



JONES DAY  
**COMMENTARY**

## U.S. PATENT AND TRADEMARK OFFICE'S FINAL RULES DIRECTED TO CONTINUED EXAMINATION FILINGS, PATENT APPLICATIONS CONTAINING PATENTABLY INDISTINCT CLAIMS, AND EXAMINATION OF CLAIMS IN PATENT APPLICATIONS

The U.S. Patent and Trademark Office ("USPTO") published the final rules ("Rules") directed to:

- Continued examination filings,
- Patent applications containing patentably indistinct claims, and
- Examination of claims in patent applications on August 21, 2007.

These Rules will have a dramatic effect on how patent applications are prosecuted in the United States because, among other things, they limit the number of continuations and requests for continued examinations ("RCEs") that can be filed in the USPTO. The Rules further require applications containing patentably indistinct claims to be identified and, in certain situations, prosecuted in only a single application that is subject to a new "5/25" claims threshold. This *Commentary* discusses the background regarding

the Rules, the substance of each Rule, action items to implement before certain dates, and new prosecution strategies for an applicant to consider in light of the new Rules.

### BACKGROUND

The USPTO proposed two rules packages on January 3, 2006, directed to changes to practice for continuing applications, RCE practice, and applications containing patentably indistinct claims, as well as changes to practice for the examination of claims in patent applications. The rules proposed, among other things, that: i) each application filed after the effective date of the rules is to be limited to one continuation or RCE as of right; ii) divisional applications are to be filed during the pendency of the initial application; and iii) 10 representative claims are to be initially reviewed for patentability purposes. The USPTO received more than 500 written public comments about the proposed

rules as it conducted town hall meetings and presentations throughout the United States. The USPTO further met with representatives from intellectual property law associations, companies, law firms, inventors, and universities to discuss the proposed rules. Based on this review, the USPTO revised the proposed rules packages to include the requirements provided in the final Rules published on August 21, 2007.

## FINAL RULES

The Rules as finalized by the USPTO are directed to three primary areas:

**Continued Examination Filings.** For applications filed on or after November 1, 2007, the Rules require an application or chain of continuing applications to be limited to two continuing applications (continuation or continuation-in-part applications) and a single RCE in any one of these applications, without justification. For applications pending on August 21, 2007, the Rules permit an applicant to file “one more” continuing application after August 21, 2007, regardless of the number of continuing applications that may have been filed before August 21, 2007. For applications pending on November 1, 2007, any RCE filed on or after November 1, 2007, that is a second or subsequent RCE in an application family will require a petition and showing that describe why the amendment, argument, or evidence sought to be entered could not have been previously submitted to the USPTO. Moreover, the Rules permit an applicant to “serial file” divisional applications directed to nonelected inventions if the USPTO issued a restriction requirement in the prior application. In addition, an applicant must identify the claims in a continuation-in-part application that an applicant believes are entitled to the parent application’s filing date.

**Examination of Claims.** The Rules require an applicant to submit an examination support document (“ESD”) if an application contains more than five independent claims or more than 25 total claims. The USPTO will include in that count all of the claims in any other copending applications having at least one patentably indistinct claim with the subject application. For applications pending on November 1, 2007, that exceed the 5/25 claims threshold, an applicant has the option of:

1. Submitting a suggested restriction requirement (“SRR”) and election of an invention to which there are no more than five independent or 25 total claims,
2. Canceling claims to contain no more than 5/25 claims, or
3. Submitting an ESD.

If the applicant decides not to take any of these options, the USPTO will issue a notice giving an applicant a two-month extendable time period under 37 C.F.R. § 1.136(a) to submit an SRR, to cancel claims to contain no more than 5/25 claims, or to submit an ESD.

If an application filed after November 1, 2007, exceeds the 5/25 claims threshold and does not contain an SRR or ESD, the USPTO will issue a notice giving an applicant a nonextendable two-month time period under 37 C.F.R. § 1.136(a) to provide an ESD or to amend the application to contain no more than 5/25 claims. This Rule is applicable to all applications in which a first action on the merits (“FAOM”) has not been mailed by the USPTO by November 1, 2007.

For those applications that contain more than 5/25 claims, the ESD must include: 1) a preexamination search statement; 2) a listing of references deemed most closely related to the subject matter of *each* claim (independent and dependent); 3) an identification of claim limitations disclosed by each reference; 4) a detailed explanation of patentability; and 5) a showing of support under 35 U.S.C. § 112, ¶ 1. In particular, the requirement that an applicant identify claim limitations disclosed by each reference instructs an applicant to disclose a feature, showing, or teaching that is relevant to each limitation of such claim. This Rule states that a mere statement indicating that the entire reference, or substantially the entire reference, is relevant would not be sufficient. This Rule also requires that a supplemental ESD be submitted when an applicant presents an amendment to the claims that is not encompassed by the previous ESD and when an applicant files an IDS that includes a reference that is deemed more closely related to the subject matter of at least one claim than the references provided in the previous ESD.

