

TOWNSEND IP UPDATE

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TOWNSEND IP UPDATE - U.S. PTO ISSUES FINAL RULES REVISING CONTINUATION PRACTICE AND CLAIMS PRACTICE

On August 21, 2007, the PTO published final rules limiting the number of continuation applications and claims. The rules will take effect on November 1, 2007. While the Patent Office says the rules are not retroactive, filing a continuation on or after August 21 can limit the options available. Below is a general summary of the major provisions.

Limit on continuations

Under the new rules, for each application family, applicants will be entitled to file only one request for continued examination (RCE) and two continuation (or continuation-in-part, "CIP") applications as a matter of right. Additional RCEs or continuation applications could be filed by demonstrating to the satisfaction of the Patent Office that such filings are required to present new arguments, amendments or evidence that could not have been previously submitted. Applicants can file as many continuations as desired before the November 1 effective date. However, if a patent family is already at the limit, and no continuation or CIP application is filed between August 21 and October 31, one more continuation or CIP as a matter of right is allowed on or after November 1 for pending application families. If an RCE has already been filed anytime before November 1, another RCE is not allowed as a matter of right. Application families include an initial application and its continuations and CIPs. Divisionals and provisionals are not counted. US national stage applications (where there is a prior US nonprovisional application) and reissues can also be counted as continuations.

Divisional exception

If there has been a restriction requirement, a divisional application can be filed, with each divisional being considered a new patent family entitled to two continuations and an RCE. The Patent Office did not adopt a planned limitation on when a divisional could be filed, and divisionals can continue to be filed anytime there is appropriate copendency. An applicant may submit a proposed restriction requirement to the examiner. However, if an applicant files a "voluntary" divisional application, without a restriction requirement, it counts as a continuation.

CIP claim priority identification

When filing a CIP application, applicants will be required to identify which claims in the CIP are entitled to benefit of the priority date of the parent application.

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Separate applications without common priority

Notice by Feb. 1, 2008. The Patent Office wants to keep the new rules from being circumvented by the filing of separate applications not claiming priority to each other. Thus, applicants are required to identify to the Patent Office applications that meet all the following criteria: (A) filing or priority date that is the same or within two months of another application, (B) at least one inventor in common, and (C) the applications are owned or subject to assignment obligation to same person or entity. This information must be submitted by February 1, 2008 (generally for pending applications), or within 4 months of the filing date or entry into national stage (generally for new applications), or within 2 months of the mailing date of the filing receipt, whichever is later. This appears to be a broad requirement, including, for example, two applications with priority dates more than 2 months apart, but where the continuation filing date of one is within 2 months of the priority date of the other.

Rebuttable Presumption of Patentably indistinct claims. There is a presumption that an application contains at least one claim that is not patentably distinct from a claim in another pending or patented non-provisional application if the following criteria are met: the applications have (A) the same filing date, (B) a common inventor, (C) a common owner and (D) there is "substantially overlapping disclosure" - meaning there is written description support in one application for at least one claim in the other application.

The applicant can rebut the presumption by either (A) explaining why the claims are patentably distinct, or (B) submitting a terminal disclaimer *and* explaining why two applications with patentably indistinct claims are required. If the Patent Examiner doesn't accept the explanation, the Examiner can require cancellation of the patentably indistinct claims in all but one application.

Limit to 25 claims, 5 independent

Each application may have no more than 25 claims (including up to 5 independent claims) unless the applicant wishes to submit a detailed patentability analysis of each claim ("Examination Support Document"). Included in the 25 count are patentably indistinct claims from other applications as discussed above. This applies to applications filed on or after November 1, 2007 as well as earlier filed applications for which no office action on the merits has issued by November 1. This will be enforced by office actions requiring the canceling of excess claims or the submission of the Examination Support Document. There will be a 2 month, non-extendible deadline to respond (except extendible to 6 months for applications pending on November 1). For applications filed after November 1, failure to comply within 4 months of filing can result in a



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reduction in the patent term adjustment calculations. An applicant can submit more than 25 claims with a suggested restriction requirement, but if the Patent Office does not agree, the excess claims must be withdrawn or an Examination Support Document must be submitted.

The Examination Support Document has requirements comparable to new expedited prosecution requirements. It must: (1) reference a preexamination search specifically directed to the elements of the claims, (2) list the closest references, (3) list all the elements of each of the claims (dependent and independent) found in the references, (4) explain how the independent claims are patentable over the references and (5) show where each of the claim limitations finds support in the written description of the application.

Short term actions to take:

1. Decide between (1) filing more continuations before November 1 for families at the limit, or (2) not filing to preserve the ability to file one more after November 1, 2007.
2. Identify related applications in time to advise the PTO by February 1, 2008, and submit one of the two allowed responses where there is a rebuttable presumption that a claim is not patentably distinct. Note that if a company uses more than one law firm, related applications may be handled by separate law firms.

Changes in strategy to consider:

1. If there are unclaimed separate inventions in an application, claims to provoke a restriction requirement should be submitted with the original filing or, for pending applications, at the time of filing of one of the allowed two continuations and one RCE.
2. Because of the limits on RCEs and continuations, practitioners should consider Examiner interviews after a first office action, and appeals rather than relying on an RCE or continuation.
3. The use of a provisional application allows one more filing in an application family, and the increased use of provisionals should be considered where appropriate.

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