

In The
United States Court of Appeals
For The Federal Circuit

TRANTAFYLLOS TAFAS,

Plaintiff – Appellee,

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 and 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 OF *AMICI CURIAE*

SONICWALL, INC., PAX STREAMLINE, INC.,
RUCKUS WIRELESS, INC., AND SEVEN NETWORKS, INC.
IN SUPPORT OF PLAINTIFFS – APPELLEES

Colby B. Springer
Tam Thanh Pham
CARR & FERRELL *LLP*
2200 Geng Road
Palo Alto, California 94303
(650) 812-3400

Counsel for Amici Curiae

Dated: October 3, 2008

CERTIFICATE OF INTEREST

Counsel for Amici Curiae SonicWALL, Inc., Pax Streamline, Inc., Ruckus Wireless, Inc., and SEVEN Networks, Inc. certifies the following:

1. The full name of every party represented by me is:

SonicWALL, Inc.; Pax Streamline, Inc.; Ruckus Wireless, Inc.; and SEVEN Networks, Inc.

2. The names of the real parties in interest represented by me are:

The parties listed above are the real parties in interest.

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

SonicWALL, Inc. is a publically traded corporation having its principal place of business at 1143 Borregas Avenue, Sunnyvale, California 94089.

Pax Streamline, Inc. is a private corporation having its principal place of business at 1615 Fifth Avenue, San Rafael, California 94901. Pax Scientific, Inc. of San Rafael, California, and Khosla Ventures of Menlo Park, California, are investors in Pax Streamline, Inc.

Ruckus Wireless, Inc. is a private corporation having its principal place of business at 880 West Maude Avenue, Suite 101, Sunnyvale, California 94085. Sequoia Capital Operations LLC of Menlo Park, California; Sutter Hill Ventures of Palo Alto, California; T-Venture of America, Inc. of Foster City, California; WK Technology Fund of Taipei, Taiwan; and Motorola Ventures of Sunnyvale, California, are investors in Ruckus Wireless, Inc.

SEVEN Networks, Inc. is a private corporation having its principal place of business at 2100 Seaport Boulevard, Redwood City, California, 94063. Amadeus Capital Partners Ltd. of London, England; Greylock Partners of San Mateo, California; Ignition Partners LLC of Bellevue, Washington; and SAIF Partners of Beijing, China are investors in SEVEN Networks, Inc.

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by the undersigned in the trial court or agency or are expected to appear in this court are:

COLBY B. SPRINGER
TAM THANH PHAM
CARR & FERRELL *LLP*
2200 Geng Road
Palo Alto, California 94303
Telephone: (650) 812-3400
Facsimile: (650) 812-3444

TABLE OF CONTENTS

	Page
CERTIFICATE OF INTEREST	i
TABLE OF CONTENTS.....	iii
TABLE OF AUTHORITIES	iv
INTEREST OF <i>AMICI</i>	1
ARGUMENT	3
I. Congress Has Not Delegated Substantive Rulemaking Authority to the USPTO.....	3
II. The Courts Have Continually Recognized that the USPTO Lacks Substantive Rulemaking Authority	5
III. The USPTO’s Final Rules Run Afoul of 35 U.S.C. § 2(b)’s Requirement that Said Rules be “not inconsistent with law.”	6
A. Final Rule 78 is Inconsistent with 35 U.S.C. § 120 by Denying Continuation Applications the Benefit of Their Properly Claimed Priority Date	7
B. Final Rule 114’s Denial of Requests for Continued Examination on the Sole Basis of Family is Inconsistent with 35 U.S.C. § 132.....	10
C. Final Rules 78 and 114 Further Exceed the Scope of USPTO’s Limited Authority to Address Abuses in Prosecution.....	14
CONCLUSION.....	16
CERTIFIATE OF FILING AND SERVICE	
CERTIFICATE OF COMPLIANCE	

