

The After Final Consideration Program: Allowance Prospects

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In May 2013, the After Final Consideration Pilot Program 2.0 was announced.[1] The pilot program is set to run through Sept. 30, 2015, though it is possible that a corresponding full program may be established. To qualify for the program, applicants must respond to a final rejection with a request for consideration under the program along with an amendment that amends at least one independent claim in a manner that does not broaden the claim.

Examiners are allotted an extra three hours to consider amendments entered under the AFCP 2.0.[2] If the examiner determines that the amendments cannot be considered within this time period, an advisory action is to be issued. If the allotted time is sufficient for consideration, an examiner is to either allow the application or to contact the applicant to schedule an interview to discuss the amendment. In the latter instance, after the interview, the examiner is to proceed to process the after-final amendment according to current practice. (See Fig. 1.) Thus, an AFCP 2.0 request will likely result in one of two options: an advisory action or an allowance.



Kate Gaudry

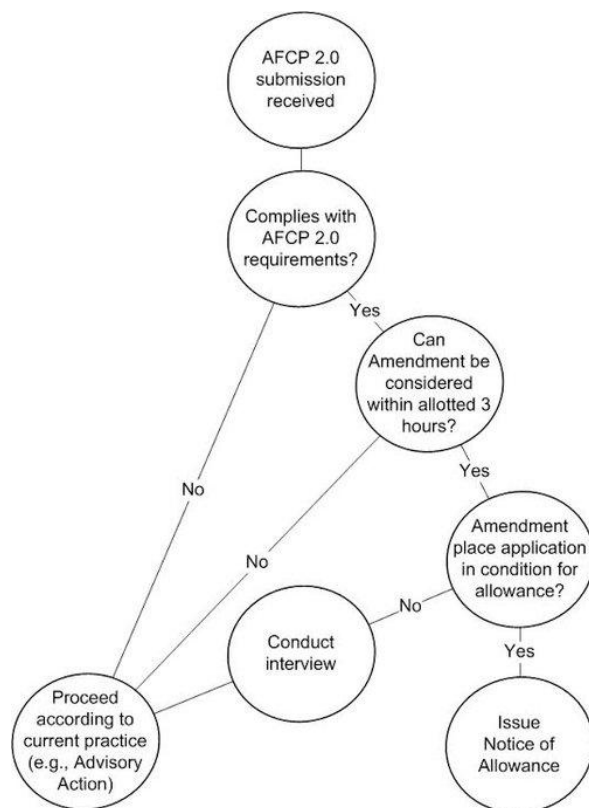


Fig. 1: Flowchart of consideration of a request filed under the AFCP 2.0.

Is AFCP 2.0 Worth the Effort?

If an AFCP 2.0 request results in an allowance, the applicant may have been spared from paying a request for continued examination fee that may have otherwise been required for the examiner to consider particular claim amendments. Further, the amendment would be considered more quickly than one accompanied by an RCE. These potential benefits, along with the fact that the program does not require a specific fee payment, may suggest that this program would be one popular with applicants.

However, if the an AFCP 2.0 request results in an advisory action, the applicant may then still need to pay the RCE fee for consideration of the amendments (or different amendments) and may merely have suffered an additional delay for the AFCP 2.0 processing. This delay may also result in a need to pay an extension fee if an RCE or appeal is subsequently filed.

Further, additional expense may be incurred to prepare for the AFCP 2.0 filing and particular amendment requirements. Further yet, the amendment restriction of the AFCP 2.0 may require an applicant filing an AFCP 2.0 request to amend their claims in an undesired manner (e.g., to avoid a partial-broadening amendment). Accordingly, even if the application is allowed, the applicant may view the claims as being suboptimal. Therefore, even though the AFCP 2.0 is free, requesting such consideration can bring about various drawbacks.

Table 1 summarizes the advantages and disadvantages of the AFCP 2.0. Notably, most of the advantages or disadvantages are conditioned: A particular desirable or undesirable result can occur if an AFCP 2.0 request is associated with a particular outcome. Therefore, strategically deciding whether to file a request for the AFCP 2.0 should involve predicting an AFCP 2.0 outcome, which can be aided by empirical statistics of the program.

