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## **The Problem with Finality: Inconsistent Analysis**

In the first part of this article, I outlined my view of the history of Finality, and related issues within the U.S. Patent & Trademark Office. In this article, I intend to describe why I think the Finality system as implemented by Examiners at the U.S. Patent & Trademark Office does not work as intended.

### **So What's the Problem?**

In theory, the Finality system works well. I doubt there are many Examiners at the U.S. Patent & Trademark Office who think the system is flawed. But I, and I suspect other patent attorneys, patent agents, and (of course) Applicants, hate to see a second Office Action be made “final”. In my opinion, Examiners arrive at the conclusion that an Office Action is “final” too quickly and without due consideration to whether Finality is even proper.

In my opinion, there are several problems with Finality as it is applied. These problems include that it is (somewhat) out-of-date, it is a subjective test, and the test as applied by Examiners does not actually follow the rule<sup>1</sup>.

The Finality test is out-of-date because it has not been changed to recognize the change in patent term calculation. When Finality was first established, patent terms were calculated as 17 years from the date of issuance of the patent. But in 1995 the calculation changed. Now, patent terms are measured as 20 years from the earliest effective filing date of the application<sup>2</sup>. With that change, submarine patents were effectively ended, since delaying issuance of a patent application only shortens its eventual term, potentially to the point of the patent having no effective term at all.

As to the question of the test's subjectivity, the second problem with Finality is in deciding when Finality is proper. Recall the test for Finality, as stated in the Manual of Patent Examining Procedure (M.P.E.P.)<sup>3</sup>: “Second or any subsequent actions on the merits shall be final, except where the examiner introduces a new ground of rejection that is [not] necessitated

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<sup>1</sup> I do not intend to address the contribution of the Count System to the problem, although the Count System is definitely a factor, as it discourages Examiners from issuing additional non-Final Office Actions.

<sup>2</sup> This change was made in the Uruguay Round of the Global Agreements on Tariffs and Trade (GATT) and took effect in the U.S. on June 8, 1995.

In theory, a patent application claiming priority back to one that dates from before June 8, 1995 might still have its term measured from the date of issuance. But today, in 2017, there are very few, if any, patent applications that can claim priority back more than 20 years.

<sup>3</sup> See [M.P.E.P. § 706.07\(a\)](#).

by applicant’s amendment of the claims...”. When does an Office Action introduce “a new ground of rejection that is [not] necessitated by applicant’s amendment of the claims”?

Unfortunately, the U.S. Patent & Trademark Office gives no guidance<sup>4</sup>—in the rules, regulations, or the M.P.E.P.—as to what this test really means. The best explanation as to what this language means comes from the Examiners, which in turn comes from their training. And according to most Examiners, any amendment necessitates a new ground of rejection<sup>5</sup>—what I call the “shorthand test”<sup>6</sup>. But reasonable people can differ on the question of whether a new ground of rejection is necessitated by an amendment: I have had numerous interviews with Examiners on that exact point<sup>7</sup>. Immodest though it may be for me to say, I think my argument is a reasonable interpretation of the Finality rule. But if reasonable people can disagree, then the conclusion reached depends on the point of view of the person applying the test, which means the test is a subjective test.

My third problem with the shorthand test is that it is not consistent with the actual language of the test. The test, as I interpret it, should have three steps.

- 1) Does the Office Action introduce a new ground of rejection? If not, Finality is proper (regardless of whether or not the Applicant amended the claims).
- 2) Assuming the Office Action introduces a new ground of rejection, did the Applicant amend each claim in question? If not, then Finality is not proper.
- 3) Assuming the Office Action introduces a new ground of rejection, and assuming the Applicant amended the claim(s) in question, was the new ground of rejection “necessitated by” the Applicant’s amendment or not?

The shorthand test only considers the first two steps: it ignores the third step<sup>8</sup>. And a consequence of the use of the shorthand test is that Finality determinations are inconsistent.

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<sup>4</sup> At least, as far as I can tell from my research.

<sup>5</sup> Even Supervisory Patent Examiners (SPEs) state the rule this way.

