Individual Rejection Type Statistics from the PTAB and Creative Proposal for Addressing Rejections under 35 USC § 103

Deciding whether to appeal can be a rather consequential decision, both in time (pendency remains around 18-24 months on average before a decision is rendered) and in money (government fees alone are almost $3,000 for large entities). Although every case is different and favorable facts make for favorable decisions, it remains helpful and informative to have a correct statistical perspective regarding likely outcomes before the PTAB.

The PTAB produces many statistics for public use including the outcomes of its ex parte appeals. The Board provides these outcome statistics on a yearly basis. A small amount of cases are remanded or dismissed each year, but the three most relevant and most common result types are Affirmed, Affirmed-in-Part, and Reversed. The PTAB reported its results from 2014 to 2017 (through October) as follows[1]:

	2014	2015	2016	2017
Affirmed	53.6%	56.9%	57.4%	55.5%
Affirmed-in-Part	12.9%	12.7%	12.9%	13.0%
Reversed	31.3%	28.9%	28.6%	29.9%

From these statistics one might reasonably conclude that they should not appeal because the statistical chances of success are low. Even with favorable facts, the USPTO statistics appear to show that applicants are more than likely going to lose. However, as discussed below, when the cases from which these USPTO statistics are derived are analyzed more closely, one finds that they are misleading, and provide very little usefulness in helping to make an informed decision regarding a given cases actual chances of success on appeal. The actual rates of success for each individual rejection type vary widely, but almost all offer a much greater success rate than the roughly 30% reversal rate reported by the USPTO outcome statistics.

How the USPTO determines which appeal decisions are labeled Affirmed, Affirmed-in-Part, or Reversed

[1] Patent Trial and Appeal Board, Appeals and Interferences United States Patent and Trademark Office - An Agency of the Department of Commerce, https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/appeals-and-interferences.

For an appeal decision to be labeled Reversed, every rejection on appeal must be reversed. If even one rejection in the decision is affirmed, the decision will not be labeled Reversed.

The rules for labeling a decision Affirmed or Affirmed-in-Part are based upon whether any particularly claim has had all the rejections which apply to it reversed (likely allowable).[2] Unfortunately, this is not very useful information for an applicant trying to obtain a reasonable predication of their own chances of success. These labels (Affirmed or Affirmed-in-Part) provide virtually no information regarding which or how many rejections were reversed.

For example, in *Ex Parte Morales*[3], the Board reversed rejections under 35 U.S.C. § 101, 35 U.S.C. § 112 first paragraph, and 35 U.S.C. § 112 second paragraph. The only rejection which was affirmed was a rejection under 35 U.S.C. § 103. The Board labeled this decision Affirmed, not Affirmed-in-Part. However, in *Ex Parte Martinez et al.*[4], the Board reversed rejections under 35 U.S.C. § 102 and 103 but affirmed a rejection under 35 U.S.C. § 112 second paragraph. This decision is labeled Affirmed-in-Part. The only difference revealed by the labeling is that the reversals in *Ex Parte Martinez et al.* happen to leave at least one claim with no rejections whereas *Ex Parte Morales* did not.

Why the Decision Labeling System Matters

The PTAB's decision labeling system includes a clear bias against reporting reversals and for reporting affirmances. This is because only cases where every rejection is reversed gets the Reversed decision label, but cases where, for example, only one out of four rejections is affirmed can be labeled Affirmed.[5] In view of the above, the only reliable information that one can glean regarding the treatment of rejections from the PTAB statistics, using 2016 as an example, is:

1. 28.6% of cases had all their rejections reversed.
2. At least 12.9% of cases had at least one rejection reversed and at least one rejection affirmed.
3. At least 57.4% of cases had at least one rejection affirmed.

[2] See 37 C.F.R. 41.50
[3] *Ex Parte Morales* Appeal # 2017006205
[4] *Ex Parte Martinez et al.* Appeal # 2016005244
[5] *Ex Parte Morales* Appeal # 2017006205

The PTAB's reporting method is also especially unhelpful to applicants where c-term PTA (Patent Term Adjustment) is of value. C-term PTA is extra time added to the term of the patent and if granted, is equal to the total pendency time of the appeal (about 18-24 months).[6] For some applicants, this can be incredibly valuable. C-term PTA is awarded where any rejection is reversed before the Board.[7] The Boards labeling is confusing because, for example, both *Ex Parte Morales* and *Ex Parte Martinez et al*. cited above, are eligible for c-term PTA for the entire pendency of their appeal despite *Ex Parte Morales* being labeled Affirmed.

The PTAB's reporting method makes determining the exact chances of receiving c-term PTA on appeal impossible. All that can be determined is that a minimum of 41.5% of cases were eligible for c-term PTA in 2016.[8] The actual percentage of cases that were eligible for c-term PTA in 2016 is almost certainly higher than 41.5% some portion of the "Affirmed" decisions from this time period had at least on rejection reversed. However, the exact percentage is impossible to determine under the current reporting system without a case by case accounting.

