

SPECIAL**REPORT**

**CHANGES TO U.S. PATENT PRACTICE
FOR LIMITATIONS ON CLAIMS, CLAIM FEES, RELATED
APPLICATIONS AND APPLICATIONS CONTAINING PATENTABLY
INDISTINCT CLAIMS, CONTINUING APPLICATIONS,
AND REQUESTS FOR CONTINUED EXAMINATION**

August 31, 2007

I. Introduction

On August 21, 2007 the United States Patent and Trademark Office (USPTO) published New Rules regarding (1) limitations on claims in applications, (2) claim fees, including retroactive increases in claim fees, (3) "related" applications and applications containing patentably indistinct claims, (4) continuing (continuation, continuation-in-part (CIP) and divisional) applications, and (5) Requests for Continued Examination (RCE). The New Rules include significant changes to U.S. patent practice that affect patent applications meeting certain specified criteria. This Special Report summarizes the New Rules, interprets the effects of the rule changes, and offers recommendations to be considered in filing and prosecuting new and continuing applications in the United States in view of these New Rules.

The general effective date for these New Rules is November 1, 2007. Applicants are cautioned, however, that provisions of the New Rules affect (1) applications currently on file, including identification requirements for "related" (commonly owned with at least one common inventor) applications that must be satisfied by February 1, 2008, (2) certain submissions between August 21, 2007 and November 1, 2007, and (3) new and continuing applications filed on or after November 1, 2007. These differing provisions will be discussed in detail throughout this Special Report.

Proposed rule changes were published for comment in early 2006. The USPTO broadly identified, as justification

for sweeping rule changes in the above-identified areas, a need to (1) reduce the use of its examining resources in an effort to reduce examination delays, and (2) reduce the backlog of unexamined patent applications. The proposed rule changes were viewed by many as misguided, not likely to achieve the USPTO's objectives, and, in part, contrary to controlling law. Further, the proposed rule changes were viewed as excessive even to address the asserted objectives, and prejudicial to Applicants' rights and financial interests. Our firm, as well as hundreds of other groups and individuals involved in U.S. patent practice, provided the USPTO with significant comments regarding the flaws and adverse consequences of the proposed rule changes. In response to some of the comments from the patent community, the USPTO revised a number of the proposed rules, and generated additional rules. For those familiar with the proposed rule changes, it will become apparent that the New Rules are somewhat less strict than those that were proposed, particularly with regard to continuing applications. However, they still present significant restrictions and burdens on Applicants, in many cases unsupportable by logic or by law.

This Special Report: (1) provides in Part II an overview of what we currently consider the most significant changes brought about by the New Rules, (2) provides in Part III a detailed discussion of the New Rules with annotations to the specific provisions of the New Rules for ease of reference, (3) provides in Part IV recommendations that Applicants may wish to consider in light of the New Rules – for actions that may be applicable immediately, and for actions that will affect prosecution decisions under the

August 31, 2007

New Rules after November 1, 2007, (4) provides in Appendix A a Schedule of Effective Dates for differing provisions of the New Rules, (5) provides in Appendix B a New Rules Checklist of items to consider that simplifies an Applicant's decisions regarding implementation of the New Rules, and (6) provides in Appendix C a copy of the New Rules, in their entirety. We do not attach the entire USPTO commentary regarding the New Rules, which is over 100 pages long. However, the full commentary is available on our website at www.oliff.com in the "News & Events" section.

As an additional resource, the USPTO indicates that it is receiving many inquiries regarding the New Rules. The USPTO is posting the questions with answers on the

USPTO web site. The USPTO indicates that it anticipates updating this information weekly at <http://www.uspto.gov/web/offices/pac/dapp/opla/presentation/ccfrfaq.pdf>.

We would be delighted to respond with written inquiries or schedule a personal meeting or a telephonic or video conference with you to discuss the New Rules and how they will affect preparation and prosecution of U.S. patent applications.

For ease of reference in view of the complexity of the New Rules and the consequent length of this Special Report, a Table of Contents for this Special Report is provided below.

August 31, 2007

Table of Contents

| | |
|---|----|
| I. Introduction | 1 |
| II. Overview | 6 |
| A. Limitations on Claims in Applications | 6 |
| B. Effects on Claim Fees | 6 |
| C. Refunds Of Excess Claim Fees | 7 |
| D. Identifying "Related" Applications Having One or More Common Inventors and Common Ownership..... | 7 |
| E. Presumption Regarding Indistinct Claims In Separate Applications | 7 |
| F. Limitations on Number of Continuation and CIP Applications..... | 7 |
| G. Limitations on Number of RCEs | 7 |
| H. Special Treatment Regarding Divisional Applications..... | 7 |
| I. Miscellaneous New Rules Provisions | 7 |
| III. Detailed Discussion of New Rules | 8 |
| A. Limitations on Claims in Applications | 8 |
| 1. Overview | 8 |
| 2. Required Actions | 8 |
| 3. Notice | 8 |
| 4. Patent Term Adjustment | 8 |
| 5. Differing Effective Dates | 8 |
| 6. Effect of Withdrawn Claims..... | 8 |
| 7. Effect of "Related" Applications | 8 |
| 8. Examination Support Document (ESD) | 9 |
| 9. Supplemental ESD..... | 10 |
| 10-12. Miscellaneous Provisions..... | 10 |
| 13. Effective Dates | 10 |
| B. Effects on Claim Fees | 10 |
| 1. Independent/Dependent Claims..... | 10 |
| 2. Multiple Dependent Claims..... | 10 |
| 3. Effective Dates | 11 |
| C. Refunds Of Excess Claim Fees | 11 |
| 1. Canceled Claims | 11 |
| 2. Withdrawn Claims..... | 11 |
| 3. Abandoning International Applications..... | 11 |
| 4. Effective Date..... | 11 |

August 31, 2007

| | |
|---|----|
| D. Identifying "Related" Applications Having One or More Common Inventors and Common Ownership..... | 11 |
| 1. Required Disclosures..... | 11 |
| 2. "Taking Into Account" Priority and Benefit Dates..... | 11 |
| 3. Submissions..... | 12 |
| 4. Penalties..... | 12 |
| E. Presumption Regarding Patentably Indistinct Claims In Separate Applications | 12 |
| 1. Establishing the Rebuttable Presumption | 12 |
| 2. Responding to the Rebuttable Presumption..... | 13 |
| 3. Terminal Disclaimer Considerations | 13 |
| 4. Claim Counting Considerations..... | 13 |
| 5. Time Limits for Reply | 13 |
| 6. "Good and Sufficient Reason" | 13 |
| F. Limitations on Number of Continuation and CIP Applications..... | 13 |
| 1. Definitions | 13 |
| 2. Limitations..... | 13 |
| 3. Petition and Showing..... | 14 |
| 4. Time Limits for Submission..... | 14 |
| 5. Effect of Noncompliance..... | 14 |
| 6. USPTO Evaluating Evidence | 14 |
| 7. Sufficient Showing | 14 |
| 8. Special Requirements for CIPs..... | 16 |
| 9. Optional Streamlined Continuation Procedure..... | 16 |
| 10. Reissue Applications | 16 |
| 11. Effective Dates | 16 |
| G. Limitations on Number of RCEs | 18 |
| 1. Overview | 18 |
| 2. Application "Families" | 18 |
| 3. Petition and Showing..... | 18 |
| 4. Time Limit for Petition..... | 18 |
| 5. Petition Will Not Stay Any Response Period..... | 18 |
| 6. Reissue Applications | 18 |
| 7. Effective Dates | 18 |

August 31, 2007

| | |
|---|----|
| H. Special Treatment Regarding Divisional Applications..... | 19 |
| 1. Definition..... | 19 |
| 2. "Were Not Examined" Effects..... | 19 |
| 3. Filing Multiple Divisional Applications During Pendency | 19 |
| 4. Effect of an SRR..... | 19 |
| 5. Timing of Divisional Applications | 19 |
| 6. Second Action Restriction Requirements | 19 |
| 7. CIP Considerations | 19 |
| I. Miscellaneous New Rules Provisions | 19 |
| 1. Final Rejection Practice..... | 19 |
| 2. Requirements for Information | 20 |
| 3. Discretionary Restriction and Constructive Election | 20 |
| 4. Patent Term Adjustment..... | 20 |
| IV. Recommendations | 20 |
| A. Immediate and Ongoing Actions | 20 |
| 1. Additional Filings..... | 20 |
| 2. Review Applications With Large Number of Claims..... | 21 |
| 3. Identify Applications with Common Inventors and Common Ownership | 21 |
| B. Changes to Ongoing Prosecution Practice | 22 |
| 1. General Considerations | 22 |
| 2. Limitations on Number of Claims | 22 |
| 3. Effects on Claim Fees..... | 23 |
| 4. Filing Applications with One or More Common Inventors and Common Ownership | 24 |
| 5. Restriction Requirements and Divisional Application Practice | 25 |
| 6. Substantive Prosecution..... | 26 |
| 7. Filing Continuing Applications and RCEs | 27 |
| 8. Other Considerations | 28 |
| APPENDIX A – Schedule of Effective Dates | |
| APPENDIX B – New Rules Checklist | |
| APPENDIX C – The New Rules (from the August 21, 2007 Federal Register) | |

August 31, 2007

II. Overview

The New Rules and their implementation by the USPTO are very complex, and many of the effects of these New Rules are difficult to predict. Thus, this Special Report addresses many aspects of the New Rules, but does not address every detail or ramification of them.

One effect of the New Rules, which is clearly a goal of the USPTO, is that more of the cost and burden of examination of patent applications will shift from the USPTO onto Applicants. As a result, there will unfortunately be an increase in costs for filing and prosecution of many patent applications based on the requirements of the New Rules. As an example, a study commissioned by the USPTO indicated that the cost of an Examination Support Document (ESD), which will be required in some applications as discussed in detail below, would be in a range of approximately \$2,500 to \$13,000. Other estimates published by the USPTO place this cost in a range of \$25,000 to \$30,000 for certain applications. The USPTO estimates that it will take 24 hours of work to prepare an average ESD.

Furthermore, USPTO officials have informally confirmed that the USPTO intends to apply its contorted redefinition of independent claims retroactively in pending cases in which an Office Action on the merits has not yet issued. In addition, it intends to retroactively impose its \$210 independent claim fee for such claims. This could result in hundreds or thousands of dollars of excess claim fees in many already-pending applications. We are hopeful that the USPTO will reconsider this unlawful aspect of the New Rules. However, we suspect that litigation or strong political pressure may be necessary to compel it to do so.

Oliff & Berridge will work aggressively to control costs for our clients, understanding that some cost increases will be inevitable in some applications because of the additional review and filings that will be required under the New Rules. Our goal, beginning with the formulation of the recommendations below, and continuing with an ongoing evaluation of the New Rules, is to work cooperatively with each of our clients in evaluating the effects of the New Rules on individual applications and "families" of applications¹ to most efficiently and cost-

effectively meet each Applicant's intellectual property protection needs.

Effective dates are different for many of the specific provisions of the New Rules. An overview of effective dates and compliance dates, referenced to specific provisions of the New Rules, is provided in Appendix A. In addition, the USPTO has announced several transitional implementation policies that are not apparent in the New Rules themselves. In the discussion below, applicable implementation dates, an indication regarding prospective and retroactive effects, and proposals for addressing interim matters associated with the New Rules are provided with regard to each substantive subset of the New Rules.

Some of the more significant considerations regarding the New Rules are:

A. The USPTO will examine no more than twenty-five total claims (including a maximum of five independent claims) in any single application in the absence of an Applicant-generated ESD. If there are more than twenty-five total claims or more than five independent claims, the Applicant must either: (i) submit an ESD with regard to all of the claims in the application, when permitted (details of the ESD will be outlined below); (ii) reduce the number of claims to no more than twenty-five (including no more than five independent claims); or (iii) submit a suggested Restriction Requirement (SRR) and an election without traverse that will result in the election of no more than twenty-five claims (including no more than five independent claims), when permitted. If none of the above requirements are met, and it "appears that the omission was inadvertent," a Notice will be sent setting a two month time period for the Applicant to correct the omission. Except in some transitional circumstances, the time period for reply is only extendible by petition on a showing of good and sufficient cause, with the petition submitted and granted before the due date. Failure to properly respond to the Notice within the prescribed time limit will result in abandonment of the application.

B. Claims that refer to another claim but do not incorporate by reference all of the limitations of the claim to which they refer, and claims that refer to a claim of a different statutory class of invention, will now be treated as "independent" claims, both for fee calculation purposes and for determining whether an ESD is required. Each proper

¹ A "family" of applications is newly defined as an initial or divisional application and any continuation application or CIP application that claims priority to that initial or divisional application. Thus, the family of a divisional

application is now different from the family of its parent application.

August 31, 2007

multiple dependent claim will be treated as the number of claims from which it alternatively depends. Improper multiple dependent claims, *e.g.*, multiple dependent claims that are not dependent in the alternative or that depend from other multiple dependent claims, will be treated as the number of claims referenced in the improper multiple dependent claims, whether they are examinable or not.

C. Applicants may recover excess claim fees in conjunction with claims canceled by amendment before an examination on the merits, such as in response to a first action Restriction Requirement or in response to a Notice regarding excess claims, as discussed below. This applies to excess claim fees paid on or after December 8, 2004 in pending applications. A request for refund must be filed within two months of cancellation of the claims.

D. With respect to each new application, additional information must be provided to the USPTO identifying any application or patent that: (i) has a filing date the same as, or within two months of, a filing date of the present application, taking into account each filing date for which a benefit is sought; (ii) names at least one inventor in common with the present application; and (iii) is commonly owned with the present application. There is no requirement that the applications have any common technical subject matter for this purpose. This additional information must be provided in both the presently-filed application and in the "related" application(s), and must be provided within four months of the filing date of the presently-filed application, or within two months from the mailing date of the initial filing receipt in the related application(s), whichever is later. For applications currently on file, compliance with this requirement must occur by February 1, 2008.

E. The New Rules will establish a rebuttable presumption that certain applications with overlapping subject matter contain patentably indistinct claims. Specifically, a rebuttable presumption that two or more applications have claims that are not patentably distinct from each other is established if (i) the two or more applications have any common effective filing date, taking into account each filing date for which a benefit is sought, (ii) the applications name at least one common inventor, (iii) the applications are commonly owned, and (iv) the applications have certain defined overlapping disclosure.

F. Any third and subsequent continuation application and/or continuation-in-part (CIP) application, in any "family" of applications, will be permitted only if the

Applicant files a petition, accompanied by a \$400 petition fee, that establishes that newly-presented amendments, arguments or evidence "could not have been submitted" before the close of prosecution of the prior application. This is a significant change over the proposed rule changes that would have imposed these restrictions on a second and subsequent continuation application or CIP application. Details of what this showing may require are discussed below.

G. Any second and subsequent RCE, in any "family" of applications, will be permitted only if the Applicant files a petition, accompanied by a \$400 petition fee, that establishes that newly-presented amendments, arguments or evidence "could not have been submitted" before the close of prosecution of the prior application. The New Rules regarding continuation/CIP applications and RCEs are exclusive of one another, such that an Applicant cannot choose to forego an RCE in favor of an additional continuation, or vice versa. Details of what this showing may require are discussed below.

H. The definition of a divisional application is modified slightly. Specifically, in order for an Applicant to file a divisional application, the USPTO must first issue a Restriction Requirement in an application, or the USPTO must accept an Applicant's "suggested" Restriction Requirement (SRR), and election without traverse, in an application. The divisional application must contain only claims that are directed to subject matter that was subject to, and not elected in response to, the Restriction Requirement, and the claims must not have been examined in any prior-filed application.

I. Other miscellaneous changes in, or related to, the New Rules (1) modify the USPTO's policies regarding second action Final Rejections; (2) modify the provisions for Requirements for Information under Rule 105, and (3) modify the rules regarding patent term adjustments to include penalties for "untimely" compliance with the New Rules.

The New Rules present complicated issues for Applicants to consider in preparing, filing, and prosecuting U.S. patent applications meeting certain criteria. To facilitate your understanding of the New Rules, the New Rules Checklist in Appendix B is provided as a brief guide to issues raised by the New Rules that Applicants may want to consider at various stages of patent prosecution.

August 31, 2007

III. Detailed Discussion Of New Rules

A. Limitations On Claims In Applications

1. In any application, the USPTO will examine only five or fewer independent claims and the twenty-five or fewer total claims without submission by Applicant of an Examination Support Document (ESD) prior to a first Office Action on the merits. Also, if an ESD is not submitted prior to the first Office Action on the merits, the application can never be amended to include more than twenty-five total claims or more than five independent claims (§1.75(b)(1)), unless the first Office Action on the merits issues before November 1, 2007.

2. If there are more than twenty-five total claims, or more than five independent claims, the Applicant will be required to (a) take certain actions to modify the number of claims as alternatives to submitting an ESD, or (b) prepare and submit an ESD if one is permitted. These actions must be taken before substantive examination begins in an application that contains such a number of claims at that time (§1.75(b)(3)). To reduce the number of claims, thereby avoiding the requirement for an ESD, the Applicant may (a) cancel claims to reduce the total number of claims to twenty-five or fewer and the total number of independent claims to five or fewer (§1.75(b)(1)); or (b) submit a suggested Restriction Requirement (SRR) along with an election without traverse that results in there being no more than twenty-five total elected claims and five independent elected claims for the application (§1.142(c)). The Examiner need not accept the Applicant's SRR. If the Examiner imposes no Restriction Requirement (which is within the discretion of an Examiner even if one is justified), the Applicant must cancel claims or file an ESD. If the Examiner issues a different Restriction Requirement, the Applicant must respond to it.

3. If appropriate action has not been taken by the time the Examiner takes the application up for examination, a Notice will be issued, and the Applicant will be afforded a two-month time period to respond (§1.75(b)(3)). The two-month time period is generally unextendable unless a detailed and convincing petition is filed and granted within the two-month time period for applications filed or entering the U.S. national phase on or after November 1, 2007. For applications filed or entering the U.S. national phase before November 1, 2007, in which a first Office Action on the merits is not mailed before November 1, 2007, the USPTO, in its commentary regarding implementation, has

announced that the two-month time period for reply will be extendable up to six months.

4. The rules regarding patent term adjustment are separately revised to indicate that any patent term extension shall be reduced by a number of days, beginning the day after the date that is the later of the filing date of an Amendment that first presents more than twenty-five total claims and/or more than five independent claims, or four months from the filing date or the date on which the U.S. national phase commenced (§1.704(c)). Any patent term extension accruing with respect to the application will be reduced by the number of days beginning with the earliest of the above dates and ending on the date that appropriate action is taken with respect to the excess claims. In other words, any delay in taking action after amending an application to introduce excess claims, or more than four months after filing an application with excess claims, will be subtracted from any patent term extension arising from USPTO delays (§1.704(c)).

