

No. 2008-1352

United States Court of Appeals for the Federal Circuit

TRANTAFYLLOS TAFAS,
and
SMITHKLINE BEECHAM CORPORATION (doing business as
GlaxoSmithKline),
SMITHKLINE BEECHAM PLC, and GLAXO GROUP LIMITED (doing
business as GlaxoSmithKline),
Plaintiffs-Appellees,
v.
JON DUDAS, Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent & Trademark Office, and
UNITED STATES PATENT AND TRADEMARK OFFICE,
Defendants-Appellants.

Appeal from the United States District Court For the Eastern District of Virginia
in Consolidated Case Nos. 1:07-CV-846 and 1:07-CV-1008,
Senior Judge James C. Cacheris

**BRIEF FOR *AMICUS CURIAE*
INTELLECTUAL PROPERTY OWNERS ASSOCIATION
IN SUPPORT OF APPELLEES**

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October 3, 2008

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Triantafyllos Tafas v. Jon Dudas No. 2008-1352

CERTIFICATE OF INTEREST

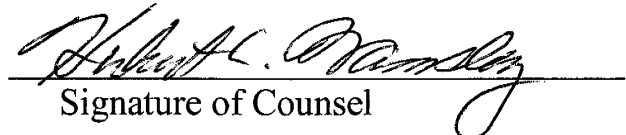
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1. The full names of every party or amicus represented by me is:
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2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is: **NONE**
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of *amicus curiae* represented by me are: **NONE**
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INTEREST OF *AMICUS CURIAE*

Intellectual Property Owners Association (“IPO”) is a trade association representing companies and individuals in all industries and fields of technology who own or are interested in intellectual property rights. IPO’s membership includes more than 200 companies and a total of over 10,000 individuals who are involved in the association through their companies or as inventor, author, executive, law firm, or attorney members. Founded in 1972, IPO represents the interests of all owners of intellectual property. IPO members receive about 30 percent of the patents issued by the Patent and Trademark Office (PTO) to U.S. nationals. IPO regularly represents the interests of its members before Congress and the PTO and has filed *amicus curiae* briefs in this Court and other courts on significant issues of intellectual property law. IPO’s Board of Directors must approve the filing of a brief by a three-fourths majority of members present and voting. The members of IPO’s Board of Directors, which approved the filing of this brief, are listed in the Appendix A.¹

¹ IPO procedures require approval of positions in briefs by a three-fourths majority of directors present and voting. GlaxoSmithKline is a member of the IPO Board of Directors. However it did not participate in the preparation of this brief or vote on its filing.

ARGUMENT

After thorough examination of the administrative record, the district court concluded that the Final Rules proposed by the USPTO are “substantive rules that change existing law and alter the rights of applicants . . . under the Patent Act.” *Tafas v. Dudas*, 541 F. Supp. 2d 805, 814 (E.D. Va. 2008). Because IPO members are the owners of a substantial percentage of the U.S. patents issued each year, IPO is well positioned to confirm that the district court’s conclusion is correct. The Final Rules would indeed increase the costs and risks of patent prosecution, but more significantly, the Final Rules would diminish the legal rights even of those applicants who fully comply with those rules.

This Court’s precedent confirms that the USPTO does not have the authority to issue rules that derogate from statutory and other legal rights of patent applicants. Accordingly this Court should affirm the district court’s permanent injunction against the Final Rules.

The Final Rules diminish applicants’ substantive legal rights in several respects. Thirty percent of applications already awaiting examination before the USPTO have more than five independent or twenty-five total claims. In all of these cases, the Final Rules will require applicants either to surrender potential patent coverage by canceling claims, or to obtain a costly art search and patentability opinion and disclose them to the USPTO in the form of an “examination support

document.” Forced to choose between surrendering legal rights and disclosing confidential legal advice, applicants would be placed in the same sort of dilemma this Court held to be unacceptable in *Knorr-Bremse*. Applicants who choose not to surrender patent claims, and who do file an examination support document, will inevitably face claims of inequitable conduct in infringement actions, as accused infringers question every representation or omission in the examination support document.

