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Strategies Under the New Rules of the United States Patent and Trademark Office

Presented to:

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Presentation Outline

I. Overview of the new USPTO Rules

II. Basic concepts of U.S. patent law

III. The Rule Changes

- Limitation on number of continuing applications
- Limitations on the number of claims in an application
- Citation of certain commonly-owned patent applications having a common inventor

IV. Strategies for compliance with, and benefit under, the new Rules

- What to do between now and November 1, 2007
- New routine tasks in prosecution
- Strategies for consideration

Explanation of Certain Abbreviations

- A number of abbreviations are used frequently in U.S. patent practice:
 - “USPTO” and “PTO” are each used to refer to the United States Patent and Trademark Office.
 - “Office Actions” refer to substantive written official communications from the USPTO concerning patentability of an application.
 - “35 U.S.C.” refers to Title 35 of the United States Code, which sets forth the statutes enacted by the U.S. Congress and signed into law by the President.
 - “37 C.F.R.” refers to Title 37 of the Code of Federal Regulations, which includes regulations (also known as Rules) on patent procedure promulgated by the USPTO. This is where the Rule change is happening.
 - “M.P.E.P.” refers to the Manual of Patent Examining Procedure, a useful reference book relied on by USPTO Examiners in conducting examination of U.S. patent applications.
 - “CAFC” and “Fed. Cir.” are each used to refer to the Court of Appeals for the Federal Circuit, which is the federal appellate court that hears almost all appeals from patent infringement trials.

I. Overview of the New USPTO Rules

- On August 21, 2007, the U.S. Patent and Trademark Office (USPTO) published new Rules that profoundly change U.S. patent prosecution practice.
 - The new Rules go into effect on November 1, 2007, and apply to all new applications filed on or after November 1, 2007.
 - The new Rules also apply to applications pending before November 1, 2007, if there has not been an Office Action in the case by that date.
 - The new Rules restrict the number of continuing patent applications that an applicant will be entitled to file as a matter of right.
 - The new Rules also place practical limits on the number of claims that may be presented for examination.
 - According to the USPTO, the new Rules are being adopted to reduce the burden on examiners and to eliminate the present back-log of new patent applications waiting to be examined.

I. Overview of the New USPTO Rules

- The changes impact:
 - Continuation practice – Applicants are generally limited to two continuations or continuations-in-part without petitioning the USPTO.
 - One Request for Continued Examination (“RCE”) is also permitted as a matter of right per patent family (original application and any continuations, but excluding divisionals).
 - Number of Claims – Applicants are generally limited to five independent claims and 25 total claims per application (“5/25 Rule”), unless a burdensome and potentially costly Examination Support Document (“ESD”) is filed.
 - Practice for commonly-owned patent applications sharing at least one common inventor - such applications must be identified to the USPTO if they are filed within two months of each other.
 - There is a presumption that applications sharing a common inventor and having the same priority date with substantially overlapping disclosures contain patentably indistinct claims, invoking the 5/25 Rule.

II. Basic Concepts of U.S. Patent Law

- What is a U.S. patent?
 - A U.S. patent is a grant from the U.S. government that confers the right to exclude others from:
 - MAKING the invention
 - USING the invention
 - SELLING the invention
 - OFFERING the invention for sale
 - IMPORTING the invention into the U.S.
 - A patent is not an affirmative right to practice the claimed invention, but rather a right to exclude others from engaging in any of the activities listed above.

II. Basic Concepts of U.S. Patent Law

- The parts of a patent:
 - A patent consists of a specification, drawings, and claims.
 - Specification
 - **Background: Brief explanation of the state of the art**
 - **Detailed Description: A description sufficient to meet § 112, written description and enablement requirements**
 - **Abstract: Brief summary**
 - Drawings
 - **Must show every feature claimed**
 - Claims
 - **The claims define the legal scope of the invention**

II. *Basic Concepts of U.S. Patent Law*

- There are three basic types of U.S. patents:
 - **Utility Patents**
 - Protect process, machine, manufacture, or composition of matter (35 USC §101).
 - Utility patents provide protection for technological advances.
 - A shorthand rule to remember is that a utility patent may be obtained on virtually “any thing under the sun that is made by man.” *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980).
 - **Design Patents**
 - Protect only ornamental, non-functional aspects of designs.
 - **Plant Patents**
 - Protect asexually reproduced plants.

