INTELLECTUAL VENTURES

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**SUBJECT**: 0651-00xx Board of Patent Appeals and Interferences Actions Comments

**Nicholas A. Fraser**
**OMB Desk Officer**
**Office of Management and Budget**

**Comments Regarding Proposed Ex Parte Appeals Rules Controlling Board of Patent Appeals and Interferences Actions**

Dear Officer Fraser:

Intellectual Ventures, LLC appreciates the opportunity to respond to the PTO's Supporting Statement (OMB Control No. 651-00xx), as well as Federal Register/Vol. 73, No. 111/Monday, June 9, 2008, Notice regarding the invitation to comment on the new information collection regarding proposed new Board of Patent Appeals and Interferences rules.

## Background on Intellectual Ventures, LLC

Intellectual Ventures, LLC, ("IV") is a company that invents and invests in invention. IV's inventors include many of the significant innovators in the United States spanning many of the art groups of the U.S. Patent and Trademark Office ("PTO"). IV's patent prosecution team has hundreds of years of cumulative experience in patent prosecution, patent evaluation, licensing, and enforcement. While IV is a small company it is a large prosecution customer of the PTO, filing several dozen applications per month and having several hundred cases in active prosecution. IV's interests are aligned with the PTO's role in:

a. promoting innovation;

b. encouraging early and complete disclosure of inventions; and

c. rational, efficient examination that produces quality patents.

## Illegality of Proposed Ex Parte Appeals Rules Under The Paperwork Reduction Act

### I. The PTO Failed to Comply with Executive Order 12,866

Executive Order 12,866 establishes the guiding principles that the United States Patent and Trademark Office (PTO) and other agencies must follow when developing regulations, including encouraging the use of cost-benefit analysis, risk assessment, and performance-based regulatory standards. *See* Exec. Order No. 12,866 (Sept. 30, 1993) as amended by Exec. Order No. 13,258 (Feb. 26, 2002) and Exec. Order No. 13,422 (Jan. 18, 2007). Executive Order 12,866 further establishes the regulatory planning process for each agency, delegating authority to the Office of Management and Budget (OMB) to coordinate agency rulemaking efforts with the regulatory priorities of the President. *See id.* Sec. 2(b). Executive Order 12,866 also expands the roles of OMB in rulemaking through a centralized review of regulations, whereby OMB acts as gatekeeper for the promulgation of all significant rulemakings. *Id.* By certifying its "economically significant" information collection as "not significant," the PTO evaded Executive review under Executive Order 12,866.

#### A. Because the Annual Effect of the Proposed Information Collection Exceeds 100 Million Dollars, and Because the PTO Improperly Certified to the Office of Management and Budget that the Proposed Information Collection was "Not Significant," the PTO Failed to Comply with Executive Order 12,866

The PTO improperly certified to OMB that the proposed Ex Parte Appeals Rules ("Proposed Board Rules") were "not significant" for the purpose of Executive Order 12,866, even after the PTO's own estimated burden demonstrated that the proposed information collection was "economically significant." *See* 73 Fed. Reg. 32938, 32972 (June 9, 2008); *see also* 72 Fed. Reg. 41484 (July 30, 2007); 73 Fed. Reg. 32559, 32560 (The PTO reported an annual burden estimate of $239,907,450 for the proposed information collection).

Under the Paperwork Reduction Act of 1995 (the "Act") and OMB's implementing regulations at 5 C.F.R. part 1320, the PTO's proposed information collection is subject to review by OMB. 44 U.S.C. Chapter 35 (1995); 5 C.F.R. Part 1320 (1995); Public Law 104-13 (May 22, 1995). Accordingly, the PTO must adhere to the rulemaking procedural requirements of the Act and Executive Order 12,866. One such requirement is that the PTO must provide a specific,

objectively supported estimate of the burden before submitting the proposed information collection to the Director for review. 44 U.S.C. § 3506(c)(1)(iv). Executive Order 12,866 requires the PTO to account for the economic effects of its proposed information collection and to determine whether such effects are "economically significant". Exec. Order No. 12,866, Sec. 1.

An information collection is "economically significant" if, among other things, it is likely to have an annual effect on the economy of 100 million dollars or more, or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or state, local, or tribal governments or communities. Exec. Order No. 12,866, Sec. 3(f)(1). An "economically significant" information collection is subject to Executive review by OMB under the Executive Order. *Id.* Sec. 6(a)(3)(B). But the PTO's illegal certification to OMB of "not significant" for its "economically significant" information collection allowed the PTO to evade Executive review under Executive Order 12,866.

**1. The PTO's <u>Own Estimates Exceeding 239 Million Dollars</u> Demonstrate that the PTO Failed to Adhere to Rulemaking Procedures Under the Act, and Failed to Comply with Executive Order 12,866 Requiring Executive Review of Information Collections Having an Annual Effect on the Economy of $100 Million or More**

The PTO's *own* annual estimated burden establishes that the PTO failed to comply with the requirements of Exec. Order No. 12,866. According to the PTO's own estimates released on June 9, 2008, and reiterated in its recently released Supporting Statement, the total respondent cost burden for the proposed information collection exceeds 239 million dollars, placing the economic effect of the information collection in the *highest* burden category. 73 Fed. Reg. at 32559-32561; *see also* PTO's Supporting Statement at 21. This estimate establishes that the PTO illegally certified the proposed information collection in the *lowest* burden category of "not significant."

The PTO's estimate of $239,907,450 (Table 5, PTO's Supporting Statement at 20-21) did not include the PTO's total estimated non-hour cost burden associated with Notice of Appeal and Request for Oral Hearings of $1,772,890 (Table 6, *id*. at 21), Postage Cost of $263,721 (Table 7, *id.* at 22) and $16,585 (Table 9, *id.* at 23), Filling Fee Cost of $12,645,340 (Table 8, *id.* at 22)

and $14,223,870 (Table 10, *id.* at 23) and the Federal Government's Processing and Burden Cost of $556,925 (Table 11, *id.* at 24) and $56,543 (Table 12, *id.* at 25). This additional cost would bring the PTO's estimated total respondent cost burden for the proposed information collection to over 269 million dollars ($239,907,450 + $1,772,890 + $263,721 + $12,645,340 + $16,585 + $14,223,870 + $556,925 + $56,543 = $269,443,324). This estimate -- exceeding 269 million dollars -- is far in excess of the 100 million dollar threshold and demonstrates that the PTO failed to properly certify its proposed information collection as an "economically significant" regulatory action. Accordingly, the PTO failed to comply with Executive Order 12,866 requiring Executive review of information collections having an annual effect on the economy of $100 million or more.

Consequently, the PTO's failure to provide these estimates to OMB during its initial submission of the proposed information collection, along with its failure to certify the proposed information collection as "economically significant" allowed the PTO to evade review under Executive Order 12,866. *See* 73 Fed. Reg. at 32972.

## II. By the PTO's Own Admission, a Number of the Proposed Board Rules are Directed at Correcting Inefficiency and Quality Problems in the PTO's Record Keeping Procedures by Shifting the Paperwork Burden to the Public and Requiring the Collection of Information Reasonably Accessible to the PTO

According to the PTO, "the amended rules are expected to reduce delays due to return of appeals to examiners (a major source of delays in appeals)." PTO's Supporting Statement at 12; *see also* 73 Fed. Reg. at 32938. The PTO attributes these unnecessary returns to "many appeals wherein the evidence relied on by the applicant and the examiner did not correspond" (PTO's Supporting Statement at 13-14). The PTO also states that many returns were also generated by the fact that "former Rule 37(c)(1)(v) required a summary that was often misunderstood by both examiners and applicants. As a result, the Board had to order many returns so that a supplemental appeal brief could be filed which complied with the summary requirements. It is expected that the requirement for a claim and drawing analysis will (1) allow applicants to more effectively present the information that was formerly required by the summary, and (2) lead to fewer appeal brief returns. Therefore, the utility of the information does, in fact, outweigh the burden." PTO's Supporting Statement at 14.

