

RECENT SIGNIFICANT RULE CHANGES AND COURT DECISION, AND STRATEGIES OF APPLICANTS TO COPE WITH THESE CHANGES

Michael D. Stein

With assistance from

James G. McEwen

STAAS & HALSEY LLP

700 Eleventh St., NW, Ste. 500

Washington, DC 20001

Telephone: 202-434-1500

Facsimile: 202-434-1501

website: www.staasandhalsey.com

e-mail: mstein@s-n-h.com

jmcewen@s-n-h.com

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1. American Inventors Protection Act of 1999

■ 18-Month Publication

- Provides for publication of applications at 18 months filed on or after November 29, 2000
 - 18 months measured from earliest filing date claimed under 35 U.S.C. §§111, 119, 120, 121, or 365
- Publication also applies to, at applicant's request:
 - Voluntary publications (application pending on November 29, 2000)
 - Early publications for publishing an application earlier than at 18 months
 - Republication for republishing already published applications

Scope of 18 Month Publication

- Applications to be published
 - New applications filed on or after November 29, 2000 include, except design applications
 - Continuing applications (CPAs under 37 C.F.R. §1.53(d), and continuations, continuation-in-part applications and divisional applications under 37 C.F.R. §1.53(b))
 - National Stage applications under 35 U.S.C. §371, provided the international application was filed on or after November 29, 2000

**Filing of a Request for Continued Examination (RCE)
will not trigger publication**

Exceptions to Publication:

- Applications Not Being Published Include
 - Applications no longer pending
 - Applications under secrecy order or whose disclosure would be detrimental to National security
 - Provisional applications
 - Design applications
 - **Applications including a Request Not to Publish**
 - **Expressly abandoned applications**
- Preliminary amendments not included in Publication unless filed using EFS system

Request Not to Publish

- An applicant may request non publication if
 - If the invention has not been and will not be the subject of an application filed in another country requiring 18-month publication
 - Requests must be made upon filing (required by statute)
 - The "non-publication" request must be rescinded if subsequently file in another country or will go abandoned

Useful if will only file in US (e.g., within 35 U.S.C. §102(b) grace period)

If fail to request non-publication at filing, can file a continuation with non-publication request and expressly abandon the first application

Redaction of Published Application

- Applicable if
 - corresponding foreign applications have a less extensive description than the U.S. application, and
 - the applicant submits redacted copy of the application for publication that eliminates the subject matter not also contained in any of the corresponding foreign applications
- Such a redacted copy must be submitted within 16 months after the earliest filing date for which a benefit is sought

Publication Will Be Predominant Prior Art

- Patent application publications will be available to Examiners on the USPTO's electronic search systems (image and full text searchable)
- USPTO to publish applications on website
 - Public Website:
<http://appft.uspto.gov:8080/netahtml/PTO/>
- USPTO may not maintain paper copy collections

Publication Process

- Content based on the application as filed except:
 - Corrections required by OIPE during up-front review
 - Examples: translation required, unscannable drawings or specification; missing oath/declaration; non-compliant CFG(s); title, or abstract held unacceptable
- Applicant may submit via EFS the specification (including drawings) for publication
 - amendments to specification, claims, drawings
- Better quality drawings - paper option
 - If filed drawings "acceptable" by the Office, can submit better quality paper drawings for publication with fee

Publication Process (cont.)

- Any changes must be filed within later of:
 - 1 month of actual filing date, or
 - 14 months of the earliest date claimed under title 35
 - If no priority or continuity claim, window for filing runs for 14 months from filing date
- Publication cycle is about 14 weeks

Formal Requirements of Applications

- USPTO will require that all utility patent applications be in condition for publication when released to the technology centers for examination
 - Specification of sufficient quality for optional character recognition (OCR) conversion
 - Title and abstract in compliance with 37 C.F.R. §1.72
 - Drawings of sufficient quality to permit the patent application publication to be used as a prior art document

Publication of Amended Claims

- File Amended Application Using EFS
 - Want the patent application publication to reflect the claims as amended during and prior to examination
 - Voluntary Publication and Republication
 - File CPA
 - Preliminary amendments

CPA invokes publication process

Published claims invoke provisional rights and enable protections against "protests" and interferences (discussed later)

Publication of Amended Claims (cont.)

