

Exhibit 1

Board of Patent Appeals and Interferences

State of the Board



Michael R. Fleming
Chief Administrative Patent Judge
United States Patent and Trademark Office



Board of Patent Appeals and Interferences

- Our Accomplishments
- Our Challenges
- Our Strategies and Action Plan



Major Accomplishments

Interferences

	FY 2008	FY2009
Pendency of Terminated Interferences	11.9 months	10.1 months
Interferences Terminated ≤ 2 years	87.8%	93.7%
Interferences Declared	66	55
Interferences Terminated	74	63
Interferences Pending	52	44



Major Accomplishments

Ex Parte Appeals

	FY 2008	FY2009
Pendency	6.4 months	7.7 months
Disposals	4,940	6,862
Docketed	6,385	15,483
Inventory	3,956	12,577



Major Accomplishments

6,862 Ex Parte Appeal Decisions
for FY 2009 – Oct. 1, 2008 – Sep. 30, 2009

an increase of
38.9%

over the **4,940 Ex Parte Appeal Decisions**
for FY 2008 – Oct. 1, 2007 – Sep. 30, 2008



Challenges

- Provide timely decisions
- Improve appellate practices and contested case practices by outreach efforts
- Provide best practices for patentability determinations



Provide Timely Decisions

	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Projected
Appeals Docketed	4,639	6,385	15,483	11,100
Appeals Decided	3,485	4,940	6,862	7,200
Pendency (months)	5.4	6.4	7.7	14.0
Inventory	2,511	3,956	12,577	16,500
Board Production				
Months Inventory	8.6	9.6	22.0	28.0



Provide Timely Decisions

Workload Increase: Docketed Appeals

FY2007 Actual	FY2008 Actual	FY2009 Actual
4,639	6,385	15,483
	+ 37.6%	+ 142.5%



Provide Timely Decisions

Strategies

- Reduce Number of Appeals
- Increase Board productivity
- Increase Board production capacity
- Optimize Board appeals workflow
- Transform the Board to a judicial tribunal



Provide Timely Decisions

Reduce Number of Appeal Briefs Filed

- Strengthen and improve Pre-appeal Conference
- Board provides quality feedback so that Patents improves patentability determinations
- Improve Final Rejections
- Improve after-final practice



Provide Timely Decisions

Increase Board Productivity

- Develop and implement plans for more efficient chamber operations
- Develop and implement approaches to allow for shorter opinions
- Develop and implement ex parte rules to improve appellate practice to allow for efficient decision making
- Improve Examiner's Answers
- Develop and implement Judges' new productivity goals



Provide Timely Decisions

Chambers Program

- Personnel
 - 2 Judges
 - 2 Patent Attorneys
 - 1 Paralegal
- Each Judge is the supervisory back-up of the other
- Patent Attorneys review quality and workflow of Paralegal
- Cohesive Team



Provide Timely Decisions

Increase Board Production Capacity

- Hire additional Patent Attorneys
- Expand chambers program Board-wide
- Hire additional Judges



Provide Timely Decisions

- Hire 9 Judges and 24 Patent Attorneys to report November 2009, and 12 Judges and 5 Patent Attorneys to report June 2010
- Total FY2010 Cost: \$6,483,000
- Impact of FY2010-FY2014 hiring plan

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Hires- Judges	21	4				
Hires- Patent Attorneys	29	8	12	11	11	
End of Year Inventory	14,977	12,377	7,977	3,477	--	--
Pendency (months)	12.7	15.7	15.3	9.4	3.8	3.0



Provide Timely Decisions

- **Optimize Board Ex Parte Appeal Workflow**
 - Develop and implement approaches to reduce returns by reforming ex parte rules
 - Conduct process analysis from Notice of Docketing to mailing Board Decision on Appeal
 - Review analysis and identify efficiencies
 - Implement optimized processes