TABLE OF AUTHORITIES

	Page(s)
CASES	
<i>Adams Fruit Co. v. Barrett</i> , 494 U.S. 638 (1990).....	3, 6
<i>Am. Bioscience, Inc. v. Thompson</i> , 269 F.3d 1077 (D.C. Cir. 2001).....	5-6
<i>Application of Hogan</i> , 559 F.2d 595 (C.C.P.A. 1977).....	9, 10
<i>Borlem S.A.-Empreedimentos Industriais v. United States</i> , 913 F.2d 933 (Fed. Cir. 1990)	4
<i>Cooper Techs. Co. v. Dudas</i> , 536 F.3d 1330 (Fed. Cir. 2008)	5, 14
<i>Fed. Nat’l Mortgage Ass’n v. United States</i> , 379 F.3d 1303 (Fed. Cir. 2004)	4
<i>In re Bogese</i> , 303 F.3d 1362 (Fed. Cir. 2002)	14, 15
<i>Lacavera v. Dudas</i> , 441 F.3d 1380 (Fed. Cir. 2006)	6
<i>Merck & Co. v. Kessler</i> , 80 F.3d 1543 (Fed. Cir. 1996)	4, 5
<i>N.Y. Shipping Ass’n, Inc. v. FMC</i> , 854 F.2d 1338 (D.C. Cir. 1988).....	4
<i>National Cable & Telecommunications v. Brand X Internet Services</i> , 545 U.S. 967 (2005).....	4-5

<i>Symbol Techs., Inc. v. Lemelson Med., Educ. & Research Found.</i> , 422 F.3d 1378 (Fed. Cir. 2005)	15, 16
<i>Tafas v. Dudas</i> , 541 F. Supp. 2d 805 (E.D. Va. 2008)	<i>passim</i>
<i>Transco Products, Inc. v. Performance Contracting, Inc.</i> , 38 F.3d 551 (Fed. Cir. 1994)	8

STATUTES

35 U.S.C. § 1 <i>et seq.</i>	13
35 U.S.C. § 2(b)	6
35 U.S.C. § 2(b)(2).....	5, 6
35 U.S.C. § 2(b)(2)(C)	6, 7
35 U.S.C. § 102.....	10
35 U.S.C. § 103.....	10
35 U.S.C. § 112.....	7
35 U.S.C. § 120.....	7, 8, 9, 10
35 U.S.C. § 131.....	11
35 U.S.C. § 132.....	10, 11, 12, 14
35 U.S.C. § 132(a)	11
35 U.S.C. § 151.....	11

RULE

Fed. R. App. P. 29(a) 1

REGULATIONS

37 C.F.R. § 1.78 7

37 C.F.R. § 1.104 11

37 C.F.R. § 1.111 11

37 C.F.R. § 1.114(d) 12

OTHER

72 Fed. Reg. 46716-46843 (Aug. 21, 2007) *passim*

American Inventors Protection Act of 1999,
Pub. L. No. 106-113 § 4405(b)(1), 113 Stat. 1501 (1999) 14

H.R. 2795, 109th Cong. § 123 (2005) 5

S. 3818, 109th Cong. § 6(e) (2006) 5

INTEREST OF *AMICI*

In accordance with Federal Rule of Appellate Procedure 29(a), the *Amici* have been granted consent by each of the parties to file the present brief. The present brief is filed in support of Appellees Triantafyllos Tafas (Tafas) and Smithkline Beecham Corporation (GSK). The present brief further supports and seeks affirmation of the April 1, 2008 grant of summary judgment by the United States District Court for Eastern District of Virginia. See *Tafas v. Dudas*, 541 F. Supp. 2d 805 (E.D. Va. 2008).

Amici are corporate entities with no commercial relationship to Tafas or GSK. Each of the *Amici* operates in a field of commerce and technology that distinct not only from those of the Appellees but also from one another. SonicWALL, Inc. designs, develops, manufactures, and sells network security solutions. Pax Streamline, Inc. designs and markets industrial equipment that utilizes natural streamlines to allow for more efficient energy consumption. Ruckus Wireless, Inc. manufactures software-controlled antenna systems to improve the range and reliability of wireless local area networks. SEVEN Networks, Inc. markets mobile software solutions that enable real-time access to work and personal information such as e-mail.