AFCP 2.0 Advantages	AFCP 2.0 Disadvantages
No USPTO fee	If not allowed, potential additional attorney-time fee to prepare AFCP-compliant amendment
If allowed, a fee and delay of an RCE or appeal can be avoided	If not allowed, RCE or appeal filing may merely be delayed; extension fees may be due
If considered, feedback on amendments is provided	If not allowed, additional prosecution history
	AFCP amendment restrictions may result in claims with a scope more narrow than desired

Table. 1: Advantages and disadvantages of the AFCP 2.0.

Overall, 30 Percent of AFCP 2.0 Result in Next-Action Allowance

The author submitted a Freedom of Information Act request for data corresponding to valid AFCP 2.0 requests. The response identified each published utility application for which a valid AFCP 2.0 request was filed; the next action following the request (e.g., an allowance, advisory action, RCE, office action or abandonment) and whether an interview was conducted.

Between May 19, 2013, and May 18, 2015, over 70,000 valid AFCP 2.0 requests were filed. Nearly 45,000 post-final responses (e.g., RCEs, appeals or after-final responses) were filed in total during this time period. This indicates that the AFCP 2.0 is popular among applicants, with approximately 16 percent of final office actions which solicited a nonabandonment response being followed by an AFCP 2.0 filing.

As described above, a mere filing of a valid AFCP 2.0 request does not ensure that the accompanying amendment is considered by the examiner. Should the examiner decide that the amendments cannot be considered within the allotted three hours, the amendments can be denied entry. Frequent refusal to consider an AFCP 2.0 submission would indicate that the AFCP 2.0 is a less attractive option for applicants.

As shown in Fig. 2, approximately 39 percent of valid AFCP 2.0 requests were denied consideration. Given that most requests were likely a result of attorney-time investment, this high consideration-refusal rate may indicate that requesting AFCP 2.0 consideration has reduced benefit. However, of those requests that were considered, 50 percent resulted in an allowance, corresponding to 30 percent of the valid AFCP 2.0 filed requests resulting in allowance.

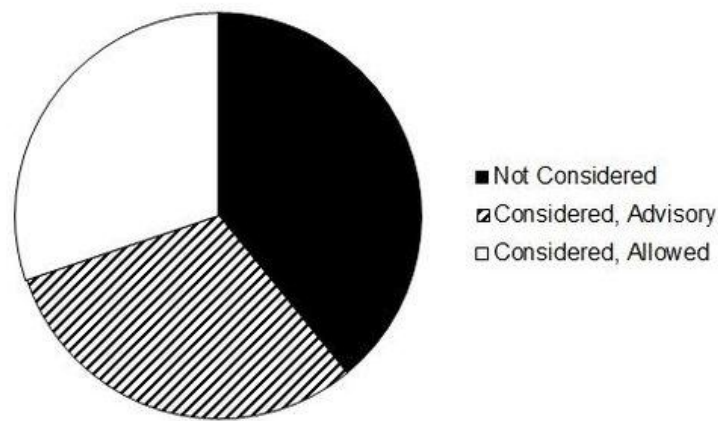


Fig. 2: Distribution of corps-wide outcomes of valid AFCP 2.0 requests.

AFCP 2.0 Allowance Prospects Heavily Depend on Art Units' Allowance Rates

This allowance statistic is not consistent across technology centers and art units. Fig. 3A shows the distribution of AFCP 2.0 outcomes for each technology center. Technology center 3600 was divided into the business-method art units (art units 3621-29 and 3681-96) and other 3600 art units. For most technology centers, the allowance probability was within a few percentages of the overall 30 percent statistic. However, the allowance probability within the business-method art units was dramatically lower (at 12 percent), which is consistent with reports that these art units generally have a low allowance rate.[4] The allowance probability in these art units since July 2014 (after the U.S. Supreme Court *Alice Corp. v. CLS Bank* opinion was rendered) is even lower, at 5.1 percent (data not shown), which is consistent with the overall drop in allowance rate observed in these art units following the decision.

