

## Now What? Strategies for Responding to Final Office Actions

### “THIS ACTION IS MADE FINAL.”

No practitioner likes seeing this phrase in an Office action. But what does this phrase mean, and how does it affect prosecution? Because the possible responses and strategies for responding to a final Office action are often taken for granted, this article reviews the “first principles” of after-final practice. Specifically, this article explains (i) the “final” Office action, (ii) when an Examiner is allowed to designate an Office action as final, (iii) strategies for challenging the prematurity of a final designation of an Office action, (iv) the types of responses allowed to a final Office action, and (v) how to instruct prosecution counsel to respond to a final Office action.

### What is a Final Office Action?

During patent prosecution, the U.S. Patent Office will issue an examination report of the patent application, referred to as an “Office Action.” A number of Office Actions may be issued during prosecution of a patent application, and an Applicant may file a response to the Office Action rebutting any objection/rejection set forth by the Office. Unfortunately, the Patent Rules<sup>1</sup> do not provide a concise definition of a “final” or “non-final” Office action. Rather, these Office actions are defined by the types of replies allowed by an Applicant to the respective type of Office action. Generally, there are no limitations on the types of replies allowed by an Applicant to non-final Office actions, and an Applicant is allowed to freely amend any pending claims.<sup>2</sup> In contrast, replies to a final Office action are generally limited to canceling claims, filing an appeal, and/or filing an RCE among a few other options.<sup>3</sup> These (and other) options are discussed in detail below. Generally, non-final Office actions are preferred over final Office actions because they allow the Applicant a full range of responses.

### Is the Final Office Action Premature?

The Patent Rules state that any second or subsequent Office action “may be made final,”<sup>4</sup> however, the M.P.E.P. places limitations on when an Examiner is allowed to designate as final any second or subsequent Office action. Nonetheless, Examiners often prematurely designate an Office action as final.

M.P.E.P. 706.07(a) states that an Examiner may not designate an Office action as final if the Examiner introduces a “new ground of rejection” of a non-amended claim (and the Applicant did not submit an information disclosure statement (IDS) after the Examiner mailed the previous Office action).<sup>5</sup> This is true even if the Examiner introduces a new ground of rejection for just a single non-amended claim—in that case, the entire Office action must nevertheless be designated as non-final.<sup>6</sup>

So what is a new ground of rejection? First, a rejection relying upon a new statutory basis is a new ground of rejection.<sup>7</sup> Second, a rejection relying on a new prior art reference is almost always a new

ground of rejection.<sup>8</sup> One case recognized an exception for a prior art reference that is a “standard work” (e.g., a dictionary) cited “only to support a fact judicially noticed.”<sup>9</sup> This exception, however, has not been extended beyond standard works.<sup>10</sup>

Third, the Federal Circuit has stated that a rejection relying on “new facts and rationales” raises a new ground of rejection.<sup>11</sup> Such new facts and/or rationales give rise to a new ground of rejection even if the rejection relies upon the same statutory basis or upon the same prior art references.<sup>12</sup> The new facts could be “facts concerning the scope and content of the prior art,” as an example.<sup>13</sup>

If a previous Office action response introduced claim amendments, or if the Applicant untimely filed an IDS subsequent to receiving the previous Office action, then the Examiner is prohibited from designating the Office action as final if the new ground of rejection was not “necessitated” by the amendment or the IDS.<sup>14</sup> An exception to this rule exists if the “new ground of rejection” was necessitated by information submitted by an Applicant in an untimely IDS.<sup>15</sup> Under such circumstances, the Examiner may properly designate the Office action as final, even if the claim was not amended.<sup>16</sup>

### **Challenging the Prematurity of a Final Office Action**

Practitioners wanting to obtain review of the prematurity of a final Office action may petition the Director of the U.S. Patent and Trademark Office.<sup>17</sup> The time for appeal is not stayed while the petition is pending before the Director,<sup>18</sup> and the Board of Patent Appeals and Interferences lacks jurisdiction over the finality of Office actions. Therefore, petitioning the finality of Office actions may not be the best option in a number of cases.

The best course of action for dealing with a premature holding of finality is often to bring the issue up directly with the Examiner. The Examiner may decide, at Applicant’s request, to withdraw the finality of the Office action.<sup>19</sup>

### **Responding to a Final Office Action**

In a response to a Final Office Action, an Applicant *generally* cannot make claim amendments other than to cancel claims; therefore, such a response should generally be limited to arguments as to why the pending claims are nevertheless allowable over the Examiner’s rejections.<sup>20</sup> Responses to amendments after final are generally fast—the Office tries to respond within one month of a response after final.<sup>21</sup>