- Redacted Publication
 - Must file if a redacted application is to be published
- Failure To File Amended Application
 - Redacted Publication, publication will proceed using the as-filed application
 - For voluntary or republication, publication will not occur and the fee paid will be refunded

Access to File Wrapper After Publication

- Limited access after publication only
 - USPTO will not provide direct physical access to a pending published application
 - Can order copy of file wrapper for fee, or a copy of any one or more specific papers in a file
 - Can review file contents history using PAIR
 - For redacted application, the copy of the file wrapper will also be redacted based on applicant-supplied redacted copies of USPTO correspondence

Evaluate whether to file post publication "protest"

Protesting Applications

- Pre-publication: Old Protest rules apply same
 - Existing Procedure: 37 CFR §1.291
- After Publication: Third Party Participation After Publication (not technically a "protest")
 - New Procedure: 37 CFR §1.99
 - Patents and printed publications are permitted to be submitted by third parties
 - Maximum of 10 references may be submitted
 - Discussion of references or claimed invention, or the highlighting of references is not permitted
 - Actual identity of submitter not required

Protesting Applications (cont.)

- Deadline
 - 2 months after publication, or mailing of a Notice of Allowance, whichever is earlier,
 - Later submission permitted (with fee of \$130) A republication does not restart the period for submitting
- Submitter has no participation rights

Enable Examiner to focus on relevant prior art

No estoppel effect as in inter-partes reexamination (discussed later)

Use against competitors prior to issuance

Time for Making Priority/Continuity Claims

- The period for presenting claims under 35 U.S.C. §§119(a)-(d) (e), 120, 121, 365 will be 16 months from the claimed priority date, or 4 months from the application filing date, whichever is later
- Office will accept late claims using a Petition
 - Petition asserts claim unintentionally delayed and includes surcharge

File claim early instead of late

Provisional Rights

- Provisional rights based on publication of claims
- After issuance, patentee has right to a reasonable royalty for the period between the date of publication and the date of patent grant provided
 - Must give actual notice of the publication
 - Patent claims are substantially identical to the claims in the published application

Limit amending scope of published claims to maximize provisional royalties

Provisional Rights (cont.)

- Provisional Rights Based on International Publication
 - For international applications published by the IB (International Bureau), provisional rights based on IB publication requires that a copy of the publication (or a copy of an English translation of the application if the application is not in English) must be filed in the USPTO
 - Provisional rights based on date English copy filed

Publications and Interferences

- Can declare interferences based on published application
- Deadline to copy claims: 1 year from publication
- Loophole: for publications by IB
 - 18 month publication need not be in English
 - If enter US stage at 30 months, 1 day to file interference

Publication Fees

- **Mandatory Publication Fee: \$300**
 - The publication fee will be set forth in the Notice of Allowance
 - Only applicable of application issues
- **Non-Mandatory Publications**
 - The publication fee will have to be paid at the time of any request for "voluntary" publication, early publication, or republication, since such publications are not "required"
 - A processing fee of \$130 is required

American Inventors Protection Act of 1999: Miscellaneous Changes

- Translations are no longer required in non-English language provisional applications
 - required when filing non-provisional application claiming benefit under 35 U.S.C. §119(e)

Submit translations only when filing non-provisional application claiming priority of provisional applications

American Inventors Protection Act of 1999: Miscellaneous Changes

- Corrected drawings must be submitted in response to an OIPE objections to the drawings
 - "Acceptable" drawings must be in case prior to examination
 - Corrected "acceptable" drawings must be proposed, or submitted, in response to any office action with (substantive) objections to drawings
- Cannot hold the drawing correction in abeyance in reply

Significant change as corrections may no longer be deferred

Impact of Patent Practice

- Published applications are §102(e)(1) prior art and must now be considered
- Multiple publications for an application are possible (because of amended claims)
- Copied claims regarding new interference procedures requires claims in a published application to be copied within 1 year of publication
- Third party can only submit prior art within 2 months of publication
- To maximize provisional rights, applicants must evaluate the range of broadest to narrowest claims to be published and only amend the claim scope if necessary

Impact of Patent Practice (cont.)

- Critical decisions to be made involve:
 - Requesting non-publication where only filing in U.S.
 - Early publication
 - Voluntary publication (for pre 11/29/00 cases),
 - Publication of redacted version (and submittal of redacted correspondence)
 - The range of claims to initially be present
 - Whether to republish to reflect amendments
 - Search publications in a certain class/subclass for possible interference and prior art submission
 - File new specification and claims via EFS if claims have been significantly amended

Impact of Patent Practice (cont.)

- Drawings
 - Acceptability relates to reproducibility
 - Hand-drawn drawings (may be informal) can be acceptable
 - Non acceptable drawings include foreign language, faint lines, incorrect margins
- To change drawings after filing
 - File new drawings within one month and pay \$130 fee,
 - File whole new application via EFS, or
 - The OIPE rejects drawings as unacceptable

2. Changes to Continuation Practice

- Continued Prosecution Application (CPA)
 - Eliminated the three-month window for filing an IDS in a CPA. Applicants must file any IDS under §1.97(b) before the mailing of a first office action on the merits in a CPA or RCE
- RCE Features
 - Filing fee \$710
 - No extra claims fee required
 - Cannot defer payment of fee
- Submission must be filed along with RCE
 - An Information Disclosure Statement
 - Amendment to written description, claims, drawings
 - New arguments or evidence in support of patentability

Features of RCE (cont.)