Notwithstanding these differences, each of the *Amici* share a common interest in seeing the affirmation of the invalidation of the United States Patent and

Trademark Office's (USPTO) "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) ("Final Rules"). Each of the *Amici* has numerous patent applications pending before the USPTO. With respect to these applications, each of the *Amici* has engaged in prosecution activity that would suddenly, retroactively, and with great prejudicial effect be prohibited by implementation of the Final Rules (*e.g.*, the filing of multiple Requests for Continued Examination and/or the filing of multiple continuation applications). In no instance have any of the *Amici* engaged in activity meant to delay or otherwise hinder prosecution of any application before the USPTO. Any and all activity engaged in by each of the *Amici* before the USPTO has been taken in good faith and with good cause. Nevertheless, that activity would be prohibited by the Final Rules.

The diversity of the *Amici* with respect to their particular commercial enterprise—network security, industrial design, antenna systems, and mobile device applications—but the commonality with respect to the continued invalidation of the Final Rules speaks volume as to the lack of any 'industrial agenda' or 'special interest.' This commercial diversity but common interest as to the United States patent system is indicative of the pragmatic and commercial realities encountered by any variety of innovative corporations—both public and

private—that seek to protect their intellectual investments through patenting. As such, the interests of the *Amici* indicate the importance that the Final Rules remain enjoined in an effort to promote the progress of the useful arts and to further ensure that the USPTO’s role as an administrative agency be properly understood.

ARGUMENT

I. Congress Has Not Delegated Substantive Rulemaking Authority to the USPTO

The USPTO asserts that the District Court for the Eastern District of Virginia improperly conducted a *Chevron* analysis vis-à-vis the USPTO’s purported authority to implement the Final Rules. See PTO Br. 29 (contending that the District Court got the process “exactly backward”). Specifically, the USPTO contends that the Eastern District of Virginia should have conducted a *Chevron* analysis, deferred to the USPTO, and ultimately found the Final Rules consistent with the requirements of the U.S. Patent Act. *Id.* (contending that *Chevron* deference “cannot be held in abeyance until after a court determines that an agency is acting within the scope of its statutory authority”).

The USPTO, however, fails to appreciate that prior to undertaking a *Chevron* analysis, a determination must be made that rulemaking authority has been delegated to the agency seeking such deference. See *Adams Fruit Co. v. Barrett*, 494 U.S. 638, 649 (1990) (finding that “[a] precondition to deference under *Chevron* is a congressional delegation of administrative authority”). Only if

Congress has delegated this authority may a *Chevron* analysis take place. See *Merck & Co. v. Kessler*, 80 F.3d 1543, 1549-50 (Fed. Cir. 1996) (concerning the invalidation of procedural rules that exceeded rulemaking authority); see also *Fed. Nat'l Mortgage Ass'n v. United States*, 379 F.3d 1303, 1307 (Fed. Cir. 2004) (finding an agency pronouncement that exceeded delegated authority to “not [be] entitled to deference”).

The District Court—notwithstanding the USPTO’s assertion to the contrary—correctly considered whether authority had been delegated prior to undertaking a *Chevron* analysis. That conclusion “render[ed] it unnecessary [for the District Court] to decide whether the USPTO’s interpretation of the Patent Act should be given Chevron deference.” *Tafas*, 541 F. Supp. at 811 n.4. Deference is due only “when the issue is within the legal scope of an agency’s authority.” *Borlem S.A.-Empreedimentos Industriais v. United States*, 913 F.2d 933, 937 (Fed. Cir. 1990). The USPTO, here, is acting outside the scope of its authority and thus no deference is due. Taken in conjunction with the fact that it is “inappropriate” for a court to defer to an agency’s interpretation of the scope of its own authority—as the USPTO would otherwise desire—the lack of delegation to the USPTO is clear. *N.Y. Shipping Ass’n, Inc. v. FMC*, 854 F.2d 1338, 1363 (D.C. Cir. 1988); see also *National Cable & Telecommunications v. Brand X Internet Services*, 545

U.S. 967, 980-82 (2005) (addressing whether an action fell within agency authority before giving *Chevron* deference).