This set of statements by the PTO highlights the lack of understanding that the PTO has regarding the actual effect of the Proposed Board Rules. As discussed in more detail in Section III(A) below, the PTO does not evince an understanding of the fundamentals of the actual practice of patent law. Consequently, the PTO greatly underestimates the public burden of its proposed information collection and rule making. For example, during an appeal, the PTO and the attorney for the applicant shoulder different burdens and showings. For one, an applicant is entitled to a patent unless the patent application fails to meet one or more of the requirements of the patent statute. *See* 35 U.S.C. § 102 (2003). It is the PTO's burden to proffer evidence establishing a *prima facie* case of unpatentability. *See In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992). If the PTO satisfies its burden, then the burden shifts to the applicant to proffer any evidence to the contrary. Accordingly, because of these differences, it is highly unlikely that an examiner and an attorney for an applicant would ever agree on what evidence might or might not be relevant to the issues of patentability. Consequently, there are many disagreements between the PTO and prudent practitioners as to what should appear in the summary. Since the Claim Support and Drawing Analysis Section of the Proposed Board Rules actually seek to entice a client to make more admissions against client interests than the former "summary" rule, it is likely that contention over such rules will exceed that of the current (illegal) "summary". Thus, far from the "utility of the information collection ... outweighing the burden" as the PTO states, exactly the converse will occur: contentions over the Claim Support and Drawing Analysis Section will actually increase beyond that associated with the former rules (*see, e.g.*, discussion in Section II(A)(1) below).

In addition to the foregoing, the PTO attributes returns of Appeals to examiners to "earlier versions of declarations [and other evidence] that were [should have been] rejected for deficiencies" showing up at the Board (PTO's Supporting Statement at 13). The PTO's response to this is to force applicants to re-submit copies of previously submitted evidence to the Board. In other words, to correct for these inefficiency and quality problems associated with the PTO's own record keeping procedures of documents and information already collected from the public, the PTO now proposes to shift the paperwork burden of organizing and preparing these documents to the public by implementing Proposed Board Rules 41.37(t) and 41.37(u) which require duplicative resubmission of documents that are already part of the record. Specifically,

Board Rules 41.37(t) and 41.37(u) require information collection, such as affidavits, declarations, and other evidence, as well as copies of orders and opinions that the PTO admits is duplicative information reasonably accessible to the PTO[1], and all of which is unnecessarily duplicative in violation of Section 3506(c)(3)(B) of the Act.

In response to a comment pointing out the apparent duplication of information associated with this requirement (Comment 3, PTO's Supporting Statement at 13), the PTO alleges that this duplicate information collection is not unnecessarily duplicative because it attempts to ensure "that the Board's administrative intake staff reviews proper copies of the evidence supporting the arguments on appeal", and because it "prevents the panel of judges from reviewing earlier versions of declarations that were rejected for deficiencies." PTO's Supporting Statement at 13-14. Again, we point out that it is the PTO's responsibility to proffer evidence establishing a *prima facie* case of unpatentability, and it is the PTO's responsibility to provide the Board with evidence supporting an examiner's position. In view of the Duties of Advocacy and Competency of both the PTO and the respective state bars, it would be contrary to a practitioner's duties and obligations to the applicant for the practitioner to comply with Board Rules 41.37(t) and 41.37(u), which essentially amounts to an attorney/agent making the PTO's case for them or repairing an improper case for the PTO, neither of which is allowable under the Duties governing attorneys/agents.

## III. PTO's Proposed Board Rules Violate the Paperwork Reduction Act

The Proposed Board Rules include information collection that is illegal under Section 3506 of the Act. Section 3506(c)(3)(C) of the Act requires the PTO to certify that its proposed information collection reduces the burden on persons providing the information to or for the agency, including reducing the burden of small entities. 44 U.S.C. § 3506(c)(3)(C). But the Proposed Board Rules forming part of the PTO's proposed information collection are peppered with waiver of rights provisions that will likely increase the information collection burden in violation of Section 3506(c)(3)(C) of the Act. The waiver of rights provisions in, for example,

[1] As stated by the PTO "The appendix requirements of rules 41.37(t) and (u) mean that in some instances the applicant will submit duplicate information that is reasonably accessible to the agency." PTO's Supporting Statement at 13.

Proposed Board Rules 41.31(e) and 41.37(o)(2), coupled with the format requirements of Proposed Board Rule 41.37(v), will necessitate the filing of multiple appeals in each case. These multiple filings will increase the information collection burden in violation of Section 3506(b)(3)(C) of the Act.

Section 3506(c)(3)(B) of the Act requires the PTO to certify that its proposed information collection is not unnecessarily duplicative of information otherwise reasonably accessible to the agency. 44 U.S.C. § 3506(c)(3)(B). But the PTO's Proposed Board Rules 41.37(t) and 41.37(u) require information collection, such as affidavits, declarations, and other evidence, as well as copies of orders and opinions reasonably accessible to the PTO, all of which is unnecessarily duplicative in violation of Section 3506(c)(3)(B) of the Act.

Accordingly, the Proposed Board Rules include information collection that is illegal under Section 3506 of the Act.

### A. The Duplicate Effort Required to Preserve Legal Rights in View of Repeated Statements of Waiver in the Proposed Collection Increases and Duplicates the Information Collection Burden on the Public in Violation of Sections 3506(c)(3)(B) and 3506(c)(3)(C) of the Act

The PTO's waiver of rights provisions in the Proposed Board Rules, coupled with its new appeal brief formatting requirements, will result in an increase to the information collection burden in violation of Section 3506(b)(3)(C) of the Act.

The Proposed Board Rules impose extensive format requirements to the appellant's appeal brief. These include double-spaced and 14-point font formatting requirements, and a 30-page limit for the Grounds of Rejection, Statement of Facts, and Arguments Sections of the Brief. 73 Fed. Reg. at 32951 (amending 37 C.F.R. § 41.37(v)).

The Proposed Board Rules also include onerous waiver of rights provisions in Proposed Board Rules 41.31(e) and 41.37(o)(2). For example, the Proposed Board Rules require appellants to explain why the examiner is believed to have erred as to each rejection to be reviewed. 73 Fed. Reg. at 32938. Importantly, arguments not made are waived. *Id*. Furthermore, the Proposed Board Rules provide that any argument raised in a reply brief that is not responsive to a point made in the examiner's answer will not be considered and will be

treated as waived. 73 Fed. Reg. at 32945-46 (Jun. 10, 2008). The PTO has stated that it intends to strictly enforce the waiver provisions of its Proposed Board Rules. 73 Fed. Reg. at 32939. The PTO has also stated that it intends to impose sanctions on appellants who fail to follow the Proposed Board Rules. 73 Fed. Reg. at 32938; *see also* 73 Fed. Reg. at 32945 (amending 37 C.F.R. § 41.56).

As noted herein, the Proposed Board Rules require practitioners to take positions adverse to clients' interests and include several significant new onerous waiver of legal rights provisions. In contrast, the PTO also charges attorneys and agents with affirmative duties to safeguard clients' legal interests. [2] In discharging these affirmative duties, the Proposed Board Rules will give rise to attorney, agent, and client time, effort, and costs far in excess of the PTO's estimated public burden of the Proposed Board Rules.

For example, because of the legal implications for the waiver of rights provisions in, for example Proposed Board Rules 41.31(e) and 41.37(o)(2), and because of the appeal brief format requirements of Proposed Board Rule 41.37(v), and in view of the affirmative duties of zealous advocacy and competency imposed on attorneys/agents by the PTO, a prudent practitioner will typically need to file an appeal plus one or more continuing applications, and/or will need to parse out the claims under rejection into multiple appeals to preserve legal rights while satisfying the requirements of the PTO's information collection (or, at least, extensively advise clients regarding the same). This duplicative effort will increase the information collection burden in violation of Section 3506(b)(3)(B) and 3506(b)(3) (C) of the Act.

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[2] As examples of the referenced duties, the Patent and Trademark Office Code of Professional Responsibility places these affirmative duties on attorneys and agents:

Affirmative Duty One: "A practitioner should represent a client zealously within the bounds of the law." (37 C.F.R. § 10.83);

Affirmative Duty Two: "Representing a Client Zealously . . . (a) a practitioner shall not intentionally . . . (3) Prejudice or damage a client during the course of a professional relationship, except as required under this part."( 37 C.F.R. § 10.84); and

Affirmative Duty Three: "A practitioner should represent a client competently" ( 37 C.F.R. § 10.76).