- Effect of RCE
 - Office withdraws finality of Office Action and the submission will be entered and considered
 - The first subsequent action cannot be final unless the conditions set forth in the MPEP for making the first action final in a continuing application are met
 - There is no new application filing date
 - RCE is not treated as new application (in contrast, CPA is treated as a new application with new filing date)

Features of RCE (cont.)

- Can be filed as many times as desired and at any time
 - After final rejection
 - After notice of allowance
 - After filing appeal
- Cannot be used to "switch inventions"
(divisional equivalent)

No Cause Suspension

- Can file no cause suspension filing RCE or CPA submissions
 - Must be filed with a CPA transmittal document or with a RCE request
 - May be no longer than three months
 - Must include \$130 processing fee

Useful to evaluate potential response instead of filing extensions of time

Same effect if file CPA without filing fee

Table of Filing Possibilities for Different Types of Continuations

Filing Date of Application	Continuation Action To Be Taken on or after May 29, 2000 (CA/CPA/RCE)
Before June 8, 1995	CA - OK CPA - OK RCE - NO
After June 8, 1995 But Before May 29, 2000	CA - OK CPA - OK (CPA converts application filing date) RCE - OK (RCE keeps old application filing date)
On or after May 29, 2000	CPA - OK CPA - NO RCE - OK

Comparison of RCE Versus CPA

- If the application has a filing date after June 8, 1995 and before May 29, 2000, applicant now has the option of filing either a CPA or an RCE
- Must file RCE if filing date or CPA filed on or after May 29, 2000
- If file a CPA on an application having filing date or CPA filed on or after May 29, 2000
 - CPA will automatically be treated as an RCE of prior application, or
 - File a Petition to have improperly filed CPA converted to application under 1.53(b)

Advantages of Filing RCE

- No extra claims fee is required
 - If an application includes extra independent claims and extra total claims, which will cost significantly more in extra claims fees than the base \$710.00 application filing fee, applicant can avoid the extra claims fee by filing an RCE
 - The USPTO filing fee for an RCE is \$710.00, regardless of the number of claims
- Does not cause international applications published in English to become prior art under §102(e) as of international filing date

Advantages of Filing CPA

- Filing of a CPA will make the application eligible for
 - The benefits of the recent patent term adjustment provisions of the "American Inventors Protection Act"
 - The benefit of the recent change to 35 U.S.C. §103(c), which excludes commonly owned §102(e) prior art from being used under §103

If the application has a filing date between June 8, 1995 and May 29, 2000 and will not incur substantial extra claims fees, we would normally recommend filing a CPA to remove commonly owned prior art and to take advantage of patent term adjustment

Caveats for filing CPAs

- CPA practice is NOT available in any type of U.S. application (e.g., any originally-filed application, a Rule 53(b) continuation application, or a Rule 53(d) CPA application) filed on or after May 29, 2000. CPAs are to phase out over time in favor of RCE practice
- A CPA application filed on or after November 29, 2000 will be published, whereas filing of an RCE will not cause the pending application to be published

3. Patent Term Adjustment

- The Patent Term Adjustment provisions are effective May 29, 2000
- The patent term extension provisions of Public Law 103-465 (URAA) relating to regulatory review of FDA will continue to apply to utility and patent applications filed before May 29, 2000 but on or after June 8, 1995
- Patent Term Adjustment does not apply to design applications

PTA Applicability: Continuations

■ CPA

- A continued prosecution application (CPA) is a new continuing application
- Filing a CPA on or after May 29, 2000 in application filed before May 29, 2000 causes the application (CPA) to be eligible for patent term adjustment under the "American Inventors Protection Act of 1999"

■ RCE

- A request for continued examination (RCE) is not a new application
- Filing an RCE on or after May 29, 2000 in an application filed before May 29, 2000 does not cause that application to be eligible for patent term adjustment under the "American Inventors Protection Act of 1999"

Patent Term Adjustment: Bases

- Provides three (3) bases for adjustment:
 - USPTO failure to take certain actions within specified time frames
 - USPTO failure to issue a patent within three years of the actual filing date
 - delays due to interference, secrecy order, or successful appellate review
- Provides day-for-day adjustment for each failure or delay resulting in adjustment

Failure of USPTO to take certain actions within specified time frames

- USPTO has obligation to initially act on the application within 14 months after filing or national stage entry date
- Act includes
 - First office action on the merits, including Ex Parte Quayle action
 - Notice of allowability
 - Written restriction requirement
 - Examiner's requirement for information under §1.105

Failure of USPTO to take certain actions within specified time frames (cont.)