The Board could, of course, choose to report its outcomes differently. For example, the Board could label cases where at least one rejection was reversed as, Reversed. This would, of course, greatly increase the reported reversal rate but it would also provide useful and objective information, i.e., what percentage of appealed cases were granted C-term PTA eligibility.

Far more useful to applicants would be for the Board to report the outcome statistics for each individual rejection before them rather than a single semi-arbitrary summary label for the entire decision. Such information would be far more helpful to both applicants and the USPTO for predicting actual success rates, modifying behavior, and supporting better, more efficient, decision making.

Individual Rejection Result Data

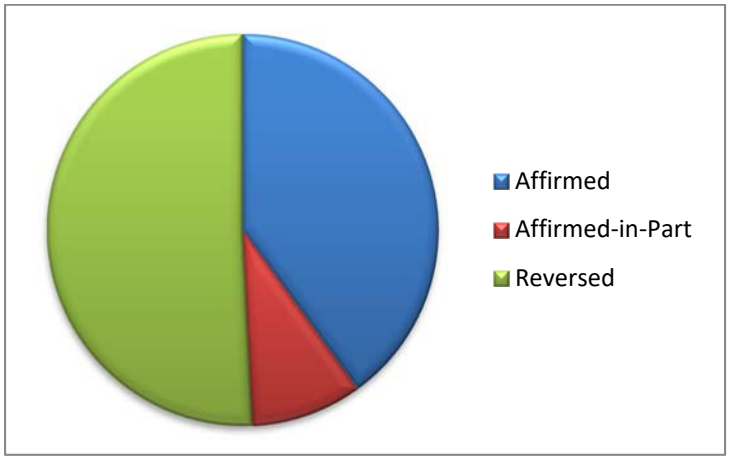
Detailed below are the decision statistics for each individual rejection type between October 2015 and October 2017. For each rejection type, a random sample of cases where taken of sufficient size that the results presented below have a confidence level of 95% and a

[6] See 35 U.S.C. § 154(C)(i)-(iii) and 37 CFR 1.702 (c)-(e) & 1.703(c)-(e)
[7] Id.
[8] Percent of Reversal decision plus the percent of Affirmed in Part decision from chart above.

confidence interval of 5.[9] Additionally, the samples taken were spread-out evenly through the 2-year time period of the population sampled. The individual rejections looked at were: 35 USC 112 (Written Description), 35 USC § 112 (Enablement), 35 USC § 112 (Indefiniteness), 35 USC § 102(b), 35 USC § 103(a), and 35 USC § 101. The results are as follows:

<u>35 USC 112 (Written Description)</u>

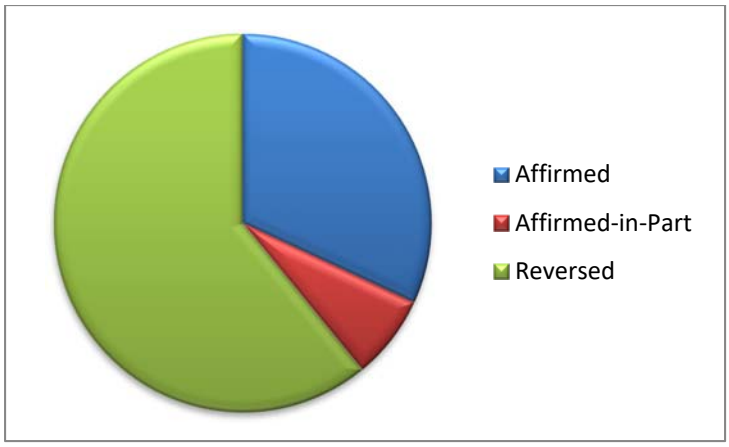
Affirmed	40%
Affirmed-in-Part	9.2%
Reversed	50.8%



<u>35 USC 112 (Enablement)</u>

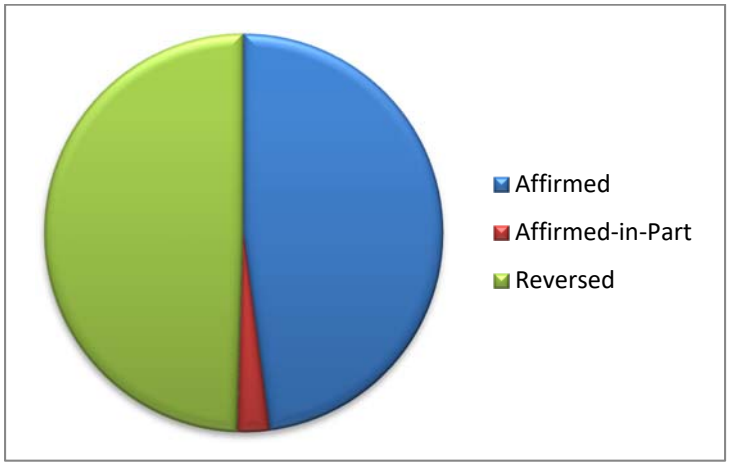
Affirmed	31.9%
Affirmed-in-Part	7.2%
Reversed	60.9%

[9] Sample Size Calculator, Sample Size Calculator - Confidence Level, Confidence Interval, Sample Size, Population Size, Relevant Population - Creative Research Systems, https://www.surveysystem.com/sscalc.htm (last visited Feb 12, 2018).