5. The Applicant must respond to the Notice by: (a) submitting an ESD, as described below (§1.75(b)(1)); or (b) canceling claims (§1.75(b)(1)). The Applicant does not have the option of submitting an SRR in reply to the Notice for applications filed or entering the U.S. national phase on or after November 1, 2007. For applications filed or entering the U.S. national phase before November 1, 2007, in which a first Office Action on the merits is not mailed by November 1, 2007, and if the Notice is not accompanied by a Restriction Requirement, the USPTO has announced in commentary that an Applicant may submit an SRR.

6. In determining whether an application exceeds twenty-five total claims and/or five independent claims, withdrawn claims are not taken into account unless and until they are reinstated or rejoined (§1.75(b)(5)). The withdrawn claims, however, cannot be reinstated or rejoined in an application after a first Office Action on the merits if (a) their rejoinder would result in an application exceeding the twenty-five total claim and/or five independent claim thresholds, and (b) an ESD was not filed before the first Office Action on the merits. In other words, to have claims later rejoined that will result in the claim totals being exceeded, an ESD must be filed before the first Office Action on the merits (§1.75(b)(1)).

7. Additionally, in "related" applications that (a) are filed on the same day, taking into account any date for which a priority or §120 (continuing application) benefit is claimed, (b) name at least one common inventor, (c) are

August 31, 2007

commonly owned, and (d) have substantially overlapping disclosure, as discussed in Section III. D. below, a rebuttable presumption is established that the applications contain at least one patentably indistinct claim. If this presumption is not effectively rebutted, all of the claims of all of the "related" applications will be taken into account for the purposes of computing a number of claims in each of the applications, not just the allegedly patentably indistinct claims. This same claim counting approach will also be taken in connection with any other commonly owned applications in which the Examiner establishes the existence of patentably indistinct claims, regardless of filing date (*i.e.*, where the Examiner finds obviousness-type double patenting) (§1.75(b)(4)).

8. Any ESD, as defined in §1.265 of the New Rules, must include:

a. A statement that a preexamination search was conducted including: (1) an identification of the field of search by U.S. class and subclass; (2) the date of the search; and (3) for database searches, (i) the search logic or chemical structure or sequence used as the query, (ii) the name of the file or files searched, (iii) the database service, and (iv) the date of the search (§1.265(a)(1)).² The preexamination search must involve U.S. patents and patent application publications, foreign patent documents, and non-patent literature, unless the Applicant can justify, with reasonable certainty, that no references more pertinent than

² The USPTO has recently published search templates. See www.uspto.gov/web/patents/searchtemplates/class.htm. The templates indicate that:

"As a general guidance, a complete search of U.S. patents in this art area will include the following:

1. A classified search of the original classification class and subclass for the subject matter and the other highly relevant art areas in the US patent documents
2. A text search of the US patent documents; patents, PG PUB, and OCR databases:
 - Broad text search for the general inventive concept(s), not limited by classification
 - Narrow text search for the specific claimed invention
 - Boolean text search employing the relevant inventive terms"

It is unclear whether the USPTO will require Applicants to conduct this type of prior art search to satisfy the requirements for an ESD.

those already identified are likely to be found in an eliminated source, and the Applicant includes such justification in the report (§1.265(b)). The search must be directed to the claimed invention. It must encompass all of the limitations of each of the claims, including both independent and dependent claims, giving the claims the broadest reasonable interpretation (§1.265(b)). The commentary accompanying the New Rules provides that the USPTO's guidelines concerning accelerated examination, the requirements of which are indicated as being more strict than will be proposed for supporting excess claims, may be helpful to Applicant in preparing an ESD until further guidelines are provided by the USPTO. The accelerated examination guidelines are available at <http://www.uspto.gov/web/patents/accelerated/>.

b. An Information Disclosure Statement (IDS) properly identifying, and providing necessary copies and available translations of, the reference(s) deemed most closely related to the subject matter of each claim (§1.265(a)(2) and (c)). Even though a search is conducted, in completing all of the disclosure requirements of the ESD, the Applicant must consider all of the references of which the Applicant has knowledge, regardless of the source. In other words, the ESD is not limited only to references found in the search.

c. For each reference cited, an identification, with specificity, of each feature of each claim that is disclosed by the reference (§1.265(a)(3)). (This requirement is waived for most small entities (§1.265(f)).) At least one occurrence of each feature must be noted in a reference that is alleged to show that feature. Multiple occurrences of the feature in a reference need not be specifically pointed out unless an additional appearance of the feature in the reference may not be apparent, or may have some additional significance.

d. A detailed explanation particularly pointing out how each claim is patentable (novel and non-obvious) over the cited reference (§1.265(a)(4)).

e. A showing of where in the Applicant's specification each limitation of each claim is supported under 35 U.S.C. §112, first paragraph (§1.265(a)(5)). The USPTO commentary indicates that this requirement is being interpreted as additionally requiring, for means- (or step-) plus function (MPF or SPF) claim elements under 35 U.S.C. §112, sixth paragraph: (1) that the claim limitation be identified as an MPF or SPF claim element under §112, sixth paragraph, and (2) identification of the

August 31, 2007

structure, material, or acts in the specification that are considered to correspond to each MPF or SPF claim element.

f. In cases where the application claims the benefit of the filing date of one or more prior applications (U.S. or foreign), a showing of where in the specification(s) of each prior application each feature of each claim is supported under 35 U.S.C. §112, first paragraph, (§1.265(a)(5)).

A foreign search report is not automatically an ESD unless it meets all of the requirements set forth above, and will generally only be useful as to requirements (a.) and (b.) above. In addition, the USPTO commentary cautions that general statements will not be sufficient for items c. - f. above.

9. Supplemental ESDs may have to be submitted during prosecution of an application in which an ESD has been filed (a) if an Information Disclosure Statement (IDS) is filed disclosing non-cumulative references, (b) if the claims are amended so as no longer to be covered by a prior ESD, or (c) if the Examiner finds an originally-submitted ESD to be insufficient (§1.265(d) and (e)).

10. As noted in paragraph 7. above, if an application includes at least one claim that is not patentably distinct from a claim of another commonly-owned application, the USPTO will treat each application as having the total of all of the claims (independent and dependent) from all of the applications for the purpose of determining whether an ESD is required in each application (§1.75(b)(4)). This situation, however, will not affect the calculation of excess claim fees in each application.

11. Claims withdrawn from consideration as drawn to one or more non-elected invention will not, unless they are reinstated or rejoined, be taken into account in determining whether an application exceeds the five independent claim and twenty-five total claim thresholds (§175(b)(5)).

12. An ESD will not be required in a reissue application if the reissue application does not seek to change the claims in the patent being reissued.

13. Effective Dates – The above described provisions of the New Rules are applicable to any non-provisional application filed under 35 U.S.C. §111(a), or entering the U.S. national phase after compliance with 35 U.S.C. §371, on or after November 1, 2007. These New

Rules are also applicable to any non-provisional application that was filed or entered the U.S. national phase before November 1, 2007, in which a first Office Action on the merits is not mailed before November 1, 2007. In the case of a pre-November 1, 2007 application which has not been subject to a first Office Action on the merits, Applicants can either preemptively take one of the actions enumerated in paragraph 2. above, regarding the number of claims, or await the USPTO issuing a Notice. It should be understood, however, that if a Notice is issued as part of a Restriction Requirement, an Applicant's opportunity to submit an SRR no longer exists. In addition, the two-month, generally unextendible period for taking action will apply, but for the pre-November 1, 2007 applications, this period is extendible up to six months according to the USPTO implementation commentary.

B. Effects On Claim Fees

1. Any claim that refers to another claim, but does not incorporate by reference all of the features of the claim to which it refers, will be treated as an independent claim for fee calculation purposes, as well as for the purpose of determining the total number of independent claims under the above-discussed excess claim provisions. In addition, a claim that refers to a claim of a different statutory class (*e.g.* a method claim depending from an apparatus claim) will be treated as an independent claim for both purposes (§1.75(b)(2)). Thus many claims that were not previously treated as independent claims for determining whether there are more than three independent claims will be treated as independent claims, potentially triggering excess claim fees in many applications. The excess independent claim fee of \$210.00 will now be applicable to all such claims in excess of a total of three "independent" claims.³

2. Any multiple dependent claim will be considered to be that number of claims to which direct reference is made in the multiple dependent claim for fee calculation purposes, and for the purposes of claim counting as described above (§§1.75(b)(2) and 1.75(c)).

³ We believe that counting proper dependent claims of different statutory classes as independent claims is directly contrary to the controlling statutes. However, unless and until the USPTO is successfully challenged in court on this rule, it intends to enforce it. We would welcome inquiries regarding such a challenge, particularly in view of the USPTO's intention to impose independent claim fees on such claims retroactively.

August 31, 2007

The USPTO commentary states that this will now apply even if the claim is improperly multiple dependent, *e.g.*, depends from another multiple dependent claim. Previously, such an improper multiple dependent claim was counted as a single claim for fee calculation purposes. In addition, any claim that depends from a single multiple dependent claim will be considered to be that number of claims to which direct reference is made in the multiple dependent claim, for both purposes. Applicants should consider maintaining multiple dependent claims in only rare circumstances where they are specifically warranted to avoid excessive fees and ESD requirements.

3. Effective Dates – These New Rules regarding claim fees and counting claims are applicable to all non-provisional applications filed or entering the U.S. national phase on or after November 1, 2007. The New Rules are also applicable to any non-provisional application filed before November 1, 2007, in which a first Office Action on the merits has not been mailed before November 1, 2007. The USPTO today confirmed that, for such applications that have already been filed and in which fees have already been accepted, additional excess claim fees will be collected based on the redefinition of a dependent claim as independent.⁴

C. Refunds Of Excess Claim Fees

1. Refunds of excess claim fees in certain applications are available if claims are canceled by amendment before an examination on the merits is made of the application. This provision of the New Rules differs from the provisions of Rule 138, which (a) provide that an Applicant can request a refund of search and excess claim fees if an application is expressly abandoned prior to any examination, which includes Restriction Requirements prior to the first Office Action on the merits, and (b) do not apply to PCT national phase applications. Under the New Rules, an Applicant may request a refund of excess claim fees previously paid when claims are canceled prior to a first Office Action on the merits, even after a response to a Restriction Requirement that was not accompanied or preceded by an action on the merits, and even in a PCT national phase application. The request for refund must be filed within two months from the date on which the claims are canceled (§1.117(a)).

2. Refunds are not available for claims that are merely withdrawn in response to a Restriction Requirement,

unless the claims are canceled before a first Office Action on the merits.

3. Because refunds for excess claim fees paid in U.S. national phase applications are available under the provisions of the New Rules, but not at abandonment under Rule §138, Applicants desiring to abandon such an application may want to first cancel excess claims and request a refund of excess claim fees, and then subsequently expressly abandon the application.

4. Effective Date – The New Rules regarding claim fee refunds are applicable to all non-provisional applications filed before, on or after November 1, 2007, for any excess claim fee paid on or after December 8, 2004. Thus, refunds may be obtained for claims canceled after September 1, 2007, provided the request for refund is filed within two months.

D. Identifying "Related" Applications Having One Or More Common Inventors And Common Ownership

The New Rules impose the following disclosure requirements for applications that the USPTO may now consider "related":

1. In addition to the pre-existing duty to disclose co-pending applications and patents that may be material to patentability, *e.g.*, due to double patenting issues, the New Rules now require that an Applicant identify to the USPTO many other copending applications and patents (§1.78(f)(1)). Specifically, an Applicant must identify every U.S. application or patent that: (a) has an effective filing date the same as, or within two months of, another U.S. application effective filing date, taking into account any filing date for which a benefit is sought under Title 35 of the United States Code in each application, *e.g.*, §119 priority benefit, §120 continuing application benefit, §363 or §365 PCT benefit; (b) names at least one inventor in common with the other application; and (c) is owned by the same entity or subject to an obligation of assignment to the same entity as the other application, *i.e.*, is commonly owned.

2. The USPTO commentary indicates that the "taking into account" language in the New Rules means that every filing date for which a benefit (including priority benefit) is sought or claimed under any of the provisions of 35 U.S.C. §§111, 119, 120, 121, 363 or 365 must be considered in determining whether two applications must

⁴ See footnote 3 above.

August 31, 2007

be identified. Thus, if an application claims the benefit of, or priority to, other application filing dates, the term "the filing date of [the application], taking into account any filing date for which a benefit is sought under Title 35 United States Code," is: (a) the actual filing date of the application; and (b) the filing date of each application to which the application claims a filing date benefit. In other words, all instances of the New Rules that indicate requirements regarding a filing date "taking into account any filing date for which a benefit is sought" require an evaluation of those requirements with respect to multiple dates. The Applicant must consider all provisional, non-provisional, international and foreign application filing dates to satisfy the requirements of the New Rules. Thus, as an example, two totally unrelated applications must be disclosed if they are commonly owned, have a common inventor, and have continuation or divisional applications filed within two months of one another.⁵

3. The application(s) and patent(s) must be identified in a separate paper. For applications filed, or entering the U.S. national phase, on or after November 1, 2007, the application(s) and patent(s) must be identified within four months after filing the application or entry into the U.S. national phase, for the presently filed application, or two months from the mailing date of the initial filing receipt in the other application(s) for which identification is required, whichever is later. For applications that may meet the above-specified criteria and are already pending, or are filed on or before October 1, 2007, but that have not been allowed, the required identifications must be made no later than the latest of the time limits set forth above or February 1, 2008. A number of comments submitted to the USPTO in response to the proposed rules addressed concerns about the unreasonableness and difficulty of, for example, corporations in making the above identifications. In a cavalier response, the USPTO indicated that it is reasonable to assume that one or more persons managing a patent portfolio for a corporation is aware of the contents of each of the corporation's applications, and indicated that there is no concern with placing a burden on such corporations to track applications for compliance with these provisions of the New Rules. As this is obviously unreasonable for many of our clients, we recommend that search programs be written for searching application

databases for the specified relationships among pending and newly-filed applications.

4. The New Rules themselves do not specify a penalty for failure to identify "related" applications within the prescribed time limits. The USPTO commentary explains that if such information is filed late and necessitates an additional Office Action, the Office Action will likely be made final. Further, the comments explain that practitioners who routinely fail to meet these requirements of the New Rules may be disciplined for failing to meet their ethical responsibilities. The USPTO commentary advises that Applicants and practitioners are strongly encouraged to revise their practices to ensure timely submissions of the required identifications, reminding Applicants and practitioners of their duties of professional responsibility and disclosure. The USPTO comments continue that practitioners should have docketing systems that identify applications with common inventors that were filed within two months of each other because practitioners have more reliable information regarding applications with common inventors than the USPTO database. Clearly, all responsibility is being shifted to Applicants and practitioners to identify related applications and comply with the far broader identification requirements of the New Rules.

E. Presumption Regarding Patentably Indistinct Claims In Separate Applications

1. The New Rules establish a rebuttable presumption that certain applications with overlapping subject matter contain patentably indistinct claims (§1.78(f)(2)). Specifically, the New Rules establish a rebuttable presumption that two or more applications have claims that are not patentably distinct from each other if the two or more applications: (a) have a common effective filing date, taking into account any filing date for which a benefit is sought under Title 35 of the United States Code, *e.g.*, §119 priority benefit, §120 continuing application benefit, §363 or §365 PCT benefit (see the discussion in Section III. D. 2. above regarding "taking into account"); (b) have substantial overlapping disclosure; (c) name at least one common inventor; and (d) are owned by the same entity or subject to an obligation of assignment to the same entity, *i.e.*, commonly owned.

"Substantial overlapping disclosure" is considered to exist if another pending or patented non-provisional application has written description support under 35 U.S.C.

⁵ We believe that this rule is subject to court challenge as being arbitrary and capricious. However, until successfully challenged, it will be enforced. We would welcome inquiries regarding such a challenge.

August 31, 2007

§112, first paragraph, for at least one claim in the pending application (§1.78(f)(2)(i)(D)).

2. Once the conditions for the rebuttable presumption are established, the Applicant must then either: (a) rebut the presumption by providing an explanation of how all of the claims are patentably distinct (§1.78(f)(2)(ii)(A)); or (b) file a Terminal Disclaimer and provide an explanation satisfactory to the USPTO of why it is necessary to have patentably indistinct claims in multiple applications (§1.78(f)(2)(ii)(B)).

3. No explanation is required to be submitted with the Terminal Disclaimer for any continuing application or CIP application of a prior-filed application (a) that has been allowed, (b) that is recognized by the USPTO as abandoned, (c) in which a Notice of Appeal has been filed with the U.S. Court of Appeals for the Federal Circuit, or (d) in which a civil action under 35 U.S.C. §145 to obtain a patent, or under §146 with respect to an interference, has been commenced.

4. In the absence of a "good and sufficient" reason for there being two or more pending applications with patentably indistinct claims, the PTO may require elimination of the patentably indistinct claims from all but one of the applications (§1.78(f)(3)). Even where there is a good and sufficient reason for two or more pending applications having patentably indistinct claims, the USPTO will treat all of the claims in all of the applications, but not in allowed applications or issued patents, as being present in each application for purposes of determining whether an ESD must be filed in each application (§1.75(b)(4)). (See Section III. A. above.)

5. Once the rebuttable presumption is established, indicated actions must be undertaken by the later of (a) four months from the actual filing date of a non-provisional application, or from the date on which the U.S. national phase commenced, (b) the date on which a claim that is not patentably distinct from at least one of the claims in one or more other pending or patented non-provisional applications is presented, or (c) two months from the mailing date of the initial filing receipt in one or more pending or patented non-provisional applications. It should be noted that if an Applicant subsequently files an Amendment that adds a new claim, after four months from the filing date of the application, the Applicant must rebut this presumption for the added claim when the Applicant files the Amendment.

6. The commentary accompanying the New Rules provides two examples where an Applicant may have a good and sufficient reason for there being two or more pending non-provisional applications that contain patentably indistinct claims:

(a) An Applicant filed a continuation application after the mailing of a Notice of Allowance in the prior-filed application, but the allowance of the prior-filed application was subsequently withdrawn by the USPTO.

(b) An interference was declared in an application that contains both claims corresponding to the interference count and claims not corresponding to the count, the Board of Patent Appeals and Interferences suggested that claims not corresponding to the count be canceled from the application in interference and pursued in a separate application, and the Applicant filed a continuation application to present the claims not corresponding to the count.

These examples are described in the commentary as being merely illustrative and not exhaustive. Clearly, however, these examples illustrate the high standard that must be met to sustain a showing of why there is good and sufficient reason for there being two or more pending non-provisional applications that contain patentably indistinct claims.

