



Patent Nation Seminar

A Paradigm Shift: Preparing for and Coping with the 2007 USPTO Rule Changes

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New USPTO Continuations and Claims Rules and Their Practical Implications

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September 19, 2007

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2007 Patent Rule Changes



- Sharing Responsibility for Quality of Applications
- Quality Patents Require Full Cooperation Between Applicants and Examiners
- Reduce Redundancy – Faster Patents
 - *Jon Dudas, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, as stated during September 12, 2007 Foley & Lardner, LLP, Patent Nation Webinar.*

2007 Patent Rule Changes



- Review of rule changes
- What should I do now?
- How do I go forward?

Principle Rule Changes



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Continuations/RCEs – Applications Filed Post-11/01/2007 or Pre- 08/21/2007 Without FOAM

- 2 continuation applications and 1 RCE per patent family as a matter of right
 - Continuation includes continuation-in-part application
 - Divisional applications are counted separately and can be the basis for 2 continuations and 1 RCE (in addition to those based on the original application)
 - No divisional application based on priority continuation-in-part application



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Principle Rule Changes



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Continuations/RCEs – Applications Filed Pre 11/01/2007 with FOAM

- “One More” continuation application as a matter of right – can be continuation or RCE in applications where more than two continuations were filed prior to 8/21/2007, one time exception
- No additional RCE if an RCE was previously filed, as a matter of right
- “Divisional” is application with claims that were the subject of a requirement for restriction. Does not include “voluntary” divisionals



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Additional Continuations/RCEs

- Additional continuations/RCEs permitted by petition showing that new amendment, argument or evidence to be submitted could not have been presented earlier
- Case-by-case basis for granting of petition
- Office will refuse priority benefit for application that fails to comply with continuation rule(s)



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Principle Rule Changes



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Continuation-in-Part Application

- Must identify claims in CIP that are entitled to priority claim
- Applies to any CIP pending on or after 11/01/2007
- Failure to comply results in loss of priority benefit
- For pending cases, deadline to comply is **2/1/2008**



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Principle Rule Changes



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Claim Limits/ESDs

- Applies to Post-11/1/2007 filings and those without FOAM mailed prior to 11/1/2007
- 5 independent and 25 total claims permitted per application (after any restriction) without an Examination Support Document (ESD)
- Applicants can submit Suggested Restriction Requirement grouping inventions into sets of 5/25 claims
- ESD requires search and analysis of most relevant prior art and explanation of written description for each claim
- See 37 CFR § 1.265 for ESD requirements

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Related Applications

- All commonly-owned applications and patents/applications with a common inventor and any priority date within 2 months must be identified within specified time limits
- Time limits for reporting:
 - Pending applications: 4 months from filing date; 2 months from the mailing date of the filing receipt or by **02/01/2008**
 - Filed after 11/1/2007: 4 months from filing date or 2 months from the mailing date of the filing receipt
 - Rule 78(i): time limits are not extendible
- For applications and patents with 1. common priority date; 2. common inventor; 3. common owner; 4. substantial overlapping disclosure; applicants must:
 - Rebut the presumption that the claims are not patentably distinct OR
 - Submit a Terminal Disclaimer AND explanation why more than one application exists with patentably indistinct claims
 - Duty continues throughout examination of application
 - Deadline for compliance for pending applications is same as above with the addition of when a patentably indistinct claim is added.

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Related Applications

- If related applications contain at least one claim that is patentably indistinct from another pending claim, the total claims are counted toward the 5/25 limit
- Office may still require that claims be combined in one application even if 5/25 limitation is met

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High-Tech Perspective: Limitations on Claims



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- Jan 2006 USPTO Proposal – 10 Claims
- Aug 2007 Final Rules – 5/25 Claims and more with an ESD
- Will this change applicant **behavior**? The vast majority of applications do not have more than 5 independent claims and 40 claims total (see 2006 USPTO Town Hall presentations)
- Will this reduce Examiner **workload**? It will likely vary by art unit
- **Conclusion:** The 5/25 claim limit is OK for high-tech businesses; applicants are not likely to add more claims using an ESD because of the onerous requirements and inherent risks.

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High-Tech Perspective: Continuing Applications and RCE's



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- Jan 2006 USPTO Proposal – **one** continuing appln + **one** RCE
- Aug 2007 Final Rules – **two** continuing applns + **one** RCE and more with a successful Petition
- Will this change applicant **behavior**?
 - Only 7% of appln filings have been for *more than one* continuation/RCE
 - Only 3% of appln filings have been for *more than two* continuations/RCE
- Will this reduce Examiner **workload**? It is not yet known how much time will be consumed by Petitions or Appeals.
- **Conclusion:** The limitation on continuations and RCE's is OK for high-tech businesses, but the impact is problematic, given the low number of cases affected.

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High-Tech Perspective: Benefits/Burdens



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Limited continuations/RCEs:

- Encourages better focus in defining the invention and bone fide advancement of prosecution
- Limits delay and uncertainty associated with unlimited continuations
- Discourages abusive hindsight prosecution some have used to capture new products that are not supported by the original specification

Related Applications rules:

- New record keeping/disclosure requirements
- Requires more careful and selective filings, especially for high volume filers and non-U.S. multi-nationals working with multiple law firms
 - Difficulty in assessing which applications are “related”

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High-Tech Perspective: Will the filing strategy change?