II. The Courts Have Continually Recognized that the USPTO Lacks Substantive Rulemaking Authority

This Court has recognized that the USPTO’s rulemaking authority does not apply to issuance of substantive rules. See *Merck*, 80 F.3d at 1549-50.¹ The United States Court of Appeals for the Federal Circuit held the same earlier this year in its decision in the matter of *Cooper Techs. Co. v. Dudas*, 536 F.3d 1330 (Fed. Cir. 2008). In *Cooper*, the United States Court of Appeals for the Federal Circuit found that “35 U.S.C. § 2(b)(2) does not authorize the Patent Office to issue ‘substantive’ rules.” *Cooper*, 536 F.3d at 1336 (citing *Merck*, 80 F.3d at 1549-50). Even the United States Congress has considered—but continually declined—to grant the USPTO substantive rulemaking authority. See H.R. 2795, 109th Cong. § 123 (2005); S. 3818, 109th Cong. § 6(e) (2006) (evidencing the same).

Any assertion by the USPTO to the contrary—especially with respect to *Merck*—is irrelevant. See PTO Br. 32 (attempting to disregard *Merck* as dicta). In fact, the courts have gone so far as to deny “deference to an agency’s reading of judicial orders or decisions.” *Am. Bioscience, Inc. v. Thompson*, 269 F.3d 1077,

¹ And because the USPTO lacks such authority, *Chevron*—again—does not apply. See *Merck*, 80 F.3d at 1550.

1085 (D.C. Cir. 2001). The USPTO instead attempts to rely upon this court’s 2006 decision in *Lacavera v. Dudas* as evidence of its purported rulemaking authority. See PTO Br. 20 (citing *Lacavera*, 441 F.3d 1380, 1383 (Fed. Cir. 2006)). Such reliance is misguided as *Lacavera* concerned USPTO authority “to govern the recognition and conduct of attorneys” and related proceedings. *Lacavera*, 441 F.3d at 1383.

The *Amici* do not deny that the USPTO has limited authority to implement procedural rules. But such limited authority is just that— limited—and specifically to instances like those of *Lacavera*. The Final Rules is not such an instance. Proper consideration of the prerequisite analysis required by *Adams Fruit* and the unwavering line of decisions that deny the delegation of substantive rulemaking authority to the USPTO cannot be ignored. The authority to implement the substantive changes of the Final Rules has not been nor is it a proper delegation of authority and should therefore be denied.

III. The USPTO’s Final Rules Run Afoul of 35 U.S.C. § 2(b)’s Requirement that Said Rules be “not inconsistent with law”

Notwithstanding the lack of USPTO authority to implement the Final Rules, 35 U.S.C. § 2(b) only permits the USPTO to establish regulations “not inconsistent with law.” 35 U.S.C. § 2(b)(2). The USPTO glosses over this statutory requirement in its discussion concerning whether the Final Rules “facilitate and expedite the processing of patent applications.” 35 U.S.C. § 2(b)(2)(C). Such

consideration is paramount as it is necessary to determine whether the Final Rules are “not inconsistent with law.” *Id.* Assuming *arguendo* that the USPTO has the authority to establish the Final Rules—and it does not—such regulations must be consistent with the Patent Act. Otherwise, the USPTO is acting outside the scope of its statutory authority.

A. Final Rule 78 is Inconsistent with 35 U.S.C. § 120 by Denying Continuation Applications the Benefit of Their Properly Claimed Priority Date

Section 120 of the Patent Act provides that continuation applications “shall have” the benefit of the priority date of a prior-filed application. 35 U.S.C. § 120. Final Rule 78 proposes to refuse such priority benefit to certain continuation applications in direct contravention of the statute. See 72 Fed. Reg. 46837-41. Final Rule 78 is therefore inconsistent with federal law.

A patent application includes a specification, which is “a written description of the invention,” and claims “particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.” 35 U.S.C. § 112. In some instances, the specification may describe more than one invention and the applicant may file continuation applications. These continuation applications are based on the same specification as the prior-filed ‘parent’ patent application. See 35 U.S.C. § 120 and 37 C.F.R. § 1.78. Priority benefit under Section 120 is conferred when the continuation application is filed “before the patenting or

abandonment of or termination of proceedings” in the parent application. 35 U.S.C. § 120. A continuation application may be submitted any time during the pendency of the parent application and still receive the priority benefit of the parent application.