II. Basic Concepts of U.S. Patent Law

- Patentability
 - An invention must meet certain basic requirements before a patent will be granted:
 - The invention must fit within one of the statutory categories of subject matter. 35 U.S.C. § 101
 - It must be useful (35 U.S.C. § 101), novel (35 U.S.C. § 102), and nonobvious to a person of ordinary skill in the pertinent art at the time of invention (35 U.S.C. § 103).
 - The application for patent must provide a complete description of the invention that sufficiently enables the claims, and conclude with a set of claims that set forth the scope of the subject matter protected by the utility patent. 35 U.S.C. § 112

II. *Basic Concepts of U.S. Patent Law*

- Patentability

- Statutory Classes of Subject Matter - 35 U.S.C. § 101

- To be patentable, an invention must be useful, *i.e.*, it must be capable of some beneficial use. 35 U.S.C. § 101.
- Utility patents cover new and useful inventions within the following statutory categories (35 U.S.C. § 101):
 - (1) processes,
 - (2) machines,
 - (3) manufactures, and
 - (4) compositions of matter.
- Utility patents may also cover new and useful improvements on any of these.
- “[T]he words of 35 U.S.C. § 101 have been liberally construed to include the most diverse range of imaginable and unforeseen developments in technology.” *Pioneer Hi-Bred Int’l, Inc. v. J.E.M. Ag Supply Inc.*, 49 U.S.P.Q.2d 1813, 1817 (N.D. Iowa 1998).

II. *Basic Concepts of U.S. Patent Law*

- Patentability

- Novelty Requirement - 35 U.S.C. § 102

- In order to be patentable, an invention must be novel. 35 U.S.C. § 102.
 - An invention is novel if no single prior art reference includes all elements of the claimed invention. *Scripps Clinic & Research Foundation v. Genentech, Inc.*, 927 F.2d 1565, 1576 (Fed. Cir. 1991).

II. Basic Concepts of U.S. Patent Law

- Patentability

- Prior Art

- Prior art is information in the public domain, such as publications, issued patents and published patent applications.
 - Patent Examiners use prior art to show that an invention is not novel/new or is obvious.
 - Legal definition of “Prior Art”
 - A reference qualifies as “prior art” if it falls under any one of the sub-sections of § 102.
 - Thus, if any single reference qualifies as prior art under at least one of the subsections of § 102 and, at the same time, includes all elements of a claimed invention, then the invention is not novel, and the claimed invention is said to be anticipated by the reference.
 - An inventor will not be entitled to a patent when the claimed invention is anticipated by prior art.

II. *Basic Concepts of U.S. Patent Law*

- Patentability

- Novelty Requirement - 35 U.S.C. § 102 (*cont'd*)

- A person is entitled to a patent unless –

- (a) Before the invention date of the application, the invention was known or used by others in the U.S., or patented or described in a printed publication anywhere;

- (b) More than one year prior to filing the application in the U.S., the invention was patented or described in a printed publication anywhere in the world or in public use or on sale in the U.S.;

- (c) The invention has been abandoned;

- (d) More than one year prior to filing the application in the U.S., the applicant applied for and obtained a patent in a foreign country;

II. *Basic Concepts of U.S. Patent Law*

- Patentability

- Novelty Requirement - 35 U.S.C. § 102 (*cont'd*)

- A person is entitled to a patent unless –

- (e) Before the invention date of the application, the invention was described in a patent or published application filed by another in the U.S.;

- (f) The inventor derived the invention from someone else and thus did not actually invent the claimed invention;

- (g) Before the invention date of the application, the invention was invented by another and not abandoned, suppressed, or concealed.

II. Basic Concepts of U.S. Patent Law

- Patentability
 - Nonobviousness Requirement – 35 U.S.C. § 103
 - Even if an invention is not anticipated under § 102 by a single item of prior art, § 103 nevertheless denies a patent if the differences between invention and the prior art would have been obvious at the time the invention was made to a person having ordinary skill in the art.
 - Thus, in order for a person to be entitled to a patent, the invention must not only be novel; it must also be nonobvious.

II. *Basic Concepts of U.S. Patent Law*

- Foreign Priority – 35 U.S.C. § 119(a)
 - Obtaining the earliest possible priority date is important because it reduces the amount of potentially patent-defeating prior art available to the examiner.
 - For this reason, many clients who file first outside of the U.S. take advantage of §119(a) of the U.S. patent laws, which provides the right of “Foreign Priority” (*i.e.*, the right of priority based upon an earlier-filed foreign application).
 - Under §119(a), an application for patent for an invention filed in the U.S. by a person who previously filed an application for a patent for the same invention in a WTO country, such as China, shall be treated as if filed in the U.S. on the date on which the application was filed in the foreign country.
 - This benefit is known as “foreign priority” and is subject to the restriction that the U.S. application must be filed within twelve months from the earliest date on which a foreign application was filed.

II. *Basic Concepts of U.S. Patent Law*

- Foreign Priority – 35 U.S.C. § 119(a)
 - Significant Recent Development:
 - On August 8, 2007, in *Boston Scientific SciMed v. Medtronic Vascular*, Case No. 06-1434 (Fed. Cir. 2007) the CAFC held:
 - “[A] foreign application may only form the basis for priority under section 119(a) if that application was filed by either the U.S. applicant himself, or by someone acting on his behalf at the time the foreign application was filed.”
 - Under the court’s ruling, 35 USC §119(a) provides a personal right to the inventor.
 - Consequently, there must be a “nexus ... between the inventor and the foreign applicant at the time the foreign application was filed.” That nexus requires at least “knowledge or consent” of the inventor.