<sup>6</sup> My terminology, rather than a formal or informal name for how Examiners apply the test for Finality.

<sup>7</sup> The best result I have ever gotten is an acknowledgement from an Examiner is that my position—whether an amendment necessitates a new ground of rejection—has merit. But even Examiners willing to acknowledge the merit of my argument have followed the test as they have been taught, even though their test, in my opinion, does not actually follow the language of the Finality rule.

<sup>8</sup> The shorthand test has another problem related to the change in language from passive voice to active voice. This change might not seem problematic, but it does have implications. To say that an Office Action shall be made final unless the Office Action introduces a new ground of rejection that is not necessitated by the Applicant’s amendment tacitly recognizes the possibility that there can be situations where a new ground of rejection should not result in a Final Office Action, even if the claim is amended. See the section entitled **The Root of the Problem**

## The Fly in the Ointment

To help illustrate how the shorthand test can lead to inconsistent results, consider the following fact pattern:

An Applicant files a patent application on an invention. The patent application includes one claim that reads, in part, as follows:

1. An apparatus, comprising:  
a doohickey<sup>9</sup>;  
a widget connected to the doohickey;  
....<sup>10</sup>

The Examiner reviews the application, performs a prior art search, and identifies Reference A that, in the Examiner's opinion, teaches all the features of the invention. The Examiner issues an Office Action, rejecting claim 1 as anticipated by Reference A<sup>11</sup>.

The Applicant reviews the Office Action and the reference. The Applicant concludes that the Examiner is correct to assert that Reference A teaches a widget. The Applicant concludes, however, that Reference A does not teach a *red* widget. The Applicant also concludes that, despite the Examiner's rejection, Reference A does not actually teach a doohickey.

Now consider two possible approaches that the Applicant can take in responding to the Office Action, described next.

### Scenario 1:

The Applicant argues to the Examiner why Reference A does not teach a doohickey. The Applicant also amends claim 1 to recite:

1. (Currently Amended) An apparatus, comprising:  
a doohickey;  
a red widget connected to the doohickey;  
....

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*infra*, beginning on page 6. On the other hand, to say that any amendment necessitates Finality rejects this possibility.

<sup>9</sup> I know that there are no such components as doohickeys and widgets; the purpose of the fact pattern (and the related scenarios) is to illustrate the problem with the shorthand test used by Examiners.

<sup>10</sup> The claim can also include other components, but for purposes of the fact pattern, only two components are needed.

<sup>11</sup> Although the fact pattern states that the Examiner rejects claim 1 as anticipated by Reference A, the specific rejection is not actually relevant, and an obviousness rejection could substitute for the anticipation rejection without loss of applicability.

The Applicant then argues why Reference A does not teach a red widget and therefore the amended claim is distinguishable over Reference A.

Upon receiving the amendment the Examiner reviews Reference A, and decides that Reference A teaches only a widget, and not a red widget. But the Examiner performs a new search, and finds Reference B, which he thinks teaches a red widget. So the Examiner issues a new Office Action, rejecting claim 1 as obvious<sup>12</sup> over Reference A in view of Reference B.

#### Finality Analysis in Scenario 1:

I think that most Examiners would reason as follows: “The Applicant amended claim 1 to insert the word ‘red’. That amendment changed the scope of the claim as a whole. Since the scope of the claim changed, I needed to search the prior art anew, and found Reference B, resulting in a new ground of rejection. Therefore, the Applicant’s amendment necessitated the new ground of rejection, and Finality is proper”. The Examiner would then make the second Office Action “final”<sup>13</sup>.

Before explaining what I think is wrong with the Examiner’s reasoning, let us consider scenario 2, which starts with the same basic fact pattern.

#### Scenario 2:

The Applicant argues to the Examiner why Reference A does not teach a doohickey. But this time, instead of amending claim 1, the Applicant adds (new) claim 2, which recites:

2. (New) An apparatus according to claim 1, wherein the widget includes a red widget.