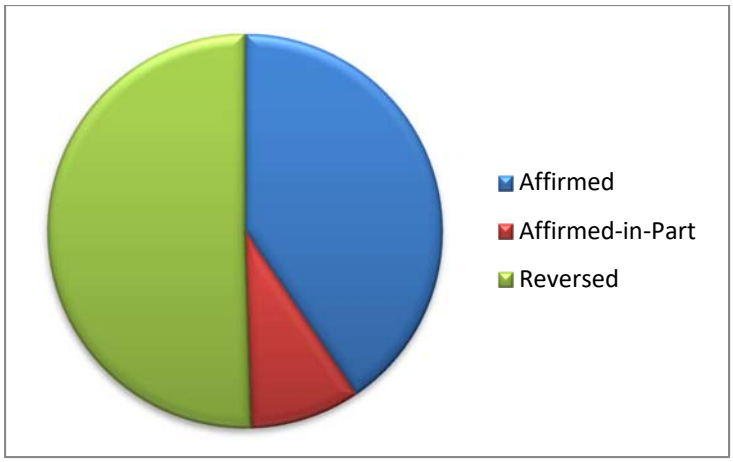
35 USC 112 (Indefiniteness)

Affirmed	47.9
Affirmed-in-Part	2.6
Reversed	49.5



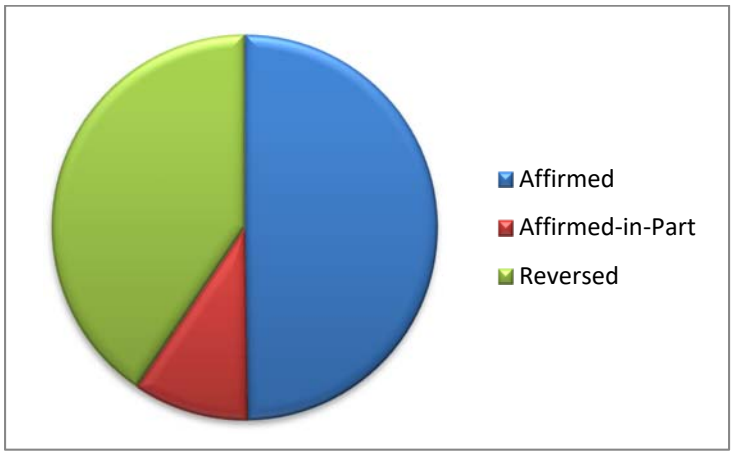
35 USC 102(a)

Affirmed	40.5
Affirmed-in-Part	9.0
Reversed	50.5



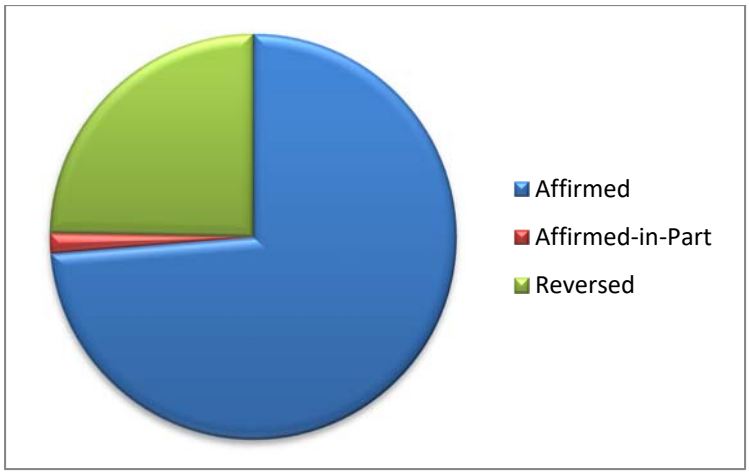
35 USC 103(a)

Affirmed	49.7
Affirmed-in-Part	9.7
Reversed	40.5



35 USC 101

Affirmed	73.7
Affirmed-in-Part	1.6
Reversed	24.7



- Affirmed-in-Part indicated above when the Board was presented with multiple rejections of the same type and reversed at least one, and affirmed at least one.

Data Obtained by the Study but not Shown above

Not shown above is the rate at which each rejection is appealed to the Board. The relative frequency at which rejections are taken to the Board on appeal arguably indicates the contentiousness between Examiners and Applicants over that specific issue. The numbers below were obtained by simply counting appeal decisions containing a particular rejection type.

The two-year data sample found that obviousness rejections under 35 USC § 103 were, by far, the most appealed rejection (over 11,000).

Anticipation is the next most frequently appealed rejection (about 2,000), which is appealed followed by 35 USC § 101 and 35 USC § 112 Indefiniteness rejections (both about 1,000). 35 USC § 112 Written Description rejections follow closely behind (about 700).

35 USC § 112 Enablement rejections are, by far, the most rarely appealed rejection (about 250).

Analysis of Data

As shown above, it is immediately apparent that the actual reversal rates of each individual rejection type differ drastically from the USPTO reporting over the same period. The data from the individual rejection types clearly show that individual applicants' chances of success on appeal are substantially greater than that reported by the USPTO with regard to every rejection type except rejections under 35 USC § 101.

