agrees with applicant's statement.

(C) If applicant files a statement commenting on the reasons for allowance, failure by the examiner to respond to applicant's statement does not give rise to any implication.

(D) (A) and (C)

(E) None of the above.

The model answer is selection (C).

37 CFR § 1.104(e) (effective November 7, 2000); "Changes To Implement the Patent Business Goals; Final Rule," 65 FR 54604, 54633 (September 8, 2000). As stated in 65 FR at 54633, middle column, "In view of the recent case law dealing with prosecution history, the failure of an applicant to comment on damaging reasons for allowance would give rise to a presumption of acquiescence to those reasons..." Thus, (A) is incorrect. 65 FR at 54633, middle column, also provides, "That the examiner does not respond to a statement by the applicant commenting on reasons for allowance does not mean that the examiner agrees with or acquiesces in the reasoning of such statement." Thus (B) is incorrect. (D) is incorrect because (A) is incorrect. (E) is incorrect because (C) is correct.

Petitioner selected answer (D) that includes incorrect answer (A). Petitioner argues that 37 CFR 1.104(e) provides applicant with the discretion to comment on an examiner's reasons for allowance, "the applicant ... **may** file a statement commenting on the reasons for allowance..." (Emphasis by petitioner). Petitioner detrimentally relied upon the statutory interpretation of this section which was in flux. Inconsistencies in the interpretation of 37 CFR 1.104(e) is purely the result of the Office stipulating multiple

areas in which the patent bar candidate could rely on information.

At the time of the Registration Examination petitioner was required to understand that answer (A) (included in petitioner's answer (D)) was not in accord with proper practice. Both recent case law and a major rule change ("Changes to Implement the Patent Business Goals") informed practitioners that no longer could the failure by applicant to comment on an examiner's reasons for allowance be relied upon to not give rise to any implication as to applicant agreeing with or acquiescing to the reasoning of the examiner. It is vital that practitioners understand that they must respond to an examiner's reasons for allowance if they do not agree with such or an implication that they do agree would arise. The rule package cited to several decisions that are in accord with the new practice, including U.S. Supreme Court, and Court of Appeals for the Federal Circuit decisions (at page 54633 of the final rule package).

While 37 CFR 1.104(e) does not require an applicant to comment on an examiner's reasons for allowance (the presence of the term "may"), the failure to do so would now lead to an implication of agreement with the reasons for allowance, which is contrary to a sentence in 37 CFR 1.104(e) that was deleted (and is unrelated to the appearance of the term "may" that remains in another portion of the rule) to be consistent with current case law. This is what patent bar applicants were tested on in this question. There are no inconsistencies between the rule as it now exists (with the discretion of an applicant to respond to an examiner's reasons for allowance) and current case law holding that if an applicant exercises the discretion not to respond, than an implication would arise that there is agreement (in other words, applicant need not submit their agreement as it would be presumed).

Answer (D) is not a correct answer.

Accordingly, no credit can be given for answer (D).

Morning question 34 reads as follows:

34 – 36. The following facts apply to the following three questions. For purposes of these questions, it should be assumed that the statutes and regulations effective as of April 18, 2001 apply for all time periods covered by the questions. Joseph, a citizen and resident of the United States, invented a new brake for in-line skates and filed a nonprovisional utility patent application in the USPTO on February 8, 2001. The application as filed included a specification and claims in compliance with 35 USC § 112, three sheets of publication quality drawings, an abstract of the disclosure, and an information sheet listing the name and address of the inventor. The application was initially filed without an executed inventor's oath or declaration and without the required filing fee. The Office issued a "Notice to File Missing Parts – Filing Date Granted" on April 2, 2001. The

