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COMMENTARY

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Top Three Things to Do Under Proposed PTO Rules

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Earlier this year the U.S. Patent and Trademark Office published proposed new rules that would limit a patent applicant's ability to file continuing applications and reduce the number of examined claims.¹

According to the PTO, these proposed rules would enable examiners to focus examination on new applications instead of continuations² and to perform a more thorough examination by focusing on fewer claims.³

It is not known when, how or if these rules will be adopted. However, if they are, they will have a profound impact on U.S. patent practice. Therefore, we have provided below our top three things to do in light of the proposed patent rules.

1. Do Your Homework Now — Categorize All Applications

If the rules are adopted, the PTO may provide as little as 30 days before the rules become effective.⁴ To minimize the impact of the new rules, there are many strategic actions that should be taken within this window or shortly thereafter. Therefore, companies should do their homework now by categorizing applications into, for example:

- Applications in which a request for continued examination, continuation or continuation-in-part application has been filed;
- Applications in which a requirement for restriction or election of species has been issued in its family; and

- Candidate applications for claim designation applications in which a first office action on the merits has not been received.

RCE, Continuation or CIP Applications

Under the proposed rules, applicants can only file one request for continued examination, continuation or continuation-in-part application as a matter of right. For example, if one or more RCEs, continuation applications or CIPs⁵ have already been filed (either prior to or after the effective date), the PTO would prohibit further RCEs, continuations or CIPs unless a petition is granted.⁶

Applicants may experience difficulty in having such a petition granted.⁷ Therefore, for cases in this category, an applicant may wish to file one or more continuations or CIPs prior to the effective date of the rules.⁸ Accordingly, early identification of these cases is crucial.⁹

Restriction or Election of Species

Under the new rules, sometimes a divisional application will only be allowed to claim benefit to its parent's filing date and will not be allowed to claim benefit back to its grandparent's filing date.¹⁰ Therefore, current practice should be modified so that all divisional applications are filed directly from the application in which the restriction requirement was issued. Accordingly, applications in which a restriction requirement has been issued in its family should be identified.

Currently, when the claims in a parent application are subject to a restriction requirement indicating the presence of three or more separate inventions, applicants

will sometimes file *only one* divisional application during the pendency of the parent application. Thereafter, the applicant will serially file second and subsequent divisional applications after the parent application has issued or become abandoned.

The problem with this practice, under the proposed rules, is that sometimes the applicant would not receive the benefit of the grandparent application's filing date. Accordingly, early identification of applications in this category will allow the applicant to decide whether one or more divisional applications should be filed before the effective date of the proposed rules, lest the applicant risk losing the ability to file such a divisional application. That is, to gain the advantage of the parent application filing date, in most cases, applicants should file all possible divisional applications before the rules' effective date and prosecute the applications in parallel.

Candidate Applications for Claim Designation

In most cases, the proposed rules would limit the number of claims initially examined by the PTO to 10 in any application that has not received an office action before the effective date.¹¹

Therefore, applicants should identify all applications that have not received an office action before the effective date and determine which of the pending claims they would like to be examined. These applications would be candidate applications for designating dependent claims for initial examination.

2. If You Don't Do It, No One Else Will — Consider a Strategy for Designating Claims For Examination

The PTO would initially examine only 10 or fewer claims in each application.¹² These examined claims would include the independent claims and any dependent claims¹³ "designated for initial examination" by the applicant.¹⁴ If a dependent claim is not "designated for examination," the PTO will not initially examine that claim even if the total number of claims in the application is 10 or fewer.¹⁵ Therefore, if the rules are adopted as proposed, it may be beneficial for applicants to file a paper "designating for examination" dependent claims in pending applications that have not received an office action.

Although it is expected that applicants will be able to change the designation of claims in some manner during prosecution (*i.e.*, by amendment or cancellation of claims), the proposed rules do not provide any guidance regarding when or how such a change in designation would be allowed. When considering claim designation, an applicant is faced with three options:

- Don't do anything;
- Designate, but designate less than 10 claims (reserve some claim designations until after consideration of an office action); or
- Designate 10 claims to maximize the number of claims considered by the examiner.

It is clear that an applicant can reduce initial costs by following the first option above and merely allowing the examiner to consider only the independent claims. However, to maximize the subject matter examined, this option is not preferable.