However, it would be misleading to cite just the reversal percentage or the affirmance percentage as representing an applicant's chances of success on a particular issue. This is because when adding up the reversal affirmance percentages, one does not arrive at 100%. The missing percentage is found in the Affirmed-in-Part decisions. Please note that with regard to the Affirmed-in-Part statistics above, this label indicates that the Board was presented with multiple rejections of the same type and reversed at least one, and affirmed at least one. When accounting for the Affirmed-in-Part decisions, it is reasonable to expect that the same reversal to affirmance ratio would be maintained in the Affirmed-in-Part decisions. That is, it is reasonable to expect that the ratio of reversals to affirmances for a general rejection type would be maintained in Affirmed-in-Part decisions where the Board considers multiple rejections of a single type.

Give the above, the ratio of reversal to affirmance is the best indication of how the Board is treating a particular rejection type and is the best indicator of the statistical likelihood of success for any given individual rejection on appeal.

Finally, please note that an applicant is eligible for c-term PTA in all cases where the decision rendered was reversed or Affirmed-in-Part.

Individual Rejections Data

Enablement rejections are the most applicant friendly by a surprisingly wide margin with over a 60% reversal rate and a reversal to affirmance ratio of about 2:1. This means the Board is twice as likely to overturn an enablement rejection as it is to affirm it. Additionally, 7.2% of rejections Affirmed-in-Part meaning that almost 70% of applications which appeal an Enablement rejection were eligible to receive c-term PTA based on the evaluation of that rejection type.

Anticipation, Written Description and Indefiniteness rejections are, more often than not, reversed by the Board (roughly 5:4 Reverse to Affirm ratio). Anticipation and Written description rejections offer a slightly better reversal to affirmance ratio and an even greater chance at PTA thanks to at least a 9% partial affirmance rate.

Obviousness rejections are more difficult to overcome with only a 40% reversal rate, but an almost 10% Affirmed-in-Part rate reduces the reversal to affirmance ratio to only about 4:5.

That is, the Board is only slightly more likely than not to affirm an obviousness rejection than to reverse it.

35 USC § 101 rejections are the most difficult to overcome with less than a 25% reversal rate and also a low Affirmed-in-Part rate (less than 2%). This results in the Board being almost 3 times as likely to affirm a 101 rejection as it is to reverse it.

Additional Consideration

The statistics above only represent outcomes from cases which proceed all the way through decision at the Board. The appeal process also includes a preliminary phase after the filing of an appeal brief, where a three Examiner panel reviews the brief and meets to decide whether they wish to proceed to Board with their rejections, withdraw at least one rejection and reopen prosecution, or withdraw all the rejections and allow the case.

It is unknown whether data regarding the relative frequency of the three Examiner panel publicly exists. However, personal experience teaches that a three Examiner panel's decision to pull a case from appeal is not uncommon.

A reasonable estimate range for withdrawal is between 25% and 50% based data internal to Millen, White, Zelano & Branigan, PC. It is notable that in a single-issue obviousness case assuming only a 20% rate of withdrawal by a three Examiner panel would bring the chances of reversal of even an obviousness rejection to over 50% (101 rejections would need a 70% withdrawal rate).

Further Lessons of the Data

Forwarding of a case to the PTAB is an indication of contentiousness over at least one issue. That is, an issue does not make it before the PTAB unless an applicant and a team of 3 examiners disagree on that issue.[10] Therefore, one would expect that if both applicants and Examiners have a good understanding of the issues surrounding the rejection and the relative strength of their positions, the reversal rates would ideally be about 50%. A reversal rate higher than 50% suggests that Examiners are too strict with regard to that particular issue and need to adjust their examination practices. A reversal rate lower than 50% suggests that applicants are

[10] See 1207.01 Appeal Conference

overestimating the strength of their position and/or that the applicant community is confused or dissatisfied with the current state of the law.

In view of the above, it can be reasonably concluded that the Examining core is over rejecting the majority of rejection types (all but 35 USC § 103 and § 101). This results in inefficient prosecution, and a higher than needed number of ex parte appeals. In this, the PTAB is a victim. This inefficiency is contributing a large number of cases to the PTAB backlog. For an office that is highly concerned with its pendency rates, both at the examination level and at the PTAB, the USPTO would be wise to consider informing their Examiners of this inefficiency, and encouraging corrective behavior. By withdrawing rejections which the PTAB is likely to reverse anyway, the total number of cases which proceed to appeal can be reduced and prosecution in general can be made more efficient.

For those who argue this practice would result in lower quality patents, consider that the rejections which would be withdrawn in following the above proposal are those which the PTAB would more likely than not reverse anyway. Meaning that, these rejections do not ultimately prevent the application from being patented, but they do greatly slow down and increase the costs of the patent process for applicants.

It does not necessarily follow, however, that when reversal rates are lower than 50%, Examiner's should increase the rate at which they are making rejections. Rather, the adjustments needed are more likely on the part of applicants.