In response to a Final Office Action, an Applicant may file claim amendments (in addition to arguments) in conjunction with a request for continued examination (an “RCE”) under Patent Rule 1.114.<sup>22</sup> Claim amendments filed with an RCE generally achieve the same result as claim amendments filed with a continuation application (discussed below).<sup>23</sup> However, an RCE may have

two important advantages over filing a continuation. First, RCEs tend to be acted upon sooner than a continuation application. While USPTO procedures give the same examination priority to RCEs as continuation applications,<sup>24</sup> in practice, the total time from filing an RCE to receiving an Office action is, on average, only 4.9 months.<sup>25</sup> Second, the USPTO charges Applicants less to file an RCE than to file a continuation application.<sup>26</sup>

An Applicant may respond to a Final Office Action by initiating an Appeal to present arguments in the Appeal to the Board of Patent Appeals and Interferences.<sup>27</sup> An advantage of the appeal process is that a Board of Administrative Patent Judges, rather than the Examiner, decides whether the arguments have merit.<sup>28</sup> This approach is good for those situations where the Examiner is simply unwilling to be persuaded and the Applicant needs a second opinion. To date, the entire appeal process is more expensive than filing an RCE, but less expensive than filing a continuation application.<sup>29</sup> A disadvantage, however, is the amount of time taken for the appeal process. At the end of 2011, the average pendency of decided appeals from the time the notice of appeal was filed was thirty-three months, or nearly three years.<sup>30</sup>

Rather than pursuing a full appeal, an Applicant may initially pursue a pre-appeal brief conference request, in which a panel of examiners (including the Examiner of record) will consider the merits of an Applicant's appeal and issue a summary decision indicating that the appeal should be maintained, that prosecution should be reopened, or that the application should be allowed to issue as a patent.<sup>31</sup> An advantage of this approach is that the USPTO does not charge any extra fees for requesting a pre-appeal brief conference beyond the fees for filing an appeal.<sup>32</sup> Further, 38% of all requests result in the panel reopening prosecution.<sup>33</sup> Another advantage is that, like a full appeal, a pre-appeal brief conference reduces the influence of the Examiner of record over the decision to maintain the rejection. A conference decision is usually received within the same time period that an Applicant would expect to receive an Office action response.

Lastly, an Applicant may file a continuation application, which is "a second application for the same invention claimed in a prior nonprovisional application and filed before the original prior application becomes abandoned or patented."<sup>34</sup> As noted above, a continuation application is slower and more expensive than filing an RCE.<sup>35</sup> However, Applicants may prefer to file a continuation application to delay examination of the application in order to, for example, increase the chances that a different examiner will examine the application.

If no response is filed, the application will go abandoned. This is the least expensive option since neither USPTO fees nor attorney fees will be required to respond to the Office action.<sup>36</sup> Of course, this option also ends any chance of receiving a patent.



## **Instructing Your Prosecution Counsel on What Course of Action to Take**

The instructions provided to prosecution counsel will likely depend on the goals that an Applicant is seeking to achieve. A few of those goals are described below.

### **Minimize Pendency of Application**

An Applicant desiring review of the Examiner's rejection may consider instructing counsel to file a pre-appeal brief conference request along with a notice of appeal since an Applicant can usually expect to receive a conference decision in about the same amount of time as it would take to receive an Office action response. If the conference decision is adverse to the Applicant, counsel can file an RCE rather than maintaining the appeal.

If an Applicant wants to make claim amendments after receiving a final Office action, then counsel should file an RCE. If the Applicant simply wants to present arguments in response to receiving a final Office action, then counsel should file an amendment after final.

### **Minimize USPTO Fees**

If Applicant's goal is to minimize the fees associated with any response associated with a reply to a final Office action, then prosecution counsel should avoid the appeal process and continuation applications. Prosecution counsel should instead present arguments and requests for reconsideration in an amendment after final, which does not require any fee. While an Examiner generally will not enter claim amendments made in an amendment after final, the Examiner will usually indicate (via an advisory action) whether the claim amendments would overcome the current rejection and advance prosecution, perhaps saving the Applicant the cost of filing an RCE with ineffective claim amendments.<sup>37</sup>

To further minimize costs, amendments after final should be filed within two months of the mailing date of the final Office action. By filing within this time period, any extension of time fees necessary for filing an RCE (among other options) are reduced according to the amount of time it took the Examiner to respond (though the Applicant is still required to file an RCE within six months of receiving the final Office Action).<sup>38</sup>

### **Maximize Patent Term**

If Applicant's goal is to maximize the term of the patent, then prosecution counsel should avoid filing RCEs. The USPTO will grant Patent Term Adjustment and extend the term of a patent if the Office does not expeditiously examine and grant a patent.<sup>39</sup> For example, the USPTO will extend the term of a patent by one day for each day beyond three years that the patent application is pending before it becomes a patent. However, that delay will no longer accrue after the filing of an RCE.<sup>40</sup> Accordingly, counsel should instead respond to a final Office action with an amendment after final, a

pre-appeal brief conference request, and/ or a notice of appeal, which will not *per se* negatively affect PTA.

