

# REPORT

## Final Rules Implementing the Patent Business Goals of the United States Patent and Trademark Office

October 27, 2000

The U.S. Patent and Trademark Office (PTO) has issued changes to several of the rules of practice regarding patent applications. Some rule changes went into effect on September 8, 2000, while most of the others will go into effect on November 7, 2000. Two rule changes will be phased in gradually, becoming mandatory on March 2, 2001. A list providing the effective date of each rule change appears in the Appendix to this report.\*

The PTO's stated purpose in making the rule changes is to eliminate unnecessary formal requirements, streamline the patent application process, and simplify and clarify the provisions of the rules of practice. While the rule changes may accomplish this in part, they also place various additional burdens on attorneys and their clients. Some of the more significant rule changes are summarized below, organized into seven categories related to (1) application formatting/electronic submissions; (2) information disclosure; (3) patent applications; (4) prosecution/examination of patent applications; (5) reissue applications; (6) fees; and (7) miscellaneous provisions.

### I. Application Formatting/Electronic Submissions

The PTO is preparing to move into electronic filing of patent applications. Beginning November 29, 2000, certain limited groups of patent applications will need to be electronically filed (see our forthcoming Special Report on the patent application publication rules), and electronic filing will be optional for most applications. The PTO is now amending several rules to facilitate electronic filing.

Amended Rule 1.52(b) now permits optional numbering of paragraphs in a patent specification at the time it is filed to facilitate the new amendment practice discussed below, and to ease the transition into total electronic filing of patent applications.

Rule 1.121 has been amended to provide for patent application amendments paragraph by paragraph; or section by section, where a section comprises one or more paragraphs under a section heading; or claim by claim. A clean copy of a replacement paragraph, section or claim must be filed, along with a marked-up (e.g., computer red-lined) version to assist the examiner. A marked-up version does not have

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\* The patent business goals final rule package is available online at the PTO's web site – [www.uspto.gov](http://www.uspto.gov). It is currently listed on the first page of the web site under "New Information and Press Releases."

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to be supplied for an added or deleted paragraph or claim; it is sufficient to state that a particular paragraph or claim has been added or deleted. This practice will be permitted as of November 7, 2000, and will be required as of March 2, 2001.

Amended Rule 1.121 is designed to result in a patent application which, after amendment, will be ready for optical character recognition scanning for more cost-effective preparation for patent printing. However, applicants will have to bear the additional expense involved in preparing both a final version and a marked-up version of many amendments. Examiners will continue to be able to make amendments without providing a clean replacement version or a marked-up version.

To facilitate our filing amendments in the manner provided by amended Rule 1.121 as efficiently, cost-effectively and accurately as possible, we request that both paper and electronic (e.g., disk) copies of new applications be provided to us. We also suggest that the paragraphs of patent specifications be numbered as permitted by amended Rule 1.52(b) to facilitate the amended Rule 1.121, paragraph by paragraph amendment practice. We will continue to provide additional recommendations in the future as we gain additional experience with the PTO's new practices.

New paragraph (e) of Rule 1.52 lists three types of specification submissions that are acceptable on compact disc: (1) computer program listings; (2) nucleotide and/or amino acid "Sequence Listings"; and (3) large tables, i.e. over 50 pages.

Consistent with the revisions to Rule 1.52, Rule 1.96 has been amended to provide that any computer program listing may, and all computer program listings over 300 lines in length (up to 72 characters per line) must, be submitted on a compact disc. The information submitted will be considered a "computer program listing appendix" (rather than a "microfiche appendix" as in current practice), which will not be printed with the published patent, but will be referenced in the patent and will be available from the PTO. Computer program listings complying with former Rule 1.96 will be accepted until March 1, 2001, but not thereafter.

## II. Information Disclosure

### A. Information Disclosure Statements

Rule 1.98(a) has been amended to require submission of copies of U.S. patent applications (or relevant portions thereof) that are cited in an IDS on or after November 7, 2000. This rule applies even if copies were provided in an earlier application, unless the earlier application is relied upon under 35 U.S.C. 120 for an earlier effective filing date.