- Obligation to act on a reply or appeal within four month starts
 - When appeal is taken, when brief and fee are received (not certificate of mailing date)
 - To act on an application within four months after a BPAI court decision where allowable claims remain in the application
 - To issue the patent within four months of the date the Issue Fee was paid and all outstanding requirements were satisfied

USPTO failure to issue a patent within three years of the actual filing date

- The following periods are not counted against the three years
 - Time consumed by continued examination under 35 U.S.C. §1.32(b) (RCE)
 - Time consumed by secrecy order, interference, or appellate review
 - Time consumed by applicant requested delays

Delays due to interference, secrecy order, or successful appellate review

- Delays caused by interference proceeding
- Delays caused by imposition of a secrecy order
- Delays caused by appellate review in a case in which the patent was issued under a decision in the review reversing an adverse determination of patentability
 - A final decision reversing the ALL rejections of at least one claim as required
 - An allowance after a remand is not a final decision

Limitations on (patent term) adjustments

- No double counting of overlapping delays
- No adjustment beyond any date specified in a terminal disclaimer
- Reduction of adjustment for period during which applicant failed to engage in reasonable efforts to conclude processing or examination of an application
 - The reductions offset or reduce any of the three bases for PTA
- The PTA, however, may not be negative

Reduction of (patent term) adjustments

- Failure to engage in reasonable efforts to conclude processing or examination of an application includes any of the following:
 - Suspension of action or requesting deferral of issue
 - Abandonment of application or failure to timely request withdrawal of a holding of abandonment
 - Conversion of provisional to non-provisional
 - Submitting preliminary amendments or other papers requiring re-mailing of actions
 - Submitting incomplete replies

Reduction of adjustments (cont.)

- Failure to engage in reasonable efforts to conclude processing or examination of an application includes any of the following (cont.)
 - Submitting supplemental replies
 - Submitting amendments or other papers after the notice of allowance
 - Submission of amendment or other paper to reopen prosecution after BPAI or court decision
 - Failure to reply to any USPTO action within three months of the action
 - Date of receipt and not date of mailing counted
- Continued prosecution via continuing application, no entitlement to any PTA accumulated in any prior application of the continuing application

RCE versus CPA

- RCE - filing an RCE (in an application filed on/after May 29, 2000) cuts off any additional PTA due to failure to issue a patent within three years of the actual filing date (basis 2), but does not otherwise affect PTA accumulated in the prior prosecution or earned in the RCE prosecution (bases 1 and 3)
- CPA - PTA for a patent issuing on a CPA is only accrued from the filing of the CPA, all PTA accumulated during the pendency of a prior application, if any, is lost

Notice and reconsideration

- USPTO shall make an initial determination of adjustment that is included in the notice of allowance
- Applicant will be provided with one opportunity to request reconsideration of the USPTO's initial determination
- USPTO to issue patent after completing its initial determination (judicial review does not delay patent grant)

Procedures for initial determination of adjustment provided with the notice of allowance

- PALM to track events giving rise to adjustments and reductions
- Applicants can check the PALM data concerning these events via PAIR (Patent Application Information Retrieval)
- PALM will calculate adjustment at time of allowance based upon projected issue date and include determination with the notice of allowance

Window of time for requesting reconsideration of initial PTA determination

- Issue fee payment ends period for filing:
 - Reconsideration request (for allegedly miscalculated PTA) with \$200 fee, and/or
 - Due care showings (to request reinstatement of period reduced due to failure to reply to any USPTO action within three months by showing that such failure occurred "in spite of all due care") with \$400 fee

Final Patent Term Adjustment Determination

- Procedures for determining final adjustment:
 - Two weeks prior to issue, PALM will make a final calculation of adjustment when the patent number and issue date is assigned, Issue Notification sent to applicant will include this information
 - Patent will include the USPTO's final adjustment determination
 - A 30 day period is provided after the patent issue date for patentee to request reconsideration of a PTA attributed to an error in predicting the issue date

Final Patent Term Adjustment Determination (cont.)

- Applicant has 180 days from patent grant to seek judicial review of the USPTO's adjustment determination
- No third party challenge to USPTO determination prior to patent grant
- If USPTO changes the PTA, the PTO will issue Certificate of Correction

PTA: Miscellaneous aspects

- Patentee can get patent term adjustment even if patent issues in one year. Don't need three year pendency
- There is no reduction if you pay filing fee within three months of Notice of Missing Parts
- The four month period for the USPTO to respond is from date of Appeal Brief, not from the date of Notice of Appeal

Generally, if there is a choice, file a CPA instead of an RCE, for at least the reason that the issuance of a patent being more than four months from all outstanding requirements being satisfied (paying issue fee and filing formal drawings) results in a patent term adjustment

PTA: Miscellaneous aspects (cont.)

