

Last Chance To Expand Patent Coverage?

Monday, June 11, 2007 --- The clock is ticking on a new set of patent rules designed to curtail substantially a patent owner's ability to expand the coverage of its key patent assets by filing continuation applications. Patent owners have long enjoyed the flexibility to re-evaluate pending patent applications and draft new claims covering additional concepts of an invention, provided the concepts are disclosed fully in the patent application, and the application has not yet been issued. These new claims may be introduced in a continuation application, which maintains the benefit of the original patent application's early filing date against prior art.

While the final form of the rules has not been publicly released, it is widely believed that the United States Patent and Trademark Office will soon enact new rules limiting the number of continuation applications that may be filed. It is not clear how the new rules will apply retroactively to existing patent applications. Thus, the time is now to evaluate your current portfolio and mine it for embodiments, features or coverage disclosed but not fully claimed.

PTO Rule Changes

On April 10, 2007, the PTO submitted two sets of final rules to the Office of Management and Budget (OMB) for regulatory review:

RIN: 0651-AB93: Changes to Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims

RIN: 0651-AB94: Changes to Practice for the Examination of Claims in Patent Applications

The OMB is expected to complete its review in 90 days (i.e., July 10). However, the OMB frequently grants itself an extension of time. Therefore, it appears that the final rules will be published in July or August with 30 days (based upon previous PTO statements) to implementation.

What Are the New Rules?

No details of the final rules were disclosed. However, public PTO statements suggest that the rules relate to dramatically limiting the number of allowed continuation applications, including continuations, continuations-in-part, requests for continued examination, and the number of claims pursued in each patent. More specifically, some of the rules that may be implemented include the following:

Limiting the number of continuation applications to one as a right, with any additional continuations requiring a petition by the applicant to show that the amendments, evidence, or argument could not have been previously submitted. More recent rumors suggest the rules may allow up to two or three continuing applications, depending on whether an application has received a first office action yet.

Requiring applicants to designate 10 representative claims for examination. The PTO will examine more than 10 claims only if the applicant performs a search and submits a patentability statement that identifies all claim limitations present in the prior art (with specificity) and explains how the representative claims are patentable over the prior art. More recent rumors suggest the possibility of up to 25 total claims, five independent claims.

Permitting only involuntary divisionals (i.e., required by the PTO for unity-of-invention reasons). More importantly, a divisional may be able to claim priority only to the parent application, meaning that all divisionals will need to be filed during the pendency of the original application.

Permitting continuations-in-part only where the applicant identifies all claims disclosed in the parent application (which will be given the original filing date) and all other claims will be given the filing date of the continuation-in-part. Moreover, any claims in a continuation application filed from a continuation-in-part will be entitled only to the filing date of the continuation-in-part application.

What Can Be Done Now?

The new rules could go into effect in early August or shortly thereafter. We do not know for certain what retroactive effect the rules will have on existing patent applications. For example, if one of your key patent assets already has a parent application and two continuing patent applications, the rules may bar the right to file any further continuing patent applications. The following is a list of proactive steps that can be taken now to reduce the risk of negative impact by the new rules.

Examine currently pending patent applications for cases where continuation applications may be needed and prepare to file them before implementation of the rules. For efficiency, focus first on your most strategic patent assets, whether you own or license.

Consider patent applications that are being prepared but not yet filed and whether multiple applications should be filed prior to implementation of the rules, in hopes of having the ability to file continuation applications based upon both original patent applications.

Consider your company's recent inventions and whether patent applications should be prepared and filed before implementation of the rules, in hopes that the limitations on the number of claims examined will not apply

retroactively to applications filed before the rules take effect.

--By Steven C. Becker and Paul S. Hunter, Foley & Lardner LLP

Steven C. Becker is a partner at Foley & Lardner LLP and a member of its Electronics Practice Group. He counsels clients in intellectual property matters and represents them in patent and trade secret litigation matters. Paul Hunter, also a partner and member of Foley's Electronics Practice, specializes in patent counseling.