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**Do patent prosecution rules and practices
lead to legal and commercial uncertainty?**

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Do patent prosecution rules and practices lead to legal and commercial uncertainty?

Yes.

Uncertainty caused by U.S. patent rules and practices –

- Delay,
- Unfair rejections,
- Sometimes followed by allowance, and
- The times they are a-changin’

– quote from song by Bob Dylan

**“In the United States, you
change the law every day.”**

– AIPPI member to the author
(Budapest, Sept. 5, 2003)

Changes in U.S. patent law, rules and practice

- Supreme Court holds against patents
- Federal Circuit follows Supreme Court
- Congress – Patent Reform Act (in process)
- U.S. Patent and Trademark Office (USPTO)
– a typhoon of new rules

New *KSR* decision –

- *KSR* decision of Supreme Court makes more patents obvious (no inventive step)
- Federal Circuit is invalidating claims based on obviousness, citing *KSR*
- USPTO always rejected claims for obviousness, now even more so!

New: Signal Is Not Patentable

- Only 4 categories of patentable subject matter in U.S. patent statute:
 - Process, machine, manufacture, composition of matter
- Signal is none of the above
- *In re Nuijten* (Fed. Cir. Sept. 2007)

New Technical Content Requirement

- Business methods without computers are not patentable
- Federal Circuit did not mention “technical content,” but why else require a computer?
- *In re Comiskey*, (Fed. Cir. Sept. 2007)

Patent Reform

- House of Representatives passed Patent Reform Bill (H.R. 1908)
 - **First to file** (conditioned on international acceptance of “grace period”)
 - Many other changes
- Does not become law unless Senate also passes bill and President signs it

A typhoon of patent changes –



**Will U.S. patent
system weather
the storm?**

History of U.S. Patent System

- Patents authorized in U.S. Constitution
- U.S. patent laws, rules and practice began in 1789 when George Washington was President
- First U.S. patent issued in 1790
- 10,000 patents issued by 1836, all signed by President, Secretary of State and Attorney General
 - See R. Beem, *Patents with Presidential Power*
 - Over 7,000,000 U.S patents by 2007

Since U.S. Patent Act of 1836 –

- U.S. patent system is stable, requiring
 - Examination,
 - Novelty, and
 - Inventive Step (Non-Obviousness)
- Many new changes in rules and practice
- Cannot predict every change in detail
- Basic system and results will not change

Patents have a solid foundation



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When you enter U.S. national phase –

- You get a receipt, and
- A bill,
- And then...

Nothing Happens



Wait 12 to 36 months or more
for 1st office action

Can you speed up examination?

- Maybe, but only if
 - Pay extra fee to USPTO
 - Do extra work for USPTO
- Can always make “status inquiry”
- While waiting for USPTO, Beem recommends...

PATIENCE



When you get 1st office action –

- What should you expect?

REJECTION



What can you do to avoid 1st
office action rejection?

NOTHING

1st Office Action

- Rejection!
 - Regardless of merit
 - Claims don't read on prior art
 - Formalities get in the way
- Only 5-10% allowed without 1st rejection
 - Uncertainty
 - Unfairness
 - Adds cost and delay
- Applicant must respond

2nd Office Action

- Often final rejection
 - Only about 50% allowed
 - Others, usually final rejection
- Applicant must act, but options limited
 - Request continued examination (RCE)
 - Or appeal
- More uncertainty, cost and delay

Continuation or Request for Continued Examination (RCE)

- Pay another filing fee
- Respond to final rejection, amend claims
- About 70% allowed
- Currently no limit on continuations (and RCEs)
- **New limitation: Only one continuation (or RCE)**
 - Proposed to take effect before end of this year!
 - There will be exceptions for “good reason”
 - But what is good reason?

New limitations on continuations (and RCEs)

- **If** 1st office action is rejection
- And 2nd office action is rejection
- And one RCE is a rejection, then –
- New rule will end prosecution!
- Will have to appeal or abandon!
- Now, will examiners allow claims sooner?
 - How can you and your U.S. patent attorney help the examiner to allow claims earlier?



Appeal

- To board of appeals
- From board to court
 - District Court
 - Federal Circuit
 - Supreme Court

Recommendations

1. “Front load” the priority application
 - What is the invention?
 - Describe it in detail
 - Provide ranges and alternatives
2. Review and reformat when entering U.S. national phase
3. Instruct U.S. patent attorney to conduct telephone interviews with examiners
4. Further study by AIPPI

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Thank you!

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