- The PTA is based on the date the USPTO receives the paper, not the date of the certificate of mailing

Consider filing by facsimile instead of by mail to assure faster date of receipt

- An IDS filed within one month of receipt by foreign associate or law firm will not affect PTA

Due to PTA effect, references for IDS based on foreign search reports should be submitted within one month from date of receipt

PTA: Miscellaneous aspects (cont.)

- Failure to Respond to any Notice or Action by the PTO within three months is a per se failure to engage in reasonable efforts to conclude prosecution

Any extensions of time will result in a reduction in the PTA

PTA: Miscellaneous aspects (cont.)

- Other failures of reasonable efforts:
 - Suspension under Rule 103
 - Deferral of issuance under 314
 - Abandonment or a late payment of issue fee
 - Failure to timely request withdrawal of abandonment
 - Filing RCE (only affects three year issue for PTA)
 - Re-opening of prosecution after Board or court decision
 - Submission after notice of allowance requiring a response
 - Submitting supplemental replies not requested
 - Submitting papers requiring re-mailing of actions

Application for Patent Term Adjustment

- \$200 fee
- Statement of facts
- Correct PTA, bases
- Relevant dates
- Terminal disclaimer information
- Circumstances regarding failure to engage in reasonable efforts or statement of no failure
- If reply filed after three month date
 - \$200 plus \$400
 - Showing of exercise of due care
 - Limit of three months of adjustment for each reply

Application for Patent Term Adjustment (cont.)

- Due care
 - Time needed to obtain test data
 - Natural disaster
 - Illness or death of sole practitioner
- What does not constitute due care
 - Busy with other matters
 - Illness or death of firm practitioner
 - Time communicating with the client
 - Vacation
 - Reply filed by first class mail near three month date and received in PTO after three month date
 - Failure of staff to docket properly

PTA: Impact on patent practice

- Applicants need to review initial determination of PTA calculation on notice of allowance, relying on usage of PAIR, and make decisions before payment of the issue fee about, particularly in important cases having long delays such as appeals
- Applicants need to check final adjustment determination on patent and decide whether to take further action
- Applicants need to file responses in a timely manner, without requesting extensions of time (if possible)

4. Patent Business Goals (PBG)

- Access to applications
 - Access is no longer given to an abandoned application simply because it claims benefit of another application open to public inspection
- Establishing small entity status
 - There is a simplified procedure for asserting a claim for small entity status
 - Applicants still need to make a thorough investigation before making an assertion of entitlement to small entity status
 - New standard allowing assertion by paying small entity fee or by attorney assertion effective on September 8, 2000

Foreign priority data

- Section 1.55(a) no longer requires a petition for placement of a foreign priority claim in the file after the issue fee has been paid (except for utility or parent applications filed after November 29, 2000)
- After payment of the issue fee, a priority claim filed with the required processing fee of \$130 will not be reviewed for compliance of 35 U.S.C. §119(a)-(d) and the patent will not publish with the priority claim
- Patentee can then request a certificate of correction to place the foreign priority on the patent for an additional \$100 fee

Standards for applications

- Title and Abstract
 - Title should be no longer than 500 characters and as specific as possible
 - Abstract should be brief, no longer than 150 words, and on a separate sheet of paper
- Standards for drawings
 - Drawing standards mostly retained and will focus on:
 - Scannability of drawings for publishing applications and patents
 - Communication of the invention to the Examiner

Standards for applications (cont.)

- Correction to drawings
 - Period of time to file corrected formal drawings after allowance is not extendable (must be filed within three months of the notice of allowance)
 - Fewer corrected or formal drawings will be filed after allowance in view of up front PG Pub review and correction cycle
 - Objections to the drawings will not be held in abeyance nor will such a request be considered a bona fide response

Suspension of action - deferral of examination under §1.103(d)

- Not Same as Suspension of Action under §1.103(b)-(c)
- Maximum of three years from the earliest filing date for which a benefit is claimed
 - Requires processing fee and publication fee
 - Request will not be granted if the mailing of an office action or a notice of allowance
 - Applies to original utility or plant applications filed under §1.53(b) (or international applications entered into the National Stage) on or after November 29, 2000 (or applicant requested voluntary publication)

Might use to keep application pending for priority purposes instead of multiple continuations

Reply to non-final office action

- Supplemental reply may be disapproved if it unduly interferes with the preparation of an office action
- Factors to be considered
 - State of preparation of an office action as of the date of receipt of the reply
 - Nature of the changes to the specification or claims
 - E.g., if an examiner has devoted a significant amount of time to preparing an office action before receiving the supplemental reply and examiner would have to spend significant additional time to revise the office action, then denial of entry would be appropriate
- Exception: cannot deny entry if supplemental reply merely cancels claims, eliminates rejections under 35 U.S.C. §112, second paragraph, or includes changes that were previously suggested by the examiner