Applicants cannot avoid this dilemma by filing separate applications, even with the payment of additional filing fees. The Final Rules presume that any two sufficiently similar applications are nothing more than an attempt to present additional claims without an examination support document. The Final Rules purport to give the USPTO the authority to reject such applications for obviousness-type double patenting—without examination—if applicants fail to timely identify and explain the legitimacy of these applications. Under penalty of losing their patent rights, applicants are enlisted to examine their own portfolio of applications to identify potentially related cases. *See* Final Rules, § 1.78(f). By placing this burden on applicants, the Final Rules deprive applicants of their statutory right to an examination performed by the USPTO. *See* 35 U.S.C. § 131 (“The Director shall cause an examination to be made of the application . . .”). Moreover, by authorizing substantive double-patenting rejections to be issued for

purely procedural defects in the identification of related cases, the Final Rules deprive applicants of their statutory right to *de novo* judicial review of double-patenting rejections. *See* 35 U.S.C. §§ 134(a), 141.

The Final Rules are intended to curtail the filing of continuation and continuation-in-part applications under § 120, and requests for continued examination under § 132(b). These limitations can preclude applicants from the many legitimate uses of such continuing applications. For example, when an examiner cites new prior art in a final rejection, continuation practice allows the applicant to amend the claims instead of filing a costly appeal on an undeveloped record. When some claims in an application have been allowed while others are under rejection, continuation practice permits the applicant to respond to the claim rejections without delaying the issuance of the allowed claims. When several embodiments of an invention are disclosed in an original application, continuation practice allows applicants to submit narrower claims covering embodiments that have proven most successful in the marketplace and to document that success as evidence of non-obviousness. By curtailing these legitimate uses of continuing applications, the Final Rules would actually slow prosecution of applications by forcing premature appeals and by discouraging applicants from streamlining prosecution.

The Final Rules purport to address delays caused by applicants' use of continuation practice, *see* 72 Fed. Reg. 46716, 46719 (Aug. 21, 2007), but the Final Rules themselves create delays that encroach on the patent term prescribed by statute. In most instances, the Final Rules require related applications to be prosecuted in series—one after another. *See* 72 Fed. Reg. at 46725 (explaining when applications cannot be “prosecuted in parallel with the initial application or each other”). As a result, the last application in a series is likely to issue several years after the first. Because the term of that last patent ends some twenty years from the filing of the first application, the Final Rules shorten the effective term of the last patent by several years. *Cf.* 35 U.S.C. § 154(b)(1) (providing “[p]atent term guarantees”).

Collectively, these provisions of the Final Rules would force applicants to file patent applications with fewer, broader claims, to appeal claim rejections more frequently, and to take on the high costs and risks of performing a prescribed art search and preparing a patentability analyses based upon all of the references found in this search. The Final Rules thus alter the rights of applicants and disrupt the statutory system for examination and grant of patents, and their enforcement should be permanently enjoined.

A. Undermining the principles of *Knorr-Bremse*, the Final Rules force applicants to obtain and disclose a patentability opinion in the form of an “examination support document”

In thirty percent of patent applications that are now awaiting examination, there are enough pending claims to trigger the Final Rules’ requirement for an “examination support document.” *See* 72 Fed. Reg. at 46828 (“Of the applications currently awaiting examination . . . about thirty percent contain more than five independent claims or more than twenty-five total claims.”) To comply with the Final Rules, the applicants in these cases would need to perform a comprehensive search and obtain a patentability opinion and submit them to the USPTO, incurring substantial costs while putting at risk any attorney-client privilege on issues of patentability. Otherwise, these applicants will be required to surrender patent coverage by canceling claims.

The USPTO itself describes an examination support document as “a patent novelty search, analysis and opinion” that has been “reduced to writing in a particular format.” 72 Fed. Reg. at 46798. The Final Rules specify this format, which requires these opinions to include a “detailed explanation particularly pointing out how each of the independent claims is patentable over the cited references.” Final Rules, § 1.265(a)(4). The search and analysis are required to be comprehensive and, correspondingly, would be extraordinarily costly. The search, and thus the analysis, is required to encompass “U.S. patents and patent application

publications, foreign patent documents, and non-patent literature,” and the analysis must thoroughly address issues of novelty, obviousness, and the written description requirement with respect to all of those documents. 72 Fed. Reg. at 46742.

