



New PTO Rules on Continuing Applications and Claim examination Practice: Learning to Count to 2 (+1 RCE) and 5/25

- *NYIPLA Bulletin*, September/October, 2007

Author(s): Charles R. Macedo, Marion P. Metelski

On August 21, 2007, the U.S. Patent and Trademark Office (the “PTO”) published a final rule revising its rules of practice relating to continuing applications, requests for continued prosecution, and examination of claims (the “Final Rule”). See 72 Fed. Reg. 46,715 (Aug. 21, 2007) (to be codified at 37 C.F.R. pt. 1). The stated purpose of the Final Rule is to provide “a better focused and effective examination process” to reduce the extensive backlog of patent applications at the PTO and to improve the quality of issued patents. *Id.* at 46,717.

The Final Rule limits the number of continuing applications that can be filed as of right, as well as the number of claims that an application can include before the applicant must conduct a prior art search and provide the PTO with a substantial amount of additional information concerning the application. The stated effective date of the Final Rule is November 1, 2007, and its provisions will apply to nonprovisional applications (including national stage applications) filed on or after that date. However, certain provisions of the Final Rule will apply to applications that are pending as of November 1, 2007. The Final Rule is the subject of extensive controversy and much consternation to patent applicants and their attorneys and agents. The day after the Final Rule was published, a lawsuit was filed seeking to block its implementation on the grounds that its issuance is beyond the PTO’s rulemaking authority and violates the U.S. Constitution.² This article summarizes some key provisions of the Final Rule.

Current Continuing Application Practice

Under the current statutory framework, a later filed application can claim the benefit of the filing date of an earlier filed application (commonly known as a “parent” application)—either in whole (referred to as a “continuation” application) or in part (referred to as a “continuation-in-part” or “CIP” applications) — as long as certain requirements are met. The parent application and the later filed application (e.g., continuation or CIP application) must have at least one inventor in common. The parent application and the later filed application must have a common disclosure, at least in part. The later filed application must be filed while the parent application is pending. Finally, the later filed application must contain a specific reference to the parent application. 35 U.S.C. § 120. If the benefit of the filing date of the parent application is properly claimed, then any art that is published or becomes publicly available after the filing date of the earlier application, but before the filing date of the later application, is not available as prior art against the later application.



As an alternative to filing a continuation application, applicants often choose to respond to a final Office Action in an application by filing a request for continued examination (“RCE”). See 37 C.F.R. 1.114. Under this procedure, upon the timely filing of a submission by the applicant (e.g., an information disclosure statement, an amendment, a new argument, or new evidence), the PTO will withdraw the final Office Action and will enter and consider the submission.

Each issued patent should include claims to only one invention. Cf. 35 U.S.C. § 101. If the claims in a patent application are directed to more than one invention, the PTO can issue a restriction requirement, which compels an applicant to elect only one invention, and its corresponding set of claims, to be the focus of the prosecution of that application. 35 U.S.C. § 121; 37 C.F.R. 1.142. The applicant may file additional patent applications, called “divisional” applications, to seek allowance of claims that were not elected in the earlier application (once again commonly referred to as the “parent” application). 35 U.S.C. § 121. In order to obtain the benefit of the filing date of the parent application, the divisional application must satisfy the same requirements outlined above for continuation and CIP applications. 35 U.S.C. §§ 120-21.

Under current PTO practice, an applicant is entitled to submit as many claims as he desires in a patent application. If the applicant submits more than 3 independent claims or 20 total claims for examination in an application, the applicant must pay additional filing fees. 37 C.F.R. 1.16(b)-(c). The rule changes included in the Final Rule add additional limitations on how many continuation and continuation-inpart applications, and how many RCEs, can be filed by an applicant as of right.

The rule changes also restrict when it is appropriate to file a divisional application. Finally, the rule changes impose a limit on how many claims can and will be considered by the PTO during examination of a patent application.

Changes to Practice for Continued Examination Filings

Under the Final Rule, 37 C.F.R. 1.78(d) provides that an applicant may, as a matter of right, file two continuing applications, as defined in 37 C.F.R. 1.78(a)(1), from an initially filed nonprovisional patent application. A continuing application may be a continuation application or a CIP application, which are respectively defined in 37 C.F.R. 1.78(a)(3) and 1.78(a)(4). The initially filed patent application and its continuation and CIP applications constitute an “application family.” 72 Fed. Reg. at 46,716. In addition to the two continuing applications, an applicant may, as a matter of right, file one RCE in an application family. 37 C.F.R. 1.114(f).

