

examiner would consider the art of record important in deciding whether or not the claims are patentable; there is no requirement that the claims be *prima facie* obvious over the art. The Federal Circuit has specifically indicated that:

The inquiry occasioned by a request for reexamination is solely whether a reexamination order should issue and is not directed toward resolution of validity. The requestor's burden is simply to show a basis for issuance of the order, a burden unrelated to that assigned in [35 U.S.C.] 282. A refusal of reexamination leaves untouched the [35 U.S.C.] 282 presumption to which the patent is entitled in the courtroom.

See In re Etter, 756 F.2d 852, 857 n.5, 225 USPQ 1, 4 n.5 (Fed. Cir. 1985).

It is also noted that the third party requester is not entitled (under 35 U.S.C. 315(b)) to appeal a finding of claim patentability in situations in which the Director does not issue a determination pursuant to 35 U.S.C. 312 and 313 that a substantial new question of patentability has been presented. *See* 35 U.S.C. 312(c) (a determination made under 35 U.S.C. 312(a) by the Director on the request for reexamination is "final and non-appealable"). Refusing to order reexamination where a substantial new question has been found to be present, but all the claims are found to be patentable over the art, would deprive the requester of the right to appeal the finding of claim patentability (under 35 U.S.C. 315(b)).

Comment 7: One comment suggests that the policy of issuing an Action Closing Prosecution (or Right of Appeal Notice) as the first action on the merits where all claims are patentable may be "contrary to the letter of the law." The comment notes that according to 35 U.S.C. 314(a), "reexamination shall be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133." These sections (35 U.S.C. 132 and 133) are directed to prosecution before the examiner and not proceedings on appeal to the BPAI. The comment urges that 35 U.S.C. 132(a) indicates that "each interested party shall get two bites at the apple. By analogy to initial examination, 35 U.S.C. 132(a) should be construed, in the context of *inter partes* reexamination, to loosely read:

"Whenever, on reexamination, any claim in a patent is confirmed to be patentable, the Director shall notify the Third Party Requester thereof, stating the reasons for such confirmation, together with such information and references as may be useful in judging of the propriety of continuing the Reexamination of the patent; and if after receiving such notice, the Third Party Requester persists, the previously-

confirmed patent claim shall be reassessed." Thus, the commenter believes that the statute provides the third party requester with a right to address the finding of claims patentable during the examination stage of the *inter partes* reexamination proceeding.

Response: 35 U.S.C. 132(a) reads in part: "Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application; and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined". 35 U.S.C. 132(a) provides for an applicant's opportunity to participate in an application, and by virtue of the incorporation of 35 U.S.C. 132(a) into 35 U.S.C. 314(a), it also provides for a patent owner's opportunity to participate during the examination stage of the *inter partes* reexamination proceeding. 35 U.S.C. 132(a), by virtue of its incorporation into 35 U.S.C. 314(a), does not confer any participation rights on a third party requester.

Further, 35 U.S.C. 314(b)(2) states: "Each time that the patent owner files a response to an action on the merits from the Patent and Trademark Office, the third-party requester shall have one opportunity to file written comments addressing issues raised by the action of the Office or the patent owner's response thereto, if those written comments are received by the Office within 30 days after the date of service of the patent owner's response". The third party requester may file a paper during the examination stage of the *inter partes* reexamination proceeding if, and only if, the patent owner files a response to an Office action. Thus, the third party requester is precluded by statute from participation in the examination stage of the *inter partes* reexamination proceeding if the patent owner fails to respond to all Office actions issued. Thus, contrary to the commenter's argument, the third party requester certainly is not ensured of the opportunity to participate during the examination stage of the *inter partes* reexamination proceeding. It is only the requester's right to appeal any rejection proposed and not adopted that is ensured by the statute.

As a final point, issuance of an Action Closing Prosecution as the first action on the merits (where all claims are patentable) is entirely consistent with

the statute, since it provides the requester with the rights provided by statute to comment if and only if the patent owner responds to the Action Closing Prosecution.

In conclusion, the *inter partes* third party requester of reexamination is permitted by statute only to comment pursuant to 35 U.S.C. 314(b)(2) if the patent owner responds to an Office action, and to appeal and participate in appeals pursuant to 35 U.S.C. 315(b). No further participation in an *inter partes* reexamination proceeding is authorized by 35 U.S.C. chapter 31.

Rule Making Considerations

Administrative Procedure Act: The changes in this notice conform the patent-related rules of practice in 37 CFR to the changes to title 35 U.S.C. contained in Public Law 107-273. Therefore, these changes involve interpretive rules or rules of agency practice and procedure under 5 U.S.C. 553(b)(A). *See Bachow Communications Inc. v. FCC*, 237 F.3d 683, 690 (D.C. Cir. 2001); *Paralyzed Veterans of America v. West* 138 F.3d 1434, 1436 (Fed. Cir. 1998); and *Komjathy v. National Transportation Safety Board*, 832 F.2d 1294, 1296-97 (D.C. Cir. 1987). Therefore, prior notice and opportunity for public comment are not required pursuant to 5 U.S.C. 553(b) or (c) (or any other law).

Regulatory Flexibility Act: As prior notice and an opportunity for public comment are not required pursuant to 5 U.S.C. 553 (or any other law), an initial regulatory flexibility analysis under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) is not required. *See* 5 U.S.C. 603.

Executive Order 13132: This rule making does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

Executive Order 12866: This rule making has been determined to be not significant for purposes of Executive Order 12866 (Sept. 30, 1993).

Paperwork Reduction Act: This notice involves information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). The collections of information involved in this notice have been reviewed and previously approved by OMB under OMB control numbers: 0651-0021, 0651-0031, 0651-0032, and 0651-0033. The United States Patent and Trademark Office is not resubmitting any information collection to OMB for its review and approval, because the changes in this notice do