This Court has acknowledged that “[t]he plain and unambiguous meaning of section 120 is that any application fulfilling the requirements therein ‘shall have the same effect’ as if filed on the date of the application upon which it claims priority. The courts have repeatedly recognized this principle.” *Transco Products, Inc. v. Performance Contracting, Inc.*, 38 F.3d 551, 556 (Fed. Cir. 1994). Final Rule 78, however, proposes to overturn this long-recognized principle by denying priority benefit to timely-filed third and subsequent continuation applications absent a further showing under the ambiguous standard that such application “could not have been previously submitted.” 72 Fed. Reg. 46716. As such, Final Rule 78 would refuse priority benefit notwithstanding satisfaction of the requirements of Section 120.

The only instance specified by Section 120 in which priority benefit may be denied to a timely filed continuation application is in the event of failure to reference or submit an amendment to reference the parent application. 35 U.S.C. § 120. Even then, the statute directs the USPTO to “establish procedures to accept an unintentionally delayed submission.” *Id.* The statute does not otherwise

enumerate when priority benefit may be denied. The draconic rule proposed by the USPTO, however, would deny priority benefit to third and subsequent continuation applications, even when the requirements of Section 120 are otherwise satisfied. 72 Fed Reg. 46838. Final Rule 78 would improperly bar an applicant from filing more than two continuation applications as a matter of right. See *Application of Hogan*, 559 F.2d 595, 604 n. 13 (C.C.P.A. 1977) (finding that “a limit on continuing applications is a matter of policy for Congress”).

The USPTO argues that Final Rule 78 “does not place any limit on how many filings the applicant may make,” but “simply requires that an applicant’s third and any subsequent continuation applications be accompanied by a petition and showing that ‘the amendment, argument, or evidence sought to be entered could not have been submitted during the prosecution of the prior-filed application.’” PTO Br. 42. As the District Court found, however, “the USPTO intends to deny additional applications in almost all circumstances.” *Tafas*, 541 F. Supp. 2d at 814 (citing 72 Fed. Reg. at 46769-77). Further, the “‘could not have been previously submitted’ standard [of Final Rule 78] contemplated by the USPTO effectively imposes a hard limit” on continuation applications contrary to the provisions of Section 120. *Tafas*, 541 F. Supp. 2d at 814.

Denial of priority benefit would have serious and substantive adverse affects on the examination of a continuation application. Several of the substantive

requirements for patentability including novelty and non-obviousness are determined with respect to the priority date granted to a patent application. See 35 U.S.C. §§ 102, 103. The USPTO even admits that if a continuation application is denied priority benefit, the applicant must then “argue that intervening art (if any) does not render the invention non-patentable under Sections 102 and 103.” PTO Br. 46.

The “very purpose” of Section 120, however, “is to reach back, to avoid the effect of intervening references.” *Hogan*, 559 F.2d at 604. To allow the use of intervening art as a basis for rejection would be to otherwise “render the ‘benefit’ of 35 U.S.C. § 120 illusory.” *Id.* Giving the words of Section 120 their “full meaning and intent” thus requires that the USPTO judge the sufficiency of a continuation application with respect to “all bases for rejection” as of the priority date. *Hogan*, 559 F.2d at 604. By refusing to recognize priority dates for continuation applications, Final Rule 78 improperly rescinds Section 120’s grant of priority benefit in clear contravention of the statute. Final Rule 78 is, therefore, inconsistent with 35 U.S.C. § 120 and beyond the scope of the USPTO’s authority to implement.

B. Final Rule 114’s Denial of Requests for Continued Examination on the Sole Basis of Family is Inconsistent with 35 U.S.C. § 132

Section 132 provides that if “the applicant persists in his claim for a patent, with or without amendment, the application **shall be** reexamined.” 35 U.S.C.

§ 132 (emphasis added). Final Rule 114 proposes to arbitrarily and mechanically deny certain requests for continued examination (“RCEs”) in direct contravention of the Section 132. See 72 Fed. Reg. 46841.

