



## **SWEEPING CHANGES TO PATENT RULES REQUIRE NEW STRATEGIES**

The US Patent and Trademark Office has implemented sweeping changes to its patent practice rules, effective November 1, 2007. Many of the new rules apply retroactively to applications filed before the November 1. These rule changes create a new environment, requiring new strategies. We discuss the environment and new strategies below.

**Limitations on continuations.** The new rules establish limitations on filing of continuation applications, which traditionally have been a backbone of patent practice, used to seek continued examination of the application and to garner additional patents with more claims.

- Under the new regime, only two continuations, divisionals or continuation-in-part (CIP) applications, plus one request for continuing examination (RCE), may be filed per application family, absent a special showing by petition.
- An exception applies when the Patent and Trademark Office has imposed a restriction requirement (which announces that because the application contains claims for more than one invention, only one group of claims will be examined).
- In the case of a restriction requirement, a "free" divisional may be filed for each of the groups not being examined in the original application, and each of these divisional applications may have two follow-on continuations (but not continuations in part). An applicant for a patent may propose a restriction requirement to help foster the entry of a restriction, which, if entered, would entitle the applicant to file additional divisional applications.

**Stringent prior art search requirements for applications with large numbers of claims.** The new rules also establish special prior art search requirements when an application has more than 25 claims or more than 5 independent claims: all claims must be subject to a prior art search of specified dimensions (US and foreign patent documents as well as non-patent literature) and the prior art search results must be reported in an "examination support document" of specified content, addressing each claim of the application, and filed before the first office action on the merits. These requirements are so stringent, and fraught with risk, as to provide strong motivation to avoid exceeding the numerical limitations on claims.

**New reporting requirements.** Under the new regime, patent filers now have additional reporting requirements. The rules require reporting of commonly owned patent applications having common inventorship. In addition, the rules require reporting, for continuation-in-part applications, on a claim-by-claim basis, each claim finding support in any earlier filed applications, as well as identifying the particular applications.

**The new regime.** The environment created by the new rules means that patent prosecution will be shorter (in number of office actions, although not necessarily in time, given the current backlog at the Patent and Trademark Office). Moreover, applicants have fewer choices.

**Compression.** The new rules have the ultimate effect of compressing patent prosecution. Patent strategy must therefore seek to preserve opportunities for claiming subject matter despite the compression. The compression of patent prosecution makes early and good prior art searches much more important than before, so as to enable the early development of sophisticated claim strategies.

**New patent strategies.** Typical patent strategies in the new environment include:

- Lengthening prosecution (to defer the date for filing a continuation application) by using appeals and using PCT filings as precursors to regular US filings;
- Generating the right to more continuation applications by making conditions ripe for a restriction requirement on the first regular application; and
- Using broadening reissue applications (filed within 2 years after issue of a patent) more frequently (although also subject to the potential requirement of a prior art search and examination support document when numerical claim limitations are exceeded).

**The shape of applications to come: more compact applications, more of them.** In the new environment, the limited number of available continuations makes more challenging the use of a broad application to cover an area of innovation having diverse topics. It is easier in the new environment, instead, to make applications that are more focused. The narrower scope of a focused application will likely prompt use of multiple applications to cover a single area of innovation.

**US strategy meets European strategy.** The limited number of continuations suggests another strategy for protecting improvements, often used in Europe, where continuation-in-part applications are not possible. Because typically an application to protect technology gets published 18 months after an initial patent filing on the technology, one may choose to file a new application (without a priority claim) for an improvement to the technology within 18 months after the initial filing. Even though the new application

does not claim priority from the initial application, the initial application does not generally constitute prior art when the same inventive team is involved throughout the process. Intervening prior art may be a problem--one cannot control whether some third party may publish an article or file a patent application--but the "file-within-18-months" approach may be useful in many cases.

**Things to do now.** For companies and inventors with applications currently pending, there are some things to do (with patent counsel) in the near future to deal with the new rules.

- First, each pending application with more than 25 claims or more than 5 independent claims should be evaluated for the prospect of proposing a restriction requirement that would break the claims into groups, with each group within these numerical limits.
- Second, for each application pending, there should be established a good collection of prior art for assessing as accurately as possible the patentability of each pending claim; if there is not yet a good collection of prior art, then prior art searching should be conducted to get the collection.
- Third, the claims of the application should be evaluated in view of the collection of prior art, so that if necessary the claims can be amended to increase the chances for allowance within the compact constraints of the new regime.
- Fourth, each pending patent application should be scoured for additional subject matter to claim, and claims to that subject matter should be added by amendment if the application is not under final rejection, and otherwise added in the next continuation, so as to maximize the opportunity to pursue claims to such subject matter. (A suggested restriction requirement should be filed in most cases as well.)
- Last, applications under final rejection that have already experienced use of a request for continued examination (RCE) should normally be made the subject of a further RCE before November 1, because for such applications, an RCE will not be available after November 1.

**More effort up front.** The new patent environment compresses patent prosecution, and as a result, requires more effort up front, at greater up front cost to patent owners. On the other hand, despite the enormous complexity of the new rules, more compact patents over time may help simplify patent prosecution. The new rules were developed by the Patent and Trademark Office to help it cope with its increasing workload. We hope that the rules help in that respect, and we look forward to working with our clients to achieve the best possible protection in this new environment. We are happy to respond to client inquiries concerning specific situations.