Such patentability analyses are not just costly; they are at the core of legal advice provided by patent prosecution counsel. *See Sperry v. State of Florida*, 373 U.S. 379, 383 (1963) (noting that “the preparation and prosecution of patent applications for others constitutes the practice of law” because it “inevitably requires the practitioner to consider and advise his clients as to the patentability of their inventions under the statutory criteria.”) Since the Supreme Court’s decision in *Sperry*, there has been no doubt that attorney-client communications relating to patentability are privileged. *See, e.g., In re Spalding Sports Worldwide Inc.*, 203 F.3d 800, 806 (Fed. Cir. 2000) (“[S]ince Spalding’s invention record was prepared and submitted primarily for the purpose of obtaining legal advice on patentability . . . we conclude that it is privileged in its entirety.”); *American Standard Inc. v. Pfizer Inc.*, 828 F.2d 734, 745-46 (Fed. Cir. 1987).

When an applicant submits an examination support document to the USPTO, with the required “detailed explanation” of “how each of the independent claims is patentable over the cited references,” § 1.265(a)(4), the applicant jeopardizes the

attorney-client privilege on any communications relating to patentability.² Even the most general statements on counsels' view of patentability can lead to a far-reaching waiver of privilege. For example, in *Fort James Corp. v. Solo Cup Co.*, a party had disclosed only a "two-line reference to counsel's conclusion" regarding patentability. 412 F.3d 1340, 1350 (Fed. Cir. 2005). The text at issue read simply, "Legal counsel has advised that a bar was not established during experimental trials at Darlington and Fort Smith." *Id.* at 1343. As conclusory as this language was, this Court held that the party had waived any attorney-client privilege regarding the statutory bar at issue, and that this waiver of privilege extended even as far as the original "invention disclosure form" supplied to patent counsel. *Id.* at 1351.³

Applicants who decide not to incur the expense of obtaining a search and a patentability opinion, or who decide not to risk waiver of any privilege over that

² Traditionally, patent applicants are only required to provide "arguments" in favor of patentability, and then only in response to an examiner's action. 37 C.F.R. § 1.111(b). Merely arguing a point does not pose the same risk of waiver as producing the "analysis and opinion" sought under the Final Rules. 72 Fed. Reg. at 46798. *See, e.g., In re Seagate Technology, LLC*, 497 F.3d 1360, 1374 (Fed. Cir. 2007) (en banc) (holding that the disclosure of advice of opinion counsel does not necessarily waive privilege as to litigation counsel).

³ Similarly, in *eSpeed Inc. v. BrokerTec USA LLC*, 480 F.3d 1129, 1134 (Fed. Cir. 2007), the district court had ruled that "submission of the inventor's declarations during the prosecution of the '526 application waived the attorney-client privilege." *See also Winbond Electronics Corp. v. Int'l Trade Comm'n*, 262 F.3d 1363, 1375 (Fed. Cir. 2001) (holding that applicant waived privilege through assertion of inventorship issue in ITC proceeding).

opinion, are required by the Final Rules to cancel patent claims—a requirement that this Court’s predecessor held to be “a defacto [sic] rejection . . . made without statutory basis.” *In re Haas*, 486 F.2d 1053, 1056 (C.C.P.A. 1973). When an applicant does not produce a patentability opinion, the Final Rules effectively presume that the claims are unpatentable, and the application will be abandoned if the claims are not canceled. *See* Final Rules, § 1.75(b)(3). Under the principles of *Knorr-Bremse*, such a presumption is impermissible. This Court held in *Knorr-Bremse* that, in the context of willful infringement, a party’s decision not to produce an opinion of counsel cannot create a presumption that the opinion would have been unfavorable. *Knorr-Bremse Systeme Fuer Nutzfahrzeuge, GmbH v. Dana Corp.*, 383 F.3d 1337, 1345 (Fed. Cir. 1994). The interests that compelled the holding in *Knorr-Bremse* are equally important here. Under the Final Rules, applicants and their counsel would be discouraged from expressing any doubt on patentability, for fear that such comments would be disclosed to the USPTO, or would bolster a claim of inequitable conduct. *See* 37 C.F.R. § 1.56(b) (establishing a duty to disclose information that “refutes, or is inconsistent with, a position the applicant takes in . . . [a]sserting an argument of patentability”); *Knorr-Bremse*, 383 F.3d at 1344 (relying on “the public interest in encouraging open and confident relationships between client and attorney”).