II. Basic Concepts of U.S. Patent Law

- Foreign Priority – 35 U.S.C. § 119(a)
 - The CAFC's holding highlights the need for vigilance when companies with research and development facilities outside of the U.S. file patent applications in the U.S. and abroad.
 - Some commentators have suggested filing the priority application as a U.S. provisional application if there is any cause for concern about whether section 119(a) will apply.
 - This procedure will not be necessary in most cases.

II. *Basic Concepts of U.S. Patent Law*

- **The Types of Patent Applications**
 - Each U.S. patent results from the filing of a patent application with the U.S. Patent and Trademark Office (USPTO).
 - There are a number of different types of patent applications, each with its own characteristics and requirements.
- **National and International Applications**
 - A national application is defined as “a U.S. application for patent which was either filed in the [USPTO] under 35 U.S.C. § 111, or which entered the national stage from an international application after compliance with 35 U.S.C. § 371.” 37 C.F.R. § 1.9(a)(1),
 - An international application is defined as “an international application for patent filed under the Patent Cooperation Treaty prior to entering national processing at the Designated Office stage.” 37 C.F.R. § 1.9(b).

II. Basic Concepts of U.S. Patent Law

- Patent Application Filing Rules
 - Most applications may be filed under 37 C.F.R. § 1.53(b).
 - All § 1.53(b) applications, in order to obtain a filing date, must include a specification complying with 35 U.S.C. § 112, first paragraph, any drawing that is necessary for an understanding of the invention, and at least one claim.
 - A filing fee and oath or declaration must also be submitted, either at the time the application is filed or within a specified time period following the filing date. 37 C.F.R. § 1.53(f).

II. Basic Concepts of U.S. Patent Law

- Types of National Applications
 - There are many types of national applications. Included within this broad category are:
 - Provisional applications, nonprovisional applications, continuation applications, divisional applications, continued prosecutions applications (CPAs), continuations-in-part (CIPs), parent applications, substitute applications, reissue applications, and original applications.
- Provisional Applications
 - A provisional application is “a U.S. national application for patent filed under 35 U.S.C. § 111(b).” 37 C.F.R. § 1.9(a)(2).

II. *Basic Concepts of U.S. Patent Law*

- **Provisional Applications**

- Provisional applications are intended to be a quick and inexpensive mechanism for obtaining an early priority date.
- The cost of preparing a provisional application is typically far less than the preparation cost of a nonprovisional application.
 - Moreover, the government filing fee for filing a provisional application is significantly less than the nonprovisional filing fee. 37 C.F.R. § 1.16(a) and (k).
- A provisional application must include a specification that complies with 35 U.S.C. § 112, first paragraph, and any drawing that is necessary for an understanding of the invention. 35 U.S.C. § 111(b)(1)(A) and (B). A filing fee must also be submitted, either at the time the provisional application is filed or within a specified time period following the filing date. 35 U.S.C. § 111(b)(3).
 - Each provisional application must also include a cover sheet identifying that the application is a provisional application. 37 C.F.R. § 1.53(c)(1).

II. *Basic Concepts of U.S. Patent Law*

- **Provisional Applications**
 - The filing date of a provisional application is the date on which the USPTO receives the specification complying with 35 U.S.C. § 112, first paragraph, and any required drawing. 35 U.S.C. § 111(b)(4).
 - A provisional application need not include any claim, 35 U.S.C. § 111(b)(2), although some applicants will include one or more claims in the provisional application in anticipation of a subsequent nonprovisional application.
 - A provisional application will not be examined for patentability, cannot itself mature into a patent, and will automatically be abandoned 12 months after its filing date. 35 U.S.C. § 111(b)(5).
 - Thus, the primary purpose of provisional application is to serve as the basis for a domestic priority claim by a subsequent nonprovisional application. 35 U.S.C. § 119(e).
 - A claim in a subsequent nonprovisional application may only claim priority based on the provisional application to the extent there is sufficient disclosure in the provisional application to support the claim.

II. *Basic Concepts of U.S. Patent Law*

- Chinese Language Applications
 - Chinese language patent applications are permissible under U.S. law - either a nonprovisional or provisional application may be filed in a language other than English. 37 C.F.R. § 1.52(d).
 - If a nonprovisional application is filed in a language other than English, the applicant will be given a period of time within which to file an English language translation of the non-English application, a statement that the translation is accurate, and a processing fee. 37 C.F.R. § 1.52(d)(1).
 - If a provisional application is filed in Chinese or some other language other than English, then an English language translation need not be submitted in the provisional application. 37 C.F.R. § 1.52(d)(2).
 - However, under 37 C.F.R. § 1.78(a)(5), an English translation of the non-English language provisional application and a statement that the translation is accurate must be submitted in any nonprovisional application claiming benefit of the non-English language provisional application. M.P.E.P. § 608.01.