In this regard, and in view of the PTO's uncertain position on re-designation or de-designation of claims, it is unclear whether it would be better to use the second or third option. That is, if the PTO does not allow applicants to freely alter the claims' "designation" during prosecution, it might be beneficial for the applicant to retain a few "claim designation slots" among the 10 permitted until the applicant has had a chance to consider the prior art found by the examiner. That way, new dependent claims — added as backup positions — can easily be added and designated.

Within the latter two options, in which the applicant chooses to designate dependent claims, the applicant should consider different strategies for designating dependent claims. For example, the applicant could designate only claims that depend from one of the independent claims and not designate "mirror" claims (*i.e.*, claims of similar scope) that depend from another independent claim in order to "feel out" the point of allowability.

Alternatively, the applicant could designate claims most desirable to enforce against a potential infringer (such as product or apparatus claims). As yet another strategy, an applicant could add and designate one dependent claim including all of the points of novelty in an attempt to force the examiner to search all of the important features.¹⁶ Then, after reviewing the examiner's action and cited art, the applicant may have a better idea of where the examiner may draw the line of allowability.

3. Don't Be Left Behind — Make Every Claim And Every Prosecution Response Count

If the proposed rules are adopted in their current form, fewer claims will be initially examined, and there will be new limitations on the ability to continue prosecution. Therefore, applicants can prevent subject matter being left behind by:

- Putting claims in the best possible form before examination;
- Choosing not to designate dependent claims directed to conventional features; and
- Making every prosecution response count.

The Best Possible Form

Each claim should be in the best possible form before examination begins so as to prevent an application from being abandoned because a continuation has already been filed and the claims still require significant amendment. One way to ensure the claims are in the best form is to make certain that a search of pertinent prior art is conducted before examination. This can be done by various methods, such as searching oneself, hiring a private searcher or first requesting examination outside the United States.

For example, if a foreign counterpart application is searched by the EPO or JPO before its U.S. counterpart is examined, the applicant will be able to place the pending U.S. claims in better form before the U.S. examination begins.

Alternatively, applicants could file a PCT application and amend the claims of the U.S. National Stage Application based on the results of the PCT search and examination.

Dependent Claims Directed to Conventional Features

Moreover, applicants should make sure not to waste a precious “designation” on a claim that is merely directed to conventional features. On the other hand, as discussed above with respect to claim designation strategies, applicants should consider adding and designating one dependent claim including all of the points of novelty in an attempt to force the examiner to search all of the important features.

Making Every Prosecution Response Count

Finally, applicants should make sure that every response to the PTO is full and detailed, which will move the case quickly toward allowance. First and foremost, a little sweet-talking with the examiner might be in order. For example, a personal interview with the examiner after the first office action should often help the applicant and examiner reach agreement as to what is likely to be allowable subject matter.

In addition applicants should have a backup plan by adding dependent claims that would be clearly patentable over all cited prior art, not only that applied by the examiner, after the first office action.

Finally, if the examiner ultimately does not agree with the applicant’s position, it may be better to quickly appeal than to prolong prosecution (and preclude the ability to file continuations) by filing a request for continued examination. If the applicant does decide to appeal, it is suggested to file a request for a pre-appeal brief conference¹⁷ whenever the applicant believes the examiner’s position is clearly incorrect.

Conclusion

We have provided above our top three things to do in light of the proposed patent rules. We hope these suggestions will ensure that you are prepared when/if the proposed rules are adopted. We welcome your questions or comments. Please contact us at Sughrue Mion PLLC, 2100 Pennsylvania Ave NW, Washington DC 20037; (202) 293-7060 (phone) and (202) 293-7860 (fax); or sughrue@sughrue.com (e-mail).

Notes

¹ See 71 Fed. Reg. 48-69 (January 3, 2006).

² See 71 Fed. Reg. 48 (col. 3) – 49 (col. 1).

³ See 71 Fed. Reg. 61 (col. 3).

⁴ See Administrative Procedures Act, 5 U.S.C. § 553(d).

⁵ Under the proposed rules, applicants will be required to identify which claims in a CIP application are supported by the parent application. See 37 CFR 1.78(d)(3).

⁶ See proposed 37 CFR 1.78(d)(1)(i) & 114(f). Please note that, under the proposed rules, a “by-pass” continuation will be considered a “continuation.” However, the PTO may modify this rule so that by-pass continuations are not prejudiced by these rules. See 71 Fed. Reg. 56 (cols. 2 & 3).