Notice informed Joseph that he must submit an executed oath or declaration by the inventor, pay the required filing fee, and pay a surcharge for late submission of these items within two (2) months of the date of the Notice. Joseph received the Notice on April 9, 2001. Joseph brought the Notice with him when he left for an extended overseas business trip the next day, April 10, 2001. Unfortunately, the Notice was placed in luggage that was lost during the trip. Upon his return to the United States on July 26, 2001, Joseph obtained a copy of the Notice and, on August 2, 2001 filed a Reply in full compliance with the Notice. A Petition for a two-month extension of time and all required fees accompanied the Reply. Joseph also requested waiver and a refund of fees associated with the Petition for extension of time on the basis that the delay was a result of his lost luggage and his extended trip overseas. In Joseph's view, even though he could have replied within the two-month period, it was unfair to penalize him for lost luggage. The request for waiver of fees was denied. A first substantive Office action on the merits of the application issued December 19, 2001 and set a three-month shortened statutory time for reply. All pending claims were rejected on the basis of prior art. Joseph filed a fully responsive Amendment on March 19, 2002, and a final Office action issued August 12, 2002 with a three-month shortened statutory period for reply. The final Office Action allowed certain claims and rejected other claims on substantially the same grounds set forth in the first Office action. Joseph filed a Notice of Appeal on September 19, 2002 and an Appeal Brief on March 18, 2003. A Petition for extension of time and proper authorization to charge a deposit account for any required fees accompanied the Appeal Brief. An Examiner's Answer issued on April 2, 2003, and Joseph filed a Reply Brief on April 15, 2003. The Board of Patent Appeals and Interferences reversed the Examiner's rejections on August 19, 2003. A Notice of Allowance and Issue Fee Due was mailed September 3, 2003. Joseph paid the Issue Fee on September 15, 2003 and the patent issued March 9, 2004.

34. The Office determined that the applicant failed to engage in reasonable efforts to conclude prosecution of the application. Which of the following statements is most true?

(A) Joseph is entitled to no patent term extension because neither the Uruguay Round Agreements Act nor the Patent Term Guarantee Act of 1999 applies to Joseph's patent application.

(B) Although the Patent Term Guarantee Act of 1999 applies to Joseph's application, Joseph forfeited any patent term extension by failing to engage in reasonable efforts to conclude prosecution of the application.

(C) Joseph is entitled to a total patent term extension of approximately two (2) months because the application was pending for more than three (3) years.

(D) Joseph's successful appellate review adds approximately 11 months to any calculation of patent term extension.

(E) By replying to the Notice to File Missing Parts approximately two (2) months after the deadline set by the USPTO, Joseph reduced any patent term extension by two (2) months.

The model answer is selection (D).

See, 37 CFR §§ 1.702(e) and 1.703(e). Answer (A) is incorrect at least because the Patent Term Guarantee Act of 1999 applies to Joseph's application, which was filed after May 29, 2000. Answer (B) is incorrect because a failure to engage in reasonable efforts to conclude prosecution may reduce patent term extension, but is not a complete forfeiture of any extension. Answer (C) is incorrect because the three year period set forth in 37 CFR § 1.702(b) does not include time consumed by review by the Board of Appeals and Patent Interferences or any delay in processing of the application that was requested by the applicant. Answer (E) is incorrect because any reduction is based on an expected reply within three months of the Office action, regardless of the deadline set by the USPTO. See, 37 CFR § 1.704(b) and "37 CFR Part 1 Changes to Implement Patent Term Adjustment Under Twenty-Year Patent Term; Final Rule," Federal Register Vol. 65, No. 181 at 56371.

Petitioner selected answer (B).

It has been determined that credit will be given for morning question 34 where a petitioner argues for answer (B).

Accordingly, credit is given to petitioner for morning question 34 resulting in one (1) additional point.

Morning question 43 reads as follows:

43. As a new member of a law firm, you are assigned to continue the prosecution of a patent application that was prosecuted by Stewart, who recently joined another law firm. After reviewing the file, you note that Stewart's reply to a first Office included two amendments: Amendment #1 introduced a change to the specification which did not affect the claims; Amendment #2 introduced a change to the specification, which change was also introduced to all of the claims currently in the application. You also note that the examiner in a current Office action has taken the position that both amendments constituted new matter, required cancellation of the new matter, and rejected all the claims on the ground that they recited elements without support in the original disclosure under 35 U.S.C. 112, first paragraph. For the purpose of reviewing the examiner's

requirement, which of the following statements accords with proper USPTO practice and procedure?

- (A) Both Amendment #1 and Amendment #2 give rise to appealable questions.
- (B) Review of the examiner's requirement for cancellation of both Amendment #1 and Amendment #2 is by way of petition.
- (C) Review of the examiner's requirement for cancellation of Amendment #1 is by way of petition, and review of the examiner's requirement for cancellation of Amendment #2 is by way of appeal.
- (D) Review of the examiner's requirement for cancellation of Amendment #1 is by way of appeal, and review of the examiner's requirement for cancellation of Amendment #2 is by way of petition.
- (E) Both Amendment #1 and Amendment #2 give rise to questions which may be reviewed either by petition or on appeal.