F. Limitation On Number Of Continuation And CIP Applications

1. Specific definitions are provided for continuing applications, divisional applications, continuation applications, and continuation-in-part (CIP) applications (§1.78(a)).

2. Any non-provisional application that claims the §120 benefit, §121 benefit or §365(c) benefit of one or more prior-filed co-pending non-provisional application(s) and/or international application(s) must satisfy one of the following conditions, or the USPTO will refuse to enter, or will delete if present, any specific reference to the prior-filed application(s), and thus deny the benefit of its filing date.

(a) The non-provisional application is a first or a second continuation application and/or CIP application that claims benefit of an initially-filed non-provisional application (§1.78(d)(1)(i)).

August 31, 2007

(b) The non-provisional application is a proper divisional application (§1.78(d)(1)(ii)) (See Section III. H. below).

(c) The non-provisional application is a first or second continuation application (but not a CIP application) that claims benefit of a proper divisional application (§1.78(d)(1)(iii)).

(d) The non-provisional application is a first or second continuation application and/or CIP application that claims benefit of a prior-filed international application designating the United States, in which a Chapter II Demand has not been filed and the basic national fee has not been paid, *i.e.*, is a bypass continuation application (§1.78(d)(1)(iv)). In other words, a bypass continuation application is not included in the two continuing applications of right subject to the above-indicated criteria, if no Chapter II Demand for international preliminary examination was filed in the international application.

(e) The non-provisional application is a first or second continuation application and/or CIP application that claims benefit of a prior-filed continuation or CIP application that was abandoned due to failure to timely reply to a USPTO Notice regarding informalities. In other words, if the first continuation application or CIP application included informalities highlighted by the USPTO in an informalities Notice, such as a Notice to File Missing Parts, and that application was subsequently abandoned in favor of a new continuation application or CIP application for failure to reply to that Notice, the Applicant is afforded an opportunity where specific criteria are met to file a third continuation application without filing a petition (§1.78(d)(1)(v)). The prior-filed, now-abandoned, application, however, must be entitled to a filing date and the basic filing fee must have been paid within the pendency of the application (§1.78(d)(2)).

3. Any continuing application not meeting one of the above-enumerated criteria is permitted only if the Applicant pays a \$400 petition fee and shows to the satisfaction of the USPTO that "the amendment, argument, or evidence sought to be entered could not have been submitted during the prosecution of the prior-filed application" (§1.78(d)(1)(vi)). The USPTO commentary reminds Applicants that an Information Disclosure Statement (IDS) is not considered an "amendment, argument or evidence" for the purpose of §1.78(d)(1)(vi).

4. The petition fee and showing must be submitted within four months of the filing date of the third or subsequent continuation or CIP application, if that continuing application is an application filed under 35 U.S.C. §111(a), or within four months of the date on which the national phase commences if that application is an international application designating the United States (§1.78(d)(1)(vi)).

5. The USPTO will refuse to enter, or will delete if present, any reference in the specification to a prior-filed U.S. application, and will refuse to give an application the filing date benefit of any prior-filed U.S. application, in an application in which the provisions of 37 C.F.R. §1.78(d)(1), *i.e.*, one of the above criteria or the petition fee and showing requirements, are not satisfied.

6. In deciding petitions to accept third or subsequent continuation and/or CIP applications, the USPTO will focus on whether the amendment, evidence or data submitted with the petition to meet the showing was presented in a reasonably diligent manner. The USPTO analysis will take into account the condition of the application, for example, (a) the presence of informalities that need to be addressed by a first Office Action, (b) the consistency of the USPTO's position during prosecution, for example, whether entirely new prior art rejections, or only slightly new prior art rejections, were made to address amendments, and (c) the "earnestness" of an Applicant's efforts to overcome outstanding rejections, for example, whether replies fully addressed all the grounds of rejection or objection in the Office Action, or whether amendments or evidence were submitted only when arguments were failing to persuade an Examiner.

7. No specific indication is provided in the commentary accompanying the New Rules regarding what would constitute an appropriate showing. The USPTO commentary indicates that petitions will be decided on a case-by-case basis as to whether an Applicant's showing is sufficient. The USPTO may review the prosecution history of the prior-filed application or require additional information. The USPTO may also consider the following factors: (a) whether an Applicant should file an appeal or a petition under §1.181 rather than a continuing application or an RCE; (b) the number of applications filed in parallel or series with substantially identical disclosures; and

August 31, 2007

(c) whether the amendment, argument or evidence was submitted with reasonable diligence. In response to comments submitted regarding the proposed rule changes, the USPTO provided the following indications regarding what may, or in most cases will likely not, be considered a sufficient showing:

(a) The USPTO may grant a petition if the Final Rejection in a last application in a family, including following an RCE, contains a new ground for rejection that could not have been anticipated by the Applicant.

(b) The USPTO indicates it will likely grant a petition if, in a continuing application, the data necessary to support a showing of unexpected results just became available to overcome a new rejection under 35 U.S.C. §103 made in the final Office Action, and the data is a result of lengthy experimentation that was diligently commenced, *e.g.*, during prosecution of an earlier application, and could not have been completed earlier.

(c) The submission of an amendment to the claims or new claims to different subject matter alone will likely not be sufficient to meet the showing requirement.

(d) The mere fact that the Examiner made new arguments or a new ground for rejection in a final Office Action will likely not be considered a sufficient showing. In such instances, the USPTO will decide each petition on a case-by-case basis focusing on whether the new ground of rejection in the final Office Action could have been reasonably anticipated by the Applicant.

(e) The USPTO will likely not grant a petition if an Applicant argues only that an Amendment After Final Rejection should have been entered in the prior-filed application because the finality of the rejection was premature, because there are other procedures for dealing with premature final rejections.

(f) A request to submit new art from a foreign search report or related application will likely not be sufficient to meet the showing requirement, because there are other procedures for obtaining consideration of material references.

(g) The USPTO will likely not grant the petition if the Examiner made a rejection in the first Office Action of the initial application, and maintained it in the subsequent Office Actions, but Applicants responded only with arguments instead of with evidence or an amendment until after the final Office Action.

(h) The USPTO will likely not grant a petition for submitting an Information Disclosure Statement or an Amendment necessitated by, or in view of, newly discovered prior art;⁶

(i) The USPTO will likely not find a sufficient showing merely because (i) an Examiner found earlier arguments and amendments by an Applicant unpersuasive, (ii) an Examiner's interpretation of the claims is unusual and only recently understood by the Applicant, (iii) an Examiner revises an interpretation of claim language, or (iv) an Applicant's representative discovers that the Examiner is under a misunderstanding with respect to either the subject matter of the pending claims or the scope of the prior art.

(j) The USPTO will likely not grant a petition for the sole purpose of partitioning claims to avoid a Terminal Disclaimer.

(k) The mere fact that the subject matter was not present at the time of filing the prior-filed application will likely not be a sufficient showing for grant of a petition relating to a CIP application. The USPTO will decide these petitions on a case-by-case basis based on the prosecution history of the prior-filed applications as well as the records of the CIP application. If there are any claims in the CIP application that are directed solely to subject matter disclosed in the prior-filed application, Applicant must submit those claims in the prior-filed application rather than filing a CIP application unless the Applicant provides a showing as to why these claims could not have been previously submitted.

(l) The USPTO will likely not grant a petition to correct the inventorship of the application due to information discovered after prosecution of the application has closed.

(m) The USPTO will likely not grant a petition with a showing that the additional continuation or CIP application is solely for the purpose of provoking an interference.

⁶ The USPTO comments on this point refer to pending changes to Information Disclosure Statement Rules that are expected to be published this fall, as well as to existing provisions for having references considered after final rejection or allowance.

August 31, 2007

(n) The mere fact that the USPTO changes the Examiner assigned to the application, or that there is a change of practitioner, or that errors or delays are caused by the practitioner, will likely not be considered a sufficient showing.

(o) The USPTO will likely not grant a petition on the mere showing that the Applicant becomes disabled for a lengthy period of time during the pendency of the application.

It should be noted that each of the above situations was in response to a specific comment or fact pattern raised during the comment period, and each should be considered only an indication of possible treatment by the USPTO regarding any required showing filed in the future. However, the indications are that the USPTO will take a very narrow view with regard to considering what constitutes a sufficient showing.

8. If an Applicant files a CIP application, the Applicant must identify the claims supported by the parent application. Failure to do so before the first Office Action on the merits will result in all claims being treated as if they are supported only by the CIP application (§1.78(d)(3)).

9. The USPTO commentary indicates that the USPTO is implementing an optional streamlined continuation application procedure under which an Applicant may request to have a continuation application that is filed on or after November 1, 2007, placed on an Examiner's amended docket rather than on the Examiner's new continuing application docket. This procedure will result in the Examiner taking up the continuation application sooner. The following conditions must be met for the continuation application to be eligible for the streamlined procedure.

(a) The application must disclose and claim only an invention or inventions that were disclosed and claimed in the prior-filed application.

(b) The Applicant must agree that any election in response to a Restriction and/or Election of Species Requirement in the prior-filed application carries over to the continuation application.

(c) The prior-filed application must be under a final Office Action, or under appeal, at the time of filing the continuation application.

(d) The prior-filed application must be expressly abandoned upon filing of the continuation application, with a letter of express abandonment under

37 C.F.R. §1.138 being concurrently filed in the prior-filed application.

(e) The Applicant must request that the continuation application be placed on the Examiner's amended docket.

This procedure is applicable to continuation applications, and is not applicable to CIP applications, RCEs, or design continuation applications.

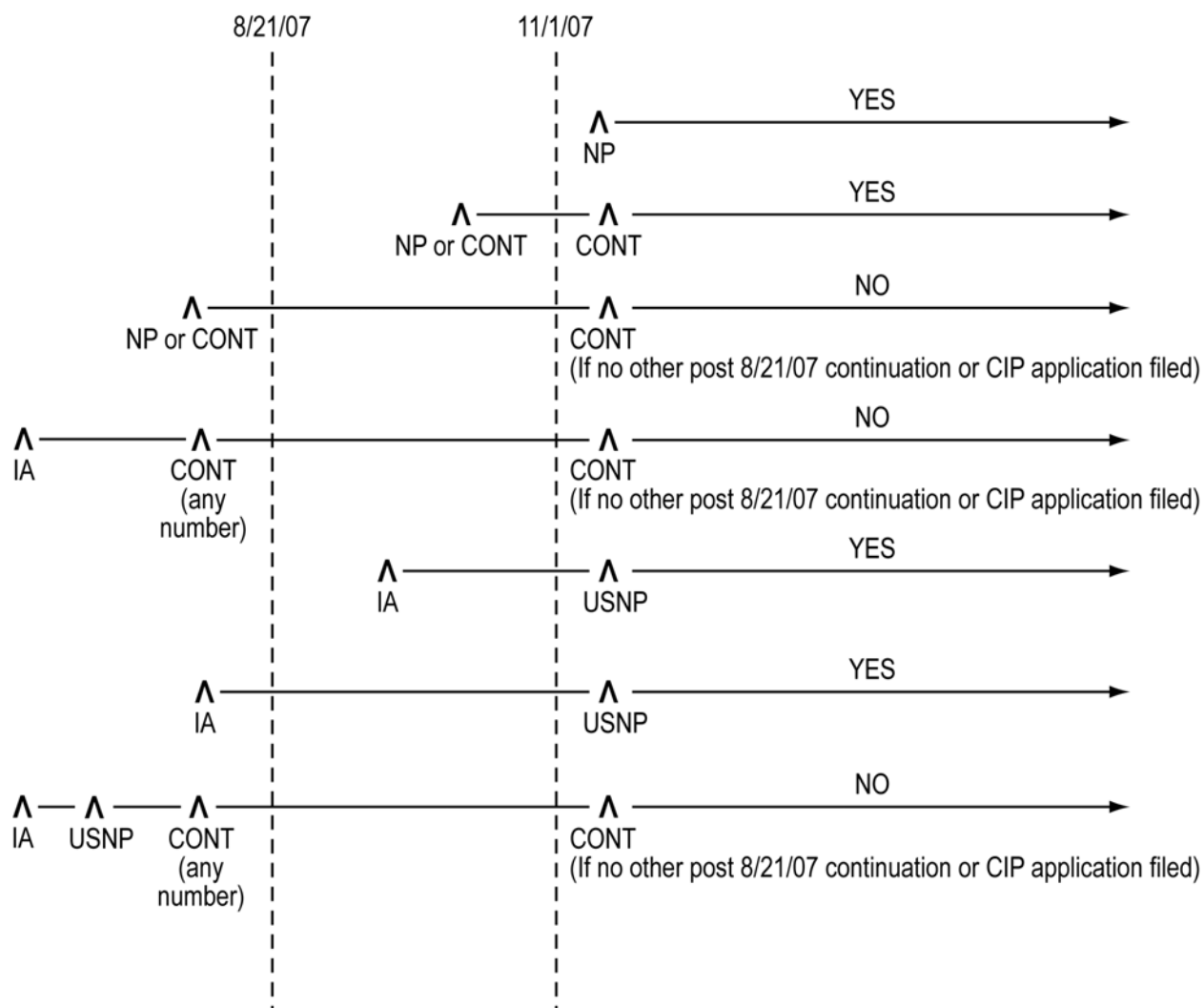
10. The New Rules regarding limits on continuation applications apply to reissue applications. Under the New Rules, an Applicant may file two reissue continuation applications plus an RCE in the reissue application family without any justification. Benefit claims under 35 U.S.C. §120, 121, or 365(c) in the reissue application will not be taken into account in determining whether a continuing reissue application claiming the benefit under any of those provisions of a prior reissue application satisfies one or more of the conditions set forth in §1.78(d)(1). However, an Applicant may not use the reissue process to add to the original patent benefit claims that do not satisfy one or more of the conditions set forth in §1.78(d)(1).

11. Effective Dates – The New Rules regarding limitations on numbers of continuation and CIP applications are applicable to any application, including any continuing application, filed or entering the U.S. national phase on or after November 1, 2007. Except as otherwise indicated, any continuing application filed on or after November 1, 2007, seeking to claim the benefit of a prior-filed non-provisional application or a national phase application, must meet the requirements set forth above.

Continuation or CIP applications filed on or after November 1, 2007 that claim the §120 benefit only of non-provisional applications or international applications filed before August 21, 2007, are not required to meet the requirements set forth above if: (a) the application claims the benefit only of non-provisional applications filed before August 21, 2007, or applications entering the U.S. national phase before August 21, 2007; and (b) there is no other application filed on or after August 21, 2007 that also claims §120 benefit of such prior-filed non-provisional applications or international applications. This affords the Applicant an opportunity to file one more continuing application in a family after November 1, 2007, regardless of the number of previous continuing applications filed in the family, where only pre-August 21, 2007 continuing applications have already been filed. See Table 1 below.

August 31, 2007

Does §1.78(d)(1) Apply?



NP = Non Provisional Application Filing Date
 IA = International Application Filing Date
 CONT = Continuation or CIP Application Filing Date
 USNP = Date of Entering U.S. National Phase

TABLE 1

August 31, 2007

G. Limitation on Number of RCEs

1. Only one RCE is permitted in a family of applications as a matter of right (§1.114(f)).

2. "Families" of applications for the purposes of determining whether an RCE can be filed in an application are defined (§1.114(f)) as follows:

(a) if the application in which the RCE is desired to be filed is a non-provisional application, the "family" includes that application, any application whose benefit is claimed in that application, and any application that claims the benefit of that application that is not a divisional application, a continuation of the divisional application, or subject to a grantable petition (§1.114(f)(1));

(b) if the application in which the RCE is desired to be filed is a divisional application, the "family" includes that divisional application, and any application that claims the benefit of that divisional application and that is not a divisional application, a continuation of the divisional application, or subject to a grantable petition (§1.114(f)(2));

(c) if the application in which the RCE is desired to be filed is a continuation application that claims the §120 benefit of a divisional application, the "family" includes that continuation application, the divisional application to which the §120 benefit is claimed, and any other application that claims the benefit of the divisional application that is not a divisional application, a continuation of the divisional application, or subject to a grantable petition (§1.114(f)(3)).

3. Any second or subsequent RCE in a "family," as discussed above, is permitted only if the Applicant pays a \$400 petition fee and shows to the satisfaction of the USPTO that "the amendment, argument, or evidence sought to be entered could not have been submitted prior to the close of prosecution in the application" (§1.114(g)). The USPTO commentary reminds Applicants that an IDS is not considered an "amendment, argument, or evidence" for the purposes of §1.114(g). Additionally, the other indications regarding the content of the showing set forth above with regard to continuation and CIP applications apply to RCEs as well. (See Section III. F. 7. above.) The effect of filing an improper RCE is that an application subject to a Final Rejection may be abandoned if the time for filing a Notice of Appeal has expired and either (a) no Notice of Appeal was filed, or (b) a Notice of Appeal was filed before the RCE was filed.

4. The petition, fee and showing must accompany any second or subsequent RCE (§1.114(g)).

5. A second or subsequent RCE that is not accompanied by a grantable petition will not stay any period for reply that may be running against the application, nor act as a stay of other proceedings (§1.114(h)). The New Rules do not change the time period for filing a Notice of Appeal or an appeal brief. The filing of a petition will not serve as a Notice of Appeal. Applicants are cautioned not to attempt to use a second or subsequent RCE as a substitute for an appeal. The result is that the application may become abandoned if the petition is not granted and six months have elapsed since the mailing date of the Final Rejection. In a situation where an Applicant has already filed an RCE in the "family" of applications, the USPTO asserts that an appropriate course of action is for the Applicant to file the second RCE with a petition, and then to monitor action on the petition. If the petition is not decided prior to the expiration of the statutory period, *i.e.*, six months from the mail date of the Final Rejection, Applicant may file a Notice of Appeal to avoid abandonment of the application. The commentary indicates that if the USPTO subsequently dismisses the petition, the RCE will be treated as an improper RCE; however, the RCE will not be treated as a request to withdraw the appeal because the RCE was filed before the Notice of Appeal was filed.

6. The provisions of the New Rules regarding RCEs apply to reissue applications. Under the New Rules, an Applicant may file two reissue continuation applications plus an RCE in the reissue application family without any justification.

7. Effective Dates – The above New Rules regarding the limitations on the number of RCEs are applicable to any application in which an RCE is filed on or after November 1, 2007. Specifically, a petition and showing must accompany any RCE filed on or after November 1, 2007 in an application in which an RCE has previously been filed or in a continuation application or CIP application of an application in which an RCE has previously been filed, or in an application whose benefit is claimed in a continuation application or CIP application in which an RCE has previously been filed. Thus, an RCE filed in any "family" application before or after November 1, 2007 may be considered the "first" RCE and may preclude the filing of any "second" RCE on or after November 1, 2007.