The Applicant then argues why Reference A does not teach a red widget and therefore the new claim is distinguishable over Reference A.

As before, upon receiving the amendment the Examiner reviews Reference A, and decides that Reference A teaches only a widget, and not a red widget. But the Examiner performs a new search, and finds Reference B, which he thinks teaches a red widget. So the

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<sup>12</sup> Again, the specifics of the rejection are not pertinent to the analysis. All that matters is that the rejection in the second Office Action is a new ground of rejection.

<sup>13</sup> I have had more Examiners than I can count employ such reasoning, insisting that in situations like this one Finality depends only on whether the Applicant amended the claims.

Examiner issues a new Office Action, rejecting claim 2 as obvious over Reference A in view of Reference B.

#### Finality Analysis in Scenario 2:

In this scenario, the Applicant did not amend claim 1. Therefore, Finality stands or falls on whether the Examiner needs to issue a new ground of rejection of claim 1<sup>14</sup>.

- If the Examiner continues to think that Reference A does teach a doohickey, then the Examiner can reject claim 1 again as anticipated by Reference A. In that case, the Examiner has not introduced a new ground of rejection of claim 1, and Finality would be proper.
- But if the Examiner agrees with the Applicant that Reference A does *not* teach a doohickey, then the Examiner would need to find a new reference that teaches a doohickey. This new reference would mean that the Examiner has introduced a new ground of rejection of claim 1. And since the Applicant did not amend claim 1, the new ground of rejection could not have been necessitated by the Applicant's amendment, which means Finality would not be proper.

#### Comparison of Scenarios 1 and 2:

Do you see the source of the inconsistent treatment? In Scenario 1, the Examiner made the second Office Action Final simply because the Applicant amended claim 1. The Examiner ignored the impact of the Applicant's argument about the doohickey. In Scenario 2, the Examiner was forced to consider the Applicant's argument about the doohickey, since the Examiner's opinion of the Applicant's argument about the doohickey became the sole factor in whether Finality was proper or not. Assuming that the Applicant's argument that Reference A does not teach the doohickey is correct, Scenarios 1 and 2 have inconsistent results on the question of Finality,<sup>15</sup> all because the Examiner assumed that amendment of claim 1 in Scenario

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<sup>14</sup> Under the current test for Finality, the rejection of claim 2 plays no part in the determination of Finality, since claim 2 was added after examination began.

<sup>15</sup> Another way to look at the problem is as follows. If the Applicant's argument that Reference A does not teach the doohickey is correct in Scenario 2, then that argument is equally correct in Scenario 1, and the Examiner would have needed a new ground of rejection in Scenario 1 anyway. But if the Examiner would have needed a new ground of rejection for claim 1 in Scenario 1 anyway, then the new ground of rejection of claim 1 in Scenario 1 was not necessitated by the Applicant's amendment, and therefore the Finality of the second Office Action in Scenario 1 was not proper.

1 “necessitated” the new ground of rejection. The shorthand test used by most Examiners does not encourage Examiners to think along whether there might be other reasons that would force a new ground of rejection<sup>16</sup>.

### **The Root of the Problem**

As already said, the underlying problem is that Examiners follow the shorthand test: that “any amendment necessitates a new ground of rejection”. But many Examiners will acknowledge that even the shorthand test is not correct as an absolute rule. First of all, the actual language of the test for Finality (as opposed to the shorthand test) implies that there can be amendments that do not necessitate a new ground of rejection. If the rule were really intended to be that any amendment necessitates a new ground of rejection, the rule would say something to the effect of “Second or any subsequent actions on the merits shall be final, except where the examiner introduces a new ground of rejection and the applicant has not amended the claims”. The fact that the test considers whether the new ground of rejection was necessitated (or not) by the amendment implies that there can be amendments that do not necessitate a new ground of rejection.

Second, if “any” amendment justified a new ground of rejection, then Finality would be justified if the Applicant’s amendment is as small as changing a punctuation mark in a claim. It is hard to imagine many such amendments that change the scope of the claims<sup>17</sup>, but an amendment is an amendment, regardless of what is changed.