The model answer is selection (C).

MPEP § 608.04(c) includes the following recitation: Where the new matter is confined to amendments to the specification, review of the examiner's requirement for cancellation is by way of petition. But where the alleged new matter is introduced into or affects the claims, thus necessitating their rejection on this ground, the question becomes an appealable one. See, also, MPEP § 706.03(o), which includes the following recitation: In amended cases, subject matter not disclosed in the original application is sometimes added and a claim directed thereto. Such a claim is rejected on the ground that it recites elements without support in the original disclosure under 35 U.S.C. 112, first paragraph. [Note re Question 43, third line of factual background : Examination proctors were instructed to direct examination candidates to delete from the third line of the factual background the word -- in--. The question has been carefully reviewed to see if there is any alternative reasonable meaning to the question if the change was not made. No such meaning was found. The Director of Enrollment and Discipline concluded that omission of the change should have no material affect on the question, and should not inhibit an individual's ability to correctly answer the question.]

Petitioner selected answer (D). Petitioner argues that the question is too vague to determine the correct answer and that there are two sources of ambiguity.

Petitioner's argument relating to answer (A) being an appropriate answer is irrelevant as petitioner selected answer (D) (however, as the argument is relied upon to

also support petitioner's position in regard to answer (D), the argument will be considered in that regard).

As to answer (D), petitioner believes that the third sentence can be construed to mean in-part that "both Amendment #1 and Amendment #2 were rejected on the ground that the claims recited elements without support in the original disclosure under 35 U.S.C. 112, first paragraph." Additionally, that the second sentence restricts the new matter of Amendment #1 only to the specification. And that therefore the second and third sentences of the fact pattern contain an inherent confusion and the only reasonable option is to consider the question unanswerable without more information or a clearer factual background. Hence, the only logical conclusion is to state that the amendments are reviewable either by petition or appeal and that answer (D) is the most correct choice in light of the ambiguity.

Answer (D) is inconsistent with petitioner's theory (stated above that both amendments are reviewable either by way of petition or appeal) in that it requires review of Amendment #1 by appeal and review of Amendment #2 by petition (as is recognized by petitioner). According to petitioners current theory, answer (E) would be the correct choice, which answer was not in fact selected by petitioner and is not in fact a correct answer.

A review of the third sentence reveals that petitioner has misconstrued it. The third sentence recites that the examiner "rejected all the claims" and does not state that Amendment #1 containing new matter only relating to the specification has resulted in a rejection being made as to the specification. The confusion relied upon by petitioner results only due to petitioner's inability to understand sentence three of the question's fact pattern. Only a rejection would be made in regard to Amendment #2 as it contained amendments to the claims while Amendment #1 only amended the specification and would therefore be objected to (and not rejected), MPEP 706.03(o)

A second source of confusion is said to occur based on the factual background's lack of clarity as to whether the Office action is a final action. Presumably petitioner is questioning whether it is clear that an appeal could be taken immediately from the action of the examiner.

As petitioner recognizes, appeals are available as a reply to a second action. The factual background makes clear that the previous practitioner, Stewart, submitted the amendments in response to a first Office action, and that petitioner was asked to evaluate the examiner's rejection of those amendments, which makes the Office action rejecting the amendments a second Office action. Moreover, the question is not directed to what action may be immediately taken, but how review may be obtained (appeal vs petition) for particular actions by the examiner.

Answer (D) is not a correct answer.

Accordingly, no credit can be given for answer (D).

Afternoon question 7 reads as follows:

7. Which of the following is not in accordance with proper USPTO practice and procedure regarding design patent applications filed in March 2001?

(A) The elements of the design application, if applicable, should appear in the following order:

- (1) design application transmittal form;
- (2) fee transmittal form;
- (3) application data sheet;
- (4) specification;
- (5) drawings or photographs; and
- (6) executed oath or declaration.

(B) The specification should include the following sections in order:

- (1) preamble, stating the name of the applicant, title of the design, and a brief description of the nature and intended use of the article in which the design is embodied;
- (2) cross-reference to related applications (unless included in the application data sheet);
- (3) statement regarding federally sponsored research or development;
- (4) description of the figure or figures of the drawing;
- (5) feature description; and
- (6) a single claim.