Rule 1.97(b) has been amended to eliminate the three month window for submitting an IDS after filing a Continued Prosecution Application (CPA). However, to permit consideration of an IDS prior to an Office Action in a CPA (or after the filing of a Request for Continued Examination (RCE)), previously implemented Rule 1.103 provides for a request for a three month suspension of action by the PTO upon payment of a \$130 fee when the CPA or RCE is filed.

The fee for filing an Information Disclosure Statement (IDS) without a certification under Rule 1.97(c), after a first Office Action but before an action closing prosecution, has been reduced from \$240 to \$180. However, the \$130 petition fee associated with filing an IDS with a certification after the close of prosecution but before payment of the issue fee has been replaced with a \$180 IDS processing fee.

New paragraph (e) of Rule 1.56 provides that in a continuation-in-part (CIP) application, the duty of disclosure includes the duty to disclose to the PTO all information known to be material to patentability which became available between the filing date of the prior application and the national or international filing date of the CIP application. This formalizes the PTO's previously held view of the duty of disclosure.

### B. Requirements for Information

New Rule 1.105 gives an Examiner or other PTO employee the authority to require the submission, from individuals identified under Rule 1.56(c) or any assignee, of information reasonably necessary to properly examine or treat a matter addressed in a patent application. Such requested information may include, for example,

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identification of relevant commercial databases, what was previously searched, patents and publications by the inventors or used in the invention process or to draft the patent application, what is being improved, and/or uses of the claimed invention known to the inventors. Any reply which states that the requested information is unknown and/or is not readily available to the party or parties from which it was requested will be accepted as a complete reply. However, applicants must be aware of possible Rule 1.56 implications if any such statement is untrue, particularly because undue burden is not stated to be an excuse for not providing information. Examiners are expected to be trained and provided with guidelines so as to ensure appropriate usage of this authority, and a petition remedy will be available to rectify any abuses by PTO personnel.

### **III. Patent Applications**

#### **A. Drawings**

Rule 1.84 was amended to clarify existing quality drawing standards. Additionally, the requirement for three sets of black and white photographs, and the petition requirement for black and white photographs, have been eliminated. Rule 1.84 now contains a list of situations in which photographs are acceptable, and permits the examiner to require a drawing instead of a photograph where the drawing would better illustrate the invention. Amended Rule 1.84 also now requires that identifying indicia, if provided, must be placed on the front of each drawing sheet and centered within the top margin.

Rule 1.85 has been further amended such that the three month period of time to file corrected or formal drawings after allowance is not extendible under Rule 1.136(a) or (b) for those applications containing a Notice of Allowability mailed on or after November 7, 2000. As noted in our forthcoming Special Report on the new publication rules, this will seldom be an issue in view of the new requirements for early submission of formal drawings.

#### **B. Application Data Sheet/Priority References**

New Rule 1.76 provides for voluntary inclusion of an application data sheet (ADS) in provisional and non-provisional applications to permit easier corrections, additions, and updating of bibliographic information. The ADS provides a format in which bibliographic information concerning the application and applicant, assignee, correspondence address, applicant's representative, and domestic and foreign priority claims may be submitted for more accurate electronic data capture by the PTO. This new rule formalizes a previously implemented PTO practice for minimizing errors in Official Filing Receipts. We now routinely file ADS's and, although they have been helpful, they have not eliminated all PTO errors in Official Filing Receipts.

Rule 1.78 has been amended to permit applicants who claim benefit of an earlier filed U.S. patent application under 35 USC 120 (regarding a U.S. nonprovisional application) and under 35 USC 119(e) (regarding a U.S. provisional application) to refer to those earlier applications in the ADS instead of in the first sentence of an application's specification. However, we nevertheless recommend that this information be included in the specification, as the amendments to Rule 1.78 do not appear to comply with the statutes themselves.

#### **C. Small Entity Status**

Rule 1.27(c) has been amended to liberalize the manner in which small entity status can be asserted. The amended rule requires only a simple written assertion of entitlement to small entity status, in lieu of the previously required small entity statement forms. Parties who can assert small entity status on behalf of an applicant are expanded to include (1) a registered practitioner (whether of record or not), (2) any one of the inventors (instead of all inventors), and (3) a partial assignee (instead of all assignees). Thus, small entity statements or declarations are no longer required, and we can assert small entity status based on your instructions. However, before asserting small entity status, a full and complete investigation of

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all facts and circumstances is still required to determine entitlement to small entity status.