### **Patent Applications Containing Patentably Indistinct Claims.**

The Rules require an applicant to identify other commonly owned pending applications or patents which have a filing or priority date that is within two months of the claimed filing or priority date of the application, and which name at least one inventor in common with the application. In addition, an applicant must file a terminal disclaimer or explain how the applications contain only patentably distinct claims if the applications also have the same claimed filing or priority date and contain substantial overlapping disclosure. The USPTO may require an applicant to put all of the patentably indistinct claims in a single application unless the applicant provides a good reason to the USPTO for having multiple copending applications with patentably indistinct claims.

## **ACTION ITEMS**

The Rules become effective on November 1, 2007, and apply to applications currently pending at the USPTO as well as new applications filed on or after November 1, 2007. Therefore, an applicant should consider implementing the following action items:

- Before November 1, 2007, an applicant should perform a comprehensive review of his or her patent portfolio. To facilitate this review, an applicant may prepare a table that identifies, among other things, each application by its application number; priority information and number of applications in an application's family; filing date; list of inventors; status of patent application (e.g., pending, non-final/final office action issued); number of pending claims; whether the application has been restricted; number of continuations/RCEs in the application family; and related information.
- Before November 1, 2007, an applicant should identify any patent applications where prosecution has been closed on the merits (e.g., the application is under appeal, a "final" or *Ex parte Quayle* office action, or notice of allowance has been issued) and identify any application family that includes an RCE. If both conditions have been met, the applicant should consider filing another RCE before November 1, 2007, since the Rules require a petition and showing to be made when a second or subsequent RCE is filed in an application family on or after November 1, 2007.
- Before November 1, 2007, an applicant should consider filing additional continuation applications to protect unclaimed subject matter.
- Before November 1, 2007, an applicant should review pending patent applications to determine if a first action on the merits has been mailed by the USPTO. If a FAOM has been mailed by the USPTO, prosecution on the merits will continue accordingly. If, however, a FAOM has not been received, an applicant needs to determine how many claims are pending in the application. If the number of claims includes more than five independent or 25 total claims, then the applicant should consider: a) filing an SRR with groups of no more than 5/25 claims; b) canceling claims to have no more than 5/25 claims; or c) filing an ESD.
- Before November 1, 2007, an applicant should review pending applications to determine whether a restriction or election-of-species requirement has been issued. If either requirement has been issued, an applicant should consider responding to the restriction requirement, without traverse, to preserve the applicant's right to file divisional applications. In addition, the applicant should also consider canceling nonelected claims to prevent the USPTO from withdrawing the restriction requirement or making the nonelected claims subject to rejoinder with the elected claims.
- Before November 1, 2007, an applicant should review pending CIPs and identify which claims are supported by the priority application.
- Before February 1, 2008, an applicant should review his or her patent portfolios for related applications (common owner, common inventor). An applicant will be required to disclose to the USPTO those applications having a priority date within two months of each other. An applicant will also need to address the presumption of patentably indistinct claims for applications with overlapping disclosures and any common priority date. For applications that have the same filing or priority date and contain a substantial overlapping disclosure, an applicant must also include either an explanation of how the claims are patentably distinct or a terminal disclaimer and explanation of why patentably indistinct claims have been filed in multiple applications.

## STRATEGIES TO CONSIDER

An applicant should consider implementing new prosecution strategies in light of the Rules. Such strategies may include the following:

- Conduct interviews before first office actions and as often as possible. An applicant will no longer be able to simply file a continuation to continue prosecution on the merits. Consequently, each step along the prosecution road will be more important and therefore will require the prosecution attorney and Examiner to work together to place the application in condition for allowance.
- Review “final” determinations and challenge such determinations where appropriate. For example, a first office action “final” in a CIP is not proper where at least one claim includes subject matter not present in the parent application (see, e.g., Section 706.07(b) of the MPEP). In such a situation, the applicant should ask the Examiner to reissue an office action as “nonfinal”; if the Examiner does not do so, the applicant may consider submitting a petition to the Director in accordance with 37 C.F.R. § 1.181 requesting that the office action be reissued as “nonfinal” accordingly.
- Consider filing more pre-appeal brief requests and appeals instead of continuations or RCEs.
- Consider filing reissue applications (within two years of issuance to broaden the scope of claims), since the Rules apply to reissue applications but not reexaminations. For reissue applications that contain more than 5/25 claims, it is important to note that an ESD will not be required in a reissue application if the application does not seek to change the claims in the patent being reissued. The Rules state that such a change is sought either by amending or adding a claim or by amending the specification that changes a claim.

- Consider filing more PCT applications (e.g., file a demand and enter the national stage under 35 U.S.C. § 371). By doing so, an applicant will obtain additional prosecution in the international stage that may be beneficial to any prosecution of the U.S. national-stage application or related U.S. application.

## CONCLUSION

The Rules represent a fundamental change in how patent applications will be prosecuted in the United States. The limits on continuations/RCEs that the Rules impose will require that applications be prosecuted more diligently earlier in the prosecution cycle. Also, the prosecution history estoppel concerns that the ESD raises due to the requirement that an applicant identify each claim limitation disclosed by each reference will likely compel most applicants to include no more than 5/25 claims in each application. In addition, the Rules directed to patent applications containing patentably indistinct claims will shift the burden from the USPTO to applicants in resolving double-patenting matters and pose significant practical challenges with which to comply even by February 1, 2008, particularly for applicants who have large numbers of patent applications pending in the USPTO.

## LAWYER CONTACT

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