In addition to risking a waiver of privilege, the submission of an examination support document will necessarily lead to an increase in the claims of inequitable conduct in litigation. Each sentence of the required analysis and opinion of patentability will be parsed and scrutinized to find alleged material omissions and misrepresentations. With unenforceability as the capital consequence of error, the need for caution will multiply the costs of preparing a search and analysis. Once a patent has issued, inequitable conduct allegations based on examination support documents would increase the cost and burden of patent litigation for patent owners and for the federal courts. The problem would be particularly acute for existing applications. Applicants who cancel claims to avoid the pitfalls of *submitting* an examination support document would merely be accused of intentionally concealing material information by *not submitting* an examination support document.

The applicants who would be required to provide examination support documents—one third of those now awaiting examination—have not voluntarily agreed to disclose any patentability opinion. They have not sought preferential treatment of their applications. They simply filed applications in accordance with long-standing USPTO procedures. To this day, the USPTO allows applications with twenty-six total claims to be filed with a modest surcharge of \$300. *See* 37 C.F.R. § 1.16(i) (setting a \$50 fee for each claim in excess of 20).

The Final Rules apply not only to pending (and future) applications, but to *patents* for which an applicant seeks reissue. *See* 72 Fed. Reg. at 46728. The reissue statute, 35 U.S.C. § 251, provides that “[w]hensoever any patent is . . . wholly or partly inoperative or invalid, . . . the Director *shall* . . . reissue the patent” (Emphases added). The statute is clear: the USPTO is required, not merely authorized, to reissue such patents. But under the Final Rules, if a patent includes enough claims to trigger an examination support document, the USPTO will refuse to reissue the patent unless the patentee is willing to cancel already-issued claims or to jeopardize the privilege of any legal advice on patentability or validity of those claims.

B. The Final Rules’ limits on continuations derogate from applicants’ statutory rights

Several provisions of the Final Rules are designed to curtail filing of continuation applications, continuation-in-part applications, and requests for continued examination. Congress, however, has chosen not to place any limit on the number of such applications, *see* §§ 120 & 132(b) and *In re Henriksen*, 399 F.2d 253,254 (C.C.P.A. 1968), and the USPTO’s rulemaking authority does not extend to overriding Congress. Furthermore, the Final Rules infringe on an applicant’s statutory rights in other important respects. For example, it is not uncommon—indeed it is often required by statute—for a single patent application

to describe more than one patentable invention. This is because the statute requires applications to include “a written description” not only of “the invention,” but also of “the manner and process of making it” and of “using it.” 35 U.S.C. § 112, ¶ 1. This invention, and the different processes of making and using it, can be three (or more) separately patentable inventions. But under the Final Rules, these three inventions alone would exhaust the three applications permitted in an “application family.” In none of these three applications would an inventor be able to file *any* continuation application under § 120.

These limits on continuations are relaxed when an application is a divisional application resulting from a restriction requirement under § 121. But under the Final Rules, divisional applications will, paradoxically, be *presumed* to have patentably indistinct claims. *See* § 1.78(f)(2) (applying presumption to applications that share disclosures, filing dates, inventorship, and ownership). Moreover, each time applicants submit a new claim in the divisional application, the Final Rules require applicants to rebut this presumption anew. *See* § 1.78(f)(2)(iii)(C). These provisions derogate from the statutory protection of § 121, under which an application “shall not be used as a reference” against another application related by the division.

Section 121 of the patent statute was specifically designed to remedy the injustices that result when the USPTO reverses its position on whether claims are

patentably distinct. The USPTO has long followed the practice of requiring patentably distinct claims to be divided into separate patent applications by issuing a restriction requirement. Before the modern patent statute was enacted in 1952, this practice led to unjust results when the USPTO erred or changed its position on whether claims were patentably distinct. In some cases, the USPTO required applications to be divided, but it later rejected the divided applications on the grounds of double patenting. *See In re Eisler*, 203 F.2d 726, 728-29 (C.C.P.A. 1953); *In re Seebach*, 88 F.2d 722, 723-24 (C.C.P.A. 1937) (affirming USPTO's rejection for double patenting, while recognizing that the rejection "is tantamount to a decision that the requirement for division of the parent application was improper").