Any additional continuations, CIPs, or RCEs that are “filed to obtain consideration of an amendment, argument, or evidence that could not have been submitted during the prosecution of the prior-filed application” must be accompanied by a petition, a fee, 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.” 37 C.F.R. 1.78(d)(1)(vi). The petition must be filed within four months of the actual filing date of the continuing application or, if the continuing application is entering the national stage in the U.S. from a PCT application, four months from the date the continuing application enters the national stage. *Id.*



Under the Final Rule, an applicant may only file a divisional application, which is defined in 37 C.F.R. 1.78(a)(2), of an initially filed application if the initially filed application is subject to a restriction requirement. 37 C.F.R. 1.78(d)(1)(ii)(A). The filing of the divisional application is subject only to the copendency requirement of 35 U.S.C. § 120, i.e., the divisional application does not need to be filed during the pendency of the application that is subject to the restriction requirement. 37 C.F.R. 1.78(d)(ii). Any divisional application that is not filed in response to a restriction requirement (i.e., a “voluntary” divisional) will be treated as continuation application. See 37 C.F.R. 1.78(d)(1)(ii)(A); 72 Fed. Reg. at 46,720.

An applicant may, as a matter of right, file two continuation applications, in addition to one RCE, in the application family of the divisional application. 37 C.F.R. 1.78(d)(1)(iii); 37 C.F.R. 1.114(f)(2). A continuation of a divisional application can only disclose and claim the invention or inventions that were disclosed and claimed in the divisional application. 37 C.F.R. 1.78(d)(1)(iii)(B). One cannot file a CIP of a divisional application. 37 C.F.R. 1.78(d)(1)(iii); 72 Fed. Reg. at 46,732.

If the patent application contains claims drawn to more than one invention, the applicant may submit a suggested restriction requirement (“SRR”). 37 C.F.R. 1.142(c). The applicant must file the SRR before the examiner issues a restriction requirement or a first Office Action on the merits, whichever comes first. *Id.* The SRR must include an election, without traverse, of one of the inventions, and an identification of the claims that correspond to that invention. *Id.* The number of elected claims cannot exceed five independent claims and twenty-five total claims. *Id.*

Applicants should exercise care when filing divisional applications when the Final Rule takes effect. In the event that a restriction requirement is withdrawn in an application, any divisional application of that application would be improper. See 37 C.F.R. 1.78(a)(2),- 1.78(d)(1)(ii); see also PTO presentation slide set entitled Claims and Continuations Final Rule, Slide 48, available at <http://www.uspto.gov/web/offices/pac/dapp/opla/presentation/ccfrslides.ppt>. In addition, any reinstatement or rejoinder of the non-elected claims in the application may result in greater than five independent claims and greater than twenty-five total claims, the consequence of which are discussed in the next section of this article.

The provisions of the Final Rule relating to the filing of continuing applications are only applicable to any applications (including continuing applications) that are nonprovisional or national stage applications filed on or after November 1, 2007. Thus, any third or subsequent continuing application filed on or after November 1, 2007 must include a petition and a showing as to why the filing of the continuing application is justified. 37 C.F.R. 1.78(d)(1)(vi). If, however, the third or subsequent continuing application filed on or after November 1, 2007 claims the benefit of the filing date of nonprovisional applications filed before August 21, 2007, or PCT applications that entered the national stage in the U.S. before August 21, 2007, and there are no intervening continuing applications filed after August 21, 2007, then a petition and showing is not required for that third or subsequent continuing application. 72 Fed. Reg. at 46,716-17.



In other words, for nonprovisional applications or national stage applications that are pending on August 21, 2007, the applicant is entitled to file a single (i.e., “one more,” not “an extra”) continuation or CIP application if such pending application as a matter of right, regardless of the number of continuation or CIP applications of such pending application had been previously filed, so long as no continuation or CIP application of such pending application has been filed between August 21, 2007 and November 1, 2007. 72 Fed. Reg. at 46,736-37.

The provisions of the Final Rule relating to RCEs will apply to any pending application in which a second or subsequent RCE is filed after November 1, 2007. 72 Fed. Reg. at 46,717. Unlike the provisions of the Final Rule relating to the filing of continuation and CIP applications on or after November 1, 2007, there is no provision in the Final Rule permitting the filing of “one more” RCE as a matter of right on or after November 1, 2007.