To compare a degree to which the AFCP allowance probabilities tracked overall allowance probabilities, we used Reed TechSM Patent AdvisorSM to identify a quantity of office actions and a quantity of notice of allowances issued during four two-week periods in the past year (during August 2013, May 2014, July 2014 and February 2015). We calculated the overall allowance rate for each technology center based on the percentage of the U.S. Patent and Trademark Office-issued actions that were notices of allowances. As shown in Fig. 3B, generally, the AFCP allowance rates are comparable to the overall allowance rates in each technology center.

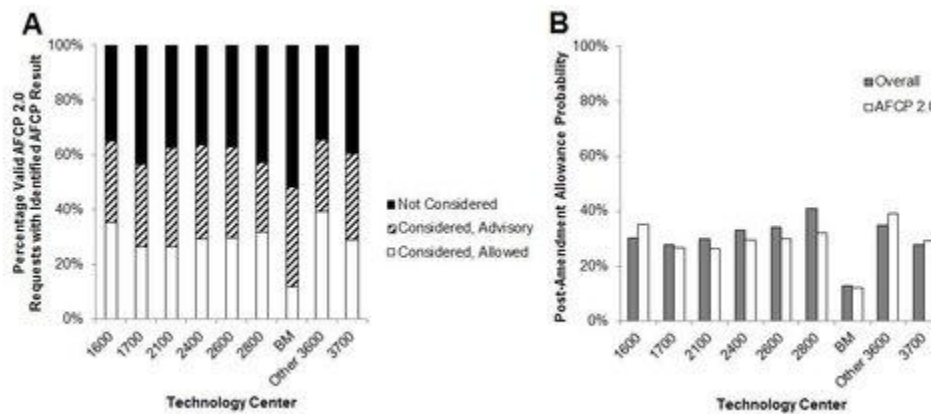


Fig. 3: Technology-center-specific AFCP 2.0 allowance probabilities.

- A. The distribution of outcomes of valid AFCP 2.0 requests per technology center are shown. Technology center 3600 is segmented into the business-method art units and the other TC 3600 art units.*
- B. The percentage of AFCP 2.0 outcomes that were allowances is compared to a percentage of all actions issued by each technology center during sample time periods.*

This technology-center analysis suggests that AFCP 2.0 outcomes may correlate with art units' overall allowance rate. To investigate this hypothesis, we used Reed TechSM Patent AdvisorSM to identify the number of issuances and abandonments for each art unit between May 19, 2013, and May 18, 2015. The overall allowance rate was defined to be the number of issuances divided by the number of issuances or abandonments. We further identified, for each art unit, a percentage of AFCP 2.0 responses that resulted in an allowance.

As shown in Fig. 4, there is a strong correlation between art units' overall allowance rates and AFCP 2.0 allowance rates ($R^2=0.22$, $p<0.01$).^[5] For example, in business-method art unit 3689, 104 valid AFCP 2.0 requests were received, of which only one resulted in an allowance (0.96 percent). Meanwhile, in art unit 1638, 35 valid AFCP 2.0 requests were received, of which 28 resulted in an allowance (80 percent). A weaker, positive correlation was present between art units' overall allowance rates and AFCP 2.0 consideration probabilities ($R^2=.06$, $p<0.01$, data not shown).