August 31, 2007

H. Special Treatment Regarding Divisional Applications

1. A definition of a divisional application is established that requires that the claimed subject matter was subject to, and not elected in response to, a Restriction Requirement in a parent application and that the claimed subject matter was not examined in a prior application (§1.78(a)(2)). What may have previously been considered "voluntary" divisional applications will now be considered continuation applications. In other words, in order to file a divisional application, the USPTO must first issue a Restriction Requirement in an application, or the USPTO must accept an Applicant's suggested Restriction Requirement (SRR) and election without traverse in an application, and the divisional application must contain only claims that (a) are directed to subject matter that was subject to, and not elected in response to, the Restriction Requirement and (b) were not examined in any prior-filed application (§1.78(c)(2)).

2. Applicants should carefully consider the "were not examined" provision of the New Rules, especially with regard to international applications. Based on this provision of the New Rules, Applicants may choose not to pay additional claim fees in international applications, and not to file a Chapter II Demand, if a Restriction Requirement in the U.S. national phase is foreseeable, or even a possibility. The prior examination provisions of the New Rules may preclude an Applicant from filing a divisional application in any application in which it can be asserted that the claims of the prior application were examined, including in the international phase.

3. An Applicant can file a divisional application of a divisional application. Therefore, instead of being required to file all desired divisional applications during the pendency of the original parent application, as proposed, the final New Rules will permit the current practice of serially filing divisional applications.

4. The Examiner, in response to an Applicant's SRR, may not agree, and may decline to impose any Requirement or may impose a different Restriction and/or Election of Species Requirement. If the Examiner imposes a different Requirement, or if Applicant has not proposed an SRR and the Examiner imposes a Requirement, Applicant is required to respond to the Examiner's Restriction and/or Election of Species Requirement, and cannot propose an alternative SRR.

5. Applicants should be judicious in the timing of the filing of divisional applications, especially where pending arguments for rejoinder of claims are not exhausted, or, with respect to an Election of Species Requirement, where a generic claim is identified with regard to one or more non-elected species. In other words, the USPTO cautions that all avenues by which to achieve rejoinder should be exhausted prior to an Applicant filing one or more divisional applications drawn to non-elected subject matter. Otherwise, an application that was filed as a divisional application may be converted to a continuation application if some rejoinder occurs in the parent application.

6. Any second action Restriction Requirement will likely not provide a basis by which an Applicant can file a divisional application, because, after a first Office Action on the merits, all of the claims in the application would have been examined. Therefore, the "were not examined" provision of the New Rules could not be met. Additionally, no refund for excess claim fees is available for claims canceled in response to a Restriction Requirement after a first Office Action on the merits.

7. A CIP application cannot be filed claiming benefit of a divisional application, because the definitions of a CIP application and of a divisional application conflict. Specifically, the claims of a CIP application are not limited to inventions that were subject to a requirement for restriction by the USPTO in the prior filed application, but instead include subject matter not disclosed in the prior-filed application and thus were not subject to any requirement for restriction by the USPTO in any prior-filed application.

I. Miscellaneous New Rules Provisions

1. First action final rejection practice is being maintained. Second action final rejection practice is clarified to indicate that a second or subsequent Office Action may be made final, except when the Office Action contains a new ground of rejection, and that ground of rejection is not:

(a) necessitated by an amendment of the claims, including an amendment to eliminate unpatentable alternatives;

(b) based on an IDS filed after a first Office Action on the merits with the fee for late submission of the IDS;

(c) based upon a double patenting rejection;

August 31, 2007

(d) necessitated by late identification of claims in a CIP application that are supported by a prior-filed application; or

(e) necessitated by an Applicant's showing that a claim element that does not include the words "means for" or "step for" is an MPF or SPF claim element.

2. The New Rules include a new provision under Requirements for Information by which the USPTO can require an Applicant to show in the specification, by page and line or paragraph number, written description support for the invention as defined in the claims (§1.105(a)(1)(ix)), regardless of whether or not an ESD is required.

3. The New Rules provide that an imposition of a Restriction Requirement, or assertion of a constructive election, is left to an Examiner's discretion (§1.142(a) and 1.145). In other words, Examiners are not required to impose Restriction Requirements even when they would be justified. Examiners may try to use this discretion to try to force Applicants to cancel claims or file an ESD.

4. The New Rules provide for a reduction in patent term extension if an Applicant fails to comply with §1.75(b) by taking one of the actions to reduce, or otherwise address, excess claims in an application in a timely manner. Specifically, a reduction in any patent term extension will be assessed beginning on the day after a date that is the later of the filing of the Amendment resulting in non-compliance, or four months from the filing date of the application or the date on which the U.S. national phase commenced. The period for adjustment ends on the date that an ESD, an election in reply to a Restriction Requirement, an amendment canceling excess claims, or a grantable SRR is submitted (§1.704(c)(11)).

IV. Recommendations

The recommendations below are highlights, but are far from being complete as to all circumstances that may exist in connection with any specific client or application. Other recommendations may be apparent from the above detailed discussion, and from analysis of the facts relating to the specific client circumstances and application(s).

A. Immediate And Ongoing Actions

We recommend immediately considering the following matters. Action regarding these items before November 1, 2007, may be particularly appropriate.

1. Additional Filings

The New Rules and their effective dates are crafted to minimize any benefit to filing continuing applications prior to November 1, 2007. However, we believe that Applicants should consider the following.

a. In any pending applications currently under Final Rejection, Applicants should consider filing, where appropriate, any necessary RCEs (rather than continuing applications) prior to November 1 for "families" of patent applications in which one or more previous RCEs have already been filed. This will afford Applicants a last opportunity to file a second or subsequent RCE, without paying a \$400 petition fee and providing a showing as to why the newly-presented amendment, argument, or evidence could not have been submitted prior to the close of prosecution in the prior filed application. It will also avoid using up any available continuing applications.

b. Applicants should review their most strategic pending applications to determine, particularly for those that have already been the subject of a continuing application, whether any action should be taken regarding these applications to include filing additional continuing applications before the New Rules take effect. At a minimum, such a review should include:

(1) Considering whether any Preliminary or Supplemental Amendment or evidence should be filed in any pending continuation application to aid in placing the claims in better condition for allowance in view of all of the known prior art in the parent application(s).

(2) Counting how many continuing applications have been filed in any "family" of applications, determining whether RCEs in a "family" of applications have already been filed, and determining where prosecution of the current continuing applications and/or RCEs stands. Such a review may highlight applications in which action, such as the filing of a further RCE or continuing application, should be taken prior to November 1.

(3) Considering filing any claims that previously would have been filed later in "voluntary" divisional applications or continuing applications, keeping in mind the New Rules regarding patentably indistinct claims in different applications before November 1.

(4) In families of applications with continuing applications being prosecuted in parallel,

August 31, 2007

consider filing all necessary further continuing applications before November 1 to avoid the "only one more" limitation.

2. Review Applications With Large Numbers Of Claims

a. For applications that are being prepared with large numbers of claims, but that are not yet filed, Applicants may want to consider reducing the number of claims to no more than twenty-five total claims and five independent claims, where appropriate, before filing the application. In this process, please consider the USPTO's redefinition of "independent" claims.

b. For applications that are already pending with more than twenty-five total claims and/or more than five independent claims, and for families of applications with patentably indistinct claims, and for which a first Office Action has not yet issued, Applicants may want to consider the following:

(1) Canceling a requisite number of claims pending in these applications so that the total number of claims in any application is not more than twenty-five and the total number of independent claims is not more than five. If this action is taken before a first Office Action on the merits, consider requesting a refund of previously-paid extra claim fees. Such a request for refund cannot be filed until after November 1, 2007, and must be filed within two months of canceling the claims. As such, should an Applicant desire to cancel excess claims and to recover previously-paid fees, we can (i) file a Preliminary Amendment that cancels claims after September 1, 2007 and (ii) docket a date up to two months later, but not earlier than November 1, 2007, to file a request for refund.

(2) Claims that are simply withdrawn in response to a Restriction Requirement, whether issued by the USPTO or suggested by an Applicant, and have not been canceled before the first Office Action on the merits are not subject to a request for refund. Thus, Applicants should consider canceling such claims to obtain a refund, and filing divisional applications to obtain such claims.

(3) Whether more than twenty-five total claims and/or more than five independent claims are necessary in any application. If so, an ESD must be filed before any first Office Action on the merits in order to, for example, preserve a right to have such a number of claims, even if they would only be present due to rejoinder of withdrawn claims.

(4) The option of suggesting a Restriction Requirement is unavailable to Applicants until after November 1, 2007. Applicants may, however, consider suggesting a Restriction Requirement on or shortly about November 1, when the New Rules become effective. Recall that once an Examiner issues a Restriction Requirement, the option of an Applicant submitting a suggested Restriction Requirement is removed.

c. In applications with a large number of claims that may be the subject of a first Office Action soon after November 1, and given the two-month time limit by which Applicants will be required to respond to any Notice regarding excess claims in an application, Applicants should decide if an ESD may be warranted and consider (1) completing the requisite search and preparing the ESD for submission on or soon after November 1, or (2) instructing us to take this action.

d. Regardless of the option chosen, or whether Applicants choose to take any action at this time, it should be understood that prior to any first Office Action issuing in an application with more than twenty-five total claims or more than five independent claims, Applicants will be subject to taking some action regarding those claims, often in response to a Notice setting a two-month unextendible time limit to respond, in accordance with one of the above-outlined options.

3. Identify Applications With Common Inventor(s) And Common Ownership

a. The New Rules require an Applicant to identify to the USPTO co-pending ("related") applications meeting certain criteria. Applicants should review currently-pending applications and compile a list of those applications that name at least one inventor in common; are commonly owned; and have a filing, priority, §120 §363 or §365 benefit date on the same date or within two months of any such filing or benefit date that is claimed in another application. Note that (1) there may be multiple dates for a single application that need to be reviewed as having a same filing or benefit date or being within the two-month limit, and (2) all parent and continuing application filing and benefit dates must be considered.

b. For applications meeting the above criteria that have already been filed, or are filed on or before October 1, 2007, the deadline for identifying such applications is February 1, 2008. After October 1, 2007, such identification should be made within four months of

August 31, 2007

the filing date of the later-filed application, or two months of the mail date of the initial filing receipt in an earlier-filed application meeting the criteria, whichever is later.

c. Applicants should review applications with one or more common filing or benefit dates, that have at least one common inventor and are commonly owned, (1) to ensure that there are patentable distinctions among their claims, and (2) to document patentable distinctions. Otherwise, Applicants may want to consider consolidating patentably indistinct claims into a single application.

d. Please highlight any application(s) meeting these criteria to us as soon as possible in order that we can notify the USPTO of these applications within the prescribed time limits and provide any desired recommendations.

e. Pending CIP applications should be reviewed in order that the identification requirements under §1.78(d)(3) can be met. Specifically, every claim in a CIP application having §112, first paragraph, support in a prior filed application must be identified. The effective date provisions regarding §1.78 indicate that this notification requirement with regard to CIP applications is applicable to any such application pending on or after November 1, 2007. Applicants are requested to (1) highlight any CIP application to us and to provide the required information regarding §112, first paragraph, support in any prior-filed application for any claim in the CIP application, or (2) authorize us to do so.

In dealing with any of the above immediate considerations, Applicants may want to consider highlighting those applications to us in which any questions regarding an effect of the New Rules may arise. We can then provide specific suggestions for actions to be taken prior to the effective date of the New Rules that may be most advantageous to the Applicants.

B. Changes To Ongoing Prosecution Practice

1. General Considerations

Individual applications, related applications and families of applications will need to be reviewed on a case-by-case-basis to evaluate the effects of the New Rules. In many areas, there is room for interpretation. Further, implementation of the New Rules by individual Examiners in the USPTO may vary. In our opinion, while the New Rules direct certain significant changes in U.S. patent

practice, many applications will not be significantly affected by the New Rules.

This section is organized in the order that prosecution and examination proceed – *e.g.*, filing, restriction practice, Office Action responses, continuations/RCEs, and Appeal.

2. Limitations On Number Of Claims

When filing applications with more than twenty-five total claims and/or more than five independent claims, the Applicant must submit an ESD, or take actions to reduce the number of claims under examination. See §1.75(b)(3).

a. When sending us applications with more than twenty-five total claims and/or more than five independent claims, if possible, Applicants should provide us with an indication regarding: (1) which, if any, claims should be canceled by Preliminary Amendment to avoid the need for an ESD, or whether we should cancel the requisite number of claims at our discretion after evaluation; (2) a suggested Restriction Requirement to avoid the need for an ESD, or whether we should suggest a Restriction Requirement; or (3) whether Applicants intend to submit an ESD, and whether we should conduct a search and/or prepare the ESD. In the absence of direction from Applicants, we will file applications with all of the claims as they are presented to us (after eliminating multiple dependencies unless we are under specific instructions not to do so) and thereafter request further instructions.

b. In most cases, we advise against maintaining more than twenty-five total claims and/or more than five independent claims in an application, and thus invoking the requirements for an ESD, because of: (1) the cost and burden of the search work and preparation of the ESD; (2) the numerous admissions that must be made in the ESD, including estoppels that could result from those admissions and potential inequitable conduct issues that may arise from choices made in preparing the ESD; and (3) the onerous requirements involved prior to filing, and during prosecution of, an application with excess claims. However, for certain select applications (including applications that an Applicant may later need to amend to include more claims), an ESD may be advisable. Should you desire to pursue such action, we will work with you to cost-effectively craft an appropriate document that minimizes potential estoppels.

c. Applicants may want to consider requesting that our firm separately review selected new

August 31, 2007

applications prior to their filing to suggest revisions to the specification and claims. In such instances, Applicants should send us the new applications for review with sufficient time prior to the desired or required filing date. In other words, prior to substantive examination for any application, but particularly for an application with excess claims, Applicants should consider substantive review of the claims to ensure that they (1) are in proper U.S. format, *e.g.*, not in a form only permitted outside the United States; (2) are fully examinable, *e.g.*, do not include "use" claims, "single means" claims, "preferable" limitations in claims, multiple dependencies and especially improper multiple dependencies, claims that are fatally indefinite, or claims that are "means" claims that should be broader "non-means" claims; (3) have their intended scope under U.S. practice; and (4) avoid anticipation by known references. This approach may avoid (1) a need to respond to a Notice regarding excess claims because a Preliminary Amendment may be warranted to eliminate certain claims, and (2) unnecessarily requiring an Applicant to respond to non-substantive or predictable rejections in the first Office Action on the merits. These measures are designed to aid Applicants in (1) presenting claims that are in the best condition for allowance under U.S. practice, (2) avoiding protracted prosecution that may lead to a requirement for a second or subsequent RCE or third or subsequent continuation or CIP application, which may not be available, in order to attempt to secure desired patent protection, (3) avoiding ESD Notices based on the presence of unnecessary claims, and (4) avoiding payment of unnecessary claim fees.

Alternatively, once an application is filed, an Applicant may want to consider requesting that our firm review the application and propose a Preliminary Amendment where circumstances warrant action prior to examination of the claims on the merits.

d. In order to provide time for Applicants to consider placing claims in a best condition for examination and/or to prepare an ESD, Applicants may want to consider requesting a deferral of examination under 37 C.F.R. §1.103(d) for a period of not more than three years from the earliest filing date for which benefit is claimed in certain applications. The request must be filed before the PTO issues an Office Action or a Notice of Allowance in the application. The deferral will start on the day that the USPTO grants the request for deferral. Once the deferral of examination has been granted, the application will not be taken up for action by the Examiner until the period of deferral expires. Any period of deferral will modify any

patent term extension that may accrue regarding the application. A request for deferral of examination must include: (1) identification of a period of suspension, in a whole number of months, not extending beyond three years from the earliest effective filing date (if no period is specified, a period of suspension of 36 months will be presumed); (2) the publication fee of \$300; and (3) a processing fee of \$130.

3. Effect On Claim Fees

a. Particular attention should be paid when filing an application that includes any dependent claim that may now be construed by the USPTO as being an "independent" claim under the provisions of §1.75(b)(2). Specifically, the New Rules provide that a claim that refers to another claim but does not incorporate by reference all of the limitations of the claim to which that claim refers will be treated as an independent claim for fee calculation purposes as well as for purposes of ESD-related claim counting. Also, a claim that refers to a claim of a different statutory class of invention will be treated as an independent claim for both purposes. All dependent claims in any newly-filed application and in pending applications that have not yet received an Office Action on the merits should be reviewed in order to attempt to mitigate the effects of this Orwellian redefinition. For applications already filed, these applications can be reviewed now, or the Applicant may choose to simply await the USPTO issuing a Notice regarding such claims. Assessment of additional extra claim fees may be anticipated in any application that is not amended to eliminate claims falling in either one of the above-indicated categories.

b. Applicants may want to consider eliminating multiple dependencies in all applications. The New Rules regarding counting claims and assessing excess claim fees add both burden and expense in filing and/or prosecuting an application that includes multiple dependent claims.

c. Applicants should consider the possibility to request refunds of excess claim fees paid in pending applications. Excess claim fees may be subject to refund for pending applications in which a first Office Action on the merits has not issued. In order to request a refund of excess claim fees, the claims need to be canceled, not merely withdrawn, in response to a Restriction or Election of Species Requirement, prior to a first Office Action on the merits. Thus when rejoinder is unlikely and excess claim fees have been paid, we recommend canceling non-elected

August 31, 2007

claims and requesting a refund when responding to Restriction Requirements. Refunds should also be requested when canceling claims to avoid the need for an ESD. A request for refund must be filed within two months of the cancellation of the claims.

d. Based on the availability of refunds for canceling excess claims in U.S. national phase applications, but not for abandoning such applications, before the first Office Action, Applicants may want to consider, where a U.S. national phase application will be expressly abandoned, taking the steps of (1) canceling excess claims by Preliminary Amendment, (2) requesting a refund for the excess claim fees, and (3) then expressly abandoning the application. This action must be taken before the mailing of a first Office Action on the merits.

4. Filing Applications With One Or More Common Inventor(s) and Common Ownership

Applications and patents with §119 priority, §120, §363 or §365 benefit, or filing dates that are the same as, or within two months of, each other, that name at least one inventor in common, and that are subject to common ownership, must be specifically identified to the USPTO within four months of the actual filing date, or entry into the U.S. national phase for international applications. See §1.78(f)(1).

Separately, applications having a common §119 priority, §120, §363 or §365 benefit or other filing date, naming at least one inventor in common, owned by the same entity and containing "substantially overlapping" disclosures, are subject to a rebuttable presumption that the applications contain claims that are not patentably distinct. In such an instance, the Applicant may (1) rebut this presumption by explaining how each application contains only claims that are patentably distinct from claims in the other applications; or (2) submit a Terminal Disclaimer and, in most cases, an explanation as to why it is necessary to have patentably indistinct claims in multiple applications. See §1.78(f)(2).

