



EVERYTHING MATTERS

# **Overview and Strategies regarding the USPTO's *Final* Rules concerning:**

- **Continuing Applications**
- **Quantity of Claims, and**
- **Related Changes**

Dale S. Lazar  
Andrew B. Schwaab  
September 2007

Approved – by OMB on July 9, 2007

Published – Tuesday, August 21, 2007, in *Federal Register*

Effective date – November 1, 2007

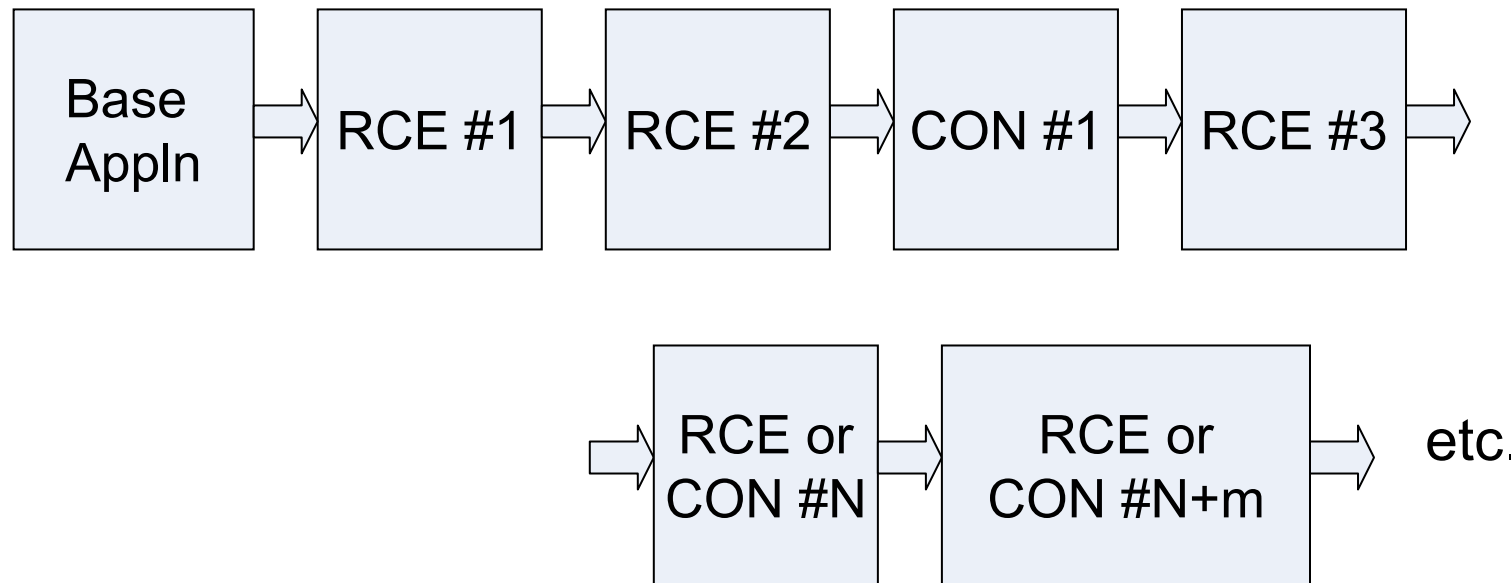
1. Limitations to Continuing Applications
2. Limitations to Claims
3. Examination Support Documents (ESDs)
4. Suggested Requirement for Restriction (SRR)
5. Petitions re: Additional Continuing Applications and RCEs
6. Identification of Commonly-Owned Applications
7. Transitional Rules, vis-à-vis November 1, 2007
8. Strategies

# Part 1 – Limits to Continuing Applications



## Former U.S. Continuing Practice

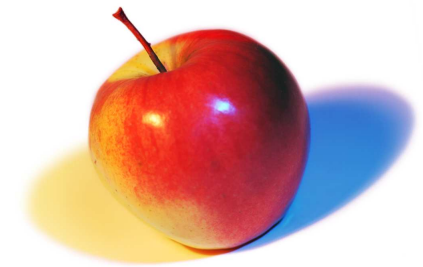
- Previously, Applicants could prosecute applications indefinitely



# 1. Summary of Changes: Continuing Application Practice

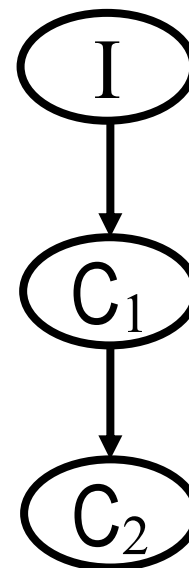
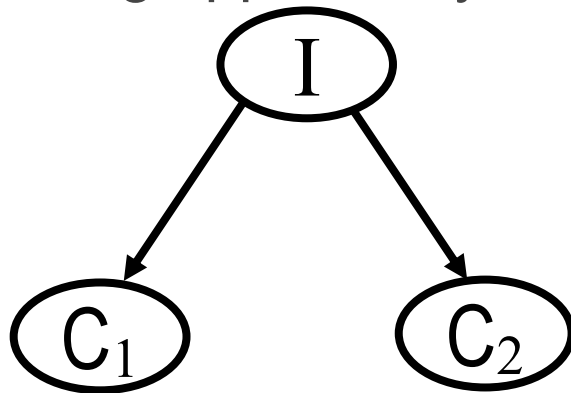


- Continuing Applns – Applicants get “3 Bites at the Apple”:
  - 1 Base Appln + 2 Continuing Applications, defining a “family”
  - Only 1 RCE per family
  - 3 patents, without justification, for each original application
- In conjunction with 5/25 limit to claims, permits up to 15/75 claims per invention without justification (petition and showing) or examination support document (ESD)
- Applicant may file, without justification, an additional continuing application of an application filed or entering the national stage before August 21, 2007