II. *Basic Concepts of U.S. Patent Law*

- **Nonprovisional Applications**

- A nonprovisional application is a U.S. national application for patent or an application which entered the national stage from an international application (PCT). 37 C.F.R. § 1.9(a)(3).
- A nonprovisional application must include a specification that complies with 35 U.S.C. § 112, first paragraph, any drawing that is necessary for an understanding of the invention, at least one claim, an oath or declaration, and a filing fee. 35 U.S.C. § 111(a)(2) and (3).
 - The filing date of a nonprovisional application is the date on which the specification, any required drawing, and at least one claim, are filed in the USPTO. 35 U.S.C. § 111(a)(4). The oath or declaration and filing fee may be submitted at a later time. 35 U.S.C. § 111(a)(3).
- A nonprovisional application will be examined for patentability. If deemed to meet all of the relevant requirements, the nonprovisional application will ultimately mature into an issued U.S. patent.

II. Basic Concepts of U.S. Patent Law

- **Continuing Applications**

- The term “continuing application” (or continuing-type application) refers to any one of a “continuation, divisional, or continuation-in-part application.” 37 C.F.R. § 1.53(b).
 - Each of these is a type of nonprovisional application.
- A continuation application is one specific type of continuing application. The other types of continuing applications are divisional applications and continuation-in-part applications.

II. *Basic Concepts of U.S. Patent Law*

- Continuation Applications
 - A continuation application is “a second application for the same invention claimed in a prior nonprovisional application and filed before the ... prior application becomes abandoned or patented.” M.P.E.P § 201.07.
 - For each continuation application filing, the continuation application and the prior nonprovisional application must share at least one common inventor.
 - Moreover, the disclosure of the continuation application must be the same as the disclosure of the prior application (*i.e.*, it cannot contain new matter).
 - Also, the continuation application must claim the benefit of the prior nonprovisional application under 35 U.S.C. § 120 or 365(c).
 - A continuation application is typically filed in the case where the applicant desires to continue prosecution of the application, but there are no more opportunities to do so in the prior nonprovisional application. The new Rules limit the number of continuations.

II. Basic Concepts of U.S. Patent Law

- Request for Continuing Examination (RCE)
 - If an applicant desires to continue prosecution of a prior nonprovisional utility or plant application that was filed on or after May 29, 2000, then the applicant has the option of filing a request for continued examination (or RCE) under 37 C.F.R. § 1.114.
 - Technically, the RCE is not a new application but merely a request for continued examination of the same application. M.P.E.P. § 706.07(h).
 - The new Rules limit the number of RCEs that may be filed.

II. *Basic Concepts of U.S. Patent Law*

- **Divisional Applications**

- A divisional application (or division) is “[a] later application for an independent or distinct invention, carved out of a pending application and disclosing and claiming only subject matter disclosed in the earlier or parent application.” M.P.E.P § 201.06.
 - Like the continuation application, a divisional application must include at least one inventor named in the prior nonprovisional application, and must claim the benefit of the prior nonprovisional application under 35 U.S.C. § 121 or 365(c).
- The primary difference between a continuation application and a divisional application is that the claims of the divisional application will be directed to an invention that is independent or distinct as compared to the invention claimed in the prior (parent) application.
 - In contrast, the claims of the continuation application will be directed to the same (*i.e.*, not independent or distinct) invention as was claimed in the prior nonprovisional application.
- A divisional application is filed in response to a restriction requirement under 35 U.S.C. § 121 alleging that the prior nonprovisional application includes claims that are directed to two or more independent and distinct inventions. There is no limit to divisionals under the new Rules.

II. *Basic Concepts of U.S. Patent Law*

- Continuation-in-Part (CIP) Applications
 - A continuation-in-part application (or CIP) is “an application filed during the lifetime of an earlier nonprovisional application, repeating some substantial portion or all of the earlier nonprovisional application and adding matter not disclosed in the said earlier nonprovisional application.” M.P.E.P § 201.08, *citing In re Klein*, 1930 C.D. 2, 393 O.G. 519 (Comm’r Pat. 1930).
 - In order for the continuation-in-part application to be proper, the prior nonprovisional application and the continuation-in-part application must share at least one common inventor, must claim the benefit of the prior nonprovisional application, and must contain a reference to the earlier application.

II. *Basic Concepts of U.S. Patent Law*

- Continuation-in-Part (CIP) Applications
 - Because a continuation-in-part may include additional subject matter not disclosed in the prior nonprovisional application, different claims within a single CIP may be entitled to the benefit of different filing dates.
 - Any claim directed only to subject matter disclosed in the prior nonprovisional application is entitled to the benefit of the filing date of prior nonprovisional application. M.P.E.P § 201.08.
 - In contrast, any claim reciting any feature not disclosed in the prior nonprovisional application, is only entitled to the filing date of the continuation-in-part application.
 - **Thus, the effective date of a continuation-in-part will be determined on a claim-by-claim basis.**
 - The new Rules limit the number of CIPs that may be filed and impact CIP practice in other ways discussed later.