(C) The text of the specification sections, if applicable, should be preceded by a section heading in uppercase letters without underlining or bold type.

(D) The elements of the design application, if applicable, should appear in the following order:

- (1) design application transmittal form;
- (2) fee transmittal form;
- (3) photographs;
- (4) application data sheet;
- (5) specification;
- (6) drawings; and
- (7) executed oath or declaration.

(E) None of the above.

The model answer is selection (D).

Photographs and ink drawings may not appear in the same application. See § 1.152 Design drawings. Moreover, the order is not that appearing in 37 CFR § 1.154. As to (A), (A) contains the elements set forth in 37 CFR § 1.154 (a), which provides "(a) The elements of the design application, if applicable, should appear in the following order: (1) Design application transmittal form. (2) Fee transmittal form. (3) Application data sheet (see § 1.76). (4) Specification. (5) Drawings or photographs. (6) Executed oath or declaration (see § 1.153(b))." As to (B), (B) contains the elements set forth in 37 CFR § 1.154 (b), which provides: "(b) The specification should include the following sections in order: (1) Preamble, stating the name of the applicant, title of the design, and a brief description of the nature and intended use of the article in which the design is embodied. (2) Cross-reference to related applications (unless included in the application data sheet). (3) Statement regarding federally sponsored research or development. (4) Description of the figure or figures of the drawing. (5) Feature description. (6) A single claim." As to (C), (C) contains the elements set forth in 37 CFR § 1.154 (c), which provides "(c) The text of the specification sections defined in paragraph (b) of this section, if applicable, should be preceded by a section heading in uppercase letters without underlining or bold type." Since (D) is incorrect, (E) is not the right answer.

Petitioner selected answer (E), which requires that answer (D) be in accord with Office practice, which it is not.

Petitioner argues that 37 CFR 1.152, which states that photographs and ink drawings are not permitted to be combined as formal drawings in one application, says nothing about filing. It is further argued that design applications are routinely filed with both photographs and ink drawings as a hedge against a new matter objection in significant changes need to be made later in the ink drawings.

It is not believed that a different treatment would result if one turned in an application having photos ahead of the application data sheet.

Answer (D) recites both the simultaneous presence of photographs and drawings, which is contrary to 37 CFR 1.152, as well as the appearance of photographs before the application data sheet and specification (instead of after), which is contrary to 37 CFR 1.154.

Petitioner's position that the rule does not say anything about the requirements of the simultaneous presence of both photographs and drawings on filing is inaccurate. 37 CFR 1.152 does in fact prohibit the combination of photographs and drawings on filing of a design application. If both photographs and drawings are submitted on filing of a

design application, applicant will be limited to one or the other and required to make a correction. Similarly, if the order of a design application's elements pursuant to 37 CFR 1.154 is not complied with on filing, applicant will be made to comply with the appropriate order and treatment of the application would therefore be different from a design application submitted with the proper order of elements.

Petitioner's argument that design applications are routinely filed with both photographs and drawings is unsubstantiated and is not in accord with the rules of practice as set forth in 37 CFR 1.152.

That failure to comply with the requirements of either 37 CFR 1.152 (photographs and drawings) or 1.154 (order of elements) may not fatally jeopardize the filing date of a design application, is not a justification for a practitioner not understanding what the requirements are, which is what the instant question was designed to test, particularly as the need to correct for deficiencies in these areas may result in delay of the substantive examination of the application.

Answer (E) is not a correct answer due to the inclusion of answer (D).

Accordingly, no credit can be given for answer (E).

Afternoon question 36 reads as follows:

36. A member of the public submits a protest under 37 CFR § 1.291 relating to a public sale of the subject matter of a patent application (effective filing date June 1, 1999). The protest includes submission of a business circular authored by the assignee of the invention. In a first Office action dated January 10, 2001, the examiner includes a requirement for information requesting the date of publication of the business circular. The reply to the requirement for information states that the publication date is "approximately June 1, 2000." Which of the following would be proper for the examiner to include in the next Office action?

- (A) A requirement that the date in the reply be made more specific.
- (B) A holding that the previous reply is incomplete.
- (C) A requirement seeking confirmation that "approximately June 1, 2000" is the most specific date that was obtained or can be obtained based on a reasonable inquiry if that is not already clear from the reply.
- (D) (A) and (C).

(E) None of the above.

The model answer is selection (C).