# 1. Summary of Changes: Continuing Application Practice

- Applicants may file additional continuing applications or RCEs with justification (petition and showing). See Sec. 5
- Continuing applns may be CONs or CIPs
- Continuing applns may be filed in parallel or series



- But beware, parallel applns may trigger 5/25 & ESD issues





# 1. Summary of Changes: Continuing Application Practice

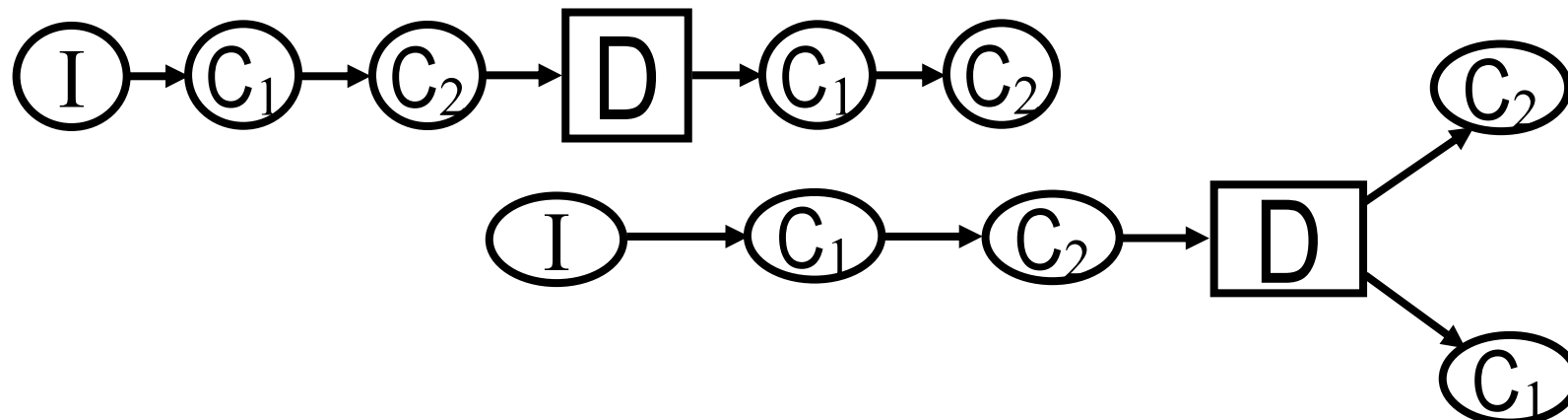


- Applicant may file, without justification, an additional (3<sup>rd</sup>) continuing application of an international (PCT) appln designating the U.S., if:
  - The Demand and basic national fee have not been filed, and
  - The Int'l Appln does not claim the benefit of any other nonprovisional or int'l appln designating the U.S.
- An additional (3<sup>rd</sup>) continuing application may also be filed without justification if the prior-filed application was an original application that became abandoned for failure to reply to an Office notice issued under 37 CFR 1.53(f) (e.g., Applicant filed a CON or CIP rather than completing the original application in reply to a notice to file missing parts)

# 1. Summary of Changes: Continuing Application Practice



- Applicants may file a divisional application if:
  - The base appln is subject to a restriction requirement, and
  - The DIV appln claims only a non-elected invention or non-elected inventions that has/have not been examined
- Applicants may file 2 continuations off each divisional appln
  - Each divisional acts as a base application to a new family
  - Similarly, one RCE is available for each family

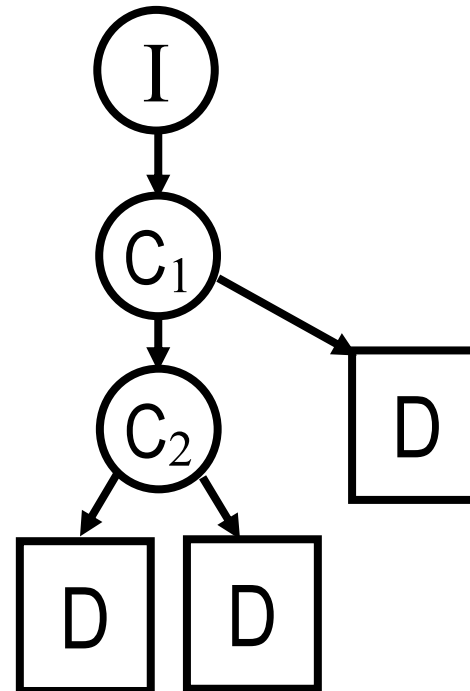
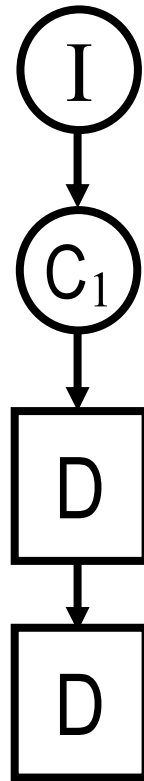




# 1. Summary of Changes: Continuing Application Practice



- Divisional applns may be filed in series or parallel
  - Again beware, parallel applns may trigger 5/25 & ESD issues