Once a patent application is filed, the application is reviewed by an examiner to determine whether the invention is patentable utilizing criterion such as novelty and non-obviousness. If the examiner determines that any of the criteria for patentability is not met, the examiner will issue an office action describing the ground(s) for rejecting each claim. 35 U.S.C. §§ 131, 132(a); 37 C.F.R. § 1.104. In response to the office action, an applicant may amend the claims, present arguments why the rejection was made in error, and/or present evidence showing why the invention is patentable. 37 C.F.R. § 1.111. In response, the examiner may either allow some or all of the claims or issue a final rejection. 35 U.S.C. §§ 131, 132(a), 151. This exchange between an applicant and an examiner may be referred to as the ‘prosecution’ of a patent application.

Even if an applicant diligently and substantively advances prosecution, the examiner may issue the aforementioned final rejection. That rejection may have been issued in error in light of, for example, the complexity of the technology, the sheer innovativeness of the invention, and/or human error on the part of the examiner. In some instances, a further response might be helpful to the examiner. In other instances, an amendment to the claims might be warranted. For certain

arguments and amendments to be considered by the examiner in light of the previously rendered final rejection, the applicant may have to request continued examination through the filing of an RCE.

Like Final Rule 78, Final Rule 114 would impose a mechanical barrier against certain RCEs. *See* 72 Fed. Reg. 46841. Final Rule 114 would automatically deny a second or subsequent RCE unless accompanied by a showing that the amendment “could not have been previously submitted.” 72 Fed. Reg. 46716. The result required by Final Rule 114 runs directly counter to the express language of Section 132, which provides that “if . . . the applicant persists in his claim for a patent, with or without amendment, the application **shall be** reexamined.” 35 U.S.C. § 132 (emphasis added). *See also* 37 C.F.R § 1.114(d) (stating that if the applicant “timely files a submission and fee,” the USPTO “will withdraw the finality of any Office action and the submission will be entered and considered”).

The showing required by Final Rule 114 is the same vague, ambiguous, and otherwise incomprehensible standard as that required by Final Rule 78—that the amendment or accompanying evidence “could not have been previously submitted.” 72 Fed. Reg. 46716. The USPTO expects to find such showings insufficient in “almost all circumstances.” *Tafas*, 541 F. Supp. 2d at 814. Even if the examiner indicates that the application may include patentable claims, if

amended, the applicant may not submit such an amendment if continued examination has already been requested once with respect to that application (or a related application). According to the USPTO, such evidence that an amendment would overcome a final rejection would not be considered sufficient. 72 Fed. Reg. 46774. Under Final Rule 114, therefore, applications would be denied continued examination to which they would otherwise be entitled under Section 132. As a result, such applications could not issue as patents, even if they would otherwise meet all the requirements for patentability.

Further, Final Rule 114 imposes this limitation on the number of RCEs on an entire application ‘family’ rather than in a single application. An application ‘family’ as defined by the USPTO includes an “initial application and its continuation or continuation-in-part applications.” *Id.* Thus, if a RCE was submitted during prosecution of a parent application, no further RCEs would be accepted for that parent application or for any continuation or continuation-in-part applications without the requisite showing. Because a continuation (or continuation-in-part) application is examined as a separate application from the parent, there is no justification for limiting RCEs based on ‘family’ affiliation.

There is likewise no precedent in the Patent Act for examining or rejecting a patent application based on ‘family’ affiliation. See 35 U.S.C. § 1 *et seq.* Imposing an RCE limitation on an entire ‘family’ runs contrary to the express

intent of Congress to apply Section 132 to “all applications.” American Inventors Protection Act of 1999, Pub. L. No. 106-113 § 4405(b)(1), 113 Stat. 1501, 1501A-560 (1999). The USPTO recently argued that the phrase “original application” encompasses continuation and continuation-in-part applications. *Cooper*, 536 F.3d at 1331. As such, Section 132 applies to each and every continuation and continuation-in-part application and Final Rule 114 may not impose an RCE limitation based on inclusion in an application ‘family.’

By arbitrarily and mechanically limiting RCEs on the basis of application ‘family’ and requiring a showing that any amendments “could not have been previously submitted,” Final Rule 144 seeks to negate the clear and unambiguous language of Section 132 providing that “with or without amendment, the application shall be reexamined.” 35 U.S.C. § 132. Final Rule 114 is, therefore, inconsistent with 35 U.S.C. § 132, and as such, beyond the scope of the USPTO’s authority to implement as set forth in Section 2(b).