Another consequence of the appeal brief format requirements and the waiver of rights provisions of the Proposed Board Rules is a likely increase in the burden to other federal agencies and the federal courts from applicants seeking alternative ways to preserve their legal rights while satisfying the requirements of the PTO's information collection (or, at least, extensively advise clients regarding the same). For example, applicants will likely wish to preserve their legal rights by having a court of general jurisdiction take a fresh, *de novo*, look at the PTO's refusal to grant a patent. *See* 35 U.S.C. § 145 (2003) ("An applicant dissatisfied with the decision of the Board of Patent Appeals and Interferences in an appeal under section 134(a) of this title may, unless appeal has been taken to the United States Court of Appeals for the Federal Circuit, have remedy by civil action against the Director in the United States District Court for the District of Columbia"); *see also Gould v. Quigg*, 822 F.2d 1074, 1076-77 (Fed. Cir. 1987). Consequently, the number of a civil actions under 35 U.S.C. § 145 against the Director of the PTO in the United States District Court for the District of Columbia will likely increase, impacting the resources of the United States District Court for the District of Columbia. This duplicative effort will likewise increase the information collection burden in violation of Section 3506(b)(3)(B) and 3506(b)(3) (C) of the Act.

The rationale proffered by the PTO in support of its onerous waiver of rights provisions of Proposed Board Rules 41.31(e) and 41.37(o)(2) and its formatting requirements of Proposed Board Rule 41.37(v) is that "[m]ost appellate bodies consider only arguments presented in an appeal brief" and "that arguments which could have been made on appeal, but are not made, are waived." PTO's Supporting Statement at 13. Contrary to its name and the PTO's proffered rational, however, the Board of Patent Appeals and Interferences is more akin to a court of first instance than a court of limited jurisdiction. During patent prosecution, the examiner bears the initial burden of proving a *prima facie* case of unpatentability. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992). Moreover, the initial determination and judgment of whether the examiners meet this burden is determined by none other than the same examiner. Consequently, the Board of Patent Appeals – analogizing to a criminal law setting -- is the first independent judge of the government's effort at establishing a *prima facie* case of unpatentability. That is, under the PTO system, the Board really is the court of first instance in that, prior to Board review the government advocate (patent examiner) has previously sat as a judge in his own case. This

brings to mind Alexander Hamilton's Federalist paper remark that "No man is allowed to be a judge in his own cause, because his interest would certainly bias his judgment, and, not improbably, corrupt his integrity. With equal, nay with greater reason, a body of men are unfit to be both judges and parties at the same time." Federalist Paper 10. Accordingly, insofar as that in a very real sense a patent examiner does serve as a judge in his own case and/or is both judge and party at the same time, it is very clear that the Board is not an appellate authority at all, but is rather more akin to a court of first instance (although still less than a court of first instance under the law, the Board sustains the same burden as the examiner and hence is likely less unbiased that a trial judge). Consequently, practices/privileges accorded true appellate bodies are inapplicable to the Board, which we have shown is much more akin to a court of first instance than an appellate body.

Because the Board really is a "court" of first instance, and not a true appellate body, the PTO justifications based on the brief formatting requirements and procedures of an appellate court are inapplicable to procedures before the Board of Patent Appeals and Interferences.

Notwithstanding the foregoing, we point out that even if the PTO were somehow an appellate body (which it is not), the Proposed Board rules fall far short of the procedural requirements of typical appellate bodies. For instance, Proposed Board Rule 41.37(v)(5) explicitly prohibits incorporation by reference to the record. 73 Fed. Reg. at 32951-52; *see also* 73 Fed. Reg. at 32944-45. Rather than being limited to the standard of explaining "why the examiner is believed to have erred" as required by Proposed Board Rule 41.37(o) (73 Fed. Reg. at 32942; *see also* PTO's Supporting Statement at 7), Appellate courts are often tasked with deciding whether the court below made the correct legal determinations. *See e.g.*, Moore et al., Patent Litigation and Strategy 718-719 West Group 2003 (1999). Thus, even if the PTO were an appellate authority, its proposed rules would still be deficient from a normal appellate authority practice view.

### 1. By Failing to Consider the Legal Implications of the Proposed Document Collection, and by Ignoring the Time, Effort, and Cost Needed to Comply with the Proposed Collection, the PTO Greatly Underestimates the Public Burden of the Proposed Board Rules

The PTO greatly underestimates the public burden of its proposed information collection and rule making. For example, a prudent practitioner will likely contemplate and discuss with the client the significant waiver implications of the Proposed Board Rules and the significant post-issuance claim interpretation/patent validity risks associated with complying with these "procedural" requirements. This will likely expend time and resources to fully preserve client rights. For example, Proposed Board Rule 41.37(r) requires appellants to provide a Claim Support and Drawing Analysis section including an annotated claim document where each separately argued claim is annotated to include the page and line or paragraph where each limitation is described in the specification. Since the burden is on the PTO to provide claim interpretation/analysis as part of establishing its *prima facie* case of unpatentability, the task of complying with the Claim Support and Drawing Analysis requirements, will likely require client conferences to discuss the significant legal implications of failing to challenge the PTO on the legality of this requirement versus challenging the PTO on this burden shift.

In addition, insofar as that the law governing claim interpretation before the PTO and claim interpretation by federal courts are radically different (*see e.g.*, *In re American Academy of Science Tech Center* 367 F.3d 1359 (Fed. Cir. 2004)) this task will likely require client conferences to discuss the significant post-issuance legal risks, such as post-issuance prosecution history estoppel, inherent in utilizing the pre-issue law that governs the PTO's claim analysis and interpretation.[3] Because of the inherent risk, significant legal liability, and malpractice exposure associated with such a task, this will likely include substantial time involvement from a partner,

[3] The undersigned points out that it is the duty of the PTO to provide claim interpretation as part of its burden to establish a prima facie case of unpatentability. By attempting to shift this burden from the Board to the applicant via the proposed Claim and Drawing analysis section, the PTO is directing a patent practitioner to act in direct conflict of the Duties of Advocacy and Competency, especially since for patent attorneys such duties of advocacy and competency extend to a post-issuance context where post-issuance law is applied (the issue about which most patent applicants are ultimately most concerned).

rather than an associate, at a private firm, and substantial time involvement from upper management on the client's side. No estimate of this burden is found in the PTO numbers.

### i) The PTO'S Hourly Rate Estimate is Far Too Low

The PTO hourly estimate of 310 dollars for attorneys addressing these appeals issues is too low. As an example, to insure adequate and proper protection for its intellectual property, Intellectual Ventures typically employs private firms in the upper quartiles of the spectrum for work involving complex issues and risks, such as those raised by the Proposed Board Rules. The American Intellectual Property Law Association's (AIPLA) third quartile average hourly billing rate for associates in a private firm in San Francisco in 2006 was 413 dollars. *AIPLA Report of the Economic Survey 2007,* American Intellectual Property Law Association Publication, pg. I-44 (July 2007). The AIPLA's third quartile average hourly billing rate for partners in a private firm in San Francisco in 2006 was 530 dollars. *Id.* at I-30. Even in those instances where Intellectual Ventures employs a junior level attorney at a private firm, the additional supervisory cost associated with the review of the junior level attorney's work product by a senior level attorney quickly exceeds the hourly estimate of 310 dollars.

#### (1) Legal implications of rules requires partner level attention, and partner level on West Coast is 500 plus dollars an hour, not 310 dollars an hour

The PTO used associate level billing rates for its initial estimates, but, as described elsewhere herein, the significant legal implications of the Proposed Board Rules will often require partner level attention. For a company like Intellectual Ventures, which focuses heavily on patent rights and the licensing of same, significant partner level attention is a surety.

In reality, the significant/complex impact of the Proposed Board Rules will require some mix of partner/senior supervisory attorney and senior associate time in almost all cases. The revised time estimates below try to present a good faith effort to fairly estimate that mix. However, for clarity of presentation, the following uses the PTO's time estimates with more-representative partner and senior associate rates to show just how far the PTO underestimated the economic impact, even if the PTO's over-simplistic/uninformed time estimates were true.