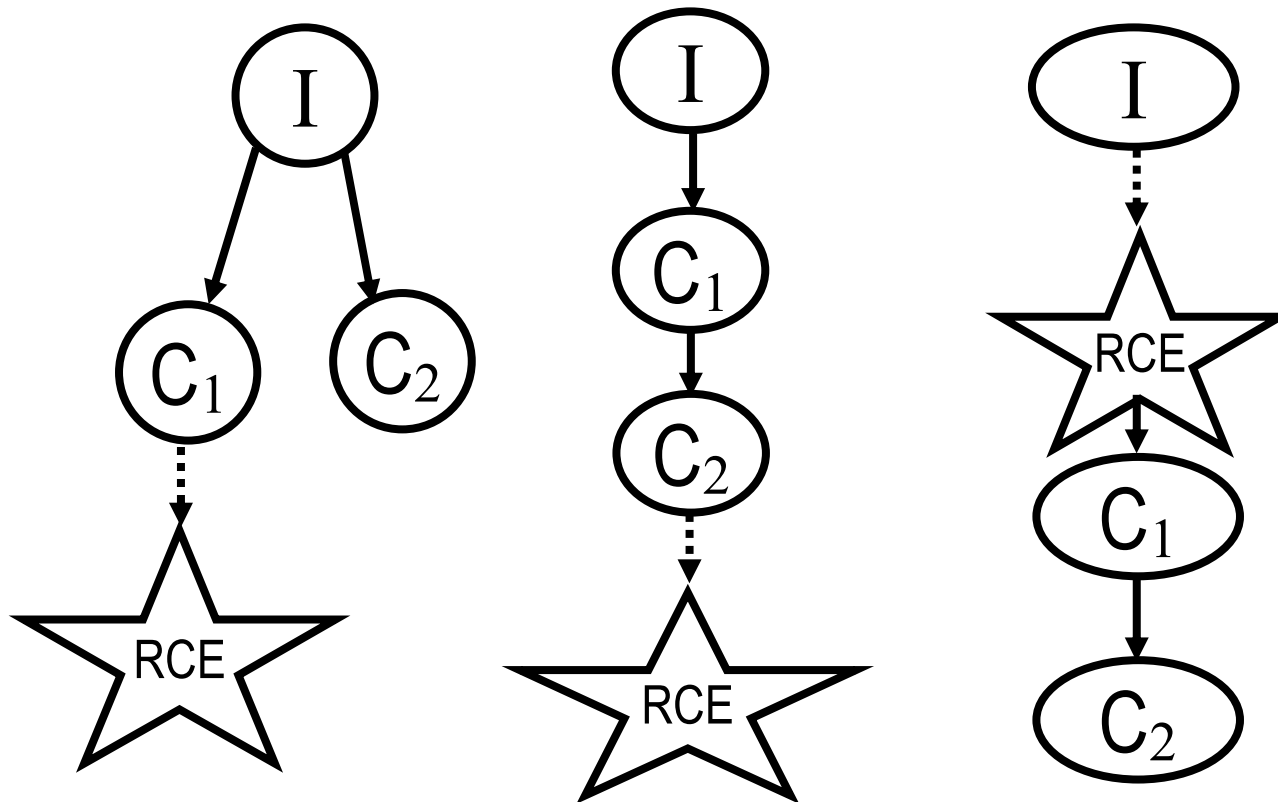
# 1. Summary of Changes: Continuing Application Practice



- A CIP may not be filed off of a divisional
- Applicants may not file “voluntary” divisional applications when the prior-filed application was not subject to a requirement for restriction. Such applications are to be filed and treated as “continuation” applications
  - 35 U.S.C. 121 authorizes, but does not compel, the USPTO to require that an application containing two or more independent and distinct inventions be restricted to one of the inventions. See MPEP § 803.
  - Of course, applicant may suggest a requirement for restriction (SRR) under 37 CFR 1.142(c). See Section 4.

# 1. Summary of Changes: Continuing Application Practice

- The allotted RCE may be filed to continue prosecution of any single member of the family



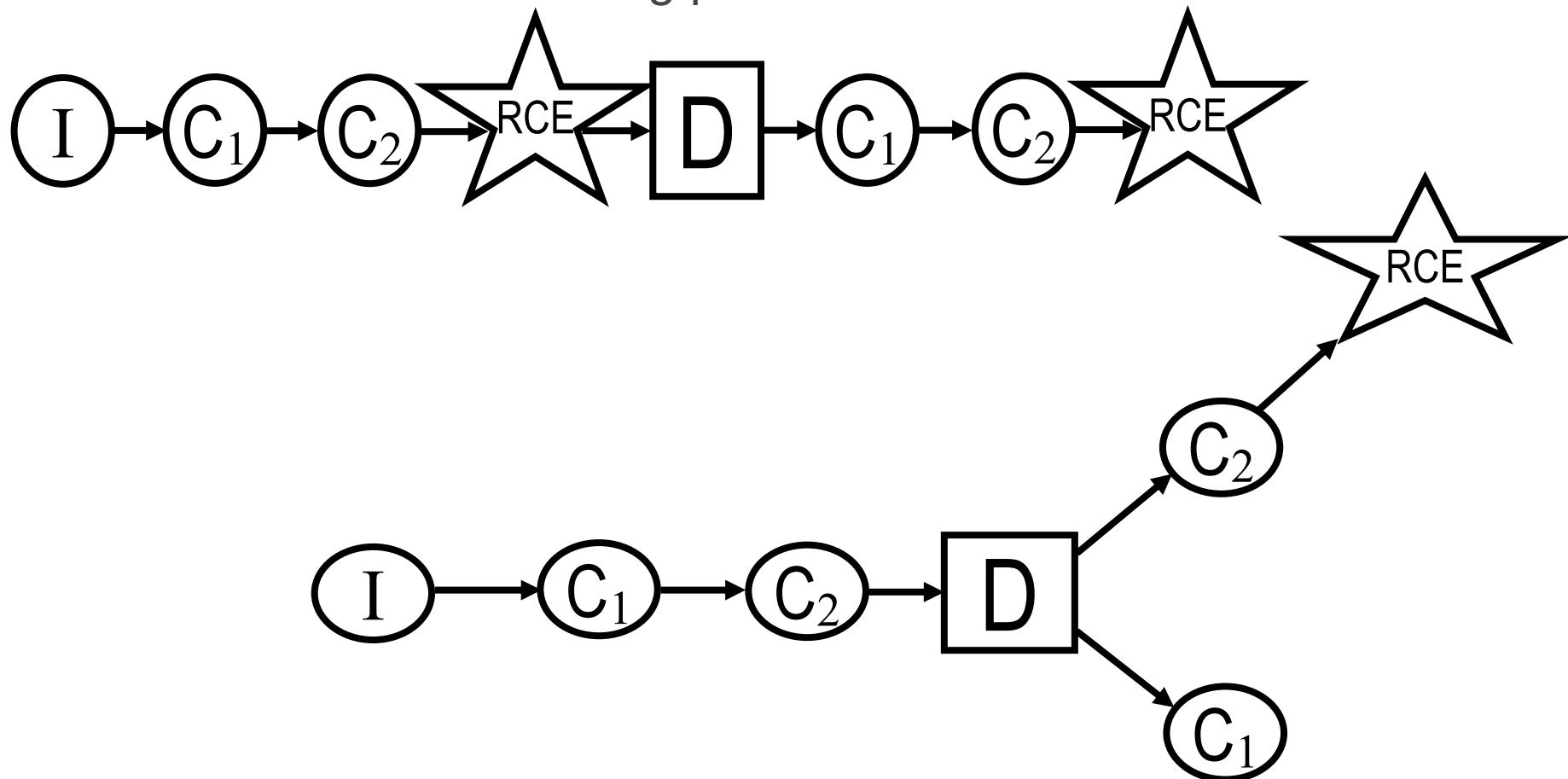
# 1. Summary of Changes: Continuing Application Practice