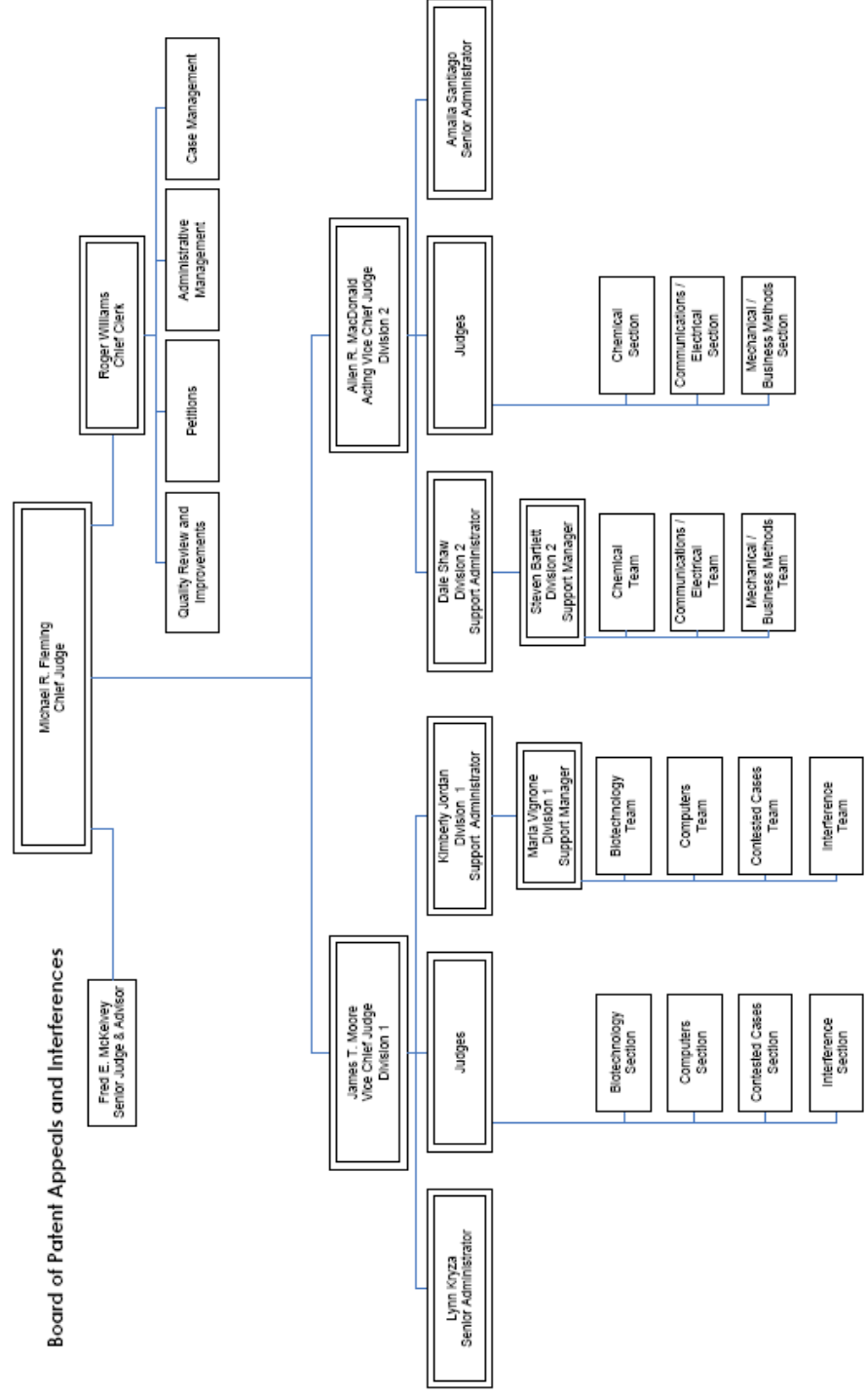
Provide Timely Decisions

- Transform the Board to a Judicial Tribunal
 - Broaden the vision of Judges from a narrow examination focus to USPTO executive focus
 - Increase focus and awareness of the Judge's role in settling disputes
 - Promote a culture of service to others
 - Realignment of organizational structure



Provide Timely Decisions

Board of Patent Appeals and Interferences



As of 4 Oct 2009 (NS)