**(2) Using PTO's time estimates, when partner level rate of 530/hour is used, cost estimate increases from 239 million to 410 million plus**

As illustrated in Table 1, using the AIPLA's third quartile average hourly billing rate for partners in a private firm of 530 dollars and the PTO's own estimated annual hourly burden results in an estimated total annual cost burden of 410,164,350 dollars.

Table 1: Estimated Cost Burden Based on AIPLA's Third Quartile Average Hourly Billing Rate of 530 dollars and the PTO's Own Estimated Annual Hourly Burden

| Item | Estimated Time for Response (hours) | Estimated Annual Responses | Estimated Annual Burden (hours) |
|---|---|---|---|
| **Appeal Briefs** | 30 | 23,145 | 694,350 |
| **Petition for Extension of Time for Filing Paper After Brief** | 15 | 2,298 | 34,470 |
| **Petition to Increase Page Limit** | 15 | 1,315 | 19,725 |
| **Reply Briefs.** | 5 | 4,947 | 24,735 |
| **Requests for Rehearing Before the BPAI** | 5 | 123 | 615 |
| **Total** | 70 | 31,828 | 773,895 |
| 3rd quartile average hourly billing rate for partners in a private firm in San Francisco | | | $530 |
| **Estimated Annual Burden Cost** | | | **$410,164,350** |

**(3) Using PTO's time estimates, when associate level rate of 413/hour is used, cost estimate increases from 239 million to 319 million plus**

As illustrated in Table 2, using the AIPLA's third quartile average hourly billing rate for partners in a private firm of 413 dollars results in an estimated total annual cost burden of 319,618,635 dollars.

Table 2: Estimated Cost Burden Based on AIPLA's Third Quartile Average Hourly Billing Rate of 413 dollars and the PTO's Own Estimated Annual Hourly Burden

| Item | Estimated Time for Response (hours) | Estimated Annual Responses | Estimated Annual Burden (hours) |
|---|---|---|---|
| **Appeal Briefs** | 30 | 23,145 | 694,350 |
| **Petition for Extension of Time for Filing Paper After Brief** | 15 | 2,298 | 34,470 |
| **Petition to Increase Page Limit** | 15 | 1,315 | 19,725 |
| **Reply Briefs.** | 5 | 4,947 | 24,735 |
| **Requests for Rehearing Before the BPAI** | 5 | 123 | 615 |
| **Total** | 70 | 31,828 | 773,895 |
| 3rd quartile average hourly billing rate for associates in a private firm in San Francisco | | | $413 |
| | | **Estimated Annual Burden Cost** | **$319,618,635** |

**ii) The PTO'S Time Estimate Regarding an Appeal Brief is Far Too Low**

The statistics used by the PTO to evidence its estimated burden demonstrate the PTO lacks any practical understanding of the illegal implication of the proposed document collection. More accurate estimates would account for the following considerations and required time segments.

(1) generating the support documents required by Proposed Board Rules 41.37(n), 41.37(o), 41.37(p), 41.37(r), and 41.37(s) with complete cites to all of the written record (for example, Bd.R. 41.37(n) requires respondents to support all "facts" by a reference to the page number of the Record, and include where appropriate a citation to a specific line or paragraph and to a drawing figure and element number of the Record. 73 Fed. Reg. at 32950. Bd.R. 41.37(r) requires a claim support and drawing analysis section including an annotated claim document where each separately argued claim is annotated, after each claim, to include the page and line or paragraph where the limitation is described in the specification. 73 Fed. Reg. at 32944),

(2) distilling complex arguments in the records into declarative sentences within the 30 page formatting requirement of Proposed Board Rule 41.37(v) (the cost burden associated with this task will likely include the client conferences to discuss the significant post-issuance claim interpretation/patent validity risks associated with complying with this "procedural" requirement),

(3) the time needed to assess the implications of waivers of arguments regarding examiner findings/positions for applications having, for instance, claims in excess of 20 (this task will likely include client conferences to discuss and advice client regarding the implications of waiver and strategies in view of the same (e.g., multiple parallel appeals and/or multiple parallel filed continuing applications). The cost burden associated with this task will also likely include the time associated with actually filing such parallel continuing cases/appeals based on, for instance, one of your average cases (since this is a factor associated with the negative legal implications of waiver generated by the new illegal Proposed Board Rules AND is part of the equation associated with the Paperwork Reduction Act),

(4) the "claim support and drawing analysis" required by Proposed Board Rule 41.37(r) (the cost burden associated with this task will likely include client conferences associated with the significant post-issuance legal risks, such as prosecution history estoppel, inherent in pre-issue claim analysis and interpretation),

(5) the time associated with complying with Proposed Board Rule 41.37(n) requiring that, within the 30 page limit, you have to set forth the "scope and content of the prior art, any differences between claims and the prior art, and the level of skill in the art" (73 Fed. Reg. at 32942), and

(6) the time associated with the means or step plus function analysis section under Proposed Board Rule 41.37(s) requiring (that for each such claim, a copy of the claim would be reproduced indicating in bold face between braces ({ }) the specific portions of the specification and drawing that describe the structure

material or acts corresponding to each claimed function) (the cost burden associated with this task will likely include client conferences associated with the significant post-issuance legal risks, such as prosecution history estoppel, inherent in pre-issue claim analysis and interpretation)).

Because of the inherent risk and significant legal liability associated with complying with the rulemaking requirements, preparing the needed submission under the proposed document collection will likely require substantial time involvement at a partner, rather than an associate level, at a private firm, and substantial time involvement from upper management on the client's side.

As shown in Table C-1 in Appendix C, the time and cost burden associated with these unaccounted for events would conservatively add an additional 341 million dollars ($286,766,550 of additional associate time + $55,200,825 of additional partner time) to the PTO's estimate of over 239 million, and would result in a total estimated annual cost burden of over 581 Million dollars (The PTO's initial estimate of $239,907,450 + $286,766,550 + $55,200,825=$581,874,825).

Extrapolating this estimate to comport with a representative case of 74 claims[4] would add an additional 1,056,256,793 dollars worth of associate time and an additional 292,871,044 dollars worth of partner time to comply with the present information collection. This would bring the total estimated annual cost burden to over a billion dollars (The PTO's initial estimate of $239,907,450 + $1,056,256,793 + $292,871,044=$1,589,035,287).

As shown in Table C-2 in Appendix C, extrapolating this estimate to comport with 37 claims (one-half of our representative case of 74 claims) would add an additional 528,128,396 dollars worth of associate time and an additional 146,435,522 dollars worth of partner time to comply with the present information collection. This would bring the total estimated annual cost

[4] Referring to Table 1-A in Appendix A, 74 claims is an average calculated on a set of 41 representative published applications.

burden to over billion dollars (The PTO's initial estimate of $239,907,450 + $528,128,396 + $146,435,522+$292,871,044=$1,207,342,412).

**(1) Due to Waiver Rule Repeatedly Stressed by PTO, a Prudent Practitioner, Based on Representative Case, Will Need to file an Initial Appeal plus Some Number (e.g., Up To 74 for Our Average Application) of Continuing Applications/Appeals**

**(a) For One of Our Representative Cases, the 14 pt Double Spacing Requirement Leaves on Average Less Than 14 pages to Discuss the Grounds of Rejection, Statement of Facts, and Argument Sections, Which Will Require Us to File. Conservatively, 37 Parallel Continuing Applications/Appeal Briefs to Preserve Legal Rights**

The PTO argues that "a 30-page limit for the brief will promote concise and precise writing." 73 Fed. Reg. at 32938. But nothing is more concise and precise in describing a claim than the claim language itself. As shown in Table A-1 in Appendix A, an analysis of representative cases for Intellectual Ventures shows that the claims of a patent application, on average, would require over sixteen (16) out of the thirty (30) 14-point font double-spaced pages to reproduce. This would leave, on average, fewer pages to discuss the Grounds of Rejection, Statement of Facts, and Argument Sections relating to the claims than the pages presenting the claims themselves.