Based on these requirements of the New Rules, Applicants should carefully consider the manner in which they choose to file such applications.

a. Applicants should develop procedures, including database search tools, for identifying such applications and patents. We also recommend that, where

possible, the handling of such applications and patents be consolidated within a single firm that can use its own software and databases to double check such identifications.

b. For inventions that are related but have separate inventive concepts, Applicants may consider filing separate applications with patentably distinct claims. The specifications of the related applications may have overlapping subject matter, or may even be identical, but the claims can be divided into sets of patentably distinct claims. Separate related applications, meeting the above-discussed criteria, need to be highlighted to us. Statements regarding the relationship of the applications and the patentably distinct nature of the claims should be prepared and filed within four months of the filing date of the applications if they share any filing or benefit dates. Subject to foreign filing considerations, consideration should be given to avoiding simultaneous filing of either the priority applications or the U.S. applications to avoid the adverse presumption of no patentable distinction. If the PTO ultimately decides that some claims in separate applications are not patentably distinct, however, there is a risk of triggering the consequences of having more than twenty-five total claims and/or five independent claims in each application, *i.e.*, the requirement to submit an ESD or cancel claims.

c. For inventions that have related inventive concepts that are not patentably distinct, Applicants should consider filing a single application with claim sets drawn to different aspects of the disclosed subject matter, if possible, or filing and prosecuting an application and one or two continuation applications in series with claim sets drawn to different aspects of the disclosed subject matter. In other words, if the subject matter of pending claims in several proposed applications is drawn to a common novel technical feature, Applicants may want to consider (1) merging those claims in a single application and either suggesting a Restriction Requirement or submitting an ESD, or (2) pursuing them serially in a parent and one or two continuation applications. In appropriate cases, claims could be directed to varying aspects of an invention, *e.g.*, apparatus claims, method claims (including method of making, using, and/or treating claims), combination claims (including composition and kit claims), sub-combination claims (including compound, gene fragment and polypeptide claims), product-by-process claims, means-plus-function claims, computer-readable medium claims, and other applicable claims that may eventually be desired. The following considerations apply:

August 31, 2007

(1) These considerations are most important for applications that share a §119 priority, §120, §363 or §365 benefit or filing date and thus invoke the presumption of no patentable distinction. However, they apply to all applications with patentably indistinct claims.

(2) This approach avoids questions arising from the USPTO's notification requirements regarding the filing of applications with one or more common inventors and common ownership and with allegedly patentably indistinct claims.

(3) The single application approach may encourage the USPTO to go on record with a proper Restriction Requirement, possibly crafted and suggested by the Applicant, the response to which may include filing any desired number of divisional applications in accordance with the groups set forth in the Restriction Requirement.

(4) This approach may also assist in creation of complete specifications with fewer written description and enablement issues, and encourage Applicants to develop more generic, broader claim coverage. It may also make the patent writing process more efficient, because only a single specification needs to be prepared.

d. For CIP applications, Applicants should identify the claims in a CIP application that are supported by the prior-filed application. Any new ground for rejection necessitated by a late submission of such an identification may result in a second or subsequent action being made final over newly applied references. Thus, where there is a reasonable basis for claiming such support, Applicants should claim support because any claim that is not identified will be subject to examination based only on the actual filing date of the CIP application. Such an identification should also be made early. When forwarding CIP applications to us for filing, Applicants are requested to identify where (by page and line or paragraph number) the specification of the prior-filed application provides support and enablement for a claim.

e. When forwarding any new application to our firm for filing in the USPTO, Applicants should advise us of any other U.S. application(s) that: (1) has a §119 priority, §120, §363 or §365 benefit or filing date the same as or within two months of any priority, §120, §360 or §365 benefit or filing date of the present application; (2) names at least one inventor that is also named as an inventor in the new application; and (3) is owned by the same entity. For

new applications that (1) have a shared priority, benefit or filing date, common inventor(s) and common ownership, and (2) contain overlapping subject matter in the disclosure, Applicants should expressly identify all such related applications in each order letter and (1) provide us with an explanation of why the claims of the new application and the related application are patentably distinct, or (2) authorize us to conduct this analysis. We will docket a four month due date (with appropriate reminders) for filing the explanation in the USPTO.

f. Applicants may want to consider, particularly in light of the discussion above, forwarding proposed sets of related applications to us for review with sufficient time prior to the desired or required filing date (especially if they share a priority or other benefit date), in order that we may provide suggestions as to whether (1) the related applications should be filed as individual applications with any appropriate statement in each application, or (2) the subject matter of such applications should be merged into a single application, or otherwise filed as a parent and continuing applications.

5. Restriction Requirements And Divisional Application Practice

a. With regard to Restriction Practice, there may be circumstances under which it is beneficial to traverse the Restriction Requirement and provide aggressive arguments for rejoinder, but these circumstances will be more rare under the New Rules. This is particularly applicable to applications that include more than twenty-five total claims and/or five independent claims, and the Restriction Requirement would result in fewer than those numbers of claims being under examination. If claims are (1) desired to be subject to being rejoined, (2) the rejoinder of such claims would result in the number of claims in the application exceeding twenty-five total and/or five independent claims, and (3) an Applicant chooses to pursue rejoinder, an ESD must be filed before the first Office Action on the merits to permit such an outcome. On the other hand, the better response to a Restriction Requirement may be to elect one group of claims and to file one or more divisional applications, as necessary to avoid the need for an ESD and to provide for greater flexibility in continuing applications and RCEs.

b. In applications with excess claims, responding to a Restriction and/or Election of Species Requirement may provide a last opportunity to cancel excess claims and to request a refund of previously-paid

August 31, 2007

excess claim fees. Applicants should consider the fee issues when responding to Restriction and/or Election of Species Requirements, as well as the issues regarding excess claims in general and the desired flexibility regarding filing continuations, divisionals and RCEs.

c. The New Rules for filing divisional applications require that any claim in a divisional application must not have been examined in any prior-filed application. Thus, Applicants should particularly consider petitioning any second action Restriction Requirement directed to claims that have already been examined, or any Restriction Requirement in a U.S. national phase application in which Chapter II examination of the claims has occurred, because any such claims that are withdrawn as drawn to a non-elected invention may not be subject to filing in a divisional application. This is because they will be considered to have been examined and therefore are precluded from being filed in a divisional application under the New Rules.

d. Applicants should also consider not filing Chapter II Demands in international applications, or at least not paying for international preliminary examination of claims found to lack unity of invention in the international phase. This will help avoid a USPTO prohibition on filing such previously examined claims in a divisional application.

6. Substantive Prosecution

a. We propose a more aggressive response strategy in replying to non-final Office Actions. In this regard, Applicants, whether or not having reviewed the claims prior to the first Office Action on the merits, should consider the following:

(1) Interview every application to avoid a Final Rejection and to gain a sense of what claim limitations and/or evidence the Examiner may consider necessary for allowance.

(2) Separately argue more dependent claims to develop fall-back positions earlier.

(3) Take a broader view toward claim amendments with an objective of obtaining some allowable subject matter and with an expanded view toward creating a hierarchy of potential claim amendments to present several fall-back positions that may be independently argued with the understanding that while two continuation applications are available, multiple RCEs are not.

(4) Submit any evidence (such as declarations of experts or publications) supporting non-obviousness, including evidence of secondary considerations such as commercial success, no later than the first response in any first continuation application.

b. Different considerations apply to practice after a Final Rejection as well. In addition to those enumerated above, Applicants should consider the following:

(1) File more petitions to challenge the appropriateness of the finality of the rejection after reviewing the grounds for finality. The propriety of the finality of an Office Action is a question of USPTO practice that is properly raised in a petition under §1.181. The filing of a petition under §1.181 will not stay any period for reply that may be running against the application, nor act as a stay of other proceedings. Thus, there may be situations in which it is necessary for an Applicant to file a Notice of Appeal to maintain the pendency of an application while a petition requesting review of the finality of the Office Action is being decided. Thus, any decision to file such a petition should be made early in order to provide as much time as possible for the USPTO to decide whether to grant the petition under §1.181. In such instances, a pre-appeal brief request for review filed concurrently with the Notice of Appeal may be appropriate to postpone the need to file an Appeal Brief. If the USPTO ultimately determines that the finality of the rejection was premature, the finality will be withdrawn. Any fees paid for the Notice of Appeal and the Appeal Brief are not refundable, but they can be applied to a later appeal in the same application.

(2) File more amendments after a Final Rejection to get any possible amendment, argument, or evidence entered into the record, and to force an Examiner's decision on the merits of such amendments, arguments, or evidence.

(3) Note that, in reply to any Advisory Action that may issue in a family of applications that included a previous RCE, another RCE is not available to gain entry and consideration of, for example, amendments to the claims or evidence that the Examiner may consider as raising new issues requiring further consideration and/or search.

(4) Provide instructions early because we may no longer be free to file a continuation application in order to keep an application from becoming abandoned six months after a final Office Action.

August 31, 2007

(5) Understand that an application in which a first Office Action on the merits was issued on or after November 1, 2007 cannot exceed five independent claims or twenty-five total claims after a first substantive Office Action on the merits if no ESD was previously filed.

7. Filing Continuing Applications And RCEs

When filing a third or subsequent continuation and/or CIP application in a "family" of applications, in most cases the Applicant will have to file a petition and fee, and provide a showing that any newly-proposed amendments, arguments, or evidence could not have been submitted during the prosecution of the earlier-filed application. The petition and showing must be submitted within four months from the actual filing date of the later-filed continuing application. See §1.78(d)(1)(vi). In general, the filing of a third or subsequent continuing application will be prohibited, *i.e.*, the petition will not be granted.

Likewise, when filing a second or subsequent RCE in a "family" of applications, the Applicant will have to file a petition and fee, and provide a showing that any newly-proposed amendments, arguments, or evidence could not have been submitted prior to the close of prosecution in the earlier-filed application. The petition and showing must be submitted simultaneously with the RCE. See §1.114(g). In general, such filings will be prohibited, *i.e.*, the petition will not be granted.

a. Consider not filing a Chapter II Demand in an international application, to preserve the option of filing a bypass continuation application that does not count as one of the two continuation and/or CIP applications that an Applicant may file as a matter of right under the provisions of §1.78(d)(1) (see specifically §1.78(d)(1)(iv)), as well as to protect against the prohibition on filing previously examined claims in a divisional application.

b. Give careful consideration when filing any RCE or continuing application to ensure that the claims and evidence of record are in the best possible form for allowance or a final appeal.

c. Consider using (1) a Notice of Appeal before filing a continuation application, or (2) a Rule 103(c) suspension when filing an RCE, if necessary, to obtain time to ensure that the claims and evidence are in a desired and best condition for allowance, the claims clearly define over the known prior art based on the prosecution to that point,

and if possible, the number of claims is kept below twenty-five total claims and five independent claims to avoid a need for filing an ESD.

d. Consider filing broadening continuation applications only after a prior-filed application has been allowed. Once an application is allowed, unless such application is withdrawn from issue, the notification requirements regarding related applications in the allowed application, presumptions of patentable indistinctness, and related-application claim counting requirements do not apply.

e. If a third or subsequent continuation and/or CIP application is appropriate, and a petition is supportable with a showing regarding why new amendments, arguments or evidence could not have been earlier presented, consider filing a Notice of Appeal in addition to the petition and third or subsequent continuation and/or CIP application, particularly if the decision to attempt to file the third or subsequent continuation and/or CIP application with the petition is delayed. This strategy will maintain pendency of the application while the petition is being considered.

f. In a situation where an Applicant has already filed an RCE in an application family, and the Applicant believes that a second RCE is warranted and supportable with a petition under §1.114(g), Applicant should consider that such petition may not be decided prior to the expiration of six months from the mailing date of the Final Rejection, particularly if the decision to file the RCE and petition is delayed. Applicants may wish to consider filing the RCE and petition, and later filing a Notice of Appeal within the period for reply to avoid abandonment of the application. If the USPTO subsequently dismisses the petition, the RCE will be treated as an improper RCE. However, the RCE will not be treated as a request to withdraw the appeal because the RCE was filed before the Notice of Appeal, *i.e.*, the application was not on appeal at the time of filing the RCE.

g. If a continuing application or RCE is necessary that is subject to the petition and showing requirements, Applicants should provide us with a very detailed explanation of why the amendments, arguments or evidence could not have been submitted earlier. This information will be required to support the petition. In this regard, when filing any response, the pending claims should be evaluated against all of the art cited by the USPTO and not just the references applied in rejecting the pending claims. A careful review of the above-described

August 31, 2007

circumstances that the USPTO may find acceptable for granting a petition is in order in such an instance.

h. In filing CIP applications, Applicants should be careful regarding the identification of claims that are supported by the prior-filed application, and claim such support if there is a reasonable argument that it is present.

i. Where appropriate, Applicants may request to have a continuation application placed on the Examiner's amended docket under the optional streamlined continuation application procedure. Applicants should highlight to us applications that meet the criteria set forth above regarding this procedure, and that they desire to have reviewed under the optional streamlined continuation application procedure.

8. Other Considerations

a. There will be more circumstances in which filing an appeal will be preferable to filing a continuation application or an RCE. The USPTO predicts a 50% increase in appeals in the next year or two, largely as a result of the New Rules. It should be noted, however, that on July 30, 2007, the USPTO proposed revised rules of practice for appeals from patent examiners to the Board of Patent Appeals and Interferences. We are evaluating these proposed revised rules for appeals and our firm will provide comments on those rules to the USPTO in the next month. The proposed revised rules for appeals unfortunately also make the appeal process somewhat more burdensome and more expensive for Applicants who may otherwise view appeal as preferable to filing a continuation or an RCE.

b. On August 10, 2007, the USPTO proposed rules relating to the current practice of listing multiple inventions in the alternative in a single claim, *e.g.*, a Markush claim. We are evaluating these proposed rules and will provide comments to the USPTO in the next month. However, as proposed, the rules require Applicants to be more specific when identifying alternate versions of an invention. These proposed rules will undoubtedly result in a need for more claims, more continuation and divisional applications and more Restriction Requirements, thus implicating the New Rules discussed in this Special Report. We recommend that our clients, particularly those involved in chemical and biological technologies, consider submitting comments to the USPTO to contest the more prejudicial aspects of these proposed rules. The proposed rules may be found in the left-hand column of the "News" section of the USPTO website (www.uspto.gov), or we would be pleased to send a copy to you. The deadline for submitting comments is October 9, 2007.

c. The USPTO has also finalized its proposed changes to IDS practice and submitted them to the U.S. Office of Management and Budget (OMB) on July 27, 2007. We expect those rules to issue this fall. The text of the final rules is not yet available, and we will send you a further Special Report when it becomes available. However, it is already clear that those rules will shift additional burdens onto Applicants. They will require early, and possibly more selective, identification of potentially material references, and may prohibit filing any RCEs merely to obtain consideration of references. Thus, when developing procedures for dealing with the present New Rules, Applicants should also consider developing procedures for earlier review and filing of references in Information Disclosure Statements.

* * * * *

We will be updating many of our firm's forms and standard letters and procedures, as necessary to address the requirements of the New Rules. We also anticipate publishing a series of follow-up Special Reports as necessary to deal with individual issues as more information regarding the New Rules becomes available. We will continue to monitor the implementation of the New Rules and provide updates regarding changes in our proposed actions based on the USPTO's ongoing interpretations of the New Rules and changes to its examining procedures.

* * * * *

Oloff & Berridge, PLC is a full-service Intellectual Property law firm based in historic Alexandria, Virginia. The firm specializes in patent, copyright, trademark, and antitrust law and litigation, and represents a large and diverse group of domestic and international clients, including businesses ranging from large multinational corporations to small privately owned companies, major universities, and individual entrepreneurs.

This Special Report is intended to provide information about legal issues of current interest. It is not intended as legal advice and does not constitute an opinion of Oloff & Berridge, PLC. Readers should seek the advice of professional counsel before acting upon any of the information contained herein.

For further information, please contact us by telephone at (703) 836-6400, facsimile at (703) 836-2787, e-mail at email@oliff.com or mail at 277 South Washington Street, Suite 500, Alexandria, Virginia 22314. Information about our firm can also be found on our web site, www.oliff.com.

スペシャル・レポートの日本語版は、英語版の発行後、三週間以内にウェブ・サイトでご覧いただけます。

APPENDIX A

SCHEDULE OF EFFECTIVE DATES

The New Rules regarding Limitations of Claims in Applications and Claim Fees (§1.75(b)), which include the restrictions regarding applications filed with excess claims (§1.75(b)(1)), as well as claim fees associated with the newly re-defined independent/dependent claims and multiple dependent claims (§1.75(b)(2) and (c)), and the provisions regarding Applicant's option to support a Restriction Requirement (§1.142(c)) and the provisions regarding Examination Support Documents (§1.265), are applicable to any non-provisional application filed under 35 U.S.C. §111(a), or entering the U.S. national phase, on or after November 1, 2007. These changes are also applicable to any non-provisional application filed or entering the U.S. national phase before November 1, 2007, in which a first Office Action on the merits is not mailed before November 1, 2007. In the former case, the provisions of the New Rules regarding patent term adjustment (§1.704(c)) provide that Applicants will begin to lose patent term extensions for applications with excess claims if action is not taken within four months of the filing of the new application that includes excess claims. In the latter case, Applicants can either pre-emptively take action regarding the number of claims in a previously filed application or await the USPTO issuing a Notice, as discussed in Section III. A. For applications filed on or after November 1, 2007 the two-month time period for responding to a Notice is generally unextendible. For applications filed prior to November 1, 2007 in which a first Office Action on the merits has not been mailed by November 1, 2007, the USPTO commentary indicates that the two-month time period for responding to the Notice is extendible up to six months.

The New Rules regarding Requests for Refunds of Claim Fees for Excess Claims (§1.117) are applicable to any non-provisional application filed before, on, or after November 1, 2007, for any excess claim fee paid on or after December 8, 2004. A

Request for Refund must be filed within two months of the claim cancellation date.

The New Rules Regarding Limitations on Number of Continuation and Continuation-In-Part (CIP) Applications (§1.78(a) and §1.78(d)(1)) are applicable only to any application, including any continuing application, filed under 35 U.S.C. §111(a), or any application entering the U.S. national phase, on or after November 1, 2007. Except as otherwise indicated in this final rule, any such continuing application filed on or after November 1, 2007, seeking to claim the benefit under 35 U.S.C. §§120, 121, or 365(c) of a prior-filed non-provisional application, or international application, must either: (1) meet the requirements specified in one of 37 C.F.R. §1.78(d)(1)(i) through (d)(1)(v), i.e. not a third or subsequent continuing application; or (2) include a grantable petition under 37 C.F.R. §1.78(d)(1)(vi).

