ARE Patent Law Alert:
Tafas v. Doll – Round II: One Down, Three to Go

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(March 23, 2009). Previously, we reported on the issuance of the controversial Final Patent Rules regarding Claims and Continuation Practice ("the Final Rules," see Changes to Practice for Continued Examination Filings, Patent Applications Containing Patentably Indistinct Claims, and Examination of Claims in Patent Applications, 72 Fed. Reg. 46,716 (Aug. 21, 2007). For a detailed discussion of the Final Rules, see Charles R. Macedo and Marion P. Metelski, "New PTO Rules On Continuing Applications and Claim Examination Practice: Learning to Count to 2 (+1 RCE) and 5/25", NYIPLA Bulletin, Sept./Oct. 2007 (available at http:www.arelaw.com/publications).

Thereafter, we reported on the fact that the Final Rules were challenged in court, and enjoined. See Tafas v. Dudas, 511 F. Supp. 2d 652 (E.D. Va. Oct. 31, 2007) ("Tafas I"). Ultimately, the District Court found that the Final Rules were "substantive rules that change existing law and alter the rights of applicants such as [Appellees] under the Patent Act." Tafas v. Dudas, 541 F. Supp. 2d 805, 814 (E.D. Va. 2008) ("Tafas II"). For a detailed discussion of the Tafas II decision, see Charles R. Macedo and Marion P. Metelski, "Tafas Verdict Is A Setback For Patent Office", IP Law360, April 9, 2008 (available at http:www.arelaw.com/publications).

On Friday, March 20, 2009, the U.S. Court of Appeals for the Federal Circuit ("the Federal Circuit") weighed in on the Final Rules, in Tafas v. Doll, No. 2008-1352 (Fed. Cir. Mar. 20, 2009) ("Tafas III"). In Tafas III, the Federal Circuit, in a three-way split panel, affirmed the District Court's grant of summary judgment invalidating one of the four Final Rules in question, reversed the grant of summary judgment for the other three Final Rules, and remanded the case to answer a series of specifically delineated questions left open by the Federal Circuit. For a detailed discussion of the Tafas III decision, see Charles R. Macedo and Marion P. Metelski, "

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March 23, 2009 (soon to be available at http:www.arelaw.com/publications).

In reaching their decisions, the members of the Panel expressed divergent views on whether the U.S. Patent and Trademark Office ("the USPTO") possesses the rulemaking authority to promulgate the Final Rules (and other similar types of rules), and addressed questions that the Supreme Court has yet to provide its definitive views upon.

With respect to the four Final Rules at issue, the Court held as follows:

- Final Rule 78 – Limiting the number of continuation patent applications that could be filed by an applicant
- All three Judges of the Panel agreed that Final Rule 78 exceeded the authority of the USPTO and was contrary to the Patent Act.
- Final Rule 114 – Limiting the number of Requests for Continued Examination ("RCE") that could be filed by an
- applicant
- Judges Prost and Bryson reversed the District Court's award of summary judgment, while Judge Rader would have affirmed.
- Final Rules 75 and 265 – Requiring a search to be conducted and an Examination Support Document to be filed when too many claims are submitted for examination

Judges Prost and Bryson reversed the District Court's award of summary judgment, while Judge Rader would have affirmed.

While the Panel Decision has only stricken one of the four Final Rules at issue, Judge Prost clearly delineated
the issues that were "not decided" on appeal, and that the Federal Circuit believes "remain for the district court on remand":

- Whether any of the Final Rules, either on their face or as applied in any specific circumstances, are arbitrary and capricious;
- Whether any of the Final Rules conflict with the Patent Act in ways not specifically addressed in this opinion;
- Whether all USPTO rulemaking is subject to notice and comment rulemaking under 5 U.S.C. § 553;
- Whether any of the Final Rules are impermissibly vague; and
- Whether the Final Rules are impermissibly retroactive. Tafas III, slip op. at 31 (Prost, C.J.).

The concurring opinion by Judge Bryson also raised an issue that, in his view, remains open. Although Judge Bryson concurred that Final Rule 78 "is contrary to the plain language of [35 U.S.C.] section 120, which provides that such a co-pending continuation 'shall' be given the same priority date as the original application and which contains no restriction on the numbers of such applications that are permitted," he left open the question of whether "a revised rule

that addressed only serial continuances and limited such continuances to only two – the first co-pending with the original application and the second co-pending with the first – would be struck down as reflecting an impermissible interpretation of [35 U.S.C.] section 120." Tafas III, slip op. at 7 (Bryson, C.J., concurring).

Please feel free to contact us to learn more about this decision and its impact on U.S. Patent Law.

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