Changes to Practice for Examination of Claims in Patent Applications

Under the Final Rule, an applicant must file an “examination support document” for any nonprovisional application that contains, or is amended to contain, more than five independent claims or more than twenty-five total claims. 37 C.F.R. 1.75(b)(1).³ The examination support document must be filed prior to the issuance of the first Office Action on the merits, and must cover all of the claims of the application, i.e., both independent and dependent claims. *Id.* (The requirements of a dependent claim are provided in 37 C.F.R. 1.75(b).)

If the nonprovisional application has more than five independent claims or more than twenty-five total claims, and an examination support document has not been filed prior to the issuance of the first Office Action on the merits, the applicant may be able to submit an examination support document. See 37 C.F.R. 1.75(b)(3). Otherwise, the applicant will be required to cancel claims from the application. See 37 C.F.R. 1.75(b)(1).

If a nonprovisional application contains a claim that is patentably indistinct from at least one claim in one or more other pending nonprovisional applications, and all of these applications are commonly owned, or are subject to an obligation of assignment to the same person, then the PTO will aggregate the claims of each application and treat them as though they were present in each application for purposes of 37 C.F.R. 1.75(b). 37 C.F.R. 1.75(b)(4).

The requirements for the examination support document are provided in 37 C.F.R. 1.265:

(1) The document must include a statement that a preexamination search was performed. The statement must include the date of the search and an identification of the field of search by U.S. class and subclass. If an online database search was performed, the statement must identify the names of the database service, the databases that were searched, and the search terms that were used. 37 C.F.R. 1.265(a)(1). The applicant must search issued U.S. patents, published U.S. patent applications, foreign patent documents, and non-patent literature, unless the applicant includes in the statement a justification “with reasonable certainty that no references more pertinent than those already identified are likely to be found” in the category of prior art that the applicant has not searched. 37 C.F.R. 1.265(b).



(2) The document must include a listing of the references that the applicant believes are “most closely related” to the subject matter of each claim (i.e., independent and dependent). 37 C.F.R. 1.265(a)(2),-(c). A reference is most closely related to the subject matter of an independent claim if it discloses the greatest number of limitations recited in that independent claim, or if it discloses a limitation recited in the independent claim that is not disclosed in any other reference. See PTO presentation slide set entitled Claims and Continuations Final Rule, Slide 81, available at <http://www.uspto.gov/web/offices/pac/dapp/opla/presentation/ccfrslides.ppt>. A reference is most closely related to the subject matter of a dependent claim if it discloses a limitation recited in the dependent claim that is not disclosed in any other reference. *Id.*

For each of these references, the applicant must identify all of the limitations of each claim (i.e., independent and dependent) that are disclosed by the reference. 37 C.F.R. 1.265(a)(3). “Small entities,” as defined in the Regulatory Flexibility Act, 5 U.S.C. § 601, are exempt from this requirement. 37 C.F.R. 1.265(f); see also PTO presentation slide set entitled Claims and Continuations Final Rule, Slide 91, available at <http://www.uspto.gov/web/offices/pac/dapp/opla/presentation/ccfrslides.ppt>. The applicant and his representative should be aware that a small entity for purposes of paying reduced patent fees under 37 C.F.R. 1.27 is not necessarily a small entity for purposes of the examination support document under 37 C.F.R. 1.265(f). See PTO presentation slide set entitled Claims and Continuations Final Rule, Slide 91, available at <http://www.uspto.gov/web/offices/pac/dapp/opla/presentation/ccfrslides.ppt>.4

(3) The document must include a detailed explanation of why each independent claim is patentable over each of the listed references. 37 C.F.R. 1.265(a)(4).

(4) The document must include a showing as to where each limitation of each claim (i.e., independent and dependent) finds support under 35 U.S.C. § 112, ¶ 1, in the written description of the specification of the instant application, as well as, if applicable, the written description of the specification of any application to which the instant application claims priority or the benefit of the earlier filing date under Title 35 of the U.S. Code. 37 C.F.R. 1.265(a)(5).

If an examination support document is required, but the examiner deems the document or the underlying prior art search to be insufficient, or if, due to claim amendments, all of the pending claims are no longer accounted for in the examination support document, then the applicant will have a non-extendable period of two months after receiving a related notification from the PTO to either file a revised or supplemental examination support document or cancel claims such that the remaining claims contain no more than five independent claims and no more than twenty-five total claims in total. 37 C.F.R. 1.265(e).