II. Basic Concepts of U.S. Patent Law

- The Duty of Candor and Fair Dealing
 - According to the U.S. Congress, “A patent by its very nature is affected with a public interest.” 37 C.F.R. 1.56(a).
 - It is not surprising, therefore, that the U.S. patent system incorporates a number of provisions that are designed to promote the public interest.
 - A notable example of a provision designed to protect the public interest is the prohibition against inequitable conduct before the U.S. Patent and Trademark Office (USPTO).

II. *Basic Concepts of U.S. Patent Law*

- The Duty of Candor and Fair Dealing
 - Prohibition Against Inequitable Conduct Before the USPTO.
 - Inequitable conduct is the failure to disclose material information, or the submission of false material information, to the USPTO, combined with an intent to deceive the USPTO, during the prosecution of a patent application. *Kingsdown Medical Consultants v. Hollister, Inc.*, 863 F.2d 867, 872 (Fed. Cir. 1988).

II. Basic Concepts of U.S. Patent Law

- The Duty of Candor and Fair Dealing
 - Prohibition Against Inequitable Conduct Before the USPTO
 - Proof of inequitable conduct requires a showing of both materiality of the information in question and intent to deceive by the party accused of the inequitable conduct.
 - Engaging in inequitable conduct when prosecuting a patent application before the USPTO can result in dramatically adverse consequences, such as rendering all claims of any resulting patent unenforceable.

II. Basic Concepts of U.S. Patent Law

- Prosecution

- Prosecution is the process of pursuing the allowance of a patent application filed in the USPTO through communications with the USPTO examiner in charge of examining the application.
- Prosecution starts with the filing of the patent application in the USPTO and concludes with the allowance of the application and subsequent issuance of the patent.
 - The communications with the USPTO are for the most part in writing; however, oral communications with the examiner through interviews or teleconferences are also permitted. 37 C.F.R. §§ 1.2, 1.133.
- It is not uncommon for the first Office Action to be issued by the USPTO more than one year after the filing date of the patent application.

II. Basic Concepts of U.S. Patent Law

- Prosecution

- Restriction and Election of Species Requirements

- If the USPTO judges that a patent application is directed to multiple inventions that are too dissimilar to justify examination within a single application, then the USPTO may require the applicant to elect one of the inventions to which the claims of the application will be restricted. 35 U.S.C. § 121.
 - If the applicant elects one of the restricted inventions, then prosecution in that application will be limited to the claims that recite the elected invention and the claims that recite the non-elected invention will be withdrawn from consideration. 37 C.F.R. § 1.142(a).
 - If protection for the non-elected invention is desired, then the applicant may pursue such protection for the non-elected invention in a separate divisional application. 35 U.S.C. § 121.

II. *Basic Concepts of U.S. Patent Law*

- Prosecution

- Review by Examiner

- The examiner begins his or her patentability examination by studying the patent application and then conducting a search for the prior art closest to the subject matter recited in the claims of the application. 37 C.F.R. § 1.104(a)(1).
 - The examiner will also consider any prior art that has been brought to the examiner's attention by the applicant.
 - The examiner reviews the application in view of the prior art to determine whether the claims clearly and distinctly define a useful, novel, nonobvious, and enabled invention that has been adequately described in the specification.
 - The examiner reviews the application and the available prior art to make a determination as to which, if any, of the claims is patentable.

II. *Basic Concepts of U.S. Patent Law*

- Prosecution

- Initial Office Action

- The examiner will issue an Office Action rejecting any claim that is deemed to be unpatentable. 37 C.F.R. § 1.104(a)(2) and (c)(1).
 - In the Office Action, the examiner must identify each claim that is being rejected and specify the basis of each claim rejection. 37 C.F.R. § 1.104(c)(2).
 - **The pertinence of each prior art reference, if not self-explanatory, must be clearly explained.**
 - The examiner may rely upon any admissions by the applicant in rejecting a patent claim. 37 C.F.R. § 1.104(c)(3).

II. Basic Concepts of U.S. Patent Law

- Prosecution
 - Reply by the Applicant
 - The applicant's reply must request reconsideration of the adverse positions taken by the examiner in the Office Action and may include amendments to the claims. 37 C.F.R. § 1.111(a)(1).
 - The reply by the applicant must point out the supposed errors in the Office Action, respond to every ground of objection and rejection in the Office Action, and point out how each pending claim is patentably distinguished over the prior art. 37 C.F.R. § 1.111(b) and (c).
 - Subsequent Office Actions - the applicant responds to subsequent Office Actions in this same manner, unless the Office Action is made Final.

II. Basic Concepts of U.S. Patent Law

- Final Office Action and Advisory Action
 - The examiner may make a second or any other subsequent Office Action final. 37 C.F.R. § 1.113(a); M.P.E.P. § 706.07.
 - The significance of an Office Action being made final is that the applicant's options for responding to a final Office Action are much more limited than the options available for responding to a non-final Office Action.
 - For example, an Amendment After Final under 37 C.F.R. § 1.116 will be admitted if it merely cancels rejected claims, or places the application in compliance with any requirement of form expressly set forth in a previous Office Action. 37 C.F.R. § 1.116(b).