## Conclusion

By understanding the circumstances under which an Examiner is allowed to designate an Office action as final, an Applicant can determine whether (and how) to challenge the prematurity of a final designation. Further, an Applicant can better instruct prosecution counsel on how to respond to the final Office action by understanding the types of responses allowed to a final Office action (and the pros and cons of each).

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## Endnotes

1. 37 C.F.R. § 1.1 *et seq.* (2010).
2. 37 C.F.R. § 1.111.
3. *Id.*; 37 C.F.R. § 1.116; U.S. Patent & Trademark Office, Manual of Patent Examining Procedure 714.12 (8th ed., rev. 8, 2010) [hereinafter M.P.E.P.].
4. 37 C.F.R. § 1.113.
5. M.P.E.P. 706.07(a).
6. *Id.*
7. *In re Meyer*, 599 F.2d 1026, 1031 (C.C.P.A. 1979).
8. *In re Boon*, 439 F.2d 724, 727-28 (C.C.P.A. 1971).
9. *Id.*
10. *Id.*
11. *In re Stepan Co.*, 660 F.3d 1341, 1344 45 (Fed. Cir. 2011); *see also In re Leithem*, 661 F.3d 1316, 1319 (Fed. Cir. 2011) (stating that “The thrust of the Board’s rejection changes when, as here, it finds facts not found by the examiner regarding the differences between the prior art and the claimed invention, and these facts are the principal evidence upon which the Board’s rejection was based”).
12. *In re Stepan Co.*, 660 F.3d at 1345.
13. *In re Leithem*, 661 F.3d at 1320.
14. M.P.E.P. 706.07(a).
15. *Id.*
16. *Id.*
17. *See* 37 C.F.R. § 1.181(a)(1); *see also* M.P.E.P. 706.07(c).
18. 37 C.F.R. § 1.181(f).
19. M.P.E.P. 706.07(d).
20. *See* 37 C.F.R. § 1.114.
21. M.P.E.P. 714.13 (“The U.S. Patent and Trademark Office goal is to mail the examiner’s action on the reply within 1 month from the date on which the amendment or reply is received by the U.S. Patent and Trademark Office.”).
22. *Id.*
23. *C.f.* M.P.E.P. 706.07(h) (“35 U.S.C. § 132(b) provides for continued examination of an application at the request of the applicant (request for continued examination or RCE) upon payment of a fee, without requiring the applicant to file a continuing application under 37 CFR § 1.53(b)”).
24. Both continuing applications and RCEs are placed on an Examiner’s “special new” docket. David J. Kappos, U.S. Patent and Trademark Office, Notice of Change to Docketing of Requests for Continued Examination (Sept. 19,

- 2009), <http://www.uspto.gov/web/offices/com/sol/og/2011/week52/TOCCN/item-102.htm>.
25. U.S. Patent and Trademark Office, USPTO Data Visualization Center, [http://www.uspto.gov/dashboards/patents/main\\_dashxml](http://www.uspto.gov/dashboards/patents/main_dashxml) (last accessed Feb. 20, 2012).
  26. [USPTO Fee Schedule, available at http://www.uspto.gov/web/offices/ac/qs/ope/fee092611.htm](http://www.uspto.gov/web/offices/ac/qs/ope/fee092611.htm).
  27. 37 C.F.R. §§ 41.33(a)-(c), 41.37(c)(1)(vii) (2010).
  28. 35 U.S.C. § 6(a).
  29. USPTO Fee Schedule, *supra* note 26.
  30. U.S. Patent and Trademark Office, B.P.A.I., FY 2011 Performance Measures, [http://www.uspto.gov/ip/boards/bpai/stats/perform/FY\\_2011\\_Performance.jsp](http://www.uspto.gov/ip/boards/bpai/stats/perform/FY_2011_Performance.jsp) (last accessed Feb. 20, 2012).
  31. Joseph J. Rolla, U.S. Patent and Trademark Office, New Pre-Appeal Brief Conference Pilot Program (June 20, 2005), <http://www.uspto.gov/web/offices/com/sol/og/2005/week28/patbref.htm>.
  32. USPTO Fee Schedule, *supra* note 26.
  33. 75 Fed. Reg. 69831 (Nov. 15, 2010), *available at* <http://edocket.access.gpo.gov/2010/pdf/2010-28493.pdf>.
  34. M.P.E.P. 201.07.
  35. *Id.*
  36. *See* USPTO Fee Schedule, *supra* note 29.
  37. M.P.E.P. 706.07(f).
  38. M.P.E.P. 714.13.
  39. 37 C.F.R. § 1.702(a)-(e).
  40. 37 C.F.R. § 1.703(b)(1).