With respect to any continuing application filed on or after November 1, 2007 that claims the benefit under 35 U.S.C. §§120, 121, or 365(c), that application is not required to meet the requirements set forth in 37 C.F.R. §1.78(d)(1) (see Section III. F.) if: (1) the application claims the benefit under 35 U.S.C. §§120, 121, or 365(c) only of non-provisional applications filed before August 21, 2007, or applications that enter the U.S. national phase before August 21, 2007; and (2) there is no other application filed on or after August 21, 2007 that also claims the benefit under 35 U.S.C. §§120, 121, or 365(c) of such prior-filed non-provisional applications or international applications.

The New Rules regarding Number of Requests for Continued Examination (§1.114) are applicable to any application in which an RCE is filed on or after November 1, 2007. Specifically, a petition and showing must accompany any RCE filed on or after

November 1, 2007, in an application in which an RCE has previously been filed, or in a continuation application or CIP application of an application in which an RCE has previously been filed, or in an application whose benefit is claimed in a continuation application or CIP application in which an RCE has previously been filed.

The New Rules regarding Identifying Applications Having Common Inventors and Common Ownership (§1.78(f)(1)) apply to all applications filed on or after November 1, 2007. For applications filed before November 1, 2007, Applicants must identify the related applications meeting the criteria set forth in §1.78(f)(1) (See Section III. D.) by the later of (a) four months from the actual filing date in a non-provisional application filed under 35 U.S.C. §111(a), (b) four months from the date on which the U.S. national phase commenced, (c) two months from the mailing date of the initial filing receipt in such other non-provisional application for which identification is required by paragraph 37 C.F.R. §1.78(f)(1)(i), or (d) February 1, 2008.

The New Rules regarding the Rebuttable Presumption of Indistinctness (§1.78(f)(1)) apply to any non-provisional application pending on or after November 1, 2007. For applications filed before November 1, 2007, Applicants must identify the related applications meeting the criteria set forth in §1.78(f)(1) (see Section III. E.) by the later of (a) four months from the actual filing date in a non-provisional application filed under 35 U.S.C. §111(a), (b) four months from the date on which the U.S. national phase commenced, (c) the date on which a claim that is not patentably distinct from at least one of the claims in the one or more other pending or patented non-provisional applications is presented, (d) two months from the mailing date of the initial filing receipt in the one or more other pending or patented non-provisional application for which identification is required by paragraph 37 C.F.R. §1.78(f)(2)(i), or (e) February 1, 2008.

APPENDIX B

NEW RULES CHECKLIST

The following list highlights certain items to consider when filing and prosecuting applications under the New Rules.

I. New and Pending Applications

A. Identify every application or patent that:

1. has an effective filing date the same as or within two months of the U.S. application effective filing date (this means any filing date for which priority or other benefit is claimed – multiple dates may apply);
2. names at least one common inventor with the new application; and
3. is commonly owned.

See Rule 1.78(f)(1) and Special Report Section III. D.

B. Identify every application that has the same effective filing date and overlapping subject matter (again, multiple dates may apply).

1. Explain why the claims of the related application are patentably distinct, or
2. Recognize that, for patentably indistinct claims, a Terminal Disclaimer may be required, with a satisfactory explanation as to why it is necessary to have patentably indistinct claims in multiple applications, and ESD requirements may be implicated.

See Rule 1.78(f)(2) and Special Report Section III. E.

C. Identify the support in the parent application for CIP claims that are supported by the parent application. *See Rule 1.78(d)(3) and Special Report Sections III. F. 8. and IV. B. 7.*

D. Identify every application that has claims that were previously dependent but are now independent under the New Rules, and that has not yet received an Office Action on the merits. Consider canceling and/or amending such claims to mitigate the USPTO's retroactive imposition of independent claim fees as to such claims. *See Rules 1.75(b)(2) and (c), and Special Report Section III. B.*

- E. Identify every application that has more than five "independent" claims and/or twenty-five total claims.
1. If there are more than five independent claims and/or twenty-five total claims, consider
 - a) submitting an examination support document. *See Rule 1.75(b)(3)(i) and Special Report Section III. A.; or*
 - b) canceling the requisite number of independent claims or the requisite number of total claims, to reduce the total number of claims to less than five independent claims and less than twenty-five total claims. *See Rule 1.75(b)(3)(ii) and Special Report Section III. A.; or*
 - c) submitting a suggested Restriction Requirement. *See Rule 1.75(b)(3)(iii) and Special Report Section III. A.*
 2. For determining extra claim fees and claims in excess of five independent claims, the independent claims include: (a) a claim that refers to another claim but does not incorporate by reference all the limitations of the claim to which the claim refers; and (b) a claim that refers to a claim of a different statutory class of invention. The number of claims in an application includes all claims in other applications that have a claim that is patentably indistinct from a claim in the application. *See Rules 1.75(b)(2) and (4) and Special Report Sections III. A., III. B. and III. E.*
- F. Consider the Retroactive Effect of the New Rules
1. Items A and B above apply to pending applications that have not yet been allowed as well as to new applications. The due date for pending applications is February 1, 2008.
 2. Items C-E above apply to pending applications that have not yet received a first Office Action on the merits before November 1, 2007. We recommend taking action before the mailing date of the first Office Action.
 3. Request refunds of extra claim fees for claims canceled before the first Office Action. Requests for refunds are due after November 1, 2007 and within two months of the claim cancellation.
- G. Consider separating patentably distinct claims into multiple applications, and grouping patentably indistinct claims in a single application. *See Special Report Section IV. B. 4.*

II. Responding To Restriction Requirements

- A. To file a divisional application, the USPTO must first issue a Restriction Requirement, or the USPTO must accept an Applicant's suggested Restriction Requirement and election. *See Rule 1.78(a)(3) and Special Report Section III. H.*
- B. The divisional application must contain only claims that were subject to, and not elected in response to, the Restriction Requirement and that were not examined in any prior application. *See Rule 1.78(d)(1)(iv) and Special Report Section III. H. 1.*
- C. Delay filing a divisional application where pending arguments for rejoinder of claims are not exhausted, or where a generic claim is identified with regard to one or more non-elected species. *See Special Report Section III. H. 5.*

III. Responding To A Non-Final Office Action

- A. Interview the Examiner to identify allowable subject matter and necessary evidence.
- B. Present several secondary or "fall-back" positions that may be independently asserted as allowable, such as arguing patentably distinct dependent claims.
- C. Submit declaration, publication and other evidence supporting non-obviousness and secondary considerations.

See Special Report Section IV. B. 6.

IV. Responding To Final Rejections

- A. Consider whether the finality is proper and contest the finality if it is improper.
- B. Respond as early as possible before the due date.
- C. Interview the Examiner, if possible, to identify allowable subject matter.
- D. To obtain more time to ensure that the claims are in a desired and best condition, consider filing (1) a Notice of Appeal before filing a continuation application or (2) a Rule 103(c) suspension request when filing an RCE.

See Special Report Section IV. B. 6.

V. Filing a Second Continuation or CIP Application or a First RCE

- A. Recognize that only two continuation and/or CIP applications and one RCE are permitted as a matter of right. *See Rules 1.78(d)(1)(i) and 1.114(f) and Special Report Sections III. F., III. G., and IV. B. 7.*
- B. Recognize that the continuation, CIP or RCE may be your last opportunity to obtain allowable subject matter.
- C. Ensure that the record is in the best possible form for allowance on appeal.
- D. For CIP applications, identify to the USPTO the claims supported by the parent application and where the support can be found in the parent application. *See Rule 1.78(d)(3) and Special Report Section III. F. 8.*

VI. Filing A Third Or Subsequent Continuation or CIP Application Or A Second Or Subsequent RCE

- A. Demonstrate why the amendment, argument, or evidence could not have been submitted earlier in the prosecution of a prior filed application. *See Rules 1.78(d)(1)(iv) and 1.114(f) and Special Report Section III. F. 7.*
- B. Recognize that a submission that accompanies a second or subsequent RCE will not be entered automatically.
- C. Recognize that an IDS is not considered an "amendment, argument, or evidence" that justifies a second or subsequent RCE.

and tribal governments, in the aggregate, or by the private sector, of 100 million dollars or more in any one year, and it will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. See 2 U.S.C. 1501 *et seq.*

L. National Environmental Policy Act

This rule making will not have any effect on the quality of environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. See 42 U.S.C. 4321 *et seq.*

M. National Technology Transfer and Advancement Act

The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are inapplicable because this rule making does not contain provisions which involve the use of technical standards.

N. Paperwork Reduction Act

This final rule involves information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). The collection of information involved in this final rule has been reviewed and approved by OMB under OMB control number 0651-0031. This final rule provides that: (1) A third or subsequent continuation or continuation-in-part application or any second or subsequent request for continued examination must include a showing that the amendment, argument, or evidence sought to be entered could not have been submitted prior to the close of prosecution after a first and second continuation or continuation-in-part application and a request for continued examination; (2) an application that contains or is amended to contain more than five independent claims or more than twenty-five total claims must include an examination support document under 37 CFR 1.265 that covers each claim (whether in independent or dependent form) before the issuance of a first Office action on the merits; and (3) multiple applications that have the same claimed filing or priority date, substantial overlapping disclosure, a common inventor, and a common assignee must 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. The United States Patent and Trademark

Office has resubmitted an information collection package to OMB for its review and approval because the changes in this notice do affect the information collection requirements associated with the information collection under OMB control number 0651-0031.

The title, description and respondent description of the information collection under OMB control number 0651-0031 is shown below with an estimate of the annual reporting burdens. Included in the estimate is the time for reviewing instructions, gathering and maintaining the data needed, and completing and reviewing the collection of information.

OMB Number: 0651-0031.

Title: Patent Processing (Updating).

Form Numbers: PTO/SB/08, PTO/SB/17i, PTO/SB/17p, PTO/SB/21-27, PTO/SB/24B, PTO/SB/30-32, PTO/SB/35-39, PTO/SB/42-43, PTO/SB/61-64, PTO/SB/64a, PTO/SB/67-68, PTO/SB/91-92, PTO/SB/96-97, PTO-2053-A/B, PTO-2054-A/B, PTO-2055-A/B, PTOL-413A.

Type of Review: Approved through September of 2007.

Affected Public: Individuals or households, business or other for-profit institutions, not-for-profit institutions, farms, Federal Government and State, Local and Tribal Governments.

Estimated Number of Respondents: 2,508,139.

Estimated Time Per Response: 1 minute and 48 seconds to 24 hours.

Estimated Total Annual Burden Hours: 3,724,791 hours.

Needs and Uses: During the processing of an application for a patent, the applicant or applicant's representative may be required or desire to submit additional information to the United States Patent and Trademark Office concerning the examination of a specific application. The specific information required or which may be submitted includes: information disclosure statement and citation, examination support documents, requests for extensions of time, the establishment of small entity status, abandonment and revival of abandoned applications, disclaimers, appeals, petitions, expedited examination of design applications, transmittal forms, requests to inspect, copy and access patent applications, publication requests, and certificates of mailing, transmittals, and submission of priority documents and amendments.

Comments are invited on: (1) Whether the collection of information is necessary for proper performance of the functions of the agency; (2) the accuracy of the agency's estimate of the burden; (3) ways to enhance the quality, utility, and clarity of the information to be

collected; and (4) ways to minimize the burden of the collection of information to respondents.

Interested persons are requested to send comments regarding these information collections, including suggestions for reducing this burden, to: (1) The Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10202, 725 17th Street, NW., Washington, DC 20503, Attention: Desk Officer for the Patent and Trademark Office; and (2) Robert A. Clarke, Director, Office of Patent Legal Administration, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

List of Subjects in 37 CFR Part 1

Administrative practice and procedure, Courts, Freedom of Information, Inventions and patents, Reporting and recordkeeping requirements, Small Businesses.

■ For the reasons set forth in the preamble, 37 CFR part 1 is amended as follows:

PART 1—RULES OF PRACTICE IN PATENT CASES

■ 1. The authority citation for 37 CFR part 1 continues to read as follows:

Authority: 35 U.S.C. 2(b)(2).

■ 2. Section 1.17 is amended by revising paragraph (f) to read as follows:

§ 1.17 Patent application and reexamination processing fees.

* * * * *

(f) For filing a petition under one of the following sections which refers to this paragraph: \$400.00

§ 1.36(a)—for revocation of a power of attorney by fewer than all of the applicants.

§ 1.53(e)—to accord a filing date.

§ 1.57(a)—to accord a filing date.

§ 1.78(d)(1)(vi)—for a continuing application not provided for in §§ 1.78(d)(1)(i) through (d)(1)(v).

§ 1.114(g)—for a request for continued examination not provided for in § 1.114(f).

§ 1.182—for decision on a question not specifically provided for.

§ 1.183—to suspend the rules.

§ 1.378(e)—for reconsideration of decision on petition refusing to accept

delayed payment of maintenance fee in an expired patent.

§ 1.741(b)—to accord a filing date to an application under § 1.740 for extension of a patent term.

* * * * *

■ 3. Section 1.26 is amended by revising paragraphs (a) and (b) to read as follows:

§ 1.26 Refunds.

(a) The Director may refund any fee paid by mistake or in excess of that required. Except as provided in § 1.117 or § 1.138(d), a change of purpose after the payment of a fee, such as when a party desires to withdraw a patent filing for which the fee was paid, including an application, an appeal, or a request for an oral hearing, will not entitle a party to a refund of such fee. The Office will not refund amounts of twenty-five dollars or less unless a refund is specifically requested, and will not notify the payor of such amounts. If a party paying a fee or requesting a refund does not provide the banking information necessary for making refunds by electronic funds transfer (31 U.S.C. 3332 and 31 CFR part 208), or instruct the Office that refunds are to be credited to a deposit account, the Director may require such information, or use the banking information on the payment instrument to make a refund. Any refund of a fee paid by credit card will be by a credit to the credit card account to which the fee was charged.

(b) Any request for refund must be filed within two years from the date the fee was paid, except as otherwise provided in this paragraph, or in § 1.28(a), § 1.117(b), or § 1.138(d). If the Office charges a deposit account by an amount other than an amount specifically indicated in an authorization (§ 1.25(b)), any request for refund based upon such charge must be filed within two years from the date of the deposit account statement indicating such charge, and include a copy of that deposit account statement. The time periods set forth in this paragraph are not extendable.

* * * * *

■ 4. Section 1.52 is amended by revising paragraph (d)(2) to read as follows:

§ 1.52 Language, paper, writing, margins, compact disc specifications.

* * * * *

(d) * * *

(2) *Provisional application.* If a provisional application is filed in a language other than English and the benefit of such provisional application is claimed in a nonprovisional application, an English language translation of the non-English language

provisional application will be required in the provisional application. See § 1.78(b).

* * * * *

■ 5. Section 1.53 is amended by revising paragraphs (b) and (c)(4) to read as follows:

§ 1.53 Application number, filing date, and completion of application.

* * * * *

(b) *Application filing requirements—Nonprovisional application.* The filing date of an application for patent filed under this section, except for a provisional application under paragraph (c) of this section or a continued prosecution application under paragraph (d) of this section, is the date on which a specification as prescribed by 35 U.S.C. 112 containing a description pursuant to § 1.71 and at least one claim pursuant to § 1.75, and any drawing required by § 1.81(a) are filed in the Patent and Trademark Office. No new matter may be introduced into an application after its filing date. A continuing application, which may be a continuation, divisional, or continuation-in-part application, may be filed under this section if the conditions specified in 35 U.S.C. 120, 121, or 365(c) and § 1.78 are met.

(1) A continuation or divisional application that names as inventors the same or fewer than all of the inventors named in the prior application may be filed under paragraph (b) or (d) of this section. A continuation or divisional application naming an inventor not named in the prior application must be filed under paragraph (b) of this section. See § 1.78(a)(2) for the definition of a divisional application and § 1.78(a)(3) for the definition of a continuation application.

(2) A continuation-in-part application must be filed under paragraph (b) of this section. See § 1.78(a)(4) for the definition of a continuation-in-part application.

(c) * * *

(4) A provisional application is not entitled to the right of priority under 35 U.S.C. 119 or 365(a) or § 1.55, or to the benefit of an earlier filing date under 35 U.S.C. 120, 121 or 365(c) or § 1.78 of any other application. No claim for priority under 35 U.S.C. 119(e) or § 1.78 may be made in a design application based on a provisional application. No request under § 1.293 for a statutory invention registration may be filed in a provisional application. The requirements of §§ 1.821 through 1.825 regarding application disclosures containing nucleotide and/or amino acid sequences

are not mandatory for provisional applications.

* * * * *

■ 6. Section 1.75 is amended by revising paragraphs (b) and (c) to read as follows:

§ 1.75 Claim(s).

* * * * *

(b) More than one claim may be presented provided they differ substantially from each other and are not unduly multiplied. One or more claims may be presented in dependent form, referring back to and further limiting another claim or claims in the same application. A dependent claim must contain a reference to a claim previously set forth in the same application, incorporate by reference all the limitations of the previous claim to which such dependent claim refers, and specify a further limitation of the subject matter of the previous claim.

(1) An applicant must file an examination support document in compliance with § 1.265 that covers each claim (whether in independent or dependent form) before the issuance of a first Office action on the merits of the application if the application contains or is amended to contain more than five independent claims or more than twenty-five total claims. An application may not contain or be amended to contain more than five independent claims or more than twenty-five total claims if an examination support document in compliance with § 1.265 has not been filed before the issuance of a first Office action on the merits of the application.

(2) A claim that refers to another claim but does not incorporate by reference all of the limitations of the claim to which such claim refers will be treated as an independent claim for fee calculation purposes under § 1.16 (or § 1.492) and for purposes of paragraph (b) of this section. A claim that refers to a claim of a different statutory class of invention will also be treated as an independent claim for fee calculation purposes under § 1.16 (or § 1.492) and for purposes of paragraph (b) of this section.

(3) The applicant will be notified if the application contains or is amended to contain more than five independent claims or more than twenty-five total claims but the applicant has not complied with the requirements set forth in paragraph (b)(1) or (b)(4) of this section. If the non-compliance appears to have been inadvertent, the notice will set a two-month time period that is not extendable under § 1.136(a) within which, to avoid abandonment of the application, the applicant must comply

with the requirements set forth in paragraph (b) of this section.

(4) If a nonprovisional application contains at least one claim that is patentably indistinct from at least one claim in one or more other pending nonprovisional applications, and if such one or more other nonprovisional applications and the first nonprovisional application are owned by the same person, or are subject to an obligation of assignment to the same person, the Office will treat the claims (whether in independent or dependent form) in the first nonprovisional application and in each of such other pending nonprovisional applications as present in each of the nonprovisional applications for purposes of paragraph (b) of this section.