- For continuation applications filed after the effective date, Applicants may request and receive an optional “streamlined continuation application procedure,” which places the application on the Examiner’s amended (Regular Amended) docket, rather than his or her new continuing application (New Special) docket
  - Docketed faster (examined more quickly)
  - Useful, for example, when lone RCE has been used
  - Informalities issues with application papers will, of course, delay expedited docketing to the Examiner

# 1. Summary of Changes: Continuing Application Practice

- Taken together, the rules circumscribe limited “families” having more restricted continuing prosecution structures

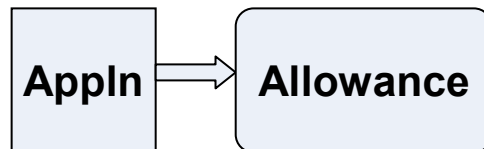


# 1. Overview of Changes: Continuing Application Practice

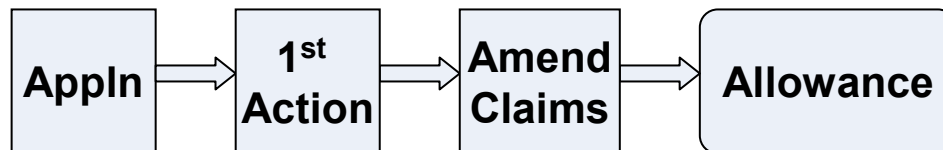


Basic prosecution of U.S. applications

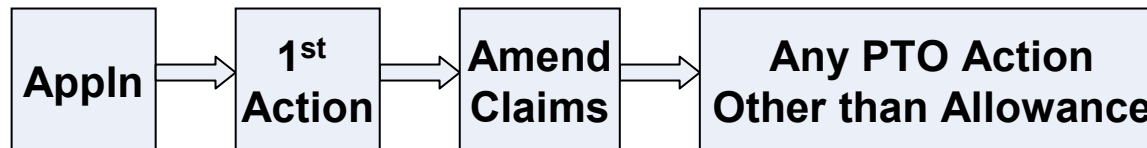
- In a perfect world



- Also preferable under the new rule, as no “bite” (patent) is lost



- But if 2<sup>nd</sup> Action  $\neq$  Allowance, then a “bite” (patent) may be lost

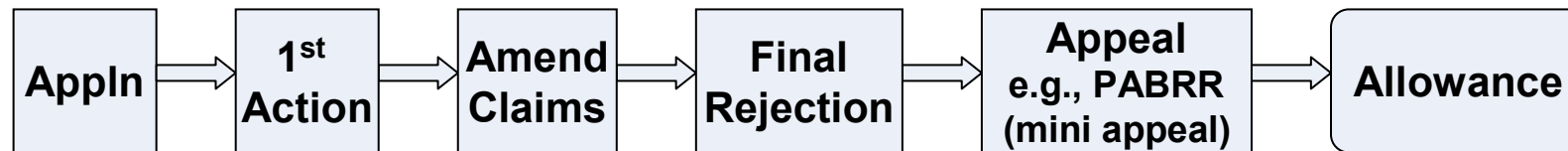
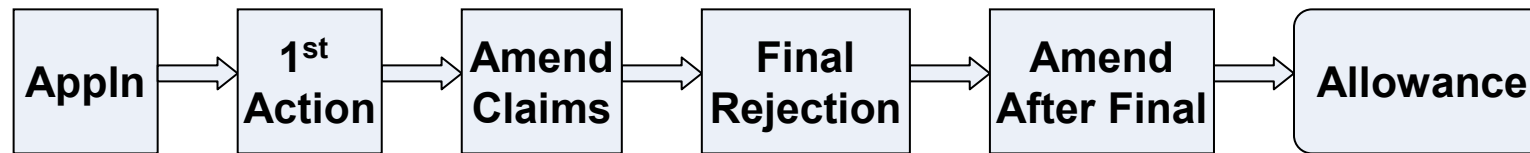