**D. Establishing Authority of Deceased or Incapacitated Inventor's Legal Representative**

With the deletion of Rule 1.44, proof of the authority of a deceased or incapacitated inventor's legal representative is no longer required to be filed in any application, regardless of when that application was filed. This removes a major source of cost and delay in obtaining a patent. Prior to this change, proof had to be presented to the Office, often in the form of a probate court decree for U.S. domiciled inventors, and in other forms for foreign domiciled inventors, that the person signing a patent application oath or declaration had the authority to sign on behalf of the incapacitated or deceased inventor.

**E. Petition for Foreign Filing License**

Amended Rule 5.12 now requires a petition fee, set forth in Rule 1.17(h), for all petitions for foreign filing licenses, rather than just petitions for expedited licenses. The PTO considers that all such petitions are treated on an expedited basis, and that the petition fee is therefore warranted.

**F. Permitted Alterations are not Misconduct**

Rule 10.23(c) (11) has been amended to explicitly allow alterations to patent application papers which are permitted under Rule 1.52(c). Rule 1.52(c) provides that (1) alterations to papers must (rather than should) be made before the oath or declaration is signed, and (2) alterations made after an oath or declaration is signed require a supplemental oath or declaration under Rule 1.67. This was already implied by existing rules, but it is nonetheless best to avoid all post-execution alterations of patent applications.

**IV. Prosecution/Examination of Patent Applications**

**A. Preliminary Amendments**

New Rule 1.115 permits the PTO to disapprove a preliminary amendment filed prior to the mailing

of a first Office Action, if the preliminary amendment unduly interferes with the preparation of the first Office Action. Factors to be considered in disapproving a preliminary amendment include the state of preparation of the first Office Action as of the date the PTO receives the preliminary amendment, and the nature of any changes to the specification or claims. To avoid denial of entry of preliminary amendments, the PTO suggests filing preliminary amendments (1) within 3 months from the filing date of an application filed under Rule 1.53(b) or from the date of entry into the national stage in an international application, or (2) on the filing date of a CPA filed under Rule 1.53(d), or (3) within the period of suspension requested by applicant under Rule 1.103 in a CPA application.

**B. Second or Subsequent Supplemental Replies to Non-Final Office Actions**

Amended Rule 1.111(a) permits second or subsequent supplemental replies by applicants to non-final Office Actions to be disapproved by the PTO. Factors to be considered in disapproving such replies include the state of preparation of an Office Action as of the date the PTO receives applicant's reply, and the nature of the changes to the specification or claims. If a second or subsequent supplemental reply by applicant merely cancels claims or eliminates rejections under 35 U.S.C §112, second paragraph, denial of entry would not be appropriate. If a second or subsequent supplemental reply includes changes that were previously suggested by the examiner, denial of entry may not be appropriate.

**C. Rule 1.131 and 1.132 Affidavits and Declarations**

Rules 1.131 and 1.132 have been amended to clarify the instances in which applicants may use affidavits and declarations to overcome rejections. They may be used to overcome rejections based on non-publication prior art, such as prior knowledge or use by others. However, they still may not be used if the rejection is based upon a U.S. patent to another or others which claims the same patentable invention, and a Rule 1.131 affidavit/declaration still may not be used to establish prior invention if the rejection is based upon a statutory bar.

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#### **D. PTO Interviews**

Rule 1.133(a) has been amended to conform to the practice described in MPEP §713.02 of ordinarily providing for an interview relating to patentability before a first Office Action in a continuing or substitute application. Rule 1.133(a) has been further amended to provide that interviews must be conducted on "Office premises" rather than "in the examiners' rooms". The purpose of this change is to account for interviews conducted in conference rooms or by video conference. Video conference interviews may afford client participation in interviews which they otherwise could not attend in person (e.g., the attorney could attend in person with the client attending by video conference).

#### **E. Reasons for Allowance**

Rule 1.104(e) has long stated that failure of the applicant or patent owner to file a statement commenting on an examiner's reasons for allowance "does not give rise to any implication that the applicant or patent owner agrees with or acquiesces in the reasoning of the examiner." In view of recent Supreme Court and Federal Circuit decisions that "highlight the crucial role that prosecution history plays in determining the validity and scope of a patent," Rule 1.104(e) has been revised to delete this provision, thereby having the effect of requiring the applicant to set forth his position in the file if he disagrees with the examiner's reasons for allowance or be subject to an inference or presumption of acquiescence. Thus, we recommend that you promptly inform us if you disagree with any reasons for allowance provided by the examiners. Rule 1.104(e) has also been amended to state that failure of an examiner to respond to an applicant's or patent owner's statement commenting on reasons for allowance "does not give rise to any implication."