Regarding 35 USC § 103

Obviousness rejections also deserve special attention at least because of the sheer number of appeals addressing this rejection. Obviousness is appealed at a rate over 5 times higher than any other rejection and almost 50 times higher than enablement; it is fair to say that this is the most contentious issue between applicants and Examiners.

Additionally, the outcome data with regard to obviousness suggests a more complex dynamic than with the other rejection types. A reversal rate of only 40% seems to indicate that it is applicants who need to adjust their strategy for pursuing an appeal in obviousness rejections. However, it is noteworthy that when Affirmed-in-Part decisions are added to the reversal decisions the total number of decisions where at least one Obviousness rejection was reversed increased to just over 50%.

A reasonable hypothesis regarding the relatively high near 10% Affirmed-in-Part rate in obviousness cases is that the obviousness rejection being reversed by the Board is a secondary independent claim or a narrower dependent claim. This could be an indication that Examiners are failing to give proper consideration to all applicants' appealed claims, particularly the narrower dependent claims.

This Affirmed-in-Part cross section is not a small number of total cases. Because of the incredibly large number of Obviousness rejections being appealed, the 10% of cases which are Affirmed-in-Part represents over 6% of the total number appeal decisions rendered. Therefore, even partially reducing this Affirmed-in-Part cross section of Obviousness cases through more thorough examination of secondary independent claims and dependent claims could result in hundreds of cases being removed from the appeals docket each year.

In consideration of the above, it would be wise for applicants to argue these secondary independent claims and dependent claims more extensively before appeal in order to better draw the Examiner's attention to these claims and increase the likelihood that allowable subject matter can be found before appeal.

Not All Prior Art Rejections are Created Equal (Inherency Doctrine)

Certain legal doctrines allow Examiner's to build a prima facie case even when claimed features are admittedly absent. In contemplating what prior art rejections might be relatively weaker, this author targeted prima facie cases of anticipation or obviousness where the Examiner relied on such legal doctrines. Specifically, the Inherency Doctrine.

One reason for the appeal of the doctrine of inherency is that it is a relatively straight forward question of fact where this is very little subjectivity in the proper analysis.[11] In the prosecution of a patent application at the USPTO, use of the Inherency Doctrine has essentially two phases:

1. Construction of a Prima Facie case of anticipation or obviousness using the doctrine;
2. Evaluating rebuttal evidence by the applicant under the doctrine.

[11] MPEP § 2112 (citing *In re Napier*, 55 F.3d 610, 613, 34 USPQ2d 1782, 1784 (Fed. Cir. 1995)) ("The inherent teaching of a prior art reference, a question of fact, arises both in the context of anticipation and obviousness.").

In the first phase, the Examiner may use inherency to supply a missing claim limitation but bears the burden of providing, for example, "some evidence or scientific reasoning to establish the reasonableness of the Examiner's belief that the functional limitation is an inherent characteristic of the prior art."[12] In the second phase, the burden shifts to Applicants to provide proof that the claimed functional limitation is not, in fact, inherent to the claimed structure or composition.[13] Rebuttal evidence has been described by the Federal Circuit as "merely a showing of facts supporting the opposite conclusion."[14]

Generally, the Inherency Doctrine is properly used during prosecution of a patent where the Examiner cannot find disclosure or a teaching in the prior art of a claimed property but can otherwise reasonably assert that claimed structure or composition exists in the prior art.

For example, consider a claim directed to a composition having components A, B, and C, wherein the composition possesses property X. In this hypothetical case, the Examiner cites to prior art teaching the combination of components A, B, and C in a composition but is unable to locate any teachings that such a composition possesses property X. In such circumstances, the Inherency Doctrine allows the Examiner to construct a prima facie case of anticipation or obviousness under the assumption that a composition having the same components would inherently have the same properties, including the one being claimed by Applicants but not taught by the prior art.[15] The above is a reasonable logical leap further justified considering that, "…the Patent Office is not equipped to manufacture products…and make physical comparisons therewith."[16]

The procedural function of the Examiner making a prima facie case based on the Inherency Doctrine is to shift the burden to Applicants to prove that the claimed property is not in fact inherent.[17]

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[12] *See Ex parte Skinner*, 2 USPQ2d 1788, 1789 (BPAI 1986); *See also Par Pharm., Inc. v. TWI Pharm. Inc.*, 773 F.3d 1186, 1194-1195 (Fed. Cir. 2014).
[13] *See In re Best*, 562 F.2d 1252, 1255, 195 USPQ 430, 433-34 (CCPA 1977).
[14] *In re Piasecki*, 745 F.2d 1468, 1472 (Fed. Cir. 1984).
[15] *See In re Schreiber*, 128 F.3d 1473, 44 USPQ2d 1429 (Fed. Cir. 1997); *See also* MPEP § 2112 (V).
[16] MPEP § 2113(III) (regarding evaluating product by process claims with similar logic).
[17] *In re Best*, 562 F.2d 1252, 1255 (CCPA 1977) (stating, "[w]here . . . the claimed and prior art products are identical or substantially identical, or are produced by identical or substantially identical processes, the PTO can require an applicant to prove that the prior art products do not necessarily or inherently possess the characteristics of his claimed product.").