⁷ See 37 CFR 1.178(d)(1)(iv) (A petition should not be granted unless there is some “amendment, argument, or evidence [that] could not have been submitted during the prosecution of the prior-filed application.”) See also proposed 37 CFR 114(f) (“The applicant may not file more than a single request for continued examination ... unless the request for continued examination also includes a petition ... and a showing to the satisfaction of the director that the amendment, argument, or evidence could not have been submitted prior to the close of prosecution in the application.”)

⁸ See 71 Fed. Reg. 56 (cols. 1 & 2). Although these proposed continuing application rules are said to apply only to applications filed *after the rule effective date*, there would be some retroactive effect on applications filed before the effective date. For example, assume that the proposed rules are adopted in their current form, and that an RCE was filed during the pendency of a parent application, which was filed before the effective date of new rules. In this situation, *after the rule effective date*, the PTO would likely deny the applicant’s claim for benefit of the parent application in any continuation application and would not allow the applicant to file additional RCEs.

⁹ However, the proposed rules would not prohibit the filing of a “divisional application” directed only to non-elected claims *delimited by a restriction or election of species requirement* in the parent application and *timely filed during the pendency of the parent application*. See proposed 37 CFR 1.78(d)(1)(ii) (One condition that will be allowed under the proposed rules is the filing of “a divisional application ... that claims benefit under 35 USC 120, 121, 365(c) of only a single prior-filed application, the prior filed application was subject to a requirement of unity of invention under PCT Rule 13 or a requirement for restriction under 35 USC 121, and the divisional application contains only claims directed to an invention or inventions that were identified in such requirement of unity of invention or such requirement for restriction but were not elected for examination in the prior-filed application.”)

¹⁰ See 37 CFR 1.78(d)(1)(iii). However, benefit could be received back to the first divisional if a petition is granted by the PTO. Moreover, the applicant could consider the *first* subsequent divisional as a continuation of a divisional, which could be properly filed without a petition. See proposed 37 CFR 1.78(d)(1)(iii). However, the applicant would then lose the right to file a continuation in both the first divisional and the newly filed application.

¹¹ See proposed 37 CFR 1.75(b)(1). The proposed rules limiting the number of initially examined claims “would be applicable to any application filed on or after the effective date of the final rule, as well as to any application on which a first Office Action on the merits (§ 1.104) was not mailed before the effective date of the final rule.” See 71 Fed. Reg. 66 (col. 2).

¹² See proposed 37 CFR 1.75(b)(1). If the number of claims to be initially examined (i.e., independent claims plus designated dependent claims) is greater than ten, then the PTO would require that the applicant file an *Examination Support Document* (see 37 CFR 1.261). Since the Examination Support Document must be a very detailed document requiring many comments that could give rise to estoppel, it is expected that applicants will rarely request examination of more than ten claims. Instead, applicants could reduce the number of initially examined claims by canceling

independent claims, rescinding the designation of dependent claims, or proposing a restriction requirement (see 37 CFR 1.75(b)(3)).

¹³ See proposed 37 CFR 1.75(b)(2) (“A claim that refers to another claim but does not incorporate by reference all limitations of the claim to which such claim refers will be treated as an independent claim ... A claim that refers to a different statutory class of invention will also be treated as an independent claim.”)

¹⁴ See proposed 37 CFR 1.75(b) (“Unless a dependent claim has been designated for initial examination prior to when the application has been taken up for examination, the examination of such dependent claims may be held in abeyance until the application is otherwise in condition for allowance. The mere presentation of a dependent claim in an application is not a designation of the dependent claim for examination.”) Unlike the proposed RCE and continuation application changes, discussed above, the rule changes regarding the number of claims initially examined applies to all applications that have not received an office action before the date of the rule change. See 71 Fed. Reg. 66 (col. 2).

¹⁵ See 71 Fed. Reg. 66 (col. 2). For applications filed before the rules effective date, the Office will give the applicant an “opportunity to designate dependent claims for initial examination.” However, the Office has not provided details regarding this “opportunity.”

¹⁶ Please note, however, that a designated dependent claim must depend directly from an independent claim or another designated dependent claim. See proposed 37 CFR 1.75(b)(1)(ii).

¹⁷ See PTO Official Gazette, July 12, 2005.

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