II. *Basic Concepts of U.S. Patent Law*

- Final Office Action and Advisory Action
 - Amendments After Final may not be made as a matter of right. If the examiner concludes that the Amendment After Final does not adequately advance prosecution of the application, then the examiner will issue an Advisory Action denying entry of the Amendment After Final. M.P.E.P. § 706.07(f).
 - The applicant's options at that point include filing a Request for Continued Examination (RCE) under 37 C.F.R. § 1.114 (subject to the restrictions on RCEs under the new rules) or filing an appeal under 37 C.F.R. § 1.191.
- Allowance and Issue
 - If at any point the examiner concludes that the applicant is entitled to a patent, then the examiner will send the applicant a Notice of Allowance. 37 C.F.R. § 1.311; M.P.E.P. § 1303.

III. The Rule Changes

- The remaining slides in the presentation:
 - Highlight the rule changes.
 - Discuss what to do between now and November 1, 2007.
 - Outline some new routine tasks in prosecution.
 - Provide some strategies for consideration.

III. The Rule Changes

- Limits on Continuation and Request for Continued Examination (RCE) Practice Under 37 C.F.R. § § 1.78(d) and 1.114:
 - The new Rules permit only two continuation applications or continuation-in-part applications, and one Request for Continuing Examination (RCE) in an application family as a matter of right (i.e., without demonstrating justification).
 - Applicant may file any number of additional RCEs, continuations, and CIPs with a petition and showing of justification (“for cause”).
 - There is no *per se* limit on the number of continuations permitted for cause.
 - Changes apply to applications pending before November 1, 2007, that have not received a first Office Action.

III. The Rule Changes

- Limits on Continuation Applications and Requests for Continued Examination (RCE)
 - Possible uses of the two “Of-Right” continuations:
 - to continue prosecution of claims not allowed in a parent case (after using one RCE);
 - to cause consideration of newly-discovered prior art (after using one RCE);
 - to pursue broader/different claims than those allowed in a parent case;
 - to “keep the chain alive” to allow claims to be custom-tailored to later-identified infringing products.

III. The Rule Changes

- Expedited handling of certain Of-Right continuations
 - For scheduling purposes, Of-Right continuations will be treated as RCEs if the applicant expressly abandons the parent case and agrees to only pursue the invention of the parent case in the continuation.
- “For Cause” RCEs, Continuations, and C-I-Ps
 - Must be:
 - Filed with a petition and \$400 fee.
 - Filed to obtain consideration of an amendment, argument or evidence.
 - Supported by a showing as to why the amendment, argument or evidence sought to be entered could not have been previously submitted.

III. The Rule Changes

- “For Cause” RCEs, Continuations, and C-I-Ps
 - If “For Cause” petition is not granted, then the deadline for response continues running from the final Office Action date.
 - Of-Right RCE must be used before any For-Cause RCEs, but applicant may file a For-Cause RCE before using any Of-Right continuations.
 - Of-Right continuations must be used before any For-Cause continuations.
 - Filing a For-Cause continuation before using the Of-Right RCE is not expressly prohibited, but USPTO may be less likely to grant the petition for the continuation.
 - For-Cause RCEs, continuations and CIPs cannot be used merely to have newly-discovered prior art considered.
 - For-Cause continuation or CIP is likely to be permitted only in limited circumstances, since continuations and CIPs are not usually filed with argument, amendments, or evidence.

III. The Rule Changes

- “For Cause” RCEs, Continuations, and CIPs
 - No currently-filed case will become invalid, even if its family violates the two continuation and one RCE rule.
 - For cases that belong to families that have already had one RCE, no further RCEs will be available after Nov. 1, 2007.
 - For cases that belong to families that have already had two continuations/CIPs, any number of continuations/CIPs can be filed before Nov. 1, 2007, but the continuations/CIPs will be subject to the 5/25 per-family claim limit rule (discussed next).
 - For every case that belongs to a family that has already had two continuations/CIPs, **AND** no continuations/CIPs were filed in the family between Aug. 21 and Nov. 1, a single continuation/CIP can be filed after Nov. 1, 2007.

III. The Rule Changes

- Divisional Applications - 37 C.F.R. § 1.78(d)
 - Applicants are permitted to file a divisional application if the parent application is subject to a requirement for restriction and the divisional application claims only a non-elected invention that has not been examined.
 - Divisional applications may be filed in parallel or in series.
 - The divisional application is not required to be filed during the pendency of the initial application.
 - Applicants may file two continuation applications of a divisional application plus a single RCE in the divisional application family as a matter of right.