Preliminary Amendment

- Preliminary Amendments may be disapproved if it unduly interferes with the preparation of a first office action
- Exception: cannot deny entry if filed:
 - Within three months from the filing date of an application or from the entry date of the National Stage under §1.491 in an International application
 - On the filing date of a CPA, or
 - Within the period of suspension requested by applicant in a CPA or RCE

Design Rocket Docket

- Expedited examination of design patents if:
 - Submission of request with \$900 fee
 - Drawings are acceptable
 - Statement that a preexamination search was conducted indicating the field of search
 - IDS submitted

5. Electronic Business Center

- Electronic Business Center (EBC)
 - Patent Application Information Retrieval (PAIR)
 - Electronic Filing System (EFS)
- EBC provides customer access to patent electronic business applications
- Customer number registration forms
- Public Key Infrastructure (PKI) registration forms
 - Security software to support electronic commerce
- PKI and Customer Number required for non-public PAIR access and EFS submission

PAIR: Patent Application Information Retrieval

- Quick, easy and secure access to patent and patent application information via direct access to PALM information
- 24 hour access to PALM information
- Access to real-time information
- Two ways to access PAIR
 - Public
 - Private

PAIR features

- Public
 - Requires no PKI software
 - Review patented and published application information
 - Prosecution history
 - Status and location
- Private
 - Requires PKI software and customer number
 - Review unpublished and patented application information
 - Prosecution history
 - Status and location
 - Limited bibliographic data
 - Can enable the assignee to access the PAIR system

EFS and pre-grant publication

- EFS supports authoring and submission for pre-grant publication request:
 - Voluntary
 - applications pending on November 29, 2000
 - Redacted
 - Publications containing less disclosure than filed abroad
 - Amended
 - Publications incorporating changes made during prosecution
 - Republication
 - Republication of previously published applications

Filing is not currently accepted through EFS

- Filings not currently accepted include:
 - Provisional applications
 - Design applications
 - New plant applications
 - Reissue applications
 - International (PCT) applications (reexamination requests)

EFS customer benefits

- File patent application submissions 24 hours a day, seven days a week
- Flexibility and convenience of filing patent applications over the internet, per customer request
- E-filing prevents inaccuracies for pre-grant publication
 - Automatic validation of EFS submissions for completeness and USPTO business rules
 - Immediate electronic acknowledgment receipt
 - No delay while waiting for postcard and can use application number for same day paper filings

Format Changes in Applications

- Application papers (spec, claims, drawings, declaration) must be on same size sheets
 - Margin requirements:
 - 1" left margin, at least 3/4" all other sides
 - Page numbering at bottom center
 - Eliminate line number-specifies paragraph numbering
 - Format:[0001] at the left margin
- Headings in the specification should not be underlined or bolded
- Standards for drawings
 - Identifying information (title, inventor(s) application and docket number) provide on the front of each sheet, centered with the top margin

Manner of making amendments to applications

- Amendment by replacement paragraph/section/claims
 - Clean text in application and amendments facilitates scanning and publication
 - Submit a clean amended paragraph or section with an instruction to substitute for existing paragraph or section
- Specification:
 - Identify paragraph section by any clear instruction
 - Submit marked-up version of existing paragraph or section showing changes with underlining and [bracketing]
 - Newly added paragraphs/sections need no marked-up version
 - Deleted paragraphs by section simply identified in an instruction

Manner of making amendments to applications (cont.)

- Claims:
 - Submit a clean amended claim with an instruction to substitute for existing claim with same number
 - Submit marked-up version of existing claim showing changes with underlining and [bracketing]
 - Both clean and marked-up claims should include expression of amendment, e.g., "amended" or "twice amended" in () after claim number
 - Deleted claims simply identified in an instruction

Results of New Amendment

- Due to the new USPTO procedures, the time and cost in preparing amendments will greatly increase due to the requirement to file both the clean and marked-up version of the specification and claims
- Checking for accuracy and conformity will add secretary and attorney time

6. Optional Inter Partes Reexamination Practice

- Applies only to patents issuing from original applications filed in the United States on or after November 29, 1999
- Defined as any first-filed or continuing-type application other than a reissue application
- Request for Continued Examination (RCE) IS NOT an application filing

Third party participation rights in an inter partes reexaminations

- Inter partes reexamination third party rights:
 - Third party requester may once file written comments on any response by the patent owner to an office action
 - All issues (proposed grounds of rejection) raised by the third party requester must be specifically addressed by examiner
 - Third party requester may appeal to the BPAI any proposed ground of rejection not adopted by the examiner as a final decision favorable to patentability
 - Third party requester may not appeal the BPAI's decision to the court third party requester may be a party to any patent owner appeal to the BPAI
 - Statute provides no right to the third party requester to participate in the patent owner's appeal to the Fed. Cir.