Provide Timely Decisions

Judges, Division 1 (VCJ Moore)				Judges, Division 2 (VCJ MacDonald)					
Biotechnology Section Eric Adams (LJ) Donald Adams (LJ) Jeffrey Eastman (LJ) Lisa Green (LJ) Richard Lebowitz (LJ) Madeline McCollum (LJ) Demetra Miller (LJ) Francisco Patis (LJ) Tom Schmeier (LJ) Chamber L.J. Gomez Catherine Joyce (PA) Stephen Wash (LJ) Erica Franklin (PA) Leticia Infante (CP)	Computers Section John Jeffrey (LJ) Lee Barrett (LJ) Denise Barry (LJ) Joseph Barron (LJ) Jurgis Wu (PA) Chamber L.J. Jeffrey Denise Pothier (PA) St. John Courtney III (LJ) David Brown (PA) Paula Corne (CP) Chamber Howard Sternberg (LJ) Jeffrey S. Smith (PA) Stephen Su (LJ) Jason Morgan (PA) Maria Santos-Campos (CP)	Contested Cases Section Sally Lane (LJ) Kent Easthorn (LJ) Carol Schaefer (LJ) Chamber Scott Seaback (LJ) Eric Chen (PA) Michael Hayes (PA) Elyse Maboynne (CP) Chamber David Song (LJ) Rodney Ming (PA) Matthew Meyers (PA) Andrew Kellogg (CP)	Inference Section Richard Schaefer (LJ) Richard Tonzon (LJ) Chamber L.J. Lane Deborah Katz (PA) Michael Tenney (LJ) Joseph Russo (PA) Amy Kallala (CP) Chamber Jameson Lee (LJ) Joseph Gibbs (PA) Sally Mackey (LJ) Kristen Drosch (PA) Lawrence Banks (CP)	Chemical Section Michael Colanni (LJ) Beverly Franklin (LJ) Bradley Garcia (LJ) Linda Saucier (LJ) Adrienne Hanson (LJ) Karen Hastings (LJ) Edward Kimlin (LJ) Helen Kratz (LJ) Chamber L.J. Colanni Jonathan Johnson, Jr. (PA) Catherine Timm (LJ) Nan Lynn Gustaf (PA) Cheryl Moore (CP)	Chemical Section Mark Nagumo (LJ) Terry Oates (LJ) Chung Park (LJ) Jeffrey Robertson (LJ) Jeffrey T. Smith (LJ) Charles Warren (LJ) Chamber L.J. Colanni Jonathan Johnson, Jr. (PA) Catherine Timm (LJ) Nan Lynn Gustaf (PA) Cheryl Moore (CP)	Electrical Section Kenneth Harrison (LJ) Bradley Bourmaster (LJ) John Martin (LJ) Joseph Ruggiero (LJ) Chamber L.J. Harrison Eric Frahm (PA) Thomas Hahn (LJ) Cate Kinak (LJ) Mark Thomas (PA) Kevin Sweeney (CP) Chamber Marc Hoff (LJ) John Mosby (PA) Elm Morris Meredith (LJ) Robert Nagel (LJ) David Kohut (PA) Esther Doss (CP)	Business Methods Linda Homer (LJ) Ken Barnett (LJ) John Keene (LJ) Steven McCaffery (LJ) Michael O'Neil (LJ) Stefan Sibizovic (LJ) Chamber L.J. Homer Phil Kaufman (PA) William Pate (LJ) Charles Greenhut (PA) Vasco Harper (CP) Chamber Murali Chandra (LJ) Michael Kim (PA) Jennifer Bower (LJ) William Sarsapar (PA) Henry Holton (CP)	Mechanical / Business Methods Section Linda Homer (LJ) Ken Barnett (LJ) John Keene (LJ) Steven McCaffery (LJ) Michael O'Neil (LJ) Stefan Sibizovic (LJ) Chamber L.J. Homer Phil Kaufman (PA) William Pate (LJ) Charles Greenhut (PA) Vasco Harper (CP) Chamber Murali Chandra (LJ) Michael Kim (PA) Jennifer Bower (LJ) William Sarsapar (PA) Henry Holton (CP)	
Support Staff, Division 1				Support Staff, Division 2					
Biotechnology Team Carolin Johnson (SP) Cate Cheng (P) Diana Murphy (P) Leslie Phelan (CP) Allison Wilburn (P)	Computers Team Lori Ebron (SP) Patrick Baker (CP) Eunice Chung (P) Paula Corne (CP) Reginald Lemoine (P)	Contested Cases Team Scott Despatt (SP) Rosalind Boyke (P) Krista Flanagan (P) Andrea Melillo (CP) Elyse Maboynne (CP)	Inference Team Lawrence Banks (CP) Amy Kallala (CP) Younha Terrace (P) Michele Greenleaf (LE)	Chemical Team Lauren Smith (SP) Tonya Coffey (P) Suresh Lowen Goud (P) Sharon Lynch (P)	Chemical Team Kathryn Martin (P) Cheryl Moore (CP)	Communications / Electrical Team Britt Cain (P) Esther Dove (CP) Maya Enley (P)	Electrical Team Tom Long (P) Karen Sweeney (CP) Sheila Washington (P)	Mechanical Team Vasco Harper (CP) Karen Haskel (P) Meagan Stupel (P)	Business Methods Team Jenine Gills (P) Henry Holton (CP) Michael Steele (P) Jeffery Vadas (CP)
Chief Clerk of the Board									
Quality Review & Improvements G. Paul Egel (Chief) Frances Han (Business Administrator)		Administrative Management Stephanie Murray (Management Information Specialist) Kurt Brown (Business Management Analyst) Alan Caswell (AMS) Helen Johnson (LE)		Case Management Krista Zile (Case Management Administrator) Quiza Gould (SP) (Review Team 2) Deborah Perry (SP) (Review Team 1) John Dill (P) Joyce Burns-Riley (P) Selma Henderson (P)		Case Management Quiza Gould (SP) (Review Team 2) Pamela Bennett (P) Debrae Lane (P) Shere Sauter-Cobb (P) Toi Johnson (P)		Patents G. Paul Egel (Chief) Frances Han (Business Administrator)	
Administrative Management Cath Underwood (P) Jade Finkovitz (Business Management Analyst) Robert Child, Jr. (AMS) Robert Cook (LE/ST) Lee Bean (SSA) Patricia Bobo (SSA)									