III. The Rule Changes

- The 5/25 Claim Limit - 37 C.F.R. § 1.75(b)
 - No more than 5 independent claims and 25 total claims may be pending in all applications of a patent family.
 - Divisional branches are excluded.
 - Issued patents are excluded.
 - Allowed claims are excluded.
 - Each divisional branch has a separate 5/25 claim limit for the branch.
 - Divisionals cannot be used to pursue non-restricted inventions.

III. The Rule Changes

- The 5/25 Claim Limit is avoidable by filing an Examination Support Document (ESD).
 - If used, an ESD must be filed before the first Office Action, and must be updated when Information Disclosure Statements (IDS) are filed and when claims are amended.
 - An ESD must include:
 - Pre-examination search report;
 - Listing of references;
 - Mapping of limitations of claims to content of prior art references; small entities are exempt from this;
 - Arguments of patentability for each independent claim, including arguments why it would not be obvious to combine the references;
 - Identification of where in the specification there is support for each limitation of every claim.
 - ESDs should be avoided in most cases because of cost and estoppel.

III. The Rule Changes

- The 5/25 Claim Limit
 - The 5/25 Claim Limit is possibly avoidable, under section under 1.142(c), by filing a Suggested Restriction Requirement (SRR) (*i.e.*, a request made by the applicant for the examiner to issue a restriction requirement).
 - For cases filed before Nov. 1, 2007, SRRs may be submitted in response to requests to conform to the 5/25 rule.
 - **If the SRR is accepted, the restricted claims may be filed in one or more divisional applications.**
 - **No refund is given for previously paid extra claims fees (even though the claims are canceled).**
 - For cases filed after Nov. 1, 2007, SRRs must be submitted within four months of filing.

III. The Rule Changes

- The 5/25 Claim Limit
 - If the Examiner rejects the SRR, the applicant has two months to cancel claims to get to the required five independent and 25 total claims threshold, or provide an Examination Support Document.
 - Retroactive Effect
 - The 5/25 rule applies to all not-yet-allowed cases.
 - Refund of extra claim fees must be requested within two months of canceling claims, for fees paid on or after Dec. 8, 2004, or USPTO keeps all previously paid fees.

III. The Rule Changes

- Rule Regarding Common-Inventor Cases - 37 C.F.R. § 1.78(f)
 - Applicants must identify to the USPTO all cases sharing a common inventor with filing and/or priority dates within two months of each other.
 - An identification need not be filed in allowed cases, but allowed cases must be included in the identifications submitted in other cases.
 - For the purpose of identifying the cases, a two-month window around each filing date in the priority chain must be considered.
 - Identification must be made within four months of the filing date – *i.e.*, by February 1, 2008, for all now-pending cases.

III. The Rule Changes

- Rule Regarding Common-Inventor Cases - 37 C.F.R. § 1.78(f)(2)
 - A rebuttable presumption exists that claims in common-inventor cases with the same priority date and substantially overlapping disclosure are patentably indistinct.
 - Allowed cases are excluded from the need to rebut the presumption.
 - The rebuttable presumption must be rebutted within four months of the filing date.
 - Rather than rebutting the presumption, an applicant may file a terminal disclaimer.
 - **However, doing so will cause the cases to be collectively subject to the 5/25 limitation on claims, and to be consolidated at the Examiner's discretion.**

III. The Rule Changes

- Rule Regarding Common-Inventor Cases - 37 C.F.R. § 1.78(f)
 - Use of “incorporation by reference” could result in otherwise unrelated cases having “substantial overlapping disclosure.”
 - Retroactive effect:
 - Identification of common-inventor cases due in all not-yet-allowed cases by Feb. 1, 2008.
 - Patentably indistinct presumption must be rebutted in all not-yet-allowed same-priority common-inventor cases by Feb. 1, 2008.
 - Possible breach of the Duty of Candor and Fair Dealing for failure to comply?

III. The Rule Changes

- Final Rejections
 - First-Action Final rejections
 - RCEs, continuations and CIPs can still have first action final rejections, unless the applicant was denied entry in the parent case of an amendment, argument, or new evidence.
 - Applicants may guard against first action final rejection by first seeking entry of an amendment, argument, or new evidence after final rejection under § 1.116.

III. The Rule Changes

- Final Rejections
 - Second-Action Final rejections
 - Second-action rejections with new grounds of rejection can be made final if the new grounds are:
 - **Necessitated by an amendment;**
 - **Based on information submitted in an IDS under 37 C.F.R. 1.97(c);**
 - **Based on double-patenting; or**
 - **Necessitated by an applicant identifying a CIP claim as one that is supported by the parent case.**

III. The Rule Changes

- Other Rule Changes

- CIPs

- Applicant must identify which claims are supported by parent disclosure, and which claims rely on the new matter in the CIP for support.
 - Identification should be made before the search by the examiner.
 - Failure to do so will result in the claims of the CIP as only entitled to the actual filing date of the CIP, not the parent.
 - **In such case, all claims will be subject to prior art based on the filing date of the CIP, not the parent.**

III. The Rule Changes

- Other Rule Changes

- New Treatment of Certain Claims

- Dependent claims that do not incorporate by reference all limitations of the parent claim are counted as independent for both fees and the 5/25 limit.
 - Dependent claims that change statutory category are counted as independent for both fees and the 5/25 limit.