(5) Claims withdrawn from consideration under §§ 1.141 through 1.146 or § 1.499 as drawn to a non-elected invention or inventions will not, unless they are reinstated or rejoined, be taken into account in determining whether an application exceeds the five independent claim and twenty-five total claim threshold set forth in paragraphs (b)(1), (b)(3), and (b)(4) of this section.

(c) Any dependent claim which refers to more than one other claim ("multiple dependent claim") shall refer to such other claims in the alternative only. A multiple dependent claim shall not serve as a basis for any other multiple dependent claim. For fee calculation purposes under § 1.16 (or § 1.492) and for purposes of paragraph (b) of this section, a multiple dependent claim will be considered to be that number of claims to which direct reference is made therein. For fee calculation purposes under § 1.16 (or § 1.492) and for purposes of paragraph (b) of this section, any claim depending from a multiple dependent claim will be considered to be that number of claims to which direct reference is made in that multiple dependent claim. In addition to the other filing fees, any application which is filed with, or is amended to include, multiple dependent claims must have paid therein the fee set forth in § 1.16(j). A multiple dependent claim shall be construed to incorporate by reference all the limitations of each of the particular claims in relation to which it is being considered.

* * *

■ 7. Section 1.76 is amended by revising paragraph (b)(5) to read as follows:

§ 1.76 Application data sheet.

* * *

(b) * * *

(5) *Domestic priority information.* This information includes the application number, the filing date, and

relationship of each application for which a benefit is claimed under 35 U.S.C. 120, 121, or 365(c). This information includes the application number and the filing date of each application for which a benefit is claimed under 35 U.S.C. 119(e). Providing this information in the application data sheet also constitutes the specific reference required by 35 U.S.C. 119(e) or 120, and § 1.78(b)(3) or § 1.78(d)(3), and need not otherwise be made part of the specification.

* * *

■ 8. Section 1.78 is revised to read as follows:

§ 1.78 Claiming benefit of earlier filing date and cross-references to other applications.

(a) *Definitions*—(1) *Continuing application.* A continuing application is a nonprovisional application or an international application designating the United States of America that claims the benefit under 35 U.S.C. 120, 121, or 365(c) of a prior-filed nonprovisional application or international application designating the United States of America. An application that does not claim the benefit under 35 U.S.C. 120, 121, or 365(c) of a prior-filed application is not a continuing application even if the application claims the benefit under 35 U.S.C. 119(e) of a provisional application, claims priority under 35 U.S.C. 119(a)-(d) or 365(b) to a foreign application, or claims priority under 35 U.S.C. 365(a) or (b) to an international application designating at least one country other than the United States of America.

(2) *Divisional application.* A divisional application is a continuing application as defined in paragraph (a)(1) of this section that discloses and claims only an invention or inventions that were disclosed and claimed in a prior-filed application, but were subject to a requirement to comply with the requirement of unity of invention under PCT Rule 13 or a requirement for restriction under 35 U.S.C. 121 in the prior-filed application, and were not elected for examination and were not examined in any prior-filed application.

(3) *Continuation application.* A continuation application is a continuing application as defined in paragraph (a)(1) of this section that discloses and claims only an invention or inventions that were disclosed in the prior-filed application.

(4) *Continuation-in-part application.* A continuation-in-part application is a continuing application as defined in paragraph (a)(1) of this section that discloses subject matter that was not disclosed in the prior-filed application.

(b) *Claims under 35 U.S.C. 119(e) for the benefit of a prior-filed provisional application.* A nonprovisional application, other than for a design patent, or an international application designating the United States of America may claim the benefit of one or more prior-filed provisional applications under the conditions set forth in 35 U.S.C. 119(e) and paragraph (b) of this section.

(1) The nonprovisional application or international application designating the United States of America must be filed not later than twelve months after the date on which the provisional application was filed. This twelve-month period is subject to 35 U.S.C. 21(b) and § 1.7(a).

(2) Each prior-filed provisional application must name as an inventor at least one inventor named in the later-filed application. In addition, each prior-filed provisional application must be entitled to a filing date as set forth in § 1.53(c) and the basic filing fee set forth in § 1.16(d) must have been paid for such provisional application within the time period set forth in § 1.53(g).

(3) Any nonprovisional application or international application designating the United States of America that claims the benefit of one or more prior-filed provisional applications must contain or be amended to contain a reference to each such prior-filed provisional application, identifying it by the provisional application number (consisting of series code and serial number). If the later-filed application is a nonprovisional application, the reference required by this paragraph must be included in an application data sheet (§ 1.76), or the specification must contain or be amended to contain such reference in the first sentence(s) following the title.

(4) The reference required by paragraph (b)(3) of this section must be submitted during the pendency of the later-filed application. If the later-filed application is an application filed under 35 U.S.C. 111(a), this reference must also be submitted within the later of four months from the actual filing date of the later-filed application or sixteen months from the filing date of the prior-filed provisional application. If the later-filed application is a nonprovisional application which entered the national stage from an international application after compliance with 35 U.S.C. 371, this reference must also be submitted within the later of four months from the date on which the national stage commenced under 35 U.S.C. 371(b) or (f) in the later-filed international application or sixteen months from the filing date of the prior-

filed provisional application. Except as provided in paragraph (c) of this section, failure to timely submit the reference is considered a waiver of any benefit under 35 U.S.C. 119(e) of the prior-filed provisional application. The time periods in this paragraph do not apply if the later-filed application is:

(i) An application filed under 35 U.S.C. 111(a) before November 29, 2000; or

(ii) An international application filed under 35 U.S.C. 363 before November 29, 2000.

(5) If the prior-filed provisional application was filed in a language other than English and both an English-language translation of the prior-filed provisional application and a statement that the translation is accurate were not previously filed in the prior-filed provisional application, applicant will be notified and given a period of time within which to file the translation and the statement in the prior-filed provisional application. If the notice is mailed in a pending nonprovisional application, a timely reply to such a notice must include the filing in the nonprovisional application of either a confirmation that the translation and statement were filed in the provisional application, or an amendment or supplemental application data sheet withdrawing the benefit claim, or the nonprovisional application will be abandoned. The translation and statement may be filed in the provisional application, even if the provisional application has become abandoned.

(c) *Delayed claims under 35 U.S.C. 119(e) for the benefit of a prior-filed provisional application.* If the reference required by 35 U.S.C. 119(e) and paragraph (b)(3) of this section is presented in a nonprovisional application after the time period provided by paragraph (b)(4) of this section, the claim under 35 U.S.C. 119(e) for the benefit of a prior-filed provisional application may be accepted if submitted during the pendency of the later-filed application and if the reference identifying the prior-filed application by provisional application number was unintentionally delayed. A petition to accept an unintentionally delayed claim under 35 U.S.C. 119(e) for the benefit of a prior-filed provisional application must be accompanied by:

(1) The reference required by 35 U.S.C. 119(e) and paragraph (b)(3) of this section to the prior-filed provisional application, unless previously submitted;

(2) The surcharge set forth in § 1.17(t); and

(3) A statement that the entire delay between the date the claim was due under paragraph (b)(4) of this section and the date the claim was filed was unintentional. The Director may require additional information where there is a question whether the delay was unintentional.

(d) *Claims under 35 U.S.C. 120, 121, or 365(c) for the benefit of a prior-filed nonprovisional or international application.* A nonprovisional application (including an international application that has entered the national stage after compliance with 35 U.S.C. 371) may claim the benefit of one or more prior-filed copending nonprovisional applications or international applications designating the United States of America under the conditions set forth in 35 U.S.C. 120 and paragraph (d) of this section.

(1) A nonprovisional application that claims the benefit of one or more prior-filed copending nonprovisional applications or international applications designating the United States of America must satisfy the conditions set forth in at least one of paragraphs (d)(1)(i) through (d)(1)(vi) of this section. The Office will refuse to enter, or will delete if present, any specific reference to a prior-filed application that is not permitted by at least one of paragraphs (d)(1)(i) through (d)(1)(vi) of this section. The Office's entry of, or failure to delete, a specific reference to a prior-filed application that is not permitted by at least one of paragraphs (d)(1)(i) through (d)(1)(vi) of this section does not constitute a waiver of the provisions of paragraph (d)(1) of this section.

(i)(A) The nonprovisional application is either a continuation application as defined in paragraph (a)(3) of this section or a continuation-in-part application as defined in paragraph (a)(4) of this section that claims the benefit under 35 U.S.C. 120, 121, or 365(c) of no more than two prior-filed applications; and

(B) Any application whose benefit is claimed under 35 U.S.C. 120, 121, or 365(c) in such nonprovisional application has its benefit claimed in no more than one other nonprovisional application, not including any nonprovisional application that satisfies the conditions set forth in paragraph (d)(1)(ii), (d)(1)(iii) or (d)(1)(vi) of this section.

(ii)(A) The nonprovisional application is a divisional application as defined in paragraph (a)(2) of this section that claims the benefit under 35 U.S.C. 120, 121, or 365(c) of a prior-filed application that was subject to a requirement to comply with the

requirement of unity of invention under PCT Rule 13 or a requirement for restriction under 35 U.S.C. 121; and

(B) The divisional application contains only claims directed to an invention or inventions that were identified in such requirement to comply with the requirement of unity of invention or requirement for restriction but were not elected for examination and were not examined in the prior-filed application or in any other nonprovisional application, except for a nonprovisional application that claims the benefit under 35 U.S.C. 120, 121, or 365(c) of such divisional application and satisfies the conditions set forth in paragraph (d)(1)(iii) or (d)(1)(vi) of this section.

(iii)(A) The nonprovisional application is a continuation application as defined in paragraph (a)(3) of this section that claims the benefit under 35 U.S.C. 120, 121, or 365(c) of a divisional application that satisfies the conditions set forth in paragraph (d)(1)(ii) of this section;

(B) The nonprovisional application discloses and claims only an invention or inventions that were disclosed and claimed in such divisional application;

(C) The nonprovisional application claims the benefit under 35 U.S.C. 120, 121, or 365(c) of only the divisional application, any application to which such divisional application claims benefit under 35 U.S.C. 120, 121, or 365(c) in compliance with the conditions set forth in paragraph (d)(1)(ii) of this section, and no more than one intervening prior-filed nonprovisional application; and

(D) The divisional application whose benefit is claimed under 35 U.S.C. 120, 121, or 365(c) in such nonprovisional application has its benefit claimed in no more than one other nonprovisional application, not including any other divisional application that satisfies the conditions set forth in paragraph (d)(1)(ii) or any nonprovisional application that claims the benefit under 35 U.S.C. 120 or 365(c) of such other divisional application and satisfies the conditions set forth in paragraph (d)(1)(iii) or (d)(1)(vi) of this section.

(iv)(A) The nonprovisional application claims benefit under 35 U.S.C. 120 or 365(c) of a prior-filed international application designating the United States of America, and a Demand has not been filed and the basic national fee (§ 1.492(a)) has not been paid in the prior-filed international application and the prior-filed international application does not claim the benefit of any other nonprovisional application or international application

designating the United States of America;

(B) The nonprovisional application is either a continuation application as defined in paragraph (a)(3) of this section or a continuation-in-part application as defined in paragraph (a)(4) of this section that claims the benefit under 35 U.S.C. 120, 121, or 365(c) of no more than three prior-filed applications; and

(C) Any application whose benefit is claimed under 35 U.S.C. 120, 121, or 365(c) in such nonprovisional application has its benefit claimed in no more than two other nonprovisional applications, not including any nonprovisional application that satisfies the conditions set forth in paragraph (d)(1)(ii), (d)(1)(iii) or (d)(1)(vi) of this section.

(v)(A) The nonprovisional application claims benefit under 35 U.S.C. 120 or 365(c) of a prior-filed nonprovisional application filed under 35 U.S.C. 111(a), and such nonprovisional application became abandoned due to the failure to timely reply to an Office notice issued under § 1.53(f) and does not claim the benefit of any other nonprovisional application or international application designating the United States of America;

(B) The nonprovisional application is either a continuation application as defined in paragraph (a)(3) of this section or a continuation-in-part application as defined in paragraph (a)(4) of this section that claims the benefit under 35 U.S.C. 120, 121, or 365(c) of no more than three prior-filed applications; and

(C) Any application whose benefit is claimed under 35 U.S.C. 120, 121, or 365(c) in such nonprovisional application has its benefit claimed in no more than two other nonprovisional applications, not including any nonprovisional application that satisfies the conditions set forth in paragraph (d)(1)(ii), (d)(1)(iii) or (d)(1)(vi) of this section.

(vi) The nonprovisional application is a continuing application as defined in paragraph (a)(1) of this section that claims the benefit under 35 U.S.C. 120, 121, or 365(c) of a prior-filed application, is filed to obtain consideration of an amendment, argument, or evidence that could not have been submitted during the prosecution of the prior-filed application, and does not satisfy the conditions set forth in any of paragraphs (d)(1)(i) through (d)(1)(v) of this section. A petition must be filed in such nonprovisional application that is accompanied by the fee set forth in § 1.17(f) 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. If the continuing application is an application filed under 35 U.S.C. 111(a), this petition must be submitted within four months from the actual filing date of the continuing application. If the continuing application is a nonprovisional application which entered the national stage from an international application after compliance with 35 U.S.C. 371, this petition must be submitted within four months from the date on which the national stage commenced under 35 U.S.C. 371(b) or (f) in the international application.

(2) Each prior-filed application must name as an inventor at least one inventor named in the later-filed application. In addition, each prior-filed application must either be:

(i) An international application entitled to a filing date in accordance with PCT Article 11 and designating the United States of America; or

(ii) A nonprovisional application under 35 U.S.C. 111(a) that is entitled to a filing date as set forth in § 1.53(b) or § 1.53(d) for which the basic filing fee set forth in § 1.16 has been paid within the pendency of the application.

(3) Except for a continued prosecution application filed under § 1.53(d), any nonprovisional application, or international application designating the United States of America, that claims the benefit of one or more prior-filed nonprovisional applications or international applications designating the United States of America must contain or be amended to contain a reference to each such prior-filed application, identifying it by application number (consisting of the series code and serial number) or international application number and international filing date. The reference must also identify the relationship of the applications (i.e., whether the later-filed application is a continuation, divisional, or continuation-in-part of the prior-filed nonprovisional application or international application). If an application is identified as a continuation-in-part application, the applicant must identify the claim or claims in the continuation-in-part application for which the subject matter is disclosed in the manner provided by the first paragraph of 35 U.S.C. 112 in the prior-filed application. If the later-filed application is a nonprovisional application, the reference required by this paragraph must be included in an application data sheet (§ 1.76), or the specification must contain or be

amended to contain such reference in the first sentence(s) following the title.

(4) The reference required by 35 U.S.C. 120 and paragraph (d)(3) of this section must be submitted during the pendency of the later-filed application. If the later-filed application is an application filed under 35 U.S.C. 111(a), this reference must also be submitted within the later of four months from the actual filing date of the later-filed application or sixteen months from the filing date of the prior-filed application. If the later-filed application is a nonprovisional application which entered the national stage from an international application after compliance with 35 U.S.C. 371, this reference must also be submitted within the later of four months from the date on which the national stage commenced under 35 U.S.C. 371(b) or (f) in the later-filed international application or sixteen months from the filing date of the prior-filed application. Except as provided in paragraph (e) of this section, failure to timely submit the reference required by 35 U.S.C. 120 and paragraph (d)(3) of this section is considered a waiver of any benefit under 35 U.S.C. 120, 121, or 365(c) to the prior-filed application. The time periods in this paragraph do not apply if the later-filed application is:

(i) An application for a design patent;

(ii) An application filed under 35 U.S.C. 111(a) before November 29, 2000; or

(iii) An international application filed under 35 U.S.C. 363 before November 29, 2000.

(5) The request for a continued prosecution application under § 1.53(d) is the specific reference required by 35 U.S.C. 120 to the prior-filed application. The identification of an application by application number under this section is the identification of every application assigned that application number necessary for a specific reference required by 35 U.S.C. 120 to every such application assigned that application number.

(6) Cross-references to other related applications may be made when appropriate. Cross-references to applications for which a benefit is not claimed under title 35, United States Code, must be located in a paragraph that is separate from the paragraph containing the references to applications for which a benefit is claimed under 35 U.S.C. 119(e), 120, 121, or 365(c) that is required by 35 U.S.C. 119(e) or 120 and this section.

(e) *Delayed claims under 35 U.S.C. 120, 121, or 365(c) for the benefit of a prior-filed nonprovisional application or international application.* If the reference required by 35 U.S.C. 120 and

paragraph (d)(3) of this section is presented after the time period provided by paragraph (d)(4) of this section, the claim under 35 U.S.C. 120, 121, or 365(c) for the benefit of a prior-filed copending nonprovisional application or international application designating the United States of America may be accepted if the reference identifying the prior-filed application by application number or international application number and international filing date was unintentionally delayed. A petition to accept an unintentionally delayed claim under 35 U.S.C. 120, 121, or 365(c) for the benefit of a prior-filed application must be accompanied by:

(1) The reference required by 35 U.S.C. 120 and paragraph (d)(3) of this section to the prior-filed application, unless previously submitted;

(2) The surcharge set forth in § 1.17(t); and

(3) A statement that the entire delay between the date the claim was due under paragraph (d)(4) of this section and the date the claim was filed was unintentional. The Director may require additional information where there is a question whether the delay was unintentional.

(f) *Applications and patents naming at least one inventor in common.* (1)(i) The applicant in a nonprovisional application that has not been allowed (§ 1.311) must identify by application number (*i.e.*, series code and serial number) and patent number (if applicable) each other pending or patented nonprovisional application, in a separate paper, for which the following conditions are met:

(A) The nonprovisional application has a filing date that is the same as or within two months of the filing date of the other pending or patented nonprovisional application, taking into account any filing date for which a benefit is sought under title 35, United States Code;

(B) The nonprovisional application names at least one inventor in common with the other pending or patented nonprovisional application; and

(C) The nonprovisional application is owned by the same person, or subject to an obligation of assignment to the same person, as the other pending or patented nonprovisional application.

(ii) The identification of such one or more other pending or patented nonprovisional applications if required by paragraph (f)(1)(i) of this section must be submitted within the later of:

(A) Four months from the actual filing date in a nonprovisional application filed under 35 U.S.C. 111(a);

(B) Four months from the date on which the national stage commenced

under 35 U.S.C. 371(b) or (f) in a nonprovisional application entering the national stage from an international application under 35 U.S.C. 371; or

(C) Two months from the mailing date of the initial filing receipt in such other nonprovisional application for which identification is required by paragraph (f)(1)(i) of this section.