Another good example of an “amendment” that ought not to justify Finality is where the Examiner objects to a claim as being dependent from a rejected base claim, but would be allowable if rewritten in independent form, including all of the features of the base claim and any intervening claims<sup>18</sup>. Rewriting a dependent claim in independent form is an amendment; if the Examiner were to then reject the amended claim, that amendment would “justify” Finality,

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<sup>16</sup> Other than the Applicant’s amendment.

<sup>17</sup> Although there certainly can be punctuation changes that affect the scope of the claims.

<sup>18</sup> For those unfamiliar with this language, this language is U.S. Patent & Trademark Office boilerplate for saying that a dependent claim is allowable, it just needs to be rewritten so that it does not depend from any other claims, and in a way that does not change its scope at all.

despite the fact that the second Office Action would include what amounts to the first actual rejection of the claim in question<sup>19</sup>.

There can even be situations where the Examiner changes the ground of rejection of a claim *without* the Applicant amending the pertinent claim language, and the Examiner tries to make the Office Action “final”. Consider the following scenario<sup>20</sup>:

In the first Office Action, the Examiner rejects claim 1 as anticipated by Reference A, and rejects claim 2 as obvious over Reference A in view of Reference B (usually with an explicit acknowledgement that there is at least one feature in claim 2 that is not taught by Reference A)<sup>21</sup>. In response to the Office Action, the Applicant amends claim 1, but does not amend claim 2. Note that by not amending claim 2 in this situation, the Applicant has not changed the feature in claim 2 that the Examiner has already acknowledged was not taught by Reference A. In the second Office Action, the Examiner rejects both claims 1 and 2 as anticipated by Reference C. The Examiner then argues that the second Office Action should be “final” as the amendment to claim 1 changed the scope of claim 2, justifying the new ground of rejection.

The problem with this reasoning is that the Examiner has already acknowledged that Reference A does not teach at least one feature of claim 2, and that feature has not been amended (nor does the amendment to claim 1 affect this feature of claim 2). By changing from Reference B to Reference C as teaching this feature of claim 2, the Examiner has issued a new ground of rejection that was “[not] necessitated by applicant’s amendment of the claims”. Therefore Finality would not be proper<sup>22</sup>.

### **So What Can We Do?**

Stay tuned for the next article, wherein I discuss what could be done to make Finality work.

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<sup>19</sup> I have personally interviewed at least two Examiners who attempted to maintain the Finality of an Office Action in exactly this situation, although one of the Examiners did acknowledge the unfairness of his position and, after consulting with colleagues, did eventually agree to withdraw the Finality of the Office Action.

<sup>20</sup> This scenario is a distillation of the facts in an application I prosecuted before the U.S. Patent & Trademark Office. The scenario does not describe a mere theoretical problem.

<sup>21</sup> As with the earlier fact pattern/scenarios, the specifics of the rejection are not relevant, except for the fact that the Examiner has used an additional reference in rejecting claim 2, with an acknowledgment (explicit or implicit) that the reference(s) cited in rejecting claim 1 did not teach all the features of claim 2.

<sup>22</sup> Note that if the Examiner had rejected claim 2 as obvious over Reference C in view of Reference B (that is, by substituting Reference C for Reference A in the rejection), the Examiner would have a reasonable argument in favor of Finality. The problem with Finality in the described Scenario is that the Examiner removed Reference B from the rejection, which the Examiner had previously indicated was required to reject the claim. Removing reference B without the Applicant amending claim 2 materially changes the rejection, even though the Applicant did not amend the language that distinguished claim 2 over the references used in the rejection of claim 1.



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Ariel Rogson is the owner of the Law Office of Ariel S. Rogson, P.C. A former software developer (and continuing part-time programmer), he serves clients in software and high tech industries. He can be reached at 971-254-8967 or [Ariel.Rogson@RogsonIPLaw.com](mailto:Ariel.Rogson@RogsonIPLaw.com). The above article is general information, not legal advice. Regarding a specific situation, seek competent intellectual property legal counsel.