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Patent Advisory

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This Advisory presents a general overview to inform clients and other about a new rules published by the USPTO. Nothing in this advisory constitutes legal advice, which can only be obtained as a result of personal consultation with an attorney. To discuss specific situations please contact Greg Rosenblatt or one of the other Patent Group attorneys listed. In certain jurisdictions this may constitute attorney advertising.

Prosecution of Patent Applications Under the New PTO Rules

On August 21, 2007, the United States Patent and Trademark Office (USPTO) published new rules that, effective November 1, 2007, will have a significant impact on patent application preparation and prosecution. Two of the most notable aspects of the proposed rule changes apply limits on (a) the number of claims that will be examined in an application, and (b) the number of continuation application filings that will be permitted.

These new rules apply to applications filed both before and after November 1, 2007. Below we highlight significant changes in the rules.

LIMITATION ON NUMBER OF CLAIMS

Under present USPTO practice, there is no limit on the number of claims that may be presented in a U.S. patent application, although a surcharge may be assessed. Under the new rules, applications must generally contain no more than 5 independent claims and no more than 25 total claims. For applications that have more than 5 independent claims and/or 25 total claims, an examination support document (ESD) must be filed. Preparation of an ESD requires the applicant, its attorney, or a search firm, to perform a search of relevant prior art in accordance with USPTO guidelines, provide a detailed explanation of the patentability of the claims over the relevant prior art, and include a showing of where each claim limitation is supported by the specification.

These limitations apply to any application filed on or after November 1, 2007 and to any application filed before November 1, 2007, in which a first office action on the merits was not mailed before November 1, 2007.

LIMITATIONS ON CONTINUING APPLICATIONS

Under the new rules, patent applicants are limited to filing two continuation or continuation-in-part (CIP) applications and one request for continued examination ("RCE") per application family. If an additional continuation or CIP application or RCE is desired beyond those limits, then the applicant must file: a petition with a fee; an amendment, argument or evidence; and a showing that the amendment, argument or evidence sought to be entered could not have been submitted during the prosecution of the prior-filed application, or prior to the close of prosecution of the application. The acceptance of the petition and showing is at the discretion of the USPTO.

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While the USPTO includes divisional applications in the definition of "continuing application," the new rules limiting the number of continuation applications do not impact the number of divisional applications that can be filed. However, an applicant is only entitled to file a divisional application if a restriction requirement is issued by the USPTO during examination of the initial application. Restriction requirements are issued by the USPTO when the Examiner believes the application claims more than one invention. It is noted that applicants can file up to two continuation applications (but not CIP applications) of a divisional application, without submission of the above-mentioned petition and showing.

With very few and narrow exceptions, this section of the new rules applies to all applications filed on or after November 1, 2007.

LIMITATIONS ON COMMONLY OWNED APPLICATIONS

The new rules also have an impact upon the filing of multiple applications on related inventions. Specifically, upon filing a new application, applicants will be required to inform the USPTO of commonly owned applications or patents that were filed within two months of the new application's filing date or priority date and list a common inventor.

Applications that have a common effective filing date and substantially overlapping disclosures create a rebuttable-presumption of obviousness-type double patenting. In such instances, the applicant will be required to notify the USPTO, within a specified timeframe, of the commonly owned and related applications and either: (a) explain why no obvious-type double patenting exists or (b) file a terminal disclaimer. A terminal disclaimer is a statement that causes one patent to expire on the same date as another, related patent. The filing of a terminal disclaimer prevents a patentee from illegally extending the term of a patent by filing a related second patent application at a date later than the filing date of the patent.

This section of the new rules applies to any nonprovisional application pending on or after November 1, 2007. Applicants are required to comply with these rules before February 1, 2008, or within the time periods specified in the rules, whichever is later.

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PRACTICAL TIPS

1. Review currently pending applications

Pending applications filed any time before November 1, 2007, that have not received a first office action on the merits will be impacted by the new rules in regard to the number of claims. If you have a pending application that has more than 25 total claims and 5 independent claims, you will either need to reduce the number of claims in the application or file an ESD. While the USPTO will send you a notice to comply with this requirement, actions taken now can expedite prosecution of the application. Wiggin and Dana is currently reviewing pending applications of its clients that have not received a first office action on the merits and will contact the client to discuss the next steps.

Additionally, pending applications that fall within the rules regarding commonly-owned applications will be impacted by the new rules. Specifically, applicants will be required to notify the USPTO of the commonly-owned applications within a specified timeframe. Wiggin and Dana is currently reviewing pending application of its clients and will contact the client if USPTO notification is required for their application(s).

2. Strategically plan continuation and CIP applications

Since the number of continuation and CIP applications have been limited under the new rules, applicants should coordinate with their attorney to strategically plan when any continuation and CIP applications should be filed and what those applications should contain. On a similar note, applicants should consider whether to take advantage of the USPTO's "one more" continuation application exception, which allows applicants having applications filed before August 21, 2007 to file an additional continuation application, i.e., three continuation or continuation-in-part (CIP) applications and two requests for continued examination ("RCE") per application family without being subject to the petition and showing requirements. For instance, if an applicant has an application pending in the USPTO which is the second continuation in a patent family, the applicant may still file "one more" (a third) continuation application. There is not a defined deadline to file the third continuation application, i.e., it does not have to be filed before November 1st. However, if an applicant wishes to take advantage of the "one more" RCE, the applicant must do so before November 1st. Accordingly, if you are in receipt of a final office action, please consider contacting your patent attorney to discuss your options going forward, and how the new RCE rules may apply to your application.

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3. Consider the new rules when planning your patent budget

Because the new rules limit the number of continuation and CIP applications as well as RCEs, we expect applicants will need to take greater advantage of the appeal process in order to present new arguments and claim amendments to the USPTO. The appeal process involves a panel of administrative law judges who will review the claimed invention in light of extensive briefs and arguments presented by the applicant's attorney. It is not surprising the appeal process is costly and time consuming. Another cost burden is imposed by the likelihood that the new rules will require additional strategic planning with patent attorneys to ensure protection of the claimed invention is maximized.

4. If financially possible, the performance of a patentability search and analysis of the relevant prior art should be considered

By previewing the art that will be considered by the patent examiner, applicants can draft claims and include language in the patent specification that increase the chances of gaining allowance of the application. The upfront costs associated with a search and analysis will likely be recouped by minimizing the length of any subsequent prosecution of the application.

5. Invention disclosures should include as much information and data as possible

As always, the more relevant information pertaining to the current invention that is included in invention disclosures, the better. However, the new rules make this part of the application process even more important. Since applicants are now limited in the number of continuation and CIP applications, the more information and data the applicant and patent attorney has upfront, the better the claims and continuation strategy will be.

6. Consider filing new applications as provisional applications in order to forestall the need to comply with the new rules at the outset

Various legal commentators have questioned whether the new rules will withstand the scrutiny of the court system. In fact, litigation has already been initiated challenging the legality of the new rules. By filing provisional applications, which are not substantively examined and not subject to the new rules, applicants can effectively forestall the need to comply with the new rules for a period of one year. During that year, there is a possibility that the new rules might either be abrogated, or substantially modified. However, in the event that the new rules remain in effect in unmodified form, any later-filed, non-provisional applications claiming the benefit of the provisional applications will have to comply with the new rules.