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- Most cases will not be prosecuted beyond two continuations and one RCE, as is current practice
- Exceptions for important cases can be handled by Petition or Appeal
 - There is no *per se* cap on continuation filings
 - You can still: (1) craft claims to deal with unpredictable Markman or post-Festo interpretations in litigation; and (2) deal with newly found prior art, incomplete searches and examinations, or premature final rejections
- Thoughtful coverage with fewer patents will likely result from improved examination quality and a lower allowance rate
- Applications intended for efficient global filing will still fall within the 5/25 claims limitation rule

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What do I do now?



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- Identify applications after final and prior RCE – consider responding with RCE and amendment/argument prior to 11/01/2007, no additional RCEs will be allowed as a matter of right
- Identify applications that may require IDS – filing of an IDS is not a *per se* justification for “one more” continuation
- For pending, unexamined applications, add claims to all inventions for complete and thorough restriction, consider filing with SRR

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What do I do now?



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- Identify patent families by common priority
 - Identify how many continuations may be allowed as a matter of right
- Identify cases with common inventor, common owner filed within two months of each other
- Identify cases with common inventor, common owner, common priority (taking into account same filing date and priority date) and patentably indistinct claims
- Identify CIPs and note support for claims entitled to priority date

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What do I do now?



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- For pending, unexamined applications, add claims to all inventions for complete and thorough restriction, consider filing with SRR

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Moving Forward



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- Where appropriate, bundle inventions into one application for multiple downstream divisionals
 - File 5/25 claim sets and possible SRR
- Only file CIPs where necessary, consider new filings just prior to publication (18 month patent cycle)
- Identify and track related applications, bearing in mind 5/25 limitation
- Promptly file IDSs

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Resource



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- USPTO consolidated rules:
 - <http://www.uspto.gov/web/offices/pac/dapp/opa/presentation/clmcontfinalrule.html>

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Changing Face of Generic Claims and Restriction Practice

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Topics



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- Role of Generic Claiming
- Proposed Rules
- Practical Considerations

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Role of Generic Claiming



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- *Ex parte* Eagle, 1870 C.D. 137 (Comm'r dec. 1870)
 - The right to claim a generic invention including independent and distinct species was established by Commissioner Fisher in 1870

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Role of Generic Claiming



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- *In re Weber*, 580 F.2d 455 (CCPA 1978)
 - “An applicant is given, by the statute, the *right* to claim his invention with the limitations he regards as necessary to circumscribe that invention[.]”
 - Comm. has authority to restrict an app to one of several claimed inventions when those inventions are ‘independent and distinct.’



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Role of Generic Claiming



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- MPEP §803.02
 - Since the decisions in *In re Weber*...and *In re Haas*...it is improper for the Office to refuse to examine that which applicants regard as their invention, unless the subject matter in a claim lacks unity of invention. *In re Harnish*, 631 F.2d 716 (CCPA 1980); and *Ex parte Hozumi*, 3 USPQ2d 1059 (Bd. Pat. App. & Int. 1984)



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Role of Generic Claiming



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- MPEP §803.02
 - Current Office policy requires examination of all species of a claim that recites a Markush group when the alternatives are sufficiently few in number or so closely related search and examination can be made without undue burden

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Current Trends



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- Restriction requirements have not been consistent within Group 1600
- Some Examiners restrict between compounds of different formulae or between compounds, methods of use, and methods of making
- Some Examiners restrict between different Markush members of a single claim – inconsistent with *Harnisch*

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Proposed Rules



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- Published: August 10, 2007
- Comments deadline: October 9, 2007
- Rationale: Part of ongoing efforts to enhance patent quality and reduce pendency
- Problem with “alternative language”:
Difficult to search, raise multiple issues with art, enablement and utility



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Proposed Rules



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- Office states that *Harnisch* court did not set forth applicable test for following whether an application has “unity of invention”
 - The USPTO is not a judicial body – interpretation lacks judicial precedent...
- Addresses the issue of Applicants circumventing the proposed claims rules
 - Presenting a single claim that sets forth multiple independent and distinct inventions in the alternative



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Proposed Rules



***Each claim must be limited to
a single invention***

Proposed Rules



- An intra-claim restriction is proper unless:
 - all species ***share a substantial feature*** that is essential for ***common utility***
 - all species ***Prima facie obvious over each other***
- Non-extendable, two-month deadline to petition against a Restriction Requirement

Proposed Rules



- Markush alternatives:
 - Must be substitutable
 - May not encompass other alternatives
 - May not be a set of further alternatives
 - Must not make the claim difficult to construe and
 - May not incorporate part of the specification by reference unless absolutely necessary

Proposed Rules



- Permit Applicant to present an explanation as to why their claims are directed to a single invention
- Require Applicant to identify claims in a CIP that are/not supported by parent

Practical Considerations



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- Draft claims relative to new continuation rules
 - Particularly with a small number of specifically defined compounds having a **shared substantial feature**
 - Rather than claiming a heterocyclic ring having an X and a Y group which are N, O or S, recite the six permutations in individual claims

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Practical Considerations



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- Submit a suggested Restriction Requirement arguing that each species is patentably distinct
- Provides you with 6 cases
 - A total of 12 continuations plus 6 RCE's

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