The provisions of the Final Rule relating to the number of claims in an application and the examination support document will apply retroactively to those nonprovisional applications (including national stage applications) filed before November 1, 2007 in which a first Office Action on the merits was not mailed before November 1, 2007. 72 Fed. Reg. at 46,716.

Changes To Practice For Patent Applications Containing Patentably Indistinct Claims



The Final Rule also include provisions that prevent applicants from filing multiple applications that are based on the same disclosure and contain patentably indistinct claims in an attempt to get around the Final Rule's limitations on the number of claims that can be included in the same application. Under the Final Rule, for a nonprovisional application that has not been allowed, the applicant must identify other pending applications or patents that:

- (1) have a claimed filing date or priority date that is the same as, or within two months of, the claimed filing or priority date of the application (37 C.F.R. 1.78(f)(1)(i)(A));
- (2) have at least one common inventor (37 C.F.R. 1.78(f)(1)(i)(B)); and
- (3) are commonly owned, or are subject to an obligation of assignment to the same person (37 C.F.R. 1.78(f)(1)(i)(C)).

The applicant must provide this identification within the later of:

- (1) four months from the actual filing date for a nonprovisional application filed under 35 U.S.C. § 111(a) (37 C.F.R. 1.78(f)(1)(ii)(A));
- (2) four months from the date on which a PCT application enters the national stage in the U.S. under 35 U.S.C. § 371(b) or (f) (37 C.F.R. 1.78(f)(1)(ii)(B)); or
- (3) two months from the mailing date of the initial filing receipt in the other application that needs to be identified under 37 C.F.R. 1.78(f)(1)(i) (37 C.F.R. 1.78(f)(1)(ii)(C)).

The requirements of 37 C.F.R. 1.78(f) do not vitiate the applicant's duty to inform the examiner of other applications that, despite having a claimed filing or priority date that is not within two months of the claimed filing or priority date of the instant application, are nonetheless material to the patentability of the instant application. 72 Fed. Reg. at 46,721-22.

Under 37 C.F.R. 1.78(f)(2)(i), the PTO will presume that a nonprovisional application and another pending nonprovisional application or patent have patentably indistinct claims if the nonprovisional application and the other nonprovisional application or patent:

- (1) have the same claimed filing or priority date (37 C.F.R. 1.78(f)(2)(i)(A));
- (2) have a common inventor (37 C.F.R. 1.78(f)(2)(i)(B));
- (3) are commonly owned, or are subject to an obligation of assignment to the same person (37 C.F.R. 1.78(f)(2)(i)(C)); and
- (4) have "substantial overlapping disclosures." 37 C.F.R. 1.78(f)(2)(i)(D). This occurs when the written description of the other nonprovisional application or patent supports at least one claim of the nonprovisional application. *Id.*



The applicant may rebut this presumption by explaining how the claims are patentably distinct. 37 C.F.R. 1.78(f)(2)(ii) (A). Otherwise, the applicant must file a terminal disclaimer(s), and must explain why there are multiple applications that have patentably indistinct claims. 37 C.F.R. 1.78(f)(2)(ii)(B). The applicant must act within the later of:

- (1) four months from the actual filing date for a nonprovisional application filed under 35 U.S.C. § 111(a) (37 C.F.R. 1.78(f)(2)(iii)(A));
- (2) four months from the date on which a PCT application enters the national stage in the U.S. under 35 U.S.C. § 371(b) or (f) (37 C.F.R. 1.78(f)(2)(iii)(B));
- (3) the date on which a patentably indistinct claim is presented in the nonprovisional application (37 C.F.R. 1.78(f)(2)(iii)(C)); or
- (4) two months from the mailing date of the initial filing receipt in the other nonprovisional application or patent (37 C.F.R. 1.78(f)(2)(iii)(C)).

These changes to 37 C.F.R. 1.78(f)(1) and 37 C.F.R. 1.78(f)(2) will apply to all nonprovisional applications that are pending on November 1, 2007, or filed thereafter. See 72 Fed. Reg. 46,717. For those applications filed prior to November 1, 2007, applicants will have until February 1, 2008 to comply with 37 C.F.R. 1.78(f)(1) and (f)(2). *Id.*

If the PTO is not satisfied with the applicant's explanation as to why multiple applications have patentably indistinct claims, it may require the applicant to cancel the patentably indistinct claims from all but one of the applications. 37 C.F.R. 1.78(f)(3).