#### **F. Expedited Examination of Design Applications**

Rule 1.155 has been amended to provide for expedited examination of design applications at the additional cost of \$900 (compared to \$130 for a petition to make a patent application special). At present, in view of the already short pendency time of design patent applications, we

do not expect that applicants will benefit from this costly service

#### **G. Prosecution by Assignee**

Amended Rule 3.71 clarifies that a patent or trademark application may be prosecuted by an individual record assignee of the entire right, title and interest of the patent or trademark. However, if no single party owns the entire right, title and interest, all record owners (partial assignees and/or inventors who have retained their ownership interests) may together prosecute the application. An assignee or partial assignee becomes of record by filing a statement in compliance with Rule 3.73(b).

#### **H. Issue of Patent to Assignee**

Amended Rule 3.81 no longer requires filing of a separate petition to request issuance of a patent to the assignee at the time of paying, or after paying, the issue fee.

#### **V. Reissue of Patent Applications**

##### **A. Restriction in Reissue Applications**

Rule 1.176 has been amended to now permit restriction between original patent claims and added claims directed to a separate invention in a reissue application. No restriction may be made by an examiner among the original patent claims. Restriction will be based on the same separate and distinct standards as in an original application, pursuant to MPEP §806. In general, if divisional reissue applications are filed in response to a restriction requirement, separate multiple reissue patents may be issued. An exception is where the original reissue application is allowable without any changes relative to the patent once the new claims are divided out. In that situation, further action will be suspended in the original reissue application until one other reissue application becomes allowable; then the two reissue applications will be recombined and issued as a single reissue patent. This new policy reverses prior practice, which did not permit restriction in reissue applications – see MPEP §1450.

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**B. Surrender of Original Patent and  
Duty of Candor in Reissue  
Applications**

Amended Rule 1.178 no longer requires an offer to surrender the patent when the reissue application is filed, but still requires surrender of the original patent before allowance, unless applicant files a statement (no longer a verified affidavit or declaration) that the original patent is lost or inaccessible. Rule 1.178 also establishes an ongoing duty of reissue applicants to call to the attention of the PTO prior or concurrent proceedings involving the original patent, e.g. patent interferences, reexaminations, other reissue applications or litigation.

**VI. Fees**

**A. Copies of Patent File Wrappers**

The basic fees charged by the PTO to provide certified or uncertified copies of patent related file wrappers were changed by Rule 1.19(b)(2) to be \$200.00 for the first 400 or fewer pages, and \$40 for each additional 100 pages. If the PTO certifies the copies, an additional \$25 fee is charged for certification. The PTO will no longer accept copies of file wrappers made by the public, review the copies, and then certify those copies for a fee. The PTO will only certify copies that the PTO makes. Amended Rule 1.19(b)(3) sets forth a new fee of \$55 for the first copy of a compact disc in a file wrapper, and \$15 for each additional copy.

Currently, we can minimize the cost and ensure the quality of most patent application and file history copying by doing the copying ourselves. This will no longer be possible for certified copies. In addition, when pre-grant publication commences, the public will be able to obtain copies of pre-grant published pending patent application file wrappers; however, only the PTO will be permitted to furnish such copies and we will not be able to lower the PTO's fixed copying fees. We expect that this will increase the cost and turnaround time for obtaining such copies. The current PTO turnaround time for providing file wrapper copies is approximately a month.

**B. Refunds**

New paragraph (b) of Rule 1.26 sets a non-extendible 2-year time period (plus 60 extra days for fees paid prior to November 7, 2000) within which any request for a refund must be filed, except as otherwise provided. Previously there was no general time limit for applying for a refund. Additionally, under amended Rule 1.28(a), the time limit imposed on small entity applicants for requesting a refund of half of an improperly paid large entity fee has been increased from 2 months to 3 months (non-extendible) from the date the large entity fee was paid.