Comparison to inter partes reexamination

- Ex parte reexamination third party rights:
 - No third party participation permitted other than the filing of a reply in response to a patent owner statement, but only if the patent owner elects to file a statement
 - Third party requester has no appeal rights

Inter partes reexamination appeal rights

- Patent owner and third party requester may both appeal to the Board, but only after a final rejection or final decision favorable to patentability
- Patent owner may appeal the BPAI's decision, but only to the Fed. Cir.
- Third party requester may not appeal the BPAI's decision

Highlights of Inter Partes Reexamination Rules

- The filing fee for inter partes reexamination is \$8800
 - If reexamination is denied, the Office refunds all of the fee except for \$830
- Request for inter partes reexamination must include
 - A certification that the third party requester is not estopped under the statute from filing an inter partes reexamination request
 - A statement identifying the real party and interest who is the third party requester

Highlights of Inter Partes Reexamination Rules (cont.)

- Patent owner may appeal final rejection of claims to the BPAI and to the Court of Appeals for the Federal Circuit. Third party requester may participate in patent owner appeal at the BPAI, but not at the court
- Third party requester may appeal final determination of patentability to the BPAI, but not to the courts. Patent owner may participate in third party appeal at the BPAI
- No interviews addressing the merits will be permitted in inter partes reexamination
- Patent owner extensions of time must be requested on or before the end of the response period

Inter Partes Reexamination Filing Estoppel

- If patent claim found valid in court or in an inter partes reexamination filed by a party requester
 - neither that party (nor its privy) may thereafter request inter partes reexamination of the valid claim on the basis of any issue actually raised, or which could have been raised, in the civil action or inter partes reexamination
 - inter partes reexamination may be requested based upon newly discovered prior art unavailable to the third party requester and the USPTO at the time of the inter partes reexamination

Civil Action Estoppel

- A third party requester in a prior inter partes reexamination is estopped from later asserting in any civil action the invalidity of any claim finally determined to be valid and patentable on any ground the third party requester raised or could have raised in the inter partes reexamination
- Any party who requests inter partes reexamination is estopped from later challenging in a civil action any fact determined in a prior inter partes reexamination
 - except with respect to a fact determination later proved erroneous based on information unavailable at the time of the inter partes reexamination decision

Strategy for inter partes reexamination

- We generally do not recommend an inter partes reexamination due to expense and estoppel considerations
- Might be useful in assignment and licensing situations to resolve disputes

7. The Festo decision and the Doctrine of Equivalents

- Case Citation: Festo Corp. v. Shoketsu Kinzoku Koygo Kabushiki Co., 56 USPQ2d 1865 (Fed. Cir. 2000)
- Questions Posed:
 1. For the purposes of determining whether an amendment to a claim creates prosecution history estoppel, is "a substantial reason related to patentability" limited to those amendments made to overcome prior art under § 102 and § 103, or does "patentability" mean any reason affecting the issuance of a patent?

Questions Posed (cont.)

2. Should a "voluntary" claim amendment—one not required by the examiner or made in response to a rejection by an examiner for a stated reason—create prosecution history estoppel?
3. If a claim amendment creates prosecution history estoppel, what range of equivalents, if any, is available under the doctrine of equivalents for the claim element so amended?
4. When "no explanation [for a claim amendment] is established," thus invoking the presumption of prosecution history estoppel, what range of equivalents, if any, is available under the doctrine of equivalents for the claim element so amended?

Questions Answered

1. In response to En Banc Question 1, "a substantial reason related to patentability" is not limited to overcoming prior art, but includes other reasons related to the statutory requirements for a patent. Therefore, an amendment that narrows the scope of a claim for any reason related to the statutory requirements for a patent will give rise to prosecution history estoppel with respect to the amended claim element.
2. In response to En Banc Question 2, "voluntary" claim amendments are treated the same as other claim amendments; therefore, any voluntary amendment that narrows the scope of a claim for a reason related to the statutory requirements for a patent will give rise to prosecution history estoppel with respect to the amended claim element.
3. In response to En Banc Question 3, when a claim amendment creates prosecution history estoppel, no range of equivalents is available for the amended claim element.
4. In response to En Banc Question 4, "unexplained" amendments are not entitled to any range of equivalents.