C. Final Rules 78 and 114 Further Exceed the Scope of USPTO’s Limited Authority to Address Abuses in Prosecution

The USPTO purports to issue Final Rules 78 and 114 to address the problem of abuse of the prosecution process. See PTO Br. 5-7. Pursuant to this Court’s decision in *In re Bogese*, however, the USPTO’s authority to demand forfeiture of patent rights is limited to cases of “unreasonable,” “unexplained,” and “undue delay.” 303 F.3d 1362, 1367 (Fed. Cir. 2002). In those instances, forfeiture is

limited to acts that constitute a course of “deliberate,” “consistent,” “egregious,” and “exceptional delay” without any attempt to substantively advance prosecution. *Id.* at 1365-66.

To justify the loss of patent rights, this court explained that “undue delay in claiming one’s rights may result in the loss of those rights.” *Id.* at 1364. Although the Court acknowledged the USPTO has authority to “set reasonable deadlines and requirements,” the Court nevertheless held that USPTO merely “has authority to order forfeiture of rights for unreasonable delay.” *Id.* at 1368-69. A mechanical rule based on a misconstruction of statutory requirements is not allowed.

Concerned that the statutory provisions governing patent rights may be “unjustifiably vitiated,” this Court has further limited forfeiture of such patent rights to “egregious cases of misuse.” *Symbol Techs., Inc. v. Lemelson Med., Educ. & Research Found.*, 422 F.3d 1378, 1385 (Fed. Cir. 2005). “Taken singly, the delay in the prosecution of any one particular application will surely not appear to merit” such vitiation of statutory patent rights. *Id.* at 1385-1386. Ensuring that such statutory patent rights are not “unjustifiably vitiated” may entail “an examination of the totality of the circumstances, including the prosecution history of all of a series of related patents and overall delay in issuing claims.” *Id.* at 1386.

This Court further notes that “[t]here are legitimate grounds for refiling a patent application which should not normally be grounds for a holding of laches.”

Id. at 1385. “One may refile an application even in the absence of any of these reasons, provided that such refiling is not *unduly* successive or repetitive.” *Id.* (emphasis added).

In contrast, Final Rules 78 and 114 go “far beyond simply prohibiting unreasonable delays.” *Tafas*, 541 F. Supp. 2d at 815. Final Rule 78 embodies an arbitrary presumption that a third or subsequent continuation application is an abusive use of continuation practice, regardless of whether there was any significant delay. Likewise, Final Rule 114 embodies the presumption that a second or subsequent RCE submitted in an application ‘family’ is abusive, regardless of merit or delay. The presumptions embodied by the Final Rules unreasonably and unjustifiably vitiate the statutory provisions governing rights in continuation and RCE practice. It would be perverse to conclude that the USPTO must take care not to vitiate patent rights on an individual basis yet should be allowed to vitiate patent rights across the board.

CONCLUSION

For the reasons set forth above, the *Amici* request that the United States Court of Appeals for the Federal Circuit affirm the April 1, 2008 grant of summary judgment by the United States District Court for Eastern District of Virginia. Specifically, the *Amici* request that the United States Court of Appeals for the Federal Circuit find that the Final Rules constitute an un-delegated overextension

of USPTO authority with respect to substantive rule making. Further, the *Amici* request that the Court find the Final Rules to be inconsistent with statutory law, especially with respect to Final Rules 78 and 114, and that said rules do nothing to achieve the purported goals misidentified by the USPTO.

October 3, 2008

Respectfully submitted,

COLBY B. SPRINGER
TAM THANH PHAM
CARR & FERRELL LLP
2200 Geng Road
Palo Alto, California 94303
Telephone: (650) 812-3400
Facsimile: (650) 812-3444

Attorneys for *Amici Curiae*
SonicWALL, Inc.
Pax Streamline, Inc.
Ruckus Wireless, Inc.
SEVEN Networks, Inc.