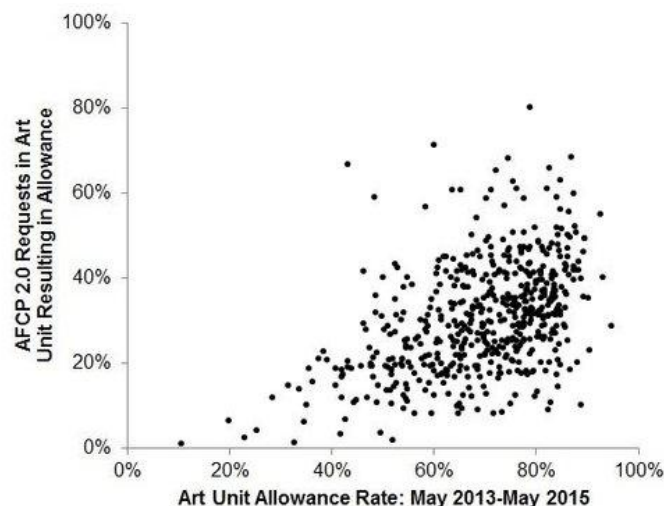


Fig. 4: Correlation between art units' AFCP 2.0 allowance probability and overall allowance rates. Each data point corresponds to an art unit. The y-value indicates the percentage of valid AFCP 2.0 requests assigned to the art unit that resulted in an allowance. The x-value indicates the percentage of final dispositions (patent issuances or abandonments) between May 19, 2013, and May 18, 2015, that were patent issuances.

Is AFCP 2.0 Worth the Effort? Answer: It Depends (on the Art Unit Assignment)

Requesting entry into the AFCP 2.0 can result in investing time to identify program-compliant amendments, creation of additional prosecution history and introducing an additional prosecution delay corresponding to a time during which the request is considered. These consequences may be acceptable to an applicant in view of the possibility of achieving a quicker allowance or reducing patent office fees (e.g., by eliminating a need to file an RCE or appeal). However, weighing these potential consequences requires knowing how likely it is that an AFCP 2.0 amendment will be considered and/or allowed.

Our data shows that there is, corps-wide, a sizable probability that an AFCP 2.0 amendment will be considered and allowed. However, this probability varies across art units and is strongly correlated with art units' overall allowance rates.

Accordingly, it is our recommendation that applicants should identify a given art unit's allowance rate while considering the AFCP 2.0 prosecution option. For high allowance-rate art units, this program seemingly offers a strong possibility that an application may be allowed after-final without requiring the applicant to invest the time and money into an RCE. In this context, the AFCP 2.0 seems to promote compact prosecution. For low allowance-rate art units, this prospect is less likely.

The author recognizes that these statistics are but one factor to consider: Applicants may decide to nonetheless forego an AFCP 2.0 filing while in high allowance-rate art units (e.g., due to an unwillingness to amend the claims in accordance with the program's requirement) or to file the AFCP 2.0 request while in low-allowance rate art units (e.g., to receive more information about an examiner's opinion on an added or changed claim feature). Nonetheless, given that an art unit's allowance rate is predictive of its AFCP 2.0 handling, using such data will allow an applicant to make informed prosecution decisions based on more precise predicted outcomes of a potential AFCP 2.0 filing.

—By Kate S. Gaudry, Kilpatrick Townsend & Stockton LLP

Kate Gaudry, Ph.D., is an associate in Kilpatrick's Washington, D.C., office.

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[1] 78 Fed. Reg. 29117, May 17, 2013.

[2] USPTO, Guidelines for Consideration of Responses After Final Rejection under 37 CFR 1.116(b) under the After Final Consideration Pilot 2.0 (AFCP 2.0), available at http://www.uspto.gov/sites/default/files/patents/init_events/afcp_guidelines.pdf.

[3] Based on the above-identified structure of the AFCP 2.0, we estimated that the corresponding amendments were considered when an AFCP 2.0 request was filed and either a post-request interview was conducted or next-action allowance was issued. We estimated that the corresponding amendments were not considered when an AFCP 2.0 was requested and a post-request interview was not conducted and a next action was an Advisory Action. We excluded instances where a next action was an Office Action, RCE or other, which constituted 2% of the instances.

[4] Gaudry, K.S. "Post-Alice exam stats in software art units: a bleaker road." Law360. Oct. 3, 2014.

[5] Data for 25 art units was excluded, as fewer than five AFCP 2.0 requests were identified as being received in each of those art units.

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