**C. Authorization to Charge Issue Fee**

Rule 1.311(b) has been amended to *only* allow authorizations to charge an issue fee to a previously authorized deposit account to be filed *after* the mailing of a Notice of Allowance and Issue Fee Due (Form PTOL-85). However, payment of an incorrect issue fee amount, or simply filing a completed issue fee transmittal form (PTOL-85B) without payment, will operate as a valid request to charge the correct fee to a previously authorized deposit account.

**D. Maintenance Fee Payments –  
Mandatory Information**

Rule 1.366(c) has been amended to clarify that both the patent number and the application serial number should be provided with any maintenance fee payment.

**VII. Miscellaneous Provisions**

**A. Secrecy of Abandoned Patent  
Applications**

Rule 1.14(e) has been amended to enable an abandoned application that claims benefit of the filing date of an application that is open to public inspection to be maintained in confidence unless the abandoned application is open to public inspection for some other reason. This will not affect the availability to the public of information regarding the status of such an abandoned application, however.

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**B. Notice to an Inventor of the Filing of an Application by Other than the Inventor**

Rule 1.47 provides for notice of the filing of an application to all inventors who have not joined in the filing of the application. Rule 1.47 has been amended to provide that the PTO may dispense with providing such notice in a continuation or divisional application if such notice regarding the prior application was given to the non-signing inventor(s).

**C. Correction of Inventorship in a Patent Application Other Than a Reissue Application**

Rule 1.48 has been revised to provide two situations in which inventorship can be corrected by a party identified in Rule 1.33(b) (including a registered attorney) without a statement from the inventors. The first situation (Rule 1.48(b)) is where prosecution of a non-provisional application results in the amendment or cancellation of claims so that fewer than all of the currently named inventors are the actual inventors of the invention being claimed, thereby requiring deletion of one or more named inventors. The second situation (Rule 1.48(d)) is where one or more inventors were omitted in a provisional application through error without any deceptive intention on the part of the omitted inventor or inventors, thereby requiring the addition of the omitted inventor or inventors.

**D. Correction of Inventorship in Reexamination Proceedings**

New paragraph (1) of Rule 1.530 makes it clear that a petition for correction of inventorship which complies with the requirements of Rule 1.324 must be submitted to correct inventorship in a patent being reexamined. If the petition under Rule 1.324 is granted, the Reexamination Certificate will reflect the inventorship correction. If a Reexamination Certificate is not issued, the patentee may request that inventorship be corrected by a certificate of correction.

**E. Format of Reexamination Request**

Rule 1.510 has been amended so that a cut-up single column copy of the patent for which reexamination is requested is no longer required. A copy of a regular two-column printed patent must be filed instead of the cut-up single column version formerly required. This was done to provide consistency in reissue application format and reexamination request format. Note, in this regard, the same situation in Rule 1.173, which governs the format of reissue applications.

**F. Time for Filing Petitions to the Commissioner**

Rule 1.181(f) was amended to provide that any petition under 37 CFR Part I not filed within two months of the mailing date of the action or notice from which relief is requested may be dismissed as untimely, except as otherwise provided. This will include, e.g., any petition filed under Rule 1.182 or Rule 1.183. This change is consistent with current PTO practice, but is designed to eliminate confusion regarding current practice. Rule 1.181(f) was also amended to provide that the two-month period is not extendible.

**G. Certificate of Correction of Office Mistake**

Rule 1.322 has been amended to clarify the fact that third parties do not have standing to demand that the PTO act on, respond to, issue or refuse to issue a certificate of correction. The PTO will not correspond with such third parties other than to indicate that their request for a certificate of correction has been received. The PTO will then decide, at its discretion, whether or not to correct a patent as suggested by a third party.

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**H. Patent Term Extension**

Rule 1.740(a)(9) previously required a showing of how every claim of a patent, the term of which was to be extended, reads on a product that has been approved by the lengthy Federal Agency (e.g., FDA) review process. As this rule was amended, an explanation is required for (1) only one product claim of the patent which encompasses the approved product, (2) only one method of use claim which encompasses the method of using the approved product, and (3) only one claim of the patent which encompasses the method of manufacturing the approved product. Rule 1.740(b) also eliminates the requirement that the showing in an application for patent term extension be verified, i.e., in the form of an oath or declaration.

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