

The U.S. Patent Office's continuations and claims limit rules are finally dead

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In a Federal Register notice (74 FR 52686) of October 14, 2009, the U.S. Patent and Trademark Office (USPTO) rescinded the continuations and claims limit rules package that has been the subject of litigation against the USPTO in *Tafas/GSK v. Dudas* and related federal district court injunction. GlaxoSmithKline (GSK) and the USPTO, parties to the litigation, have filed a request of the Federal Circuit to dismiss the appeal in that case and to vacate the federal district court decision below. Dr. Tafas, the original and first plaintiff in this case, refused to join the request for vacatur, which if approved, would effectively "erase" all related legal events and precedents. Apparently, Dr. Tafas wishes the USPTO to remain foreclosed from the authority it sought to assert by these rules.

The USPTO announcement was widely applauded by an overwhelming majority of patent users, with whom the rules were hugely unpopular. In May 2006, eight members of CONNECT at the time along with hundreds of other patent stakeholders submitted public comments to the USPTO, strongly opposing an earlier version of the proposed rules. For the most part, the USPTO ignored the public comments and the final rules published in the Federal Register on August 21, 2007. Shortly thereafter, this author had submitted public comments to the Office of Management and Budget (OMB), showing why the rules package violated the Paperwork Reduction Act (PRA), which resulted in OMB's withholding of its clearance for the rules' information collection under the PRA.

Two regulations in the package, commonly referred to as the "Continuation Rule" and the "RCE Rule," would have permitted an applicant to file only two continuation applications and one request for continued examination (RCE) per application family as a matter of right. For a third or subsequent continuation application or RCE, the applicant would have had to petition and make a case to the USPTO showing why the additional filing was needed. However, in its rulemaking notice, the USPTO clarified the circumstances under which it would deny such petitions, and those were the very circumstances under which most applicants need to file more continuations.

A third regulation, referred to as the "5/25 Claims Rule," would have permitted an applicant to file five independent claims and twenty-five total claims per application. If an applicant desired more than five independent claims or more than twenty-five total claims, then this Rule would have required the applicant to supply an Examination Support Document (ESD) to the USPTO about the claimed invention to assist the Office's examination. The specific information that would have been required was outlined in another regulation, termed the "ESD Rule."

Many in the patent applicant community felt the combination of these new requirements would ultimately have had serious adverse effects on their ability to obtain adequate patent protection. The rules were never implemented as the result of a preliminary injunction granted by the U.S. District Court for the Eastern District of Virginia on October 31, 2007 (the day before they were scheduled to come into effect), which injunction was made permanent by the District Court on April 1, 2008. The rules were declared void by the district court as substantive rules that exceeded the USPTO's rulemaking authority and the government appealed this decision. On appeal, a Federal Circuit panel affirmed the district court's decision as to the continuations rules, but reversed the decision as to the claim limit and RCE

provisions. The Federal Circuit had subsequently vacated its panel decision and agreed to take the case for en banc review. In a July 28, 2009 order, the Federal Circuit granted a stay in the en banc proceedings to give the new Administration an opportunity to reevaluate the government's position. Fortunately, the new USPTO Director, David Kappos, formerly IBM's chief patent counsel, decided to rescind the rules.