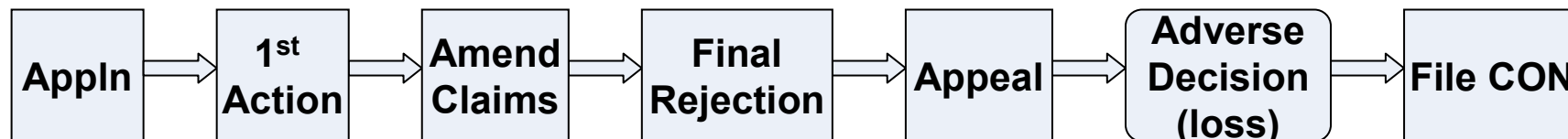
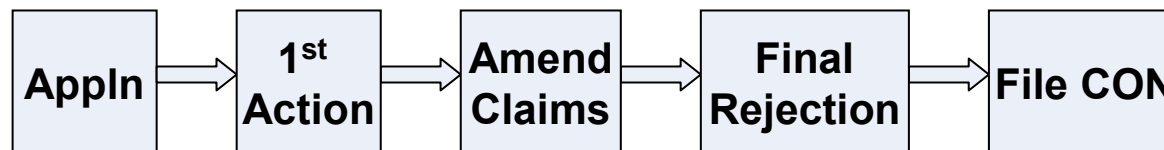
# 1. Overview of Changes: Continuing Application Practice



No “bite” (patent) is lost



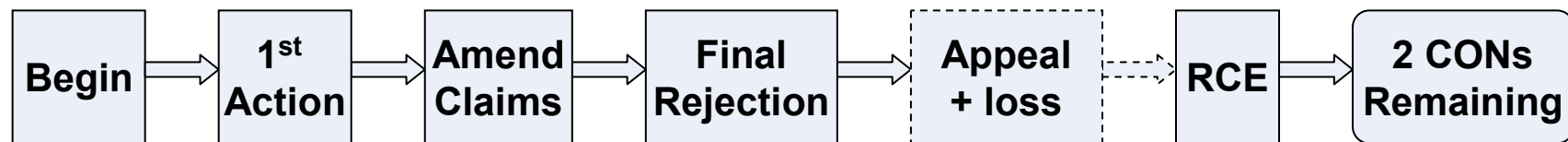
Absent RCE, a “bite” (patent) is lost



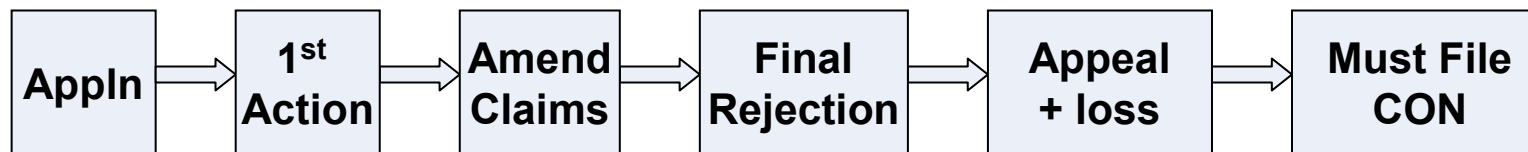
# 1. Overview of Changes: Continuing Application Practice



During one of three “bites” you may file RCE



However, after one and only RCE is used, a losing position in response to a Final Office Action will cost one “bite” (patent)



The rule changes to examination of claims under § 1.75 are applicable to:

- Applications<sup>†</sup> filed on or after November 1, 2007;
- Applications entering national phase on or after November 1, 2007; and
- Applications<sup>†</sup> in which a First Action On the Merits (FAOM) was not mailed before November 1, 2007.

<sup>†</sup> – Including reissue applications, but not reexaminations

## 2. Summary of Changes: Claims - Limitations to Claims



- Applicants may present, without an examination support document (ESD), up to “5/25” claims:
  - Five (5) independent claims, or
  - Twenty-five (25) total claims in an application.
- Applicants may present more than 5/25 claims, if applicant files an ESD before the first Office Action on the merits (FAOM). See Section 4.
- The 5/25 threshold does not count withdrawn claims
  - Applicant may provide a suggested restriction requirement (SRR) before first Office Action/Restriction Requirement

## 2. Summary of Changes: Claims - Limitations to Claims



- The 5/25 threshold does count all of the claims present in other copending application(s) having a patentably indistinct claim, but not the claims in issued patents or allowed, abandoned or applications on appeal (to D.C./CAFC)
- Thus, Applicants may present up to 15/75 claims via an initial application and 2 CONs or CIPs *prosecuted serially* (i.e., each CON or CIP filed only after allowance)
- If however, the applns are prosecuted in parallel, the presumption of patentably indistinct claims could arise if the total claims are over 5/25 threshold, and Applicant may be forced to dispute the presumption (i.e., submit rebuttal, terminal disclaimer, etc.) or address the resulting ESD/conformance issues

## 2. Summary of Changes: Claims - Patentably Indistinct Claims



- Applicants must identify other commonly owned cases (applications or patents) that have:
  - An inventor in common with the application; and
  - A claimed filing or priority date within two months of the claimed filing or priority date of the application.
- But the Office may consider all commonly-owned cases
- There is a rebuttable presumption that the subject cases contain at least one patentably indistinct claim, *if the other commonly-owned case also has*:
  - Substantial overlapping disclosure with the application, and
  - A claimed filing or priority date that is the same as the claimed filing or priority date of the application.