Based on our experience, making an argument regarding an examiner's failure to establish a *prima facie* case in relation to ONE claim typically takes, on average, 7 pages of 1.5 line spaced, 12 pt Times New Roman text.[5] When these pages are reformatted to comply with

[5] *See, e.g.*, Pending Appeal Brief in Application Number 10/770,072, Examiner Stephen K. Yam, in which at least 19 claims are argued as independently patentable and which currently entails 58 pages of 1.5 line spaced 12 pt Times Roman text. The undersigned points out that the Appeal Brief remains confidential within the Office, but that the Office has access to the Appeal Brief. The undersigned is expressly asking that the referenced Brief remain confidential, and is referencing the brief in view of his Duty of Candor. In addition, the undersigned notes that the referenced Appeal Brief quotes the claims and the alleged prior art, since what a reference teaches is a question of fact that the PTO has the burden of establishing under a preponderance of the evidence standard (*see e.g., Digital Control, Inc. v. Charles Machine Works*, 437 F.3d 1309, 1316 (Fed. Cir. 2006),), and which an

Proposed Board Rule 41.37(v), the page count balloons to 15 pages. Hence, in view of the fact that half of the allotted pages would be consumed just to argue one claim, and in view of the fact that the remaining 15 pages would need to encompass the required "Grounds of Rejection, Statement of Facts, and Argument Sections," it is likely that an Appellant could argue ONE CLAIM. Consequently, for our average representative application claim sets entailing 74 claims, we would typically need to file around 73 concurrent continuing applications, followed by 73 concurrent appeal briefs, to fully preserve client rights in view of the fact that the current page limitations seem likely to limit argument to one claim per appeal.[6]

Given the evolving state of case law in recent months and the corresponding uncertainty relating to certain types of claims,[7] the length and complexity of claiming necessary to appropriately protect inventions will likely increase. This will exacerbate the conflict between

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advocate has a duty to contest and/or argue under the PTO and respective state bar rules of competency and advocacy.

[6] The undersigned points out that they are aware that the Proposed Board Rules attempt to force Appellants to make admissions and summaries against client interests (e.g., 41.37(n) recites "statement of facts should be set out in short declarative sentences, and each sentence should address a single fact"). In view of the fact that best practices dictate that such NOT be done (e.g., best practices are to quote the claims and technical material quoted by Examiner), the undersigned points out that it is unlikely that any reasonably prudent practitioner would comply with this illegal rule in view of the PTO's Rules Governing the Conduct of Agents and Attorneys (e.g., **37 C.F.R. § 10.83 "A practitioner should represent a client zealously within the bounds of the law."; 37 C.F.R. § 10.84 "Representing a Client Zealously** ... (a) **a practitioner shall not intentionally ... (3) Prejudice or damage a client during the course of a profession relationship, except as required under this part."; 37 C.F.R. § 10.76 "A practitioner should represent a client competently.")**

[7] *See e.g., In re Bilski*, 2008 U.S. App. LEXIS 22479, at *205 (Fed. Cir. Oct. 20, 2008) (*en banc*) ("In sum, this court today invents several circuitous and unnecessary tests [regarding statutory subject matter and computer related processes]. It should have merely noted that Bilski attempts to patent an abstract idea. Nothing more was needed. Instead this opinion propagates unanswerable questions: What form or amount of "transformation" suffices? When is a "representative" of a physical object sufficiently linked to that object to satisfy the transformation test? (e.g., Does only vital sign data taken directly from a patient qualify, or can population data derived in part from statistics and extrapolation be used?) What link to a machine is sufficient to invoke the "or machine" prong? Are the "specific" machines of Benson required, or can a general purpose computer qualify? What constitutes "extra-solution activity?" If a process may meet eligibility muster as a "machine," why does the Act "require" a machine link for a "process" to show eligibility? Does the rule against redundancy itself suggest an inadequacy in this complex spider web of tests supposedly "required" by the language of section 101?")

the PTO's appellate brief constraints and those that might be considered to be reasonable and required by prudent practice.

Notwithstanding the foregoing, the undersigned herein advances a conservative estimate that for a typical set of rejections, perhaps two claims could be adequately argued in the proposed page limits; that is, we herein halve our actual estimates to present a conservative estimate. Accordingly, herein we presume that the Proposed Board Rules, in view of the affirmative duties on attorneys/agents imposed by the PTO's Code of Professional Responsibility, will generate 74/2, or about 37 concurrent continuing applications/follow-on appeals briefs to adequately preserve client rights in compliance with the affirmative duties imposed by the PTO's Code of Professional Responsibility.

**(b) Also note that ethical rules/administrative law principles require that we challenge the PTO's statement that multiple continuing applications/subsequent appeals briefs on twice rejected claims cannot be done**

As noted, to preserve client rights, under the PTO's Code of Professional Responsibility Governing Attorneys and Agents, an advocate will most likely advise clients to file some number N (e.g., as demonstrated above 74, or, more conservatively, 74/2, or about 37 for our average sized case) concurrent continuing applications and appeal briefs. However, the illegal Proposed Board Rules are in association with a provision that an applicant cannot file multiple concurrent continuations/appeal briefs. M.P.E.P §.1204 ("Applicant cannot file an appeal in a continuing application, or after filing a request for continued examination (RCE) under 37 CFR 1.114, until the application is under a rejection"). This conflict in and of itself will generate an additional burden.

Under standard administrative law principles, and under the PTO rules of Professional Conduct, an advocate is charged with challenging an agency's illegal activities in every instance, or risk waiver of such right. See, e.g., 37 C.F.R. S 10.76, "A practitioner should represent a client competently."; 37 C.F.R. 10.84, "A practitioner should represent a client zealously within the bounds of the law."; see also B. Schwartz, Administrative Law (3rd ed. 1991). Accordingly, for each of the N (e.g., 37) concurrent appeal briefs the estimates herein could add an additional 15

hours to write arguments asserting the illegality of the Proposed Board Rules that allegedly eliminate the right to multiple continuing applications/subsequent concurrent appeals. However, taking a conservative approach, below we do not add in this time although we note here that it could legitimately be added.

**(2) Taking Legal Considerations into Account Demonstrates PTO's Time Estimate Regarding an Appeal Brief is Far Too Low**

The above demonstrates that the additional time associated with the legal implications for a representative case including 74 claims could amount to 134.4 (110.5 +23.9) additional hours per case (*see* Table C-1, Appendix C), the incremental time associated with initiating multiple parallel continuing applications and appeal briefs could amount to an additional 255.9 hours (222.0 + 33.9) per case (*see* Table D-1, Appendix D). Accordingly, we think a more reasonable estimate of the time involved in responding to the PTO information collection requirement could amount would include at least an additional 390.3 hours per case (135.3 + 255.9). This incremental increase alone represents a five-and-a-half fold increase over the PTO's Estimated time for response of 70 hours (30+15+15+5+5) per case. See Fed. Reg. at 32560.

Even halving the number of claims to 37 claims (one half of our reprehensive 74 claim case), the additional time associated could amount to 67.2 (55.3+11.9) additional hours per case (*see* Table C-2, Appendix C), the incremental time associated with initiating multiple parallel continuing applications and appeal briefs could amount to an additional 128.0 hours (111.0 + 17.0) per case (*see* Table D-2, Appendix D). Accordingly, we think a more conservative estimate of the time involved in responding to the PTO information collection requirement could amount would include at least an additional 195.2 hours per case (67.2 + 128.0). This conservative incremental increase alone represents a 2-and-a-half fold increase over the PTO's Estimated time for response of 70 hours (30+15+15+5+5) per case. See Fed. Reg. at 32560.

**iii) Using a More Accurate Hourly Rate and Time Calculation, the Annual Burden Costs Associated with an Appeal Brief are More Likely Over 3 Billion Dollars**

Taking into account the estimated incremental increase of an additional 390.3 hours per case, and using the PTO's estimated annual number of Appeal Briefs filed of 23,145 would bring

the annual burden estimate to over 3 Billion Dollars. [(390.3 additional hours per response)*(the PTO's estimated annual appeal brief responses of 23,145) + (The PTO's estimated annual burden hours of 773,895)*(The PTO hourly estimate of 310 dollars for attorneys)].

Taking into account the halved estimated incremental increase of an additional 195.2 hours per case, and using the PTO's estimated annual number of Appeal Briefs filed of 23,145 would bring the annual burden estimate to over 1.6 Billion Dollars. [(195.2 additional hours per response)*(the PTO's estimated annual appeal brief responses of 23,145) + (The PTO's estimated annual burden hours of 773,895)*(The PTO hourly estimate of 310 dollars for attorneys)].