- Priority Claim

- Priority claim must now be in a separate paragraph from the paragraph that recites related cases.

IV. Strategies for Compliance With, and Benefit Under, the New Rules

- Actions to Consider Before November 1, 2007
 - Implementation of new procedures internally and with outside counsel to insure compliance with the Rules.
 - Develop mechanism for identifying common-inventor cases and review existing portfolio of pending cases.
 - Consider filing an RCE in pending applications:
 - that currently have a Final Office Action issued;
 - where an RCE has previously been filed in any case in its family (excluding divisional branches);
 - where another RCE is desirable.
 - The second or subsequent RCE must be filed before November 1, 2007.
 - After November 1, 2007, no additional RCE can be filed if one has previously been filed in its family.

IV. Strategies for Compliance With, and Benefit Under, the New Rules

- Actions to Consider Before November 1, 2007
 - Consider developing new claiming strategies.
 - Strategies that result in large numbers of claims (e.g., multiple claim forms, multiple independent claims for each claim form, and full sets of dependent claims in each claim form) will no longer be viable in view of the 5/25 rule.
 - Consider appropriate conditions for filing an SRR (*i.e.*, to provoke a divisional).

IV. Strategies for Compliance With, and Benefit Under, the New Rules

- Actions to Consider Before November 1, 2007
 - In consultation with prosecution counsel, determine policy guidelines governing cancellation of claims.
 - Determine how to respond to “5/25 violation” notices (the reply period is only two months, so it would be a good ideal to consider a establishing a default policy)
 - **Example 1: To minimize the decision-making cost, the default response could be to cancel all non-method dependent claims.**
 - **Example 2: Hold claim decision conferences in which the in-house counsel, outside attorneys, and inventors discuss which claims would be most valuable to keep.**

IV. Strategies for Compliance With, and Benefit Under, the New Rules

- New Routine Prosecution Tasks
 - *At the time of filing:*
 - Identify common-inventor cases
 - Determine whether to file an SRR
 - In common-inventor/same-priority cases (including those already pending), file rebuttal of the presumption that the claims are patentably indistinct

IV. Strategies for Compliance With, and Benefit Under, the New Rules

- New Routine Prosecution Tasks

- During prosecution:

- In all currently-pending cases that have not yet been examined, determine whether to file an SRR and/or determine which claims to cancel
- In all currently-pending CIPs, determine whether to cancel the claim of priority
- Consider appealing rather than using an of-right RCE or continuation
- Consider filing petitions to obtain for-cause RCEs, continuations, and CIPs
 - **Be aware of large extension and/or revival fees if for-cause petitions are denied**
- Endeavor to make all responses “ready for appeal”

IV. Strategies for Compliance With, and Benefit Under, the New Rules

- New Routine Prosecution Tasks
 - *At allowance:*
 - Determine whether non-allowed claims can be added to any other application having patentably indistinct claims.

IV. Strategies for Compliance With, and Benefit Under, the New Rules

- Possible Filing and Claiming Strategies
 - File SRRs in all cases where it can be reasonably argued that claims are directed to distinct inventions.
 - When reasonable arguments for patentability exist, appeal instead of using of-right RCEs, continuations, CIPs.
 - Every response should leave the case “ready for appeal”
 - Amend claims as necessary to avoid making arguments that are not strong on appeal

IV. Strategies for Compliance With, and Benefit Under, the New Rules

- Possible Filing and Claiming Strategies
 - Consider filing a PCT with more than 5/25 claims and use the information obtained from the PCT search and examination to make better use of the 5/25 claims that the case will be limited to when it enters national phase in the U.S.
 - To increase the period between priority date and examination, file a U.S. provisional, then a PCT, and then a U.S. national stage application.
 - For pending CIPs that do not need a priority claim, cancel the priority claim so that they are not counted against the family to which they currently claim priority, and so that their family is not counted against them under the 5/25 Rule.

IV. Strategies for Compliance With, and Benefit Under, the New Rules

- Possible Filing and Claiming Strategies
 - If some claims are allowed, but you want to continue arguing patentability of other claims that are not allowed, consider filing an appeal with all claims rather than using an Of-Right continuation.
 - If a final Office Action contains bad rejections based on newly-cited art, appeal rather than use an RCE and file a request for pre-appeal brief conference.
 - For applications that received first Office Actions on the merits before Nov. 1, 2007, take advantage of their exemption from the 5/25 rule by adding new claims in these cases (or in RCEs of these cases) instead of filing continuations.

Conclusions

- The Rule changes taking effect on November 1, 2007, are profound.
- Review of existing portfolio of pending applications should be undertaken immediately.
- Implementation of new procedures internally and with outside counsel to insure compliance with the Rules will be necessary.

Thank you.