## 2. Summary of Changes: Claims - Patentably Indistinct Claims



- For commonly-owned pending applications that contain at least one patentably indistinct claim:
  - The Office will treat each application as having the total quantity of claims present in all such applications in determining whether each application exceeds the 5/25 claim threshold. See § 1.75(b)(4).
  - In the absence of good and sufficient reason, the Office may require elimination of the patentably indistinct claims from all but one of the applications. See § 1.78(f)(3).
- Applicant will be notified if the application contains more than 5/25 claims where an ESD in compliance with 37 CFR 1.265 has been omitted. See § 1.75(b)(3). For applications:
  - Filed on or after the effective date, Applicants given 2 months (non-extendable) to (i) file ESD, or (ii) amend to conform with 5/25.
  - Filed before effective date, Applicants given 2 months (extendable to 6) to (i) file ESD, or (ii) conform with 5/25, or (iii) file SRR.
  - See Section 7, *infra*, for additional details.

## 2. Summary of Changes: Claims - Patentably Indistinct Claims



- If a reply to notification of exceeding the 5/25 threshold is non-compliant, but the non-responsiveness appears inadvertent, Applicant will be given 2 months (non-extendable) to conform.
- Withdrawn claims are not counted, nor are claims of a prior-filed application if the prior-filed application is “no longer pending,” i.e., when:
  - Notice of Allowance issues, unless appln withdrawn from issue;
  - The Office recognizes the application as abandoned;
  - Notice of Appeal to CAFC filed, unless terminated; or
  - Civil Action under 35 USC 145/146 filed, unless terminated.

## 2. Summary of Changes: Claims - Patentably Indistinct Claims



Notification re exceeding the 5/25 threshold when the Office counts the claims of another application:

- If before FAOM, Office will send notice requiring an ESD and giving Applicants 2 months (non-extendable) to
  - Cancel patentably indistinct claims from all but one appln;
  - File and ESD before a FAOM; or
  - Amend the applns such that they, together, conform with 5/25.
- Even for cases where a FAOM *has* been issued, Applicants given Notice and 2 months (non-extendable) to
  - Cancel patentably indistinct claims from all but one appln; or
  - Amend the applns such that they, together, conform with 5/25.

## Part 3 – Examination Support Documents



An ESD in compliance with 37 CFR § 1.265 is required for more than 5 independent or 25 total claims, and must include:

(a)(1) A statement that a preexamination search under 265(b) was conducted including identification of

- The field of search (FOS) by U.S. class and subclass, and the date of search, where applicable
- For database searches, the search logic (terms) or queries, the file(s) searched & the database service, and the date of search

(a)(2) A listing of reference(s) deemed most closely related to the subject matter in compliance with 265(c)

(a)(3) For each reference cited, identification of all limitations (independent or dependent) that are disclosed by the reference {Small entities exempt under § 1.265(f)}

### 3. Summary of Changes: Examination Support Documents (ESDs)



An ESD must include [continued]:

- (a)(4) A detailed explanation particularly pointing out how each of the independent claims is patentable over the cited references
- (a)(5) A showing of where each limitation of each of the claims (independent and dependent) finds support under 35 USC § 112, ¶1, in the written description
  - If the application claims the benefit of one or more other applns under 35 USC, the showing must also include where each limitation of each of the claims finds support under § 112, ¶1, in each such priority or benefit appln in which such support exists

For any means- (or step-) plus-function claim elements, each limitation invoking 35 USC § 112, ¶6, and the corresponding structure, material or act must be identified

### 3. Summary of Changes: Examination Support Documents (ESDs)



A Preexamination Search under 37 CFR § 1.265(b) 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
- Be directed to the claimed invention and encompass all of the limitations of each of the claims (independent and dependent), giving the claims the broadest reasonable interpretation



### 3. Summary of Changes: Examination Support Documents (ESDs)



A Listing of References under 37 CFR § 1.265(c) must include a copy of each reference that is not a US patent publication, as well as an English language translation as specified under (c)(4)

- If (i) within possession/custody/control or (ii) readily available

If an ESD or preexamination search is deemed to be insufficient, or the claims have been amended outside the initially-identified scope, applicant has 2 months to:

- File a corrected or supplemental ESD covering all claims, or
- Amend the application such that it contains no more than 5 independent claims and no more than 25 total claims

### **3. Summary of Changes: Examination Support Documents (ESDs)**



A Supplemental ESD is required if:

- The claims have been amended such that the previously filed ESD no longer covers each of the claims, or
- An IDS is filed in an application subject to ESD requirements; if so, the supplemental ESD must address the reference(s) in the manner required under 1.265(a)(3) and (a)(4) unless the IDS 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 ESD listing of references

## Part 4 – Suggested Restriction Requirement



If an application contains claims to more than one invention, applicants may file a suggested requirement for restriction (SRR) under 37 CFR § 1.142(c)

Any SRR must be:

- Accompanied by an election of an invention, without traverse
- An election of no more than 5/25 claims, identifying the elected claims; and
- Filed before the earlier of a First Action On the Merits (FAOM) or a restriction requirement

Once the Office issues a restriction requirement, applicant may not simply submit an alternative SRR

## 4. Summary of Changes: Suggested Requirement for Restriction (SRR)



If the SRR is accepted

- The claims to the non-elected invention(s) will be withdrawn
- The claims to the elected invention will be examined; and
- The FAOM will set out the restriction requirement in a manner similar to existing telephonic restriction/election practice
  - See MPEP 810

Note – excess claims fees cannot be refunded for withdrawn claims that are not canceled prior to a FAOM

- See 35 USC 41(a)(2)

## 4. Summary of Changes: Suggested Requirement for Restriction (SRR)



If a SRR is not accepted in an application containing more than 5/25 claims, the Applicant will be notified

- The Examiner may make no requirement, or he or she may issue a different restriction requirement

If the Examiner does not make a restriction requirement, the Notice will provide a 2 month time period (non extendable) during which, to avoid abandonment, Applicant must:

- File an ESD in compliance with § 1.265; or
- Amend the application to contain no more than 5/25 claims.