(2)(i) A rebuttable presumption shall exist that a nonprovisional application contains at least one claim that is not patentably distinct from at least one of the claims in another pending or patented nonprovisional application if the following conditions are met:

(A) The nonprovisional application has a filing date that is the same as the filing date of the other pending or patented nonprovisional application, taking into account any filing date for which a benefit is sought under title 35, United States Code;

(B) The nonprovisional application names at least one inventor in common with the other pending or patented nonprovisional application;

(C) The nonprovisional application is owned by the same person, or subject to an obligation of assignment to the same person, as the other pending or patented nonprovisional application; and

(D) The nonprovisional application and the other pending or patented nonprovisional application contain substantial overlapping disclosure. Substantial overlapping disclosure exists if the other pending or patented nonprovisional application has written description support under the first paragraph of 35 U.S.C. 112 for at least one claim in the nonprovisional application.

(ii) If the conditions specified in paragraph (f)(2)(i) of this section exist, the applicant in the nonprovisional application must, unless the nonprovisional application has been allowed (§ 1.311), take one of the following actions within the time period specified in paragraph (f)(2)(iii) of this section:

(A) Rebut this presumption by explaining how the application contains only claims that are patentably distinct from the claims in each of such other pending nonprovisional applications or patents; or

(B) Submit a terminal disclaimer in accordance with § 1.321(c). In addition, where one or more other pending nonprovisional applications have been identified, the applicant must explain why there are two or more pending nonprovisional applications naming at least one inventor in common and owned by the same person, or subject to an obligation of assignment to the same

person, which contain patentably indistinct claims.

(iii) If the conditions specified in paragraph (f)(2)(i) of this section exist, the applicant in the nonprovisional application must, unless the nonprovisional application has been allowed (§ 1.311), take one of the actions specified in paragraph (f)(2)(ii) of this section within the later of:

(A) Four months from the actual filing date of a nonprovisional application filed under 35 U.S.C. 111(a);

(B) Four months from the date on which the national stage commenced under 35 U.S.C. 371(b) or (f) in a nonprovisional application entering the national stage from an international application under 35 U.S.C. 371;

(C) The date on which a claim that is not patentably distinct from at least one of the claims in the one or more other pending or patented nonprovisional applications is presented; or

(D) Two months from the mailing date of the initial filing receipt in the one or more other pending or patented nonprovisional applications.

(3) In the absence of good and sufficient reason for there being two or more pending nonprovisional applications owned by the same person, or subject to an obligation of assignment to the same person, which contain patentably indistinct claims, the Office may require elimination of the patentably indistinct claims from all but one of the applications.

(g) *Applications or patents under reexamination naming different inventors and containing patentably indistinct claims.* If an application or a patent under reexamination and at least one other application naming different inventors are owned by the same party and contain patentably indistinct claims, and there is no statement of record indicating that the claimed inventions were commonly owned or subject to an obligation of assignment to the same person at the time the later invention was made, the Office may require the assignee to state whether the claimed inventions were commonly owned or subject to an obligation of assignment to the same person at the time the later invention was made, and if not, indicate which named inventor is the prior inventor.

(h) *Parties to a joint research agreement.* If an application discloses or is amended to disclose the names of parties to a joint research agreement under 35 U.S.C. 103(c)(2)(C), the parties to the joint research agreement are considered to be the same person for purposes of this section. If the application is amended to disclose the names of parties to a joint research

agreement, the identification of such one or more other nonprovisional applications as required by paragraph (f)(1) of this section must be submitted with such amendment unless such identification is or has been submitted within the four-month period specified in paragraph (f)(1) of this section.

(i) *Time periods not extendable*: The time periods set forth in this section are not extendable.

■ 9. Section 1.104 is amended by revising paragraphs (a)(1) and (b) to read as follows:

§ 1.104 Nature of examination.

(a) *Examiner's action*. (1) On taking up an application for examination or a patent in a reexamination proceeding, the examiner shall make a thorough study thereof and shall make a thorough investigation of the available prior art relating to the subject matter of the claimed invention. The examination shall be complete with respect both to compliance of the application or patent under reexamination with the applicable statutes, rules, and other requirements, and to the patentability of the invention as claimed, as well as with respect to matters of form, unless otherwise indicated.

* * * * *

(b) *Completeness of examiner's action*. The examiner's action will be complete as to all matters, except that in appropriate circumstances, such as misjoinder of invention, fundamental defects in the application, and the like, the action of the examiner may be limited to such matters before further action is made.

* * * * *

■ 10. Section 1.105 is amended by adding a new paragraph (a)(1)(ix) to read as follows:

§ 1.105 Requirements for information.

(a)(1) * * *

(ix) *Support in the specification*: Where (by page and line or paragraph number) in the specification of the application, or any application the benefit of whose filing date is sought under title 35, United States Code, there is written description support for the invention as defined in the claims (whether in independent or dependent form), and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the invention, under the first paragraph of 35 U.S.C. 112.

* * * * *

■ 11. Section 1.110 is revised to read as follows:

§ 1.110 Inventorship and date of invention of the subject matter of individual claims.

When more than one inventor is named in an application or patent, the Office may require an applicant, patentee, or owner to identify the inventive entity of the subject matter of each claim in the application or patent when necessary for purposes of an Office proceeding. Where appropriate, the invention dates of the subject matter of each claim and the ownership of the subject matter on the date of invention may be required of the applicant, patentee or owner. *See also* §§ 1.78 and 1.130.

■ 12. Section 1.114 is amended by revising paragraphs (a) and (d), and by adding new paragraphs (f), (g), and (h), to read as follows:

§ 1.114 Request for continued examination.

(a) If prosecution in an application is closed, an applicant may, subject to the conditions of this section, file a request for continued examination of the application accompanied by a submission, the fee set forth in § 1.17(e), and if required, a petition under paragraph (g) of this section accompanied by the fee set forth in § 1.17(f), prior to the earliest of:

(1) Payment of the issue fee, unless a petition under § 1.313 is granted;

(2) Abandonment of the application; or

(3) The filing of a notice of appeal to the U.S. Court of Appeals for the Federal Circuit under 35 U.S.C. 141, or the commencement of a civil action under 35 U.S.C. 145 or 146, unless the appeal or civil action is terminated.

* * * * *

(d) If an applicant files a request for continued examination under this section after appeal, but prior to a decision on the appeal, the request for continued examination will also be treated as a request to withdraw the appeal and to reopen prosecution of the application before the examiner. An appeal brief (§ 41.37 of this title), a reply brief (§ 41.41 of this title), or related papers will not be considered a submission under this section.

* * * * *

(f) An applicant may file a request for continued examination under this section in an application without a petition under paragraph (g) of this section if the conditions set forth in at least one of paragraphs (f)(1), (f)(2), or (f)(3) of this section are satisfied:

(1) A request for continued examination under this section has not previously been filed in any of:

(i) The application;

(ii) Any application whose benefit is claimed under 35 U.S.C. 120, 121, or 365(c) in such application; and

(iii) Any application that claims the benefit under 35 U.S.C. 120, 121, or 365(c) of such application, not including any nonprovisional application that satisfies the conditions set forth in § 1.78(d)(1)(ii), (d)(1)(iii) or (d)(1)(vi).

(2) The application is a divisional application that satisfies the conditions set forth in § 1.78(d)(1)(ii), and a request for continued examination under this section has not previously been filed in any of:

(i) The divisional application; and

(ii) Any application that claims the benefit under 35 U.S.C. 120, 121, or 365(c) of such divisional application, not including any nonprovisional application that satisfies the conditions set forth in § 1.78(d)(1)(ii), (d)(1)(iii) or (d)(1)(vi).

(3) The application is a continuation application that claims the benefit under 35 U.S.C. 120, 121, or 365(c) of a divisional application and satisfies the conditions set forth in § 1.78(d)(1)(iii), and a request for continued examination under this section has not been filed in any of:

(i) The continuation application;

(ii) The divisional application; and

(iii) Any other application that claims the benefit under 35 U.S.C. 120, 121, or 365(c) of such divisional application, not including any nonprovisional application that satisfies the conditions set forth in § 1.78(d)(1)(ii), (d)(1)(iii) or (d)(1)(vi).

(g) A request for continued examination must include a petition accompanied by the fee set forth in § 1.17(f) and a showing that the amendment, argument, or evidence sought to be entered could not have been submitted prior to the close of prosecution in the application, except as otherwise provided in paragraph (f) of this section.

(h) The filing of an improper request for continued examination, including a request for continued examination with a petition under paragraph (g) of this section that is not grantable, will not stay any period for reply that may be running against the application, nor act as a stay of other proceedings.

■ 13. Section 1.117 is added to read as follows:

§ 1.117 Refund due to cancellation of claim.

(a) If an amendment canceling a claim is filed before an examination on the merits has been made of the application, the applicant may request a refund of any fee under § 1.16(h), (i), or (j) or under § 1.492(d), (e), or (f) paid on or after December 8, 2004, for such claim. If an amendment adding one or more claims is also filed before the application has been taken up for examination on the merits, the Office may apply any refund under § 1.117 to any excess claims fees due as a result of such an amendment. The date indicated on any certificate of mailing or transmission under § 1.8 will not be taken into account in determining whether an amendment canceling a claim was filed before an examination on the merits has been made of the application.

(b) If a request for refund under this section is not filed within two months from the date on which the claim was canceled, the Office may retain the excess claims fee paid in the application. This two-month period is not extendable. If an amendment canceling a claim is not filed before an examination on the merits has been made of the application, the Office will not refund any part of the excess claims fee paid in the application except as provided in § 1.26.

■ 14. Section 1.136 is amended by revising paragraph (a)(1) to read as follows:

§ 1.136 Extensions of time.

(a)(1) If an applicant is required to reply within a nonstatutory or shortened statutory time period, applicant may extend the time period for reply up to the earlier of the expiration of any maximum period set by statute or five months after the time period set for reply, if a petition for an extension of time and the fee set in § 1.17(a) are filed, unless:

- (i) Applicant is notified otherwise in an Office action;
- (ii) The reply is to a notice requiring compliance with § 1.75(b) or § 1.265;
- (iii) The reply is a reply brief submitted pursuant to § 41.41 of this title;
- (iv) The reply is a request for an oral hearing submitted pursuant to § 41.47(a) of this title;
- (v) The reply is to a decision by the Board of Patent Appeals and Interferences pursuant to § 1.304 or to § 41.50 or § 41.52 of this title; or
- (vi) The application is involved in a contested case (§ 41.101(a) of this title).

* * * * *

■ 15. Section 1.142 is amended by revising paragraph (a) and adding new paragraph (c) to read as follows:

§ 1.142 Requirement for restriction.

(a) If two or more independent and distinct inventions are claimed in a single application, the examiner in an Office action may require the applicant in the reply to that action to elect an invention to which the claims will be restricted, this official action being called a requirement for restriction (also known as a requirement for division). Such requirement will normally be made before any action on the merits; however, it may be made at any time before final action.

* * * * *

(c) If two or more independent and distinct inventions are claimed in a single application, the applicant may file a suggested requirement for restriction under this paragraph. Any suggested requirement for restriction must be filed prior to the earlier of the first Office action on the merits or an Office action that contains a requirement to comply with the requirement of unity of invention under PCT Rule 13 or a requirement for restriction under 35 U.S.C. 121 in the application. Any suggested requirement for restriction must also be accompanied by an election without traverse of an invention to which there are no more than five independent claims and no more than twenty-five total claims, and must identify the claims to the elected invention. If the suggested requirement for restriction is accepted, the applicant will be notified in an Office action that will contain a requirement for restriction under paragraph (a) of this section. Any claim to the non-elected invention or inventions, if not canceled, is by the election withdrawn from further consideration.

■ 16. Section 1.145 is revised to read as follows:

§ 1.145 Subsequent presentation of claims for different invention.

If, after an Office action on the merits on an application, the applicant presents claims directed to an invention distinct from and independent of the invention previously claimed, the applicant may be required to restrict the claims to the invention previously claimed if the amendment is entered, subject to reconsideration and review as provided in §§ 1.143 and 1.144.

■ 17. Section 1.265 is added to read as follows:

§ 1.265 Examination support document.

(a) An examination support document as used in this part means a document that includes the following:

(1) A statement that a preexamination search in compliance with paragraph (b) of this section was conducted, including an identification of the field of search by United States class and subclass and the date of the search, where applicable, and, for database searches, the search logic or chemical structure or sequence used as a query, the name of the file or files searched and the database service, and the date of the search;

(2) A listing of the reference or references deemed most closely related to the subject matter of each of the claims (whether in independent or dependent form) in compliance with paragraph (c) of this section;

(3) For each reference cited, an identification of all of the limitations of each of the claims (whether in independent or dependent form) that are disclosed by the reference;

(4) A detailed explanation particularly pointing out how each of the independent claims is patentable over the cited references; and

(5) A showing of where each limitation of each of the claims (whether in independent or dependent form) finds support under the first paragraph of 35 U.S.C. 112 in the written description of the specification. If the application claims the benefit of one or more applications under title 35, United States Code, the showing must also include where each limitation of each of the claims finds support under the first paragraph of 35 U.S.C. 112 in each such priority or benefit application in which such support exists.

(b) The preexamination search referred to in paragraph (a)(1) of this section must involve U.S. patents and patent application publications, foreign patent documents, and non-patent literature, unless the applicant justifies with reasonable certainty that no references more pertinent than those already identified are likely to be found in the eliminated source and includes such a justification with the statement required by paragraph (a)(1) of this section. The preexamination search referred to in paragraph (a)(1) of this section must be directed to the claimed invention and encompass all of the limitations of each of the claims (whether in independent or dependent form), giving the claims the broadest reasonable interpretation.

(c) The listing of references required under paragraph (a)(2) of this section as part of an examination support document must include a list identifying each of the cited references

in compliance with paragraphs (c)(1) and (c)(2) of this section, a copy of each reference if required by paragraph (c)(3) of this section, and each English language translation if required by paragraph (c)(4) of this section.

(1) The list of cited references must itemize U.S. patents and U.S. patent application publications (including international applications designating the U.S.) in a section separate from the list of other references. Each page of the list of the cited references must include:

(i) The application number, if known, of the application in which the examination support document is being filed;

(ii) A column that provides a space next to each cited reference for the examiner's initials; and

(iii) A heading that clearly indicates that the list is part of an examination support document listing of references.

(2) The list of cited references must identify each cited reference as follows:

(i) Each U.S. patent must be identified by first named patentee, patent number, and issue date.

(ii) Each U.S. patent application publication must be identified by applicant, patent application publication number, and publication date.

(iii) Each U.S. application must be identified by the applicant, application number, and filing date.

(iv) Each foreign patent or published foreign patent application must be identified by the country or patent office which issued the patent or published the application, an appropriate document number, and the publication date indicated on the patent or published application.

(v) Each publication must be identified by publisher (e.g., name of journal), author (if any), title, relevant pages of the publication, date, and place of publication.

(3) The listing of references required under paragraph (a)(2) of this section must also be accompanied by a legible copy of each cited reference, except for references that are U.S. patents or U.S. patent application publications.

(4) If a non-English language document is being cited in the listing of references required under paragraph (a)(2) of this section as part of an examination support document, any existing English language translation of the non-English language document must also be submitted if the translation is within the possession, custody, or control of, or is readily available to any individual identified in § 1.56(c).

(d) If an information disclosure statement is filed in an application in

which an examination support document is required and has been filed, the applicant must also file a supplemental examination support document addressing the reference or references in the manner required under paragraphs (a)(3) and (a)(4) of this section unless the information disclosure statement cites only references that are less closely related to the subject matter of one or more claims (whether in independent or dependent form) than the references cited in the examination support document listing of references under paragraph (a)(2) of this section.

(e) If an examination support document is required, but the examination support document or preexamination search is deemed to be insufficient, or the claims have been amended such that the examination support document no longer covers each of the claims, applicant will be notified and given a two-month time period that is not extendable under § 1.136(a) within which, to avoid abandonment of the application, the applicant must:

(1) File a corrected or supplemental examination support document in compliance with this section that covers each of the claims (whether in independent or dependent form); or

(2) Amend the application such that it contains no more than five independent claims and no more than twenty-five total claims.

(f) An examination support document, or a corrected or supplemental examination support document, is not required to comply with the requirements set forth in paragraph (a)(3) of this section if the examination support document is accompanied by a certification that any rights in the application have not been assigned, granted, conveyed, or licensed, and there is no obligation under contract or law to assign, grant, convey, or license any rights in the application, other than a security interest that has not been defaulted upon, to any entity other than:

(1) A business or other concern:
(i) Whose number of employees, including affiliates, does not exceed 500 persons; and

(ii) Which has not assigned, granted, conveyed, or licensed (and is under no obligation to do so) any rights in the invention to any person who made it and could not be classified as an independent inventor, or to any concern which would not qualify as a non-profit organization or a small business concern under paragraph (f)(1)(i) of this section.

(2) A not-for-profit enterprise which is independently owned and operated and is not dominant in its field; or

(3) A government of a city, county, town, township, village, school district, or special district, with a population of less than fifty thousand.

■ 18. Section 1.495 is amended by revising paragraph (g) to read as follows:

§ 1.495 Entering the national stage in the United States of America.

* * * * *

(g) The documents and fees submitted under paragraphs (b) and (c) of this section must be clearly identified as a submission to enter the national stage under 35 U.S.C. 371. If the documents and fees contain conflicting indications as between an application under 35 U.S.C. 111 and a submission to enter the national stage under 35 U.S.C. 371, the documents and fees will be treated as a submission to enter the national stage under 35 U.S.C. 371.

* * * * *

■ 19. Section 1.704 is amended by redesignating paragraph (c)(11) as (c)(12) and adding new paragraph (c)(11) to read as follows:

§ 1.704 Reduction of period of adjustment of patent term.

* * * * *

(c) * * *

(11) Failure to comply with § 1.75(b), in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the day after the date that is the later of the filing date of the amendment resulting in the non-compliance with § 1.75(b), or four months from the filing date of the application in an application under 35 U.S.C. 111(a) or from the date on which the national stage commenced under 35 U.S.C. 371(b) or (f) in an application which entered the national stage from an international application after compliance with 35 U.S.C. 371, and ending on the date that an examination support document in compliance with § 1.265, an election in reply to a requirement under § 1.142(a), 1.146 or 1.499 resulting in compliance with § 1.75(b), an amendment resulting in compliance with § 1.75(b), or a suggested restriction requirement in compliance with § 1.142(c), was filed;

* * * * *

Dated: August 2, 2007.

Jon W. Dudas,

Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

[FR Doc. E7-15565 Filed 8-20-07; 8:45 am]

BILLING CODE 3510-16-P