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If you would like to discuss such a strategy, or have any questions regarding the USPTO Claims and Continuations Rules, please contact a Foley attorney or any of the following individuals:

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USPTO Claims and Continuations Rules Invalid

United States District Court Judge James Cacheris (E. D. Va.) issued an opinion and order today (April 1, 2008) invalidating the U.S. Patent and Trademark Office's (USPTO) "Claims and Continuations" rules that were published on August 21, 2007, with an original effective date of November 1, 2007. The court had granted a preliminary injunction against the rules on October 31, 2007, and now has permanently enjoined the USPTO from implementing the rules. The court found that the rules "are substantive in nature and exceed the scope of the USPTO's rulemaking authority."

The court characterized the continuation and Request for Continued Examination (RCE) limits, claim limits, and Examination Support Document (ESD) requirements imposed by the rules as "chang[ing] existing law and alter[ing] the rights of applicants . . . under the Patent Act," finding that the rules "constitute a drastic departure from the terms of the Patent Act as they are presently understood." In reaching its decision, the court recognized applicants' "valuable rights . . . to an unlimited number of continuation and continuation-in-part applications," interpreted the RCE statute as "allow[ing] for an unlimited number of RCEs . . . [at] the discretion of the applicant," and found that "the Patent Act does not place any mechanical limits on the number of claims an applicant may file." The court also determined that the ESD requirement improperly "shift[ed] the examination burden away from the USPTO and onto applicants." The court found that the rules were void because the USPTO does not have "any general substantive rulemaking power."

The USPTO may decide to appeal the decision rather than leave standing the finding that it does not have substantive rulemaking power. The USPTO has 60 days to file an

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appeal in the U.S. Court of Appeals for the Federal Circuit. If the appeal follows a normal schedule, it could be up to a year or more before a final decision is rendered. In the meantime, the USPTO is enjoined permanently from implementing the rules. Importantly, while the opinion focuses on the continuation, RCE, claims, and ESD aspects of the rules, the order invalidates the entire rules package, including the requirement to identify co-pending applications.

Alternatively, the USPTO may shift its focus to the congressional forum to promote passage of the Patent Reform bill, which could give substantive rulemaking authority to the USPTO.

This decision likely will be welcomed by many applicants with a sigh of relief. Foley & Lardner LLP will continue to monitor the status of these and other legal changes, including the pending Information Disclosure Statement rules and congressional patent reform.