### B. The New Proposed Information Collection Requires Unnecessary Duplicative Information Collection in Violation of Section 3506(c)(3)(B) of the Paper Reduction Act

To obtain OMB approval, the PTO must certify that each collection of information submitted to the Director for review is not, among other things, unnecessarily duplicative of information otherwise reasonably accessible to the agency. 44 U.S.C. § 3506(c)(3)(B).

Even absent the consideration of the multiple continuation application filings and the multiple appeal filings associated with the proposed information collection, the proposed information collection is unnecessarily duplicative of information otherwise reasonably accessible to the agency. 44 U.S.C. § 3506(c)(3)(B). As previously noted, Proposed Board Rules 41.37(t) and 41.37(u) require information collection that is reasonably accessible to the PTO and is unnecessarily duplicative in violation of Section 3506(c)(3)(B) of the Act. This violation is further amplified by the previously discussed necessity for multiple filings to preserve legal rights in view of the waiver.

Consequently, the Proposed Board Rules include information collection that increases rather than reduces the information collection burden. Consequently, the PTO's proposed information collection is illegal, and its present certification is improper under the Act.

### 1. Proposed Board Rules 41.37(t) and 43.37(u) Requires the Collection of Information Unnecessarily Duplicative of Information Already in the Possession of the PTO and Reasonably Accessible to the PTO

Proposed Board Rule 41.37(t) requires information collection including affidavits, declarations, and other evidence forming part of the record that is reasonably accessible to the PTO and unnecessarily duplicative in violation of Section 3506(c)(3)(B) of the Act.

Proposed Board Rule. 41.37(u) requires information collection including copies of orders and opinions reasonably accessible to the PTO and is unnecessarily duplicative in violation of Section 3506(c)(3)(B) of the Act.

Consequently, Proposed Board Rules 41.37(t) and 41.37(u) include information collection that increases rather than reduces the information collection burden. Consequently, the PTO's proposed information collection is illegal, and its present certification improper, under the Act.

## IV. Conclusion

Until the PTO and the proposed information collection and rulemaking comply with the requirements of Executive Order 12,866 and the Paperwork Reduction Act, OMB should deny approval of the PTO's proposed rulemaking and information collection. Executive Order 12,866 delegates authority to OMB to coordinate agency rulemaking efforts with the regulatory priorities of the President. Exec. Order No. 12,866. Sec. 2(b). Executive Order 12,866 also expands the role of OMB in rulemaking through a centralized review of regulations. *Id.* Because the PTO illegally certified its highly burdensome "economically significant" information collection as "not significant," OMB should deny approval of the PTO's presently proposed rulemaking and require the PTO to comply with the assessment and certification requirements under Executive Order 12,866, and the Paperwork Reduction Act.

As presently written, the PTO's proposed information collection includes provisions requiring the collection of information that is unnecessarily duplicative of information otherwise reasonably accessible to the agency, and consequently illegal under the Paperwork Reduction Act. 44 U.S.C. § 3506(c)(3)(B). As previously noted, Proposed Board Rules 41.37(t) and 41.37(u) require information collection that is reasonably accessible to the PTO and is

unnecessarily duplicative in violation of Section 3506(c)(3)(B) of the Act. This violation is further amplified by the previously discussed need for multiple filings to preserve legal rights in view of the proposed rulemaking waiver provisions. Accordingly, because it includes provisions that are illegal under the Paperwork Reduction Act, OMB should deny approval of the PTO's presently proposed rulemaking and information collection.

Sincerely,

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# Appendix A

Table A-1. Representative Intellectual Ventures U.S. Patent Applications Claim Data

| Representative Cases (U.S. App. Pub. No.) | Number of Claims | Number of Pages Require to Comply With Formatting Requirements of Bd.R 41.37(v) |
|---|---|---|
| 20050131863 | 57 | 11.5 |
| 20050132149 | 32 | 7.5 |
| 20050132415 | 50 | 13.25 |
| 20050227686 | 180 | 40.75 |
| 20050256667 | 180 | 39.5 |
| 20050267960 | 51 | 11.5 |
| 20050289122 | 54 | 12.25 |
| 20050289275 | 62 | 17.25 |
| 20060026118 | 123 | 19.75 |
| 20060026164 | 101 | 19.25 |
| 20060046707 | 69 | 10.75 |
| 20060046711 | 108 | 18 |
| 20060047433 | 129 | 31.25 |
| 20060047434 | 95 | 17.75 |
| 20060047435 | 20 | 5.25 |
| 20060055809 | 59 | 11 |
| 20060062252 | 89 | 21 |
| 20060072798 | 57 | 9.5 |
| 20060075344 | 88 | 12 |
| 20060086781 | 94 | 15.25 |
| 20060088227 | 75 | 14 |
| 20060114920 | 127 | 19.25 |
| 20060116824 | 194 | 42.75 |
| 20060117001 | 92 | 12 |
| 20060122783 | 87 | 15.5 |
| 20060178217 | 57 | 9.75 |
| 20060178967 | 54 | 16.5 |
| 20060178972 | 64 | 15.75 |
| 20060247853 | 56 | 13.25 |
| 20070013691 | 49 | 13.5 |
| 20070013692 | 49 | 11 |
| 20070036328 | 43 | 18.25 |
| 20070055450 | 44 | 16.75 |
| 20070055451 | 41 | 13.5 |
| 20070073582 | 54 | 15.25 |
| 20070078737 | 51 | 11.5 |
| 20070231188 | 30 | 6 |
| 20070255723 | 53 | 15.5 |
| 20070256071 | 39 | 14.5 |
| 20070256130 | 35 | 12.5 |
| 20070257354 | 42 | 11.5 |
| **Average** | **74** | **16** |

## Appendix B

Sample claim set complying with 14-point font, double-spaced, formatting requirements of Proposed Board Rule 41.37(v).

Claim Set from U.S. Application Publication No. 20070055450

1. A method comprising: defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent, at least one direct end target, at least one discriminated end target, at least one direct intermediate target, at least one discriminated intermediate target, at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent, at least one treatment agent, or at least one treatment agent precursor, and the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site; and assigning the association to at least one memory.

2. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, comprises:

including at least one protein induced at a tissue-blood interface as the at least one target-related tissue ancestry-correlated binding site.

3. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, comprises: including at least one peptide or glycopeptide or lipopeptide as the at least one target-related tissue ancestry-correlated binding site.

4. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, comprises: including at least an aminopeptidase P (APP) protein as the at least one target-related tissue ancestry-correlated binding site.

5. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, comprises: including at least one differentially-expressed protein or peptide or glycopeptide or

lipopeptide associated with endothelial tissue as the at least one target-related tissue ancestry-correlated binding site.

6. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, comprises: including at least integrin avB3 as the at least one target-related tissue ancestry-correlated binding site.

7. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, comprises: including at least an antigen as the at least one target-related tissue ancestry-correlated binding site.

8. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, comprises:

including at least a tissue factor as the at least one target-related tissue ancestry-correlated binding site.

9. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent, comprises:

including at least an antibody as the at least one target-related tissue ancestry-correlated binding agent, the antibody being associated with the at least one target-related tissue ancestry-correlated binding site.

10. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent, comprises:

including at least a monoclonal antibody as the at least one target-related tissue ancestry-correlated binding agent, the monoclonal antibody being associated with the at least one target-related tissue ancestry-correlated binding site.

11. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at

least one target-related tissue ancestry-correlated binding agent, comprises: including at least a peptide or glycopeptide or lipopeptide as the at least one target-related tissue ancestry-correlated binding agent, the peptide or glycopeptide or lipopeptide being associated with the at least one target-related tissue ancestry-correlated binding site.

12. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent, comprises: including at least one ligand as the at least one target-related tissue ancestry-correlated binding agent, the at least one ligand associated with the at least one target-related tissue ancestry-correlated binding site.

13. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent or at least one direct end target, comprises: including a body system and/or region as the direct end target that the target-related tissue ancestry-correlated binding agent is known to select with efficacy.

14. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one direct end target, comprises: including one or more of an organ, an organ system, an organ subsystem, diseased tissue, and/or healthy tissue as the at least one direct end target.

15. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, and the at least one treatment parameter including at least one direct end target, comprises: determining the at least one direct end target as one that is associated with the at least one target-related tissue ancestry-correlated binding site.

16. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, and the at least one treatment parameter including at least one direct end target, comprises:

determining the at least one direct end target as one that includes tissue that gives rise to the at least one target-related tissue ancestry-correlated binding site.

17. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent or at least one discriminated end target, comprises: including a body system and/or region as the at least one discriminated end target that the at least one target-related tissue ancestry-correlated binding agent is known to avoid with efficacy.

18. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one discriminated end target, comprises: including one or more of an organ, an organ system, an organ subsystem, diseased tissue, and/or healthy tissue as the at least one discriminated end target.

19. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one direct end target, at least one discriminated end target, or at least one

treatment agent, comprises: including the at least one discriminated end target as one that is proximate to the at least one direct end target for the at least one treatment agent.

20. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, and the at least one treatment parameter including at least one direct end target, at least one discriminated end target, or at least one treatment agent, comprises: including the at least one discriminated end target as one that is proximate to the at least one direct end target but that receives substantially less of the at least one treatment agent that is applied to the at least one direct end target by way of the at least one target-related tissue ancestry-correlated binding site.

21. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent or at least one direct intermediate target, comprises: including a body system and/or region as the

at least one direct intermediate target that the at least one target-related tissue ancestry-correlated binding agent is known to select with efficacy.

22. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one direct intermediate target, comprises: including a vasculature tissue component in contact with circulating blood or a blood component as the at least one direct intermediate target.

23. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one direct intermediate target, comprises: including at least one endothelial cell along a wall of the vasculature as the at least one direct intermediate target.

24. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one direct end target or at least one direct intermediate target, comprises: including at least one endothelial cell along a wall of the vasculature that is

proximate to the at least one direct end target as the at least one direct intermediate target.

25. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, and the at least one treatment parameter including at least one direct intermediate target, comprises: including at least one endothelial cell having a property associated with the at least one target-related tissue ancestry-correlated binding site as the at least one direct intermediate target.

26. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, and the at least one treatment parameter including at least one discriminated end target, or at least one treatment agent, comprises: including endothelial tissue proximate to non-targeted tissue that is desired not to receive the at least one treatment agent as the at least one discriminated intermediate target.

27. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one discriminated intermediate target, comprises: including non-targeted, tissue ancestry-correlated cells as the at least one discriminated intermediate target.

28. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent, or at least one discriminated intermediate target, comprises: including at least one body system and/or region as the at least one discriminated intermediate target that the at least one target-related tissue ancestry-correlated binding agent is known to avoid with efficacy.

29. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent, at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent, at least one treatment agent, or at least one

treatment agent precursor, comprises: determining the at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent as including direct attachment of the at least one treatment agent and/or the at least one treatment agent precursor to the at least one target-related tissue ancestry-correlated binding agent.

30. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent, at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent, at least one treatment agent, or at least one treatment agent precursor, comprises: determining the at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent as including indirect attachment of the at least one treatment agent and/or the at least one treatment agent precursor to the at least one target-related tissue ancestry-correlated binding agent, via one or more intermediary structures.

31. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at

least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent, at least one direct end target, at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent, at least one treatment agent, or at least one treatment agent precursor, comprises: determining the at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent as including a mechanism by which the at least one treatment agent and/or the at least one treatment agent precursor may access and/or affect the at least one direct end target.

32. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one treatment agent, comprises: including the at least one treatment agent as one that modulates a function of a cell in a useful and/or desired manner.

33. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one treatment agent, comprises: including at least one healing, destroying,

repairing, enhancing, pro-apoptotic, anti-apoptotic, mitotic accelerating, mitotic decelerating, and/or imaging agent as the at least one treatment agent.

34. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one treatment agent, comprises: including the at least one treatment agent as one that delivers radio-immunotherapy or therapy that enhances repair of damaged DNA or therapy that suppresses repair of damaged DNA.

35. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one treatment agent, comprises: including at least one radionuclide or DNA repair-modulating agent or pro- or anti-apoptotic agent as the at least one treatment agent.

36. The method of claim 1 wherein defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, and the at least one treatment parameter including at least one treatment agent precursor,

comprises: including an immune-response element as the at least one treatment agent precursor that is known to attach selectively to the at least one target-related tissue ancestry-correlated binding site.

37. The method of claim 1 wherein assigning the association to at least one memory comprises: assigning the association to at least one relational database.

38. The method of claim 1 wherein assigning the association to at least one memory comprises: assigning the association to at least one object-oriented database.

39. A computer program product comprising: a signal-bearing medium bearing at least one of (a) one or more instructions for defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent, at least one direct end target, at least one discriminated end target, at least one direct intermediate target, at least one discriminated intermediate target, at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent, at least one treatment agent, or at least one treatment agent precursor, and the at least one treatment characteristic

including at least one target-related tissue ancestry-correlated binding site, and (b) one or more instructions for assigning the association to at least one memory.

40 - 42. (canceled)

43. A system comprising: a computing device; and instructions that when executed on the computing device cause the computing device to (a) define an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent, at least one direct end target, at least one discriminated end target, at least one direct intermediate target, at least one discriminated intermediate target, at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent, at least one treatment agent, or at least one treatment agent precursor, and the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, and (b) assign the association to at least one memory.

44. (canceled)

45. (canceled)

46. A device comprising: a treatment system, the treatment system comprising (a) treatment logic that is operable to define an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent, at least one direct end target, at least one discriminated end target, at least one direct intermediate target, at least one discriminated intermediate target, at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent, at least one treatment agent, or at least one treatment agent precursor, and the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site, and (b) a treatment data memory that is operable to store the association.

47. (canceled)

48. (canceled)

49. A method comprising: defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding agent, at least one direct end target, at least one discriminated end target, at least one direct intermediate target,

at least one discriminated intermediate target, at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent, at least one treatment agent, or at least one treatment agent precursor, and the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding site.

50. A method comprising: defining an association between at least two instances of at least one treatment parameter and at least one instance of at least one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding site, at least one direct end target, at least one discriminated end target, at least one direct intermediate target, at least one discriminated intermediate target, at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent, at least one treatment agent, or at least one treatment agent precursor, and the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding agent; and assigning the association to at least one memory.

51. (canceled) - 61. (canceled)

62. A method comprising: defining an association between at least two instances of at least one treatment parameter and at least one instance of at least

one treatment characteristic, the at least one treatment parameter including at least one target-related tissue ancestry-correlated binding site, at least one direct end target, at least one discriminated end target, at least one direct intermediate target, at least one discriminated intermediate target, at least one treatment agent delivery mechanism relative to the at least one target-related tissue ancestry-correlated binding agent, at least one treatment agent, or at least one treatment agent precursor, and the at least one treatment characteristic including at least one target-related tissue ancestry-correlated binding agent.

## Appendix C

Table C-1. Incremental Public Burden Cost Under the Proposed Board Rules Unaccounted for by the PTO's total respondent cost burden.