Satisfying this rebuttal burden is most directly achieved by providing an example which is strictly within the claimed structure/composition but lacks the claimed property.[18] In the example composition above, Applicants would be required to show that a composition which has components A, B, and C does not inherently possess property X. Providing even one such example is sufficient to overcome a prima facie case based on the Inherency Doctrine because even a single example proves that the claimed property is not inevitably or inherently tied to the claimed structure/composition.[19]

Another way to think about this issue is that by proving that the claimed property does not necessarily occur in a claimed structure or composition, Applicants are showing that by including this property in the claim, they are actually reducing the scope of the claim. That is, a composition having components A, B, and C is broader in scope than a composition having components A, B, and C and possessing property X. This would not be true if, in fact, property X was inherent to a composition having components A, B, and C. Therefore, claims directed to components A, B, and C and possessing property X are distinguished from the prior art teaching components A, B, and C but not property X.

Upon a showing that the claimed property is not inherent the rejection must be withdrawn. The Examiner has the option of providing additional teachings from the prior art directly showing the presence of the claimed property in a standard prima facie case of anticipation or obviousness, but may no longer rely upon inherency.

Data from the PTAB regarding the Inherency Doctrine

The data below was acquired by reviewing every PTAB decision from December 1, 2016 to December 1, 2018 which included the word "Inherency." Each decision was reviewed to determine whether the Inherency Doctrine was actually at issue. In the cases where the Inherency Doctrine was at issue, the decision of the case was recorded.

The data is separated by Technology Center and by whether the rejection was made in the context of anticipation or obviousness. This data is then compared to the general rates of reversal/affirmance of anticipation and obviousness rejection types.[20]

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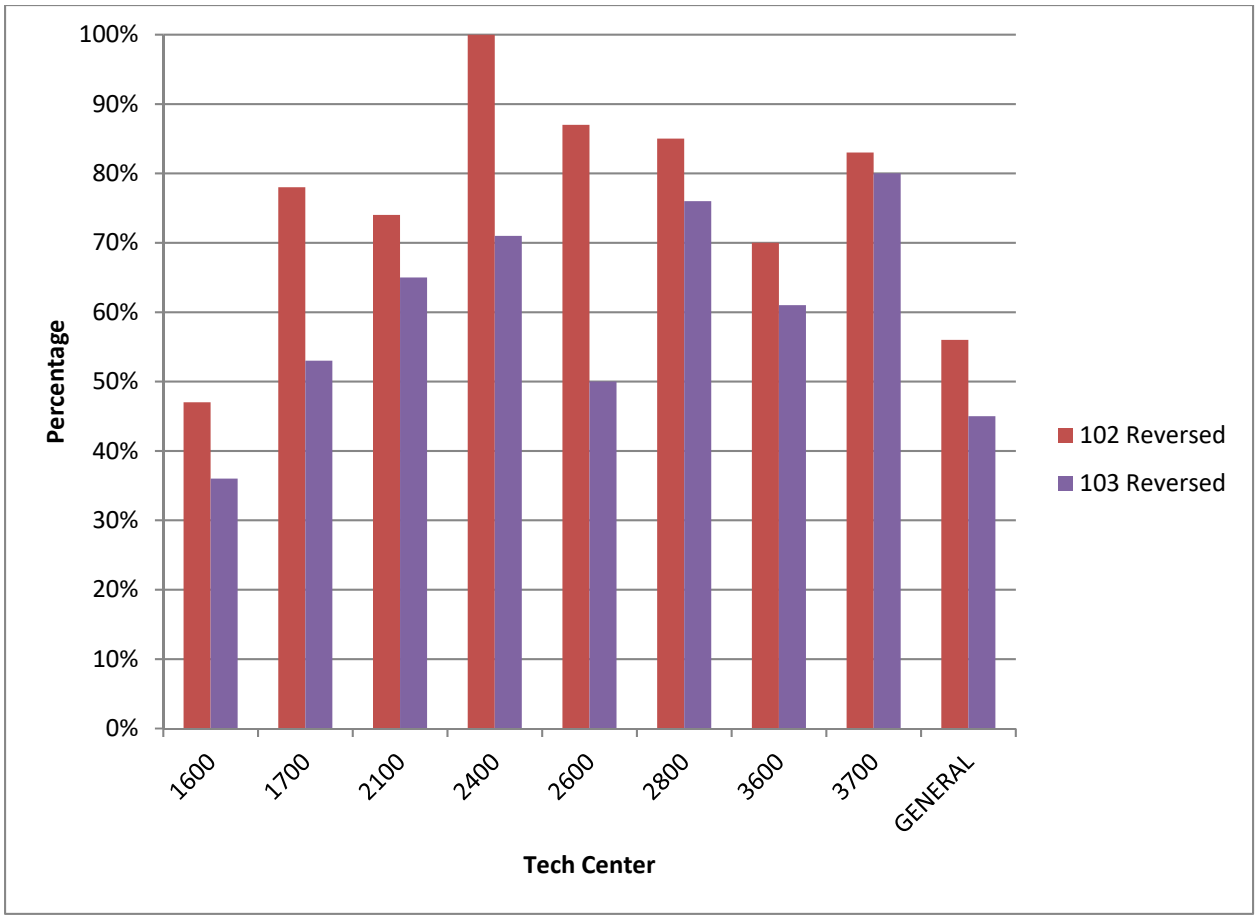
[18] *See Ex parte Watanabe*, No. 2016-5113, 2017 BL 311735 (P.T.A.B. August 25, 2017).
[19] Id.
[20] Pool, R. (n.d.). *Should You Appeal*. J. OF THE PAT. AND TRADEMARK OFF. SOC'Y, 100(2), 320-331.