37 CFR § 1.105 (effective November 7, 2000); "Changes To Implement the Patent Business Goals; Final Rule," 65 FR 54604, 54634 (September 8, 2000). The example at 65 FR 54634, column 2, states, "The examiner cannot require that the reply be more specific or hold the reply to be incomplete based on such information. The examiner can, however, in the next Office action seek confirmation that this is the most specific date that was obtained or can be obtained based on a reasonable inquiry being made if that is not already clear from the reply." Thus (A) and (B) are incorrect and (C) is correct. (D) is incorrect because (A) is incorrect. (E) is incorrect because (C) is correct.

Petitioner selected answer (E).

It has been determined that credit will be given for afternoon question 36 where a petitioner argues for answer (E).

Accordingly, credit will be given to petitioner for afternoon question 36 resulting in one (1) additional point.

Afternoon question 41 reads as follows:

41. A nonprovisional patent application was filed on December 1, 2000, including a patent application declaration and an application data sheet. The application data sheet that includes the applicant's full name, residence, mailing address, and citizenship. The application data sheet does not include any foreign priority information. Which of the following must be identified in the declaration?

(A) Applicant's mailing address.

(B) Applicant's citizenship.

(C) Any foreign application for patent for which a claim for priority is made by Applicant pursuant to 37 CFR § 1.55.

(D) (B) and (C).

(E) All of the above.

(C) or (D) are accepted as correct answers.

37 CFR § 1.76(d) (effective November 7, 2000); "Changes To Implement the Patent Business Goals; Final Rule," 65 FR 54604, 54624-25 (Sept. 8, 2000); and 37 CFR § 1.63 (effective November 7, 2000). Under 37 CFR § 1.63(c)(1), Applicant's mailing address need not be identified in the declaration if it is included in the application data sheet. Thus, (A) is incorrect. The foreign priority information must be included in the declaration because it was not included in the application data sheet. 37 CFR § 1.63(c)(2). Thus, (C) is correct. Applicant's citizenship in (B) must be included in the declaration under 37 CFR § 1.63(a)(3), if "applicant" in (B) is construed as a person or party, e.g., 37 CFR § 1.42, other than the inventor, and no exception is made for citizenship under 37 CFR § 1.63(c). In the latter instance, where both (B) and (C) are correct, and (D) is the most correct answer because it is inclusive of (B) and (C). (B) alone is not accepted because the foreign priority document must be included in the declaration. (E) is incorrect because (A) is incorrect.

Petitioner selected answer (E) which requires answer (A) to be correct. Petitioner argues that the subject matter of the instant question is an area that has overlap and redundancy resulting in confusion. In view of such, a prudent course is to resubmit information in the oath or declaration that has been submitted in an application data sheet even if it does not need to be. Reference is made to 37 CFR 1.76(d), which addresses inconsistencies between an application data sheet and an oath or declaration as apparently demonstrating the need for redundancy in the information supplied.

As Petitioner now correctly appreciates, information supplied, e.g., applicant's mailing address, in an application data sheet need not be duplicatively supplied in an oath or declaration. This is what was being tested in instant afternoon question 41. Petitioner, however, selected an answer that provides that the applicant's mailing address must be supplied in the oath or declaration even if it is being simultaneously supplied in an application data sheet.

Duplication of information in the application data sheet and an oath or declaration may not be prudent as is urged by petitioner, particularly in view of 37 CFR 1.76(d), in that should such duplication of information result in inconsistencies (always a possibility when information is supplied twice), the application data sheet will govern for some information, 37 CFR 1.76(d)(2), while the oath or declaration will govern for other information, 37 CFR 1.76(d)(3). Petitioner's reference to 37 CFR 1.76(d)(1) that the latest submitted information will govern is irrelevant to the instant question which is directed towards the simultaneous submission of inconsistent information.

Answer (E) is not a correct answer.

Accordingly, no credit can be given for answer (E).

ORDER

For the reasons given above, two (2) points have been added to petitioner's score on the Registration Examination. Therefore, petitioner's corrected score is 69. This score is insufficient to pass the registration Examination, which requires a grade of 70.

Upon consideration of the request for regrade to the Director of the USPTO, it is ORDERED that the request for a passing grade on the Examination is denied.

This is a final agency action.



Robert J. Spar
Director, Office of Patent Legal Administration
Office of the Deputy Commissioner
for Patent Examination Policy