To protect applicants against the USPTO's reversals in determining whether claims are patentably distinct, Congress enacted 35 U.S.C. § 121. *See Studiengesellschaft Kohle mbH v. Northern Petrochemical Co.*, 784 F.2d 351, 360 (Fed. Cir. 1986) (Newman, J., concurring) ("[F]rom the practical viewpoint § 121 is particularly important when the restriction requirement is asserted to have been imposed in error."). To create that protection, § 121 "effects a form of estoppel that shields the applicant from having to prove the correctness of the restriction requirement in order to preserve the validity of the second patent." *Id.* at 361.

Section 1.78(f)(2) of the Final Rules circumvents this statutory protection. Under § 1.78(f)(2), the presumption of patentably indistinct claims will inevitably apply to divisional applications, which share disclosures, filing dates, inventorship, and ownership with their respective parent applications. If the USPTO follows its own Final Rules, it will be required to presume that the claims of divisional applications are patentably indistinct from those of their parent applications: exactly the situation that § 121 was designed to prevent. Even if the USPTO hesitates to enter a double-patenting rejection on the precise claims against which the restriction requirement was applied, with each *new* claim added during prosecution of the divisional or parent application, the presumption of patentably indistinct claims arises anew, and it must be rebutted on the very day the new claim is submitted. *See* § 1.78(f)(2)(iii)(C). If the rebuttal is not successful, then according to the Final Rules, the application would lose its status as a “divisional” and thus—in the eyes of the USPTO—lose its protection under § 121 altogether. *See* Final Rules, § 1.78(a)(2) (defining “divisional application”). *Cf. Bristol-Myers Squibb Co. v. Pharmachemie B.V.*, 361 F.3d 1343, 1348 n.1 (Fed. Cir. 2004) (“[T]he question whether the requirements of section 121 have been satisfied is a question of law that we have addressed de novo. . . .”)

Under § 121 of the statute, the USPTO *cannot* require applicants in a divisional application to demonstrate that their claims are patentably distinct.

Under the Final Rules, however, applicants in a divisional application *must* demonstrate that their claims are patentably distinct even to merit the protection of § 121. Section 1.78(f)(2) defeats both the letter and the intent of § 121, and thus exceeds the scope of the USPTO’s rulemaking authority. *Cf. Chevron, U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 843 n.9 (1984) (“The judiciary . . . must reject administrative constructions which are contrary to clear congressional intent.”)

C. The Final Rules require applicants to incur substantial costs to protect claims from being substantively rejected before they are even examined

The cost and responsibility of enforcing the Final Rules’ limits on continuations would be borne entirely by applicants, who would be required to identify and justify the existence of concurrent applications. Final Rules § 1.78(1). Applicants who fail to shoulder this burden risk having their claims rejected on grounds of double patenting without any substantive examination of the claims.

The USPTO is statutorily required to examine applications to determine whether “the applicant is entitled to a patent under the law,” 35 U.S.C. § 131. Under this requirement, the USPTO must make out a “prima facie case of obviousness” when rejecting claims for double patenting. *Cf. In re Longi*, 759 F.2d 887, 895-96 (Fed. Cir. 1985). The Final Rules, however, in section 1.78(f)(2), erect a presumption of double patenting if there is sufficient overlap in the filing dates,

inventorship, ownership, and subject matter of two applications. *Id.* In fact, the USPTO admits that the Final Rules were *intended* to shift the responsibility of examining for double patenting away from the USPTO and onto the applicant.

Therefore, with the benefit of § 1.78(f)(2), double patenting issues could be resolved more expeditiously . . . thus saving the examiner time by eliminating the need to search for related applications, analyze the potentially conflicting claims, and make the rejection.

72 Fed. Reg. at 46780. More succinctly, the USPTO views this section as a means of “requiring the applicant to ferret out which claims are indistinct from each other,” 72 Fed. Reg. at 46815.