Inherency Rejection Data

Tech Center	102 Affirmed	102 Reversed	103 Affirmed	103 Reversed
1600	53%	47%	64%	36%
1700	22%	78%	47%	53%
2100	26%	74%	35%	65%
2400	0%	100%	29%	71%
2600	13%	87%	50%	50%
2800	15%	85%	24%	76%
3600	30%	70%	39%	61%
3700	17%	83%	20%	80%

For ease of comparison the above data is compiled in the graph below. The graph shows the reversal rates for rejections based on inherency. The data is organized by Technology Center and the last data group is composed of the general rates of reversals for both rejections under 35 USC 102 and 35 USC 103.



Sample Sizes

Not shown above is the rate at which each rejection is appealed to the Board for each Technology Center. The total number of decisions reviewed over the two year period of the study is as follows:

Tech Center	102	103
1600	49	124
1700	32	139
2100	19	17
2400	9	17
2600	15	18
2800	34	38
3600	40	62
3700	66	118

Accounting for the fact that there is some overlap in the cases above, the PTAB hears about 300-350 cases a year involving the Inherency Doctrine.

Analysis of Data

As can be seen from the data above, proper application of the Inherency Doctrine appears to be a problem area for most Examiners. Rejections both under 35 USC § 102 and 103 see a substantial increase in their reversal rates when the rejection is based on inherency. All but one Technology Center has a reversal rate which is higher when an inherency is required to support a rejection as compared to a generic rejection under 35 USC § 102 or 103. Also, the best performing Technology Center (1600) is only slightly better than a generic rejection while the worst performing Technology Center (3700) has a reversal rate almost double the average when asserting inherency in a 35 USC § 103 rejection.

The reversal rates do not appear to be related to the number of inherency rejections appealed by a particular Technology Center. That is, whether a Technology Center makes fewer or more rejections relying upon inherency does not appear to determine their performance before the Board. For example, the reversal rates for the 3 largest samples (1600, 1700, and 3700) fall on the relative low end, middle, and high end of the data set, respectively.

While properly applying the Inherency Doctrine appears to be a general problem for most Examiners, the relative degree to which this is a problem appears to be Technology Center dependent. It is difficult to determine exactly why reversal rates among Technology Centers have such a high variance. It may simply be a training issue. However, an alternative possible explanation (or contributing factor) might be found in the nature of the inventions each Technology Center examines.

Technology Centers 2800 and 3700 have the highest reversal rates for inherency rejections. These Technology Centers tend to examine tangible articles of manufacture where the claims are defined by physical structures. Specially, 2800 relates to "Semiconductors, Electrical and Optical Systems and Components," while 3700 relates to "Mechanical Engineering, Manufacturing and Products."[21]

Technology Centers 1600 and 2600 have the lowest reversal rates for inherency rejections. These Technology Centers tend to examine claims which are not defined by physical

[21] *See* USPTO Technology Center definitions https://www.uspto.gov/patent/contact-patents/patent-technology-centers-management.

structures but instead chemical formulas and systems. Specially, 1600 relates to "Biotechnology and Organic fields," while 2600 relates to "Communications."[22]

Inherency Doctrine Framework Explained by the PTAB

Consider the example of *Ex parte Watanabe*.[23] In this case, Applicants claimed a toner including:

a releasing agent having a melting point of 60 C° to 75 C°; and

a crystalline polyester resin having a melting point of 60 C° to 80 C°, and

wherein the toner satisfies Formulae (1), (2), and (3):

40C <X< 55C Formula (1),

85C<Y<92C Formula (2), and

35C <Y-X< 50C Formula (3)

Applicants provided data in the form of two data points showing that even if the toner had the claimed releasing agent and claimed crystalline polyester resin, the toner would not satisfy Formulae (1), (2), and (3) unless the toner particles underwent an annealing step after pulverization.[24] Specifically, applicant's specification showed two otherwise identical compositions where one had undergone an annealing step after pulverization and one had not. The composition which had not undergone the annealing step after pulverization did not satisfy the claimed Formulae (1), (2), and (3). [25]

The annealing step after pulverization was not part of the claims. This did not matter. Instead the relevant showing to overcome a prima facie case based on inherency is only that the claimed composition does not necessary possess the claimed property. Therefore, the Board held, "Because Appellants have produced rebuttal evidence, they have met their burden of production." The Board also emphasized that the necessary showing to overcome a prima facie case under the Inherency Doctrine is minimal, holding, "The only actual data on record---scant though it may be---supports Appellants' theory that an annealing step is necessary before the prior art toner compositions will met claim 1's formulae." [26]