CERTIFICATE OF FILING AND SERVICE

I hereby certify that on this 3rd day of October, 2008, two bound copies of the Brief of *Amici Curiae* were served via U.S. Mail, postage prepaid, to the following:

Scott R. McIntosh
Joshua Waldman
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Room 7232
Washington, D.C. 20530

Counsel for All Defendants

David W. Ogden
Randolph D. Moss
Brian M. Boynton
Wilmer Cutler Pickering Hale & Dorr LLP
1875 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

*Counsel for Amicus:
Pharmaceutical Research and
Manufacturers of America*

Thomas J. O'Brien
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

*Counsel for Amicus:
American Intellectual
Property Law Association*

Steven J. Moore
Names Nealon
Kelley, Drye & Warren LLP
400 Atlantic Street
Stamford, CT 06901

Counsel for Triantafyllos Tafas

Randall Karl Miller
Arnold & Porter LLP
1600 Tysons Boulevard
Suite 900
McLean, VA 22102

*Counsel for Amicus:
Biotechnology Industry Organization*

Blair Elizabeth Taylor
Covington & Burling
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

*Counsel for Intellectual Property
Owners Association*

Scott Jeffrey Pivnick
Pillsbury Winthrop Shaw Pittman LLP
1650 Tysons Boulevard
Suite 1400
McLean, VA 22102

*Counsel for Amicus:
Elan Pharmaceuticals, Inc.*

Kevin Michael Henry
Sidley Austin Brown & Wood LLP
1501 K Street, N.W.
Washington, D.C. 20005

*Counsel for Amicus:
Washington Legal Foundation*

Matthew Christian Schruers
Computer & Communications
Industry Association
900 17th Street, N.W.
Suite 1100
Washington, D.C. 20006

*Counsel for Amici:
Public Patent Foundation
Computer and Communications
Industry Association;*

*AARP; Consumer Federation of America; Essential Action, Foundation for
Taxpayer and Consumer Rights; Initiative for Medicines, Access and Knowledge,
Knowledge Ecology International; Prescription Access Litigation; Public
Knowledge; Research on Innovation; Software Freedom Law Center*

Charles Gorenstein
Birch Stewart Kolasch & Birch LLP
8110 Gatehouse Road
Post Office Box 747
Falls Church, VA 22040

*Counsel for Amicus:
William Mitchell College of Law
Intellectual Property Institute of
William Mitchell College of Law*

Jennifer Sue Martinez
Stanford Law School
559 Nathan Abbott Way
Stanford, CA 94305

*Counsel for Amicus:
Intellectual Property and
Administrative Law and
Public Health Professors*

Robert Christian Bertin
Swidler Berlin LLP
3000 K Street, N.W.
Suite 300
Washington, D.C. 20007

*Counsel for Amicus:
Bar Association of the
District of Columbia*

I further certify that on this 3rd day of October, 2008, the required number of copies of the Brief of *Amici Curiae* were hand filed at the Office of the Clerk, United States Court of Appeals for the Federal Circuit.

The necessary filing and service were performed in accordance with the instructions given me by counsel in this case.

THE LEX GROUP^{DC}
1750 K Street, N.W., Suite 475
Washington, D.C. 20006
(202) 955-0001

CERTIFICATE OF COMPLIANCE

Pursuant to Federal Circuit Rule 28(a)(14) and Federal Rule of Appellate Procedure 32(a)(7)(C), counsel for *Amici Curiae* hereby certifies that the foregoing Brief of *Amici Curiae* complies with the type-volume limitation proscribed in Federal Rule of Appellate Procedure 32(a)(7)(B) and was prepared using the following:

Microsoft Word 2000;

Times New Roman;

14 point typeface.

Amici Curiae's counsel has relied on the word count function of the word-processing program used to prepare this Brief of *Amici Curiae*, which indicates that this brief contains 3,812 words, excluding the parts exempted by Federal Rule of Appellate Procedure 32(a)(7)(B)(iii) and Federal Circuit Rule 32(b).

Respectfully Submitted,

COLBY B. SPRINGER
TAM THANH PHAM
CARR & FERRELL LLP
2200 Geng Road
Palo Alto, California 94303
Telephone: (650) 812-3400
Facsimile: (650) 812-3444

Counsel for Amici Curiae

Dated: October 3, 2008