(AMS) Administrative Specialist
 (CP) Copyright
 (LJ) Judge
 (LE) Legal Intern
 (LE/ST) Legal Intern/Supervisor
 (SP) Supervisory Patent Specialist
 (SSA) Patent Administrative Specialist
 (P) Patent Attorney
 (PA) Patent Attorney Assistant
 (SSA) Support Staff Assistant
 As of 4 Oct 2009 (NP)



Improve appellate/contested case practices

- Improve inter partes reexamination practice
- Improve appellate ex parte practice



Improve appellate/contested case practices

Improve inter partes reexamination

- Joint Patent Corps and Board checklist
- Procedure for accelerating inter partes reexam



Improve appellate/contested case practices

- **Improve appellate ex parte practice**
 - **Work together to design ex parte rules to improve appellate practice:**
 - **to reduce returns**
 - **to allow for efficient decision making**



Establishing Best Practices

Precedential and Informative Opinions

For FY 2008

For FY 2009

6 precedential opinions

4 precedential opinions

19 informative opinions

16 informative opinions

≈ 4900 routine opinions

6842 routine opinions



Establishing Best Practices

Precedential Opinions

Obviousness

- *Ex parte Fu*, 89 USPQ2d 1115 (BPAI 2008) (expanded panel) (One skilled in the art would anticipate success in substituting one species for another in its genus where the genus contains a limited number of species.).
- *Ex parte Whalen*, 89 USPQ2d 1078 (BPAI 2008) (expanded panel) (A composition with a particular property at a high level is not rendered obvious by a prior art reference that teaches a similar composition and suggests that the property be minimized – absent some reason to modify.) .



Establishing Best Practices

Precedential Opinion

Non-Obviousness Declaration Evidence

- *Ex parte Jellá*, 90 USPQ2d 1009 (BPAI 2008) (expanded panel)
 - establish nexus between claimed subject matter and evidence
 - evidence should be tied to functional not aesthetic aspects of claimed invention
 - demand established by market share not gross sales
 - long-felt need established by evidence that need was recognized by those of ordinary skill in the art).



Establishing Best Practices

Precedential Opinion

Effective Date of Reference (§§ 102 and 103)

- *Ex parte Yamaguchi*, 88 USPQ2d 1606 (BPAI 2008) (expanded panel) (Effective date of patent reference based on provisional application is filing date of provisional application.).



Establishing Best Practices

Precedential Opinion Enablement (§ 112, ¶ 1)

- *Ex parte Miyazaki*, 89 USPQ2d 1207 (BPAI 2008)
(expanded panel)

(Facts –

1. Functional limitation not claimed in the safe harbor of § 112, ¶ 6, i.e., “means plus function”
2. Specification discloses no more than claimed function

Under the reasoning of *Halliburton Oil Well Cementing Co. v. Walker*, 329 U.S. 1 (1946), the claim is construed to cover all structures that perform the claimed function, and the scope of enablement fails to support the claim as required by § 112, ¶ 1.).



Establishing Best Practices

Precedential Opinion Definiteness (§ 112, ¶ 2)

- *Ex parte Rodriguez*, Appeal No. 2008-000693 (BPAI October 1, 2009) (expanded panel) (claim recites three means plus function elements (§ 112, ¶ 6) in the form of “a system configuration generator configured to generate,” “a system builder configured to (i) build . . . and (ii) generate,” and “a simulation verification environment configured to verify” – no structure disclosed for performing functions:
 - claim is indefinite under § 112, ¶ 2; and
 - claim lacks enablement under § 112, ¶ 1).