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[22] *Id.*
[23] *Watanabe*, No. 2016-5113, 2017 BL 311735.
[24] *Id.*
[25] *Id.*
[26] *Id.*

The Examiner in this case also made the common mistake referred to above of applying the unexpected results standard to a showing to the evidence of non-inherency. The Board specifically rejected this allegation that Appellants' evidence was "too narrow" and "not reasonably found to be commensurate in scope with broadly claimed embodiments" holding:

> In this situation, this is an improper reason for discounting Appellants' evidence. Whether or not the proffered evidence is commensurate in scope with the claims is a proper consideration in accessing the sufficiency of evidence of unexpected results, where Appellants have the burden of establishing that the *claimed invention* provides unexpected results relative to the closest prior art. It, however, is not a proper consideration whereas here Appellants have the burden of rebutting a presumption that a *prior art composition* necessarily possesses or renders obvious the particular properties set forth in the claims. The scope of the claimed invention is not relevant to Appellants' burden regarding the latter question.

In view of the above, if applicant's invention involves a process step which imparts some desired property to the final product, an option for pursuit of patentability is to claim that property rather than the process step. A rejection relying on inherency can be overcome by a minimal showing that the claimed product without the process step does not possess the claimed property.

How to use the Inherency Doctrine to Overcome Rejections

The below strategy focuses on providing rebuttal evidence by the applicant under the doctrine. The strategy relies on intentionally provoking an obviousness rejection based on inherency where the specification already contains sufficient evidence to rebut the prima facie case. This will be applicable in most cases where the specification contains examples and at least one counter example (which in practice is very common).

To best explain the strategy an illustrative example will be used:

Illustrative Example:

Original Claim 1: A composition comprising:

40%-60% component A

30%-50% component B

During prosecution, the applicant provides data showing that such compositions possess the unexpected property X. The Examiner is not convinced and rejects the unexpected results evidence as insufficient.

Data

Applicants specification has examples which shows that when the composition has 40%-60% of component A the property X occurs. However, the specification also has a counter example that shows that when the composition has 65% of A (even when B is present within the claimed range), property X does not occur.

Inherency Doctrine Strategy

The proposed strategy is to counterintuitively broaden the structural portion of the claim to encompass the counter example in the specification while also expressly claiming property X in the claim. The resulting amendment is as follows:

Claim 1. (Amended) A composition comprising:

~~40%-60%~~ 40% - 65% component A

30%-50% component B, and

wherein the composition possesses property X

The effect of this amendment to provoke an inherency rejection because the prior art fails to teach a composition having property X. However, when the Examiner alleges that property X is inherent, applicants can simply point to the counter example in the specification which definitively shows that the when A is 65% of the composition, property X does not occur. This is definitive proof (inherency is a matter of fact, not law like unexpected results) that the property X is not inherent.

If the Examiner cannot find property X in a similar composition in the prior art (most of the time they cannot) they must withdraw the prior art rejection.

How to use Petitions

The most common error made by Examiners when evaluating rebuttal evidence in an inherency-based rejection is to ironically apply the standards used for unexpected results. Thankfully, this error is correctable by petition under 37 CFR 1.181 to issue a complete Office Action. The basis for relief is that the Examiner has violated Sections 2145 and 707.07(f) of the MPEP which essentially require that Examiners be responsive to arguments presented by applicants in a response. Specially, applicants can petition that an Office Action which responds to submitted evidence of non-inherency by applying the unexpected results standard is non-responsive.

How does this Strategy Effect the Claim Scope?

The strategy has minimum effect on the scope of the claims. Although the claim scope is broadened by the amendments to the structure, it is similarly reduced by the added requirement that the claims possess a particular property of functional limitation. The total effect is that the application goes from unpatentable under the unexpected results analysis to patentable under the Inherency Doctrine analysis with minimum change in the actual scope of the claims.

The above is largely what makes the strategy so useful. For inventions whose commercial value is that it possesses some function or property which is desirable or valuable, using the above strategy offers a claim which is just as enforceable (infringing product must have the valuable property to be competitive) without a reduction in claim scope.

Benefits to a Patent Portfolio

Even when more typical argument strategies are successful (e.g. unexpected results) one might consider using the above strategy for purposes of diversifying a patent portfolio. The above strategy often results in broader structural claims but also requires that the claim structure have some property or functional limitation. This may present added difficulties in proving infringement, but it may also capture infringers who otherwise would have avoided the scope of a more typically prosecution strategy.

Conclusion

Appeal is a tool, and like any tool, it matters how you use it. Appeal is highly effective against formality rejections but not so useful against 101 rejections. The waters of obviousness

run deep and it is to the clients benefit to get creative in how you cross them. One such method is the use of the Inherency Doctrine strategy above, particularly, where unexpected results have failed, but also for diversifying and increasing portfolio coverage for inventions. That is, this claim strategy is an alternative and/or additional way to provide protection of an invention compared to the typical structural claim strategy.