Similarly, when claims are rejected, the statute requires the USPTO to “stat[e] the reasons for such rejection.” 35 U.S.C. § 132(a). The Final Rules, however, reverse this responsibility, making it the applicant’s burden to explain why his claims should *not* be rejected. *See* § 1.78(f)(2). In addition to placing extraordinary burdens on patent applicants, the Final Rules substantively disrupt the statutory scheme of patent examination.

This presumption that claims are patentably indistinct arises without any reference to the content of the claims themselves, and it must be overcome within four months of the application’s filing date. § 1.78(f)(iii)(A); *see also* 72 Fed. Reg. at 46783. Because failure to overcome the presumption can result in claims being deemed invalid on the grounds of double patenting, applicants must undertake elaborate precautions to ensure that patent rights are not inadvertently lost.

For applications that do have (or in the exercise of caution, may have) substantial overlapping disclosure, the applicants would be required to provide an explanation for the overlapping applications. § 1.78(f)(2). These explanations are required to be substantive and comprehensive. “Merely explaining that some of the claims are patentably distinct would not be sufficient to rebut this presumption.” 72 Fed. Reg. at 46780. The burden of providing such explanations escalates exponentially as the number of applications increases. As an example, if four applications share overlapping inventorship and overlapping filing dates (or priority dates), and if each of these applications includes five independent claims, the applicant would need to provide substantive explanations for the presence of *one hundred fifty*⁴ pairs of claims that otherwise will be presumed to be indistinct and summarily rejected.

The burden of compliance will be particularly acute when adding new claims during the prosecution of a family of related applications. The ownership, inventorship, and subject matter and filing dates of such applications would almost inevitably trigger the presumption of patentably indistinct claims. Whenever any *new* claim is added to one of these applications, it must be accompanied by a

⁴ There are six different ways to pair four applications (i.e., 1&2, 2&3, 3&4, 4&1, 1&3, 2&4). Within each pair of applications, there are $5 \times 5 = 25$ pairs of independent claims: $6 \times 25 = 150$.

justification of its existence with respect to every other claim in the application family.

D. The Final Rules would defeat applicants’ statutory right to *de novo* review of double-patenting rejections

The Final Rules would defeat a patent applicant’s statutory right to *de novo* review of “double patenting” rejections by the Board of Patent Appeals and Interferences (hereinafter “the Board of Appeals”), *see* 35 U.S.C. § 134(a), and by this Court, *id.* at § 141. Under § 1.78(f)(2), the double patenting rejections are treated not as a question of law, but as a procedural failure, reviewable only under an “abuse of discretion” standard through an Administrative Procedure Act (APA) challenge. *See Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1285 (Fed. Cir. 2005).

Applicants are entitled under the law to *de novo* review of double patenting rejections. This statutory right extends to the review of double patenting rejections. *See In re Berg*, 140 F.3d 1428, 1432 (Fed. Cir. 1998) (“Obviousness-type double patenting is a question of law reviewed *de novo* by this court.”); *In re Goodman*, 11 F.3d 1046, 1052 (Fed. Cir. 1993).

Contrary to established law, the Final Rules transform double patenting from a question of law to a question of procedure. Contradicting the statutory burden of examination, the USPTO takes the position that “requiring the applicant to ferret

out which claims are indistinct from each other” is merely “procedural in nature,” 72 Fed. Reg. at 46815. The USPTO characterizes this requirement as a mere “procedural tool,” 72 Fed. Reg. at 46815, but it has made clear that this allegedly procedural tool will be used to issue substantive rejections:

[W]hen an applicant files multiple applications that are substantially the same, the applicant is responsible for assisting the Office in resolving potential double patenting situations, rather than taking no action until faced with a double patenting rejection. Thus, if an Office action must include a double patenting rejection, it is because the applicant has not met his or her responsibility to resolve the double patenting situation.

72 Fed. Reg. at 46722. This position derogates the statutory scheme through which applicants can seek review of claim rejections. The USPTO’s refusal to issue a patent on procedural grounds can be challenged only by bringing an APA action in the district court, where the USPTO’s decision is only reviewed for abuse of discretion. *See Star Fruits*, 393 F.3d at 1281. The statute and Federal Circuit law, however, promise *de novo* review of double-patenting rejections at the appellate level. *See Berg*, 140 F.3d at 1432; 35 U.S.C. § 141.