## 4. Summary of Changes: Suggested Requirement for Restriction (SRR)



If the Examiner makes a different restriction requirement, the Notice will provide a 2 month time period (non extendable) during which, to avoid abandonment, Applicant must:

- Make an election to avoid abandonment
- If the elected invention is drawn to more than 5/25 claims, Applicant must also
  - File an ESD in compliance § 1.265 that covers each elected claim; or
  - Amend the application to contain no more than 5/25 claims.



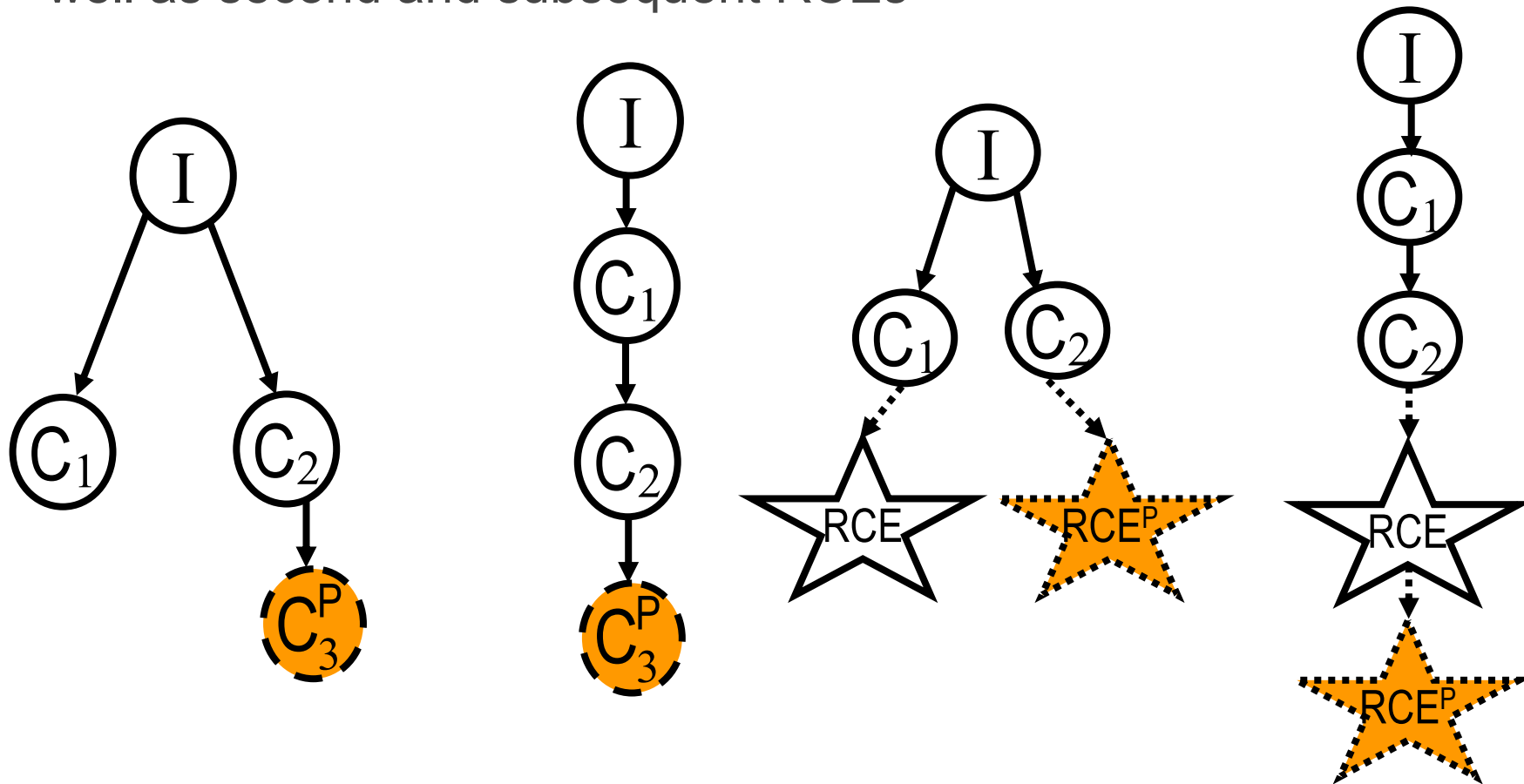
A petition for a third or subsequent CON or CIP application or a second or subsequent RCE requires:

- A petition in compliance with § 1.78(d)(I)(vi) or 1.114(g);
- Petition fee per § 1.17(f);
- An amendment, argument, or evidence; and
- A showing that the amendment, argument, or evidence sought to be entered could not have been submitted during the prosecution of the prior-filed application, or prior to the close of prosecution in the application.

➤ Note: "An amendment, argument, or evidence" includes any new claims in a continuing application, but not an IDS.