New Festo rules

- In Festo, the court held that amendment-based estoppel is determined using the following methodology:
 - "which claim elements are alleged to be met by equivalence"
 - "whether the elements at issue were amended during prosecution of the patent"
 - "if the claim elements at issue were amended, the court must first determine whether the amendment narrowed the literal scope of the claim"
 - "if so, prosecution history estoppel will apply unless the patent holder establishes that the amendment was made for a purpose unrelated to patentability"

Effect of Festo

- Thus, a complete bar to the doctrine of equivalence occurs when
 - there is a claim amendment
 - that narrows the claim
 - unless the patentee can overcome the presumption, using only the prosecution history, that the reason for the amendment was related to the statutory requirements for a patent
- If these criteria are met, the patent holder is completely barred from all possible equivalence for the amended claim element

Results of the Federal Circuit's Decision

- The result of the Federal Circuit's decision to severely limit the availability of the doctrine of equivalence to patent holders is a major shift in the balance between inventor protection and public notice functions of patents
- Competitors and copyists have been handed a clear methodology for avoiding infringement
 - review the prosecution history of a patent
 - identify a claim element that has been narrowed or added for a reason related to patentability
 - omit or substitute an element that is outside the literal scope of the claim element

Substantial Reasons Related to Patentability

- The Festo court clearly defined a substantial reason related to patentability to include claim elements that are amended for any statutory reason, such as sections 101, 102, 103 and 112, including amendments to more particularly point out and distinctly define the invention under section 112, second paragraph
- The court has placed the burden squarely on the patent holder to prove the reason for an amendment within the prosecution history

Strategies for Drafting and Prosecuting Patent Claims

- Assessing whether the applicant wishes to seek the broadest possible claims with higher risk of prosecution history estoppel and possibly greater prosecution expense and time, or whether the applicant wishes to seek somewhat narrower claims with a lower risk of incurring prosecution history estoppel and possibly less expense and time
- Consider trying to get broad claims and hope that the Supreme Court will overturn the Federal Circuit's decision before the patent holder needs to enforce the same

Strategies for Drafting and Prosecuting Patent Claims (cont.)

- Thorough analysis of the prior art might be helpful; the claims could then be carefully drafted around all known prior art, possibly increasing the use of terms of approximation, such as "about," to increase the literal scope of the claims
- Filing more independent claims might also be helpful, particularly if none of the independent claims are clearly narrower than the other independent claims

Strategies for Drafting and Prosecuting Patent Claims (cont.)

- When patent claims are rejected, the patent prosecutor should consider expending more effort to get the claims allowed without amendment. The potential benefit of appealing rejections is now increased and should also be given additional consideration
- If the need to narrow claims is inescapable, a patent prosecutor should think carefully about possible equivalents and try to be sure that they are literally covered by the amended elements

Strategies for Drafting and Prosecuting Patent Claims (cont.)

- If the patentee decides to cancel a broad claim in favor of a dependent claim, it is possible that amending the dependent claim rather than amending the independent claim or adding a new claim could avoid estoppel
 - E.g., "applicant[s] respectfully disagree with the Examiner's rejection of claim [1] for the following reasons: [. . .]. Nonetheless, applicant[s] have elected to cancel claim [1] solely for the purpose of expediting the patent application process. Claim [2] as now presented contains only those limitations of originally filed claim [2]. Therefore, amendment does not narrow the scope of claim [2]." Ultimately, it would be up to the court to decide whether such an amendment and explanation preserves the applicant's right to invoke the doctrine of equivalence.

Strategies for Drafting and Prosecuting Patent Claims (cont.)

- Patent prosecutor should consider one or more of the following ideas:
 - Conduct an exhaustive search of the prior art and tailor the claims accordingly
 - Increase the amount of time and effort in drafting claims
 - Use words of approximation where appropriate
 - Increase the number of claims, including independent claims with varying scope
 - Do not file preliminary amendments unless necessary
 - Argue examiner rejections vigorously before amending the claim
 - Appeal rejections
 - Amend claims with great care, possibly adding only limitations you do not care about
 - file a continuation or a reissue application if necessary

Strategies for Drafting and Prosecuting Patent Claims (cont.)

- The likely affect of implementing any of these sections for patent prosecution is to increase the cost and amount of time required to obtain a patent
- The Federal Circuit's hope, as stated in Festo, is that this increase in up-front cost will be offset by a decrease in the number and uncertainty of lawsuits hinging on the doctrine of equivalents

Strategies for Licensees

- Licensees and prospective licensees may want to re-evaluate the subject patents and possibly renegotiate the term of the licenses
 - The value of many patents may have been diminished in light of Festo. The extent of diminishment, if any, the value of a particular patent would require reassessment of the prosecution history for amendments that increase the likelihood that competitors could design around the patent
- Licensees now have an additional incentive and a greater likelihood of successive designing around the patents subject to the License Agreements. In some cases, even a thread of designing may provide the licensee with sufficient bargaining power to renegotiate more favorable terms.