The USPTO is not permitted to reject claims as a consequence of purportedly procedural defects.⁵ For example, an existing rule provides that, when “two or more applications filed by the same applicant contain conflicting claims, elimination of such claims from all but one application may be required” 37

⁵ In contrast, the USPTO *can* consider an application to be abandoned after the applicant fails to comply with an otherwise lawful procedural requirement.

C.F.R. § 1.78(b) (July 1, 2007). But the Court of Customs and Patent Appeals held that this procedural rule could not be used in place of a legally-deficient double patenting rejection. *See In re Mott*, 539 F.2d 1291, 1295-1296 (C.C.P.A. 1976) (noting that the USPTO “has, in legal effect, rejected these claims finally”); *see also In re Haas*, 486 F.2d 1053, 1056 (C.C.P.A. 1973) (holding that a requirement to withdraw claims was “a defacto [sic] rejection . . . made without statutory basis”).⁶

Contrary to law, a double patenting rejection triggered by a presumption under § 1.78(f)(2) denies the applicant’s right under the law to *de novo* review on appeal. Instead, it sets a strict time limit within which the “patentably indistinct” presumption must be overcome. *See* § 1.78(f)(2)(iii). The most draconian provision of this section requires the presumption to be overcome on the very day a new claim is added. *See* § 1.78(f)(2)(iii)(C). “[I]f an applicant subsequently files an amendment that adds a new claim after four months from the filing date of the application, applicant must rebut this presumption for such a claim *when applicant files the amendment.*” 72 Fed. Reg. at 46783 (emphasis added). By casting all double-patenting rejections as procedural defects, the USPTO sheds its own

⁶ The USPTO has effectively recognized that Rule 78(b) cannot be used in place of a substantive double patenting rejection. Since the *In re Mott* decision more than thirty years ago, only a single published case reflects any use of Rule 78(b). But in that case, the applicant agreed to cancel claims, so the court had no occasion to rule on the legality of the requirement. *In re Driscoll*, 562 F.2d 1245, 1248 n.6 (C.C.P.A. 1977).

statutory duty to “reexamine” rejected applications and divests the Board of Appeals and this Court of their statutorily-conferred jurisdiction to review double-patenting rejections *de novo*.

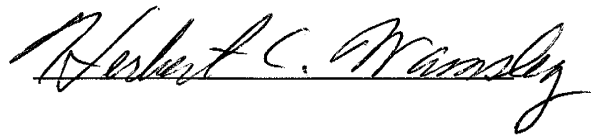
E. Conclusion

The laudable goal of the Final Rules is to reduce the perennial backlog of pending patent applications. *See* 72 Fed. Reg. at 46817 (predicting that “average total pendency will increase from 31.1 months in fiscal year 2006 to 38.6 months in fiscal year 2012”). But this backlog is no greater than it was when Congress adopted the modern Patent Act in 1952. *See Lear, Inc. v. Adkins*, 395 U.S. 653, 658 (1969) (“[I]n 1954, it took the average inventor more than three years before he obtained a final administrative decision on the patentability of his ideas, with the Patent Office acting on the average application from two to four times.”). Nevertheless, Congress chose then to codify the USPTO’s responsibility to examine applications (§ 131), the right to continuation applications (§ 120), a safe harbor for divisional applications (§ 121), the right to judicial review (§ 141), and the right to correct defective patents (§ 251). More recently, Congress determined that the term of a patent should not be eroded as a result of the USPTO’s backlog, and it enacted the “[p]atent term guarantees” of § 154(b)(1). *See* Pub. L. 106-113 (effective May 29, 2000). The enjoined Final Rules interfere substantively with

these statutory rights and responsibilities, all in an effort to address issues that were already known to Congress when it created those very rights and responsibilities. Consequently, these Final Rules exceed the USPTO's rulemaking authority, and the permanent injunction against them should be affirmed.

Respectfully submitted,

October 3, 2008

A handwritten signature in black ink that reads "Herbert C. Wamsley". The signature is written in a cursive style and is positioned to the right of the date.

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APPENDIX

APPENDIX¹

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