| Task | Estimated Associate Time (hour)* | Estimated Partner Time (hour)* | Estimated Associate Time (hour)** | Estimated Partner Time (hour)** |
|---|---|---|---|---|
| supporting all "facts" by a reference to the page number of the Record, including a citation to a specific line or paragraph and to a drawing figure and element number of the Record as required by proposed Bd.R. 41.37(n) | 12 | 0.5 | 37.0 | 1.5 |
| identifying where an argument was made in the first instance to the examiner, specifically identifying the point made by the examiner and indicate where appellant previously responded to the point, as required by proposed Bd.R. 41.37(o) | . . . | . . . | 5.0 | . . . |
| generating a clean copy of all claims pending in the application or reexamination proceeding on appeal including the status of every claim as required by proposed Bd.R. 41.37(p) | . . . | . . . | 5.0 | . . . |
| generating a claim support and drawing analysis section including an annotated claim document where each separately argued claim is annotated to include the page and line or paragraph where the limitation is described in the specification, as required by proposed Bd.R. 41.37(r) | 5 | . . . | 15.4 | 2 |
| generating a means or step plus function analysis section including a copy of the claim indicating in bold face between braces ({ }) the specific portions of the specification and drawing that describe the structure material or acts corresponding to each claimed function, as required by proposed Bd.R. 41.37(s) | 3 | . . . | 9.3 | 2 |

| Task | Estimated Associate Time (hour)* | Estimated Partner Time (hour)* | Estimated Associate Time (hour)** | Estimated Partner Time (hour)** |
|---|---|---|---|---|
| distilling complex arguments in the records into declarative sentences within the 30 page requirement of proposed Bd.R. 41.37(v) (including client conferences to discuss the significant post-issuance claim interpretation/patent validity risks associated with complying with this "procedural" requirement) | 4 | 1 | 12.3 | 3.1 |
| including a section discussing the "scope and content of the prior art, any differences between claims and the prior art, and the level of skill in the art, as required by proposed Bd.R. 41.37(n) | 5 | 1 | 15.4 | 3.1 |
| assessing implications of waivers of arguments regarding examiner findings/positions for applications having, for instance, claims in excess of 20 (e.g., client conferences to discuss the implications of waiver and strategies in view of same (e.g., multiple parallel appeals and/or multiple parallel filed continuing applications) | . . . | 2 | 8.0 | 6.2 |
| client conferences to discuss the significant post-issuance legal risks, such as prosecution history estoppel, inherent in pre-issue claim analysis and interpretation | 1 | . . . | 3.1 | 6.0 |
| **Total Time** | 30 | 4.5 | 110.5 | 23.9 |
| **Estimate Hourly Rate** | $413 | $530 | $413 | $530 |
| **Total additional cost burden per case [(Total time )* (estimated hourly rate )* (PTO's estimated number of response of 23,145)]** | $286,766,550 | $55,200,825 | $1,056,256,793 | $292,871,044 |

*Estimate provided by outside counsel, based on a typical case including 4 independent claims, and 24 total claims

**Estimate extrapolating outside counsel estimates to representative Intellectual Ventures case including 74 total claims [((outside counsel estimate)/24 claims)* (representative 74 total claims)]

Table C-2. Incremental Public Burden Cost Under the Proposed Board Rules Unaccounted for by the PTO's total respondent cost burden.

| Task | Estimated Associate Time (hour)+ | Estimated Partner Time (hour)+ | Estimated Associate Time (hour)++ | Estimated Partner Time (hour)++ |
|---|---|---|---|---|
| supporting all "facts" by a reference to the page number of the Record, including a citation to a specific line or paragraph and to a drawing figure and element number of the Record as required by proposed Bd.R. 41.37(n) | 12 | 0.5 | 18.5 | 0.8 |
| identifying where an argument was made in the first instance to the examiner, specifically identifying the point made by the examiner and indicate where appellant previously responded to the point, as required by proposed Bd.R. 41.37(o) | . . . | . . . | 2.5 | . . . |
| generating a clean copy of all claims pending in the application or reexamination proceeding on appeal including the status of every claim as required by proposed Bd.R. 41.37(p) | . . . | . . . | 2.5 | . . . |
| generating a claim support and drawing analysis section including an annotated claim document where each separately argued claim is annotated to include the page and line or paragraph where the limitation is described in the specification, as required by proposed Bd.R. 41.37(r) | 5 | . . . | 7.7 | 1 |
| generating a means or step plus function analysis section including a copy of the claim indicating in bold face between braces ({ }) the specific portions of the specification and drawing that describe the structure material or acts corresponding to each claimed function, as required by proposed Bd.R. 41.37(s) | 3 | . . . | 4.6 | 1 |
| distilling complex arguments in the records into declarative sentences within the 30 page requirement of proposed Bd.R. 41.37(v) (including client conferences to discuss the significant post-issuance claim interpretation/patent validity risks associated with complying with this "procedural" requirement) | 4 | 1 | 6.2 | 1.5 |
| Including a section discussing the "scope and content of the prior art, any differences between claims and the prior art, and the level of skill in the art, as required by proposed Bd.R. 41.37(n) | 5 | 1 | 7.7 | 1.5 |

| Task | Estimated Associate Time (hour)+ | Estimated Partner Time (hour)+ | Estimated Associate Time (hour)++ | Estimated Partner Time (hour)++ |
|---|---|---|---|---|
| assessing implications of waivers of arguments regarding examiner findings/positions for applications having, for instance, claims in excess of 20 (e.g., client conferences to discuss the implications of waiver and strategies in view of same (e.g., multiple parallel appeals and/or multiple parallel filed continuing applications) | . . . | 2 | 4.0 | 3.1 |
| client conferences to discuss the significant post-issuance legal risks, such as prosecution history estoppel, inherent in pre-issue claim analysis and interpretation | 1 | . . . | 1.5 | 3.0 |
| **Total Time** | 30 | 4.5 | 55.3 | 11.9 |
| **Estimate Hourly Rate** | $413 | $530 | $413 | $530 |
| **Total additional cost burden per case [(Total time )* (estimated hourly rate )* (PTO's estimated number of response of 23,145)]** | $286,766,550 | $55,200,825 | $528,128,396 | $146,435,522 |

+Estimate provided by outside counsel, based on a typical case including 4 independent claims, and 24 total claims

++Estimate extrapolating outside counsel estimates to representative Intellectual Ventures case including only 37 total claims [((outside counsel estimate)/24 claims)* (representative 37 total claims)]

## Appendix D

Table D-1. Estimated Incremental Burden Cost for Continuation Applications, Appeal Briefs, Reply Briefs, and Oral Arguments Associated with Complying with the Proposed Board Rules. These estimates are based on data provided by outside counsel for a representative case including 24 claims.

| Task | Estimated Associate Time (hour)* | Estimated Partner Time (hour)* | Estimated Associate Time (hour)** | Estimated Partner Time (hour)** |
|---|---|---|---|---|
| **Filing a Continuation Application** | 2.0 | … | 6.2 | … |
| **Drafting an Appeal Brief** | 50.0 | 7.0 | 154.2 | 21.6 |
| **Drafting an Reply Brief** | 16.0 | 2.0 | 49.3 | 6.2 |
| **Presenting Oral Arguments Telephonically** | 4.0 | 2.0 | 12.3 | 6.2 |
| **Total Time** | 72.0 | 11.0 | 222.0 | 33.9 |
| **Estimate Hourly Rate** | $413 | $530 | $413 | $530 |
| **Total cost burden per case [(Total time )* (estimated hourly rate )* (PTO's estimated number of response of 23,145 appeal briefs)]** | $688,239,720 | $134,935,350 | $2,122,072,470 | $416,050,663 |

*Estimate provided by outside counsel, based on a typical case including 4 independent claims, and 24 total claims

**Estimate extrapolating outside counsel estimates to representative Intellectual Ventures case including 74 total claims [((outside counsel estimate)/24 claims)* (representative 74 total claims)]

Table D-2. Estimated Incremental Burden Cost for Continuation Applications, Appeal Briefs, Reply Briefs, and Oral Arguments Associated with Complying with the Proposed Board Rules. These estimates are based on data provided by outside counsel for a representative case including 24 claims.

| Task | Estimated Associate Time (hour)+ | Estimated Partner Time (hour)+ | Estimated Associate Time (hour)++ | Estimated Partner Time (hour)++ |
|---|---|---|---|---|
| **Filing a Continuation Application** | 2.0 | … | 3.1 | … |
| **Drafting an Appeal Brief** | 50.0 | 7.0 | 77.1 | 10.8 |
| **Drafting an Reply Brief** | 16.0 | 2.0 | 24.7 | 3.1 |
| **Presenting Oral Arguments Telephonically** | 4.0 | 2.0 | 6.2 | 3.1 |
| **Total Time** | 72.0 | 11.0 | 111.0 | 17.0 |
| **Estimate Hourly Rate** | $413 | $530 | $413 | $530 |
| **Total cost burden [(Total time )* (estimated hourly rate )* (PTO's estimated number of response of 23,145)]** | $688,239,720 | $134,935,350 | $1,061,036,235 | $208,025,331 |

+Estimate provided by outside counsel, based on a typical case including 4 independent claims, and 24 total claims

++Estimate extrapolating outside counsel estimates to representative Intellectual Ventures case including only 37 total claims [((outside counsel estimate)/24 claims)* (representative 37 total claims)]