Establishing Best Practices

Precedential Opinion Definiteness (§ 112, ¶ 2)

- *Ex parte Catlin*, Appeal No. 2007-3072 (BPAI February 3, 2009) (Means plus function limitation indefinite where specification fails to disclose algorithm for programming general purpose computer to perform specified function.).



Establishing Best Practices

Precedential Opinion

Utility (§§101 and 112, ¶ 1)

- *Ex parte Nehls*, 88 USPQ2d 1883 (BPAI 2008) (expanded panel) (utility must be “substantial” and “specific”; nonfunctional descriptive material).



Establishing Best Practices

Precedential Opinions

Procedure

- *Ex parte Ghuman*, 88 USPQ2d 1478 (BPAI 2008) (expanded panel) (Rejected claims not appealed are considered withdrawn and subject to cancellation by examiner.).
- *Ex parte Letts*, 88 USPQ2d 1854 (BPAI 2008) (expanded panel) (BPAI will not accede to a conditional withdrawal of a claim on appeal.).



Establishing Best Practices

Informative Opinion New Ground of Rejection

- *Ex parte Janakiraman*, Appeal No. 2008-0998 (BPAI May 8, 2009) (expanded panel) (BPAI affirmance of rejection using same reference but different reasoning than that used by examiner (applying reference under § 103 instead of under §102) treated as new ground of rejection).



Establishing Best Practices

Informative Opinion

Arguments directed to why examiner erred

- *Ex parte Belinne*, Appeal No. 2009-004693, (BPAI August 10, 2009) (“Appellants do not present any arguments to explain why the Examiner’s explicit fact finding is in error.”).



Establishing Best Practices

Informative Opinion

Procedure

- *Ex parte Scientific-Atlanta, Inc*, Appeal No. 2008-6176 (BPAI January 26, 2009) (Appellant is not collaterally estopped from contesting applicability as prior art of unpublished document.).



Establishing Best Practices

Informative Opinion Anticipation (Section 102)

- *Ex parte Chuang*, Appeal No. 2008-5143 (BPAI November 13, 2008) (Reference disclosing an amino acid sequence can anticipate a claim to an expressed protein even though the reference does not disclose making the protein.).



Establishing Best Practices

Informative Opinion Interference Practice

- *Rodriguez Rilo v. Benedict, Int. No. 105,684, Paper 17* (BPAI March 23, 2009) (Defects in junior party's statement under Rule 41.202(a) explaining the scope of a proposed interference and why the junior party should prevail do not preclude the Board from determining that an interference exists.).



Establishing Best Practices

Informative Opinion New Ground of Rejection

- *Ex parte Sami Chemicals and Extracts, Ltd.*, Appeal No. 2007-3482 (BPAI February 2, 2009) (“The criterion of whether a rejection is considered ‘new’ in a decision by the Board is whether Appellant has had a fair opportunity to react to the thrust of the rejection.”).



Establishing Best Practices

Informative Opinion

Interference Practice

- *Barany v. McGall*, Int. No. 105,351, Paper 59 (BPAI February 6, 2009) (Unpatentability of senior party patentee's claims under § 112, ¶ 1 (enablement) does not automatically constitute grounds for terminating interference.).

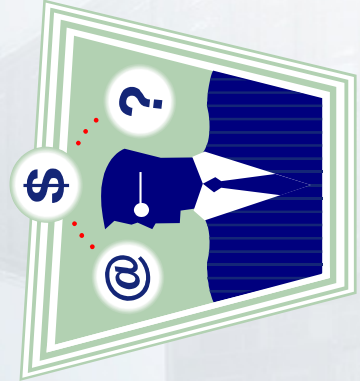
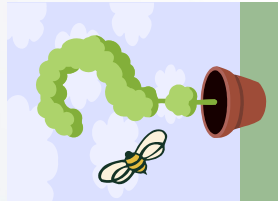


Establishing Best Practices

- Issues addressed in other recent Informative Opinions
- Recapture/Reissue
- Business method subject matter (Section 101)
- Electromagnetic signal subject matter (Section 101)
- Biotech written description (Section 112)
- Non-Functional descriptive material (§§ 102 & 103)
- Notice of boundaries as required by 35 USC § 112, ¶ 2
- Scope of enablement as required by 35 USC § 112, ¶ 1



State of the Board



1 Questions