The time periods specified in 37 C.F.R. 1.78 are not extendable. See 37 C.F.R. 1.78(i).

Changes in PTO Practice Relating to Making Second Office Actions Final

In addition to the more widely discussed provisions of the Final Rule relating to the filing continuing applications and to claim examination, the PTO also changed its practice relating to making second or later Office Actions final.

Under the Final Rule, an examiner may make a second or later Office Action final if it includes a new ground of rejection based on double patenting (whether of the statutory or obviousness-type variety). 72 Fed. Reg. at 46,722. This change in PTO practice is based on the PTO's view that the applicant is responsible for helping to resolve double patenting situations because the applicant is in the best position to know whether he has other applications or patents that contain patentably indistinct claims. *Id.* A second or later Office Action may be made final if it includes a new ground of rejection that was necessitated by the applicant's showing that its claims should be examined under 35 U.S.C. § 112, ¶ 6, even though the claim language does not include the phrase "means for" or "step for." 72 Fed. Reg. at 46,722-23.



The Final Rule requires the applicant to identify those claims in a continuation-in-part application that are supported by the disclosure of the prior-filed (i.e., parent) application under 35 U.S.C. § 112, ¶ 1. 37 C.F.R. 1.78(d)(3).

A second or later Office Action may be made final even if it includes a new ground of rejection based on prior art if the rejection was necessitated by the applicant's identification of those claims in a continuation-in-part application that are supported by the disclosure of the prior-filed (i.e., parent) application under 35 U.S.C. § 112, ¶ 1. 72 Fed. Reg. at 46,723. A second or later Office Action may be made final if it includes a new ground of rejection that was necessitated by the applicant's amendment of the claims, even if the claim amendments eliminate unpatentable alternatives. 72 Fed. Reg. at 46,723.

Finally, under the Final Rule, a second or later Office Action may be made final if it includes a new ground of rejection based on information submitted in an information disclosure statement that is filed during the time period set forth in 37 C.F.R. 1.97(c) (i.e., after the first Office Action but before the close of prosecution, whether by a final Office Action, notice of allowance, or otherwise). 72 Fed. Reg. at 46,723.

Conclusions

Although the Final Rule is, for now, being challenged, Applicants and Patent Practitioners alike must prepare to comply with the new rule changes that the PTO is implementing. It can be anticipated that the rule changes will impose an increased cost and burden on applicants as they prepare and prosecute their patent applications. The rule changes will result in more, and more extensive, patent searches being conducted, with a resulting increase costs to the applicant. They will also require applicants to provide additional, detailed information regarding their inventions to the PTO. The more restrictive continuation and RCE procedures that the PTO is implementing are likely to increase the number of appeals to the Board of Patent Appeals and Interferences, which may result in even longer delays in issuing patents. Only time will tell whether the Final Rule and the resulting rule changes will achieve the PTO's stated objectives.

[Charles R. Macedo](#) and [Marion P. Metelski](#) are Senior Counsel at Amster, Rothstein & Ebenstein LLP. Their practices specialize on intellectual property issues including litigating patent, trademark and other intellectual property disputes, prosecuting patents before the U.S. Patent and Trademark Office and other patent offices throughout the world, registering trademarks and service marks with U.S. Patent and Trademark Office and other trademark offices throughout the world, and drafting and negotiating intellectual property agreements. They may be reached at cmacedo@arelaw.com and mmetelski@arelaw.com. This article is not intended to express the views of the firm or its clients.

² See *Tafas v. Dudas et al.*, No. 07 Civ. 846 (E.D. Va. filed Aug. 22, 2007).



³ Under the terms of the Final Rule, the examination support document appears to be comparable to the accelerated examination support document that is currently required to obtain accelerated examination of an application under the rules the PTO implemented last year. See 37 C.F.R. 1.102(d); MANUAL OF PATENT EXAMINING PROCEDURE § 708.02(a) (8th ed., rev. 5, Aug. 2006).

⁴ A “small entity” is defined in the PTO rules to be a person (e.g., an independent inventor), a small business concern, or a nonprofit organization. 37 C.F.R. 1.27(a); MANUAL OF PATENT EXAMINING PROCEDURE § 509.02 (8th ed., rev. 5, Aug. 2006). A small business concern is a company that has no more than 500 employees. 13 C.F.R. 121.802. In order to retain its status, a small entity cannot transfer its rights in an invention to a party that does not qualify as a small entity. 37 C.F.R. 1.27(a).