## 5. Petition and Showing re: Additional CONs, CIPs, and RCEs

Justification is required for third or subsequent CONs/CIPs as well as second and subsequent RCEs



## 5. Summary of Changes: Petition and Showing



- If the issue goes to the merits of a rejection, Applicant should file an appeal to the BPAI
- The Office may review the prosecution history of the prior-filed applications or require additional information
- The Office decides petitions on a case-by-case basis, and may also consider the following factors:
  - Whether Applicant should file an appeal or a petition under § 1.181 (i.e., for procedural disagreements, objections, etc.) rather than a continuing application or an RCE
  - The number of applications filed in parallel or series with substantially identical disclosures; and
  - Whether the amendment, argument, or evidence was submitted with reasonable diligence

## 5. Summary of Changes: Petition and Showing



Reasonable diligence may take into account:

- the condition of the application at the time of examination (e.g., whether the initial application was in proper form for examination by the time of the first Office action in the initial application, or whether first Office actions regarding objections and 35 U.S.C. 112 issues were necessary)
- the consistency of the Office's position during prosecution (e.g., whether applicant received wholly new prior art rejections versus prior art rejections slightly modified to address the amendments)
- the earnestness of the applicant's efforts to overcome outstanding rejections (e.g., whether replies fully addressed all of the grounds of rejection or objection in the Office actions, or whether amendments or evidence were submitted only when arguments were failing to persuade the examiner)

## 5. Summary of Changes: Petition and Showing



The Office will weigh justification based on the substantive argument and the facts in the record and apply the standard in a consistent manner. There are no situations that will result in *per se* or *pro forma* grant of such petitions

- Focus on whether the new ground of rejection in the final Office action could have been anticipated by the applicant
- Mere statement that the amendment/argument/evidence could not have been submitted earlier is not sufficient
- Mere fact that Examiner made new argument or presented new ground of rejection in final Office Action is not sufficient
- Justification must be submitted once known – Applicant should not present showing in later CON, CIP, or RCE
- Mere fact that subject matter was not present at the time of filing of the prior-filed application (i.e., new subject matter in CIP) is not sufficient

## 5. Summary of Changes: Petition and Showing



The “amendment, argument, or evidence” may be a new set of claims

- The “showing” should be directed to why the new claim(s) could not have been previously submitted. A new claim presented in a continuing application is considered to be an amendment to the claims of the prior-filed application. Thus, here, “amendment” encompasses new claims sought to be introduced in a third or subsequent continuation or CIP application or second or subsequent RCE
- Applicant should file a clean set of claims in the continuation or CIP application rather than a preliminary amendment under 37 CFR 1.115 and 1.121



## Part 6 - Commonly-Owned Applications



- If the application has not been allowed, Applicants must identify other pending applications and patents if the following conditions are met:
  - A claimed filing or priority date within two months of the claimed filing or priority date of the application;
  - The application names at least one inventor in common with the other pending or patented applications; and
  - The application and pending or patented applications are commonly-owned.
- Applicants are encouraged to use the USPTO form “Listing of Commonly Owned Applications and Patents,” available in October

## 6. Summary of Changes: Commonly-Owned Applications



Applicant must submit identification of the commonly-owned applications within the later of:

- Four months from the actual filing date of a nonprovisional application filed under 35 U.S.C. 111(a);
- 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
- Two months from the mailing date of the initial filing receipt in the other nonprovisional application that is required to be identified. See 37 CFR 1.78(f)(1)(ii).

## Part 7 - Transitional Rules



- The rule changes to “continuation” application practice under § 1.78(d) are applicable to:
  - Applications<sup>†</sup> filed on or after November 1, 2007; and
  - Applications entering the national stage on or after November 1, 2007.
- Applicant may file “one more” continuing application, without a petition and showing, for:
  - Applications<sup>†</sup> filed before August 21, 2007; and
  - Applications entering the national stage before August 21, 2007.

<sup>†</sup> - Including reissue applications, but not reexaminations

## 7. Summary of Changes: Transitional Rules – November 1, 2007



The 5/25 claims threshold does not apply to applications in which a FAOM was mailed before November 1, 2007

For applications subject to 5/25 that do not receive a FAOM before November 1, 2007:

- A 5/25 Notice will issue, giving 2 months (extendable to 6) to conform; Applicant must, to avoid abandonment:
  - File a SRR;
  - File an ESD in compliance with 1.265; or
  - Amend the application to contain no more than 5/25 claims.

- *Only action required in every case under the new rules:*  
Applicants must identify other commonly-own applications under 37 CFR § 1.78(f)
  - By February 1, 2008
  - Applies to all applications not allowed
- *Prosecute application prior to filing*
  - Thorough prior art search is more important than ever
  - Confirm claims-as-filed are patentable over search results

## 8. Strategies



- Consider Examiner Interviews to expedite prosecution
  - Use as extra Response/Office Action
- Establish winnable Appeal position in response to the first Office Action
  - Provides better negotiation position during After Final practice
  - New rejection in Final OA may trump this position
- Pursue opportunities for Appeal/Petition (save “bites”)
- Prosecute continuations serially



## 8. Strategies



- Consider submitting petition and showing to secure additional applications, as necessary
  - Minimal downside, and a variety of justifications could succeed
- As a rule, avoid submitting Examination Support Documents
- Consider loading existing FAOM applications with all of the various claims you wish to prosecute
- Draft claims with an eye towards provoking Restriction Requirements

## 8. Strategies



- *For cases you file after November 1, 2007, continue to draft full claim sets as you always have, however*
  - Consider modification of claims and overall claim set with an eye towards precipitating Restriction Requirement
  - Submit application and claims with SRR
  - Drawn up each “group” within the 5/25 threshold
- For existing portfolio, consider identifying all applications that:
  - (1) have used their allotted RCE, (2) have two members in the family, (3) have three or more members in each family, and/or (4) are directed to important subject matter
  - Focus your prosecution strategies to the areas (families) of most concern

THANK YOU FOR YOUR TIME

Dale Lazar

Andy Schwaab

DLA Piper U.S. LLP