District Court Permanently Enjoins Patent Continuation Rules.

April 2, 2008

On April 1, 2008, the U.S. District Court for the Eastern District of Virginia issued an order permanently enjoining the U.S. Patent and Trademark Office (USPTO) from implementing its controversial Final Rules package that would have restricted the number of continuing applications, the number of requests for continued examination, and the number of claims patent applicants may file. The district court declared the Final Rules "null and void as 'otherwise not in accordance with law' and 'in excess of statutory jurisdiction and authority'" under the Administrative Procedures Act.

The case is *Tafas v. Dudas*, Case No. 1:07-cv-00846. The consolidated plaintiffs are Triantafullos Tafas, an individual inventor, and GlaxoSmithKline (GSK), the world's second largest pharmaceutical company. Tafas is represented by Kelley Drye & Warren and Collier Shannon & Scott, while GSK is represented by Kirkland & Ellis. Assistant U.S. Attorney Lauren Wetzler represents the USPTO.

In its memorandum opinion, the district court agreed with the plaintiffs that the Final Rules are substantive but that the Patent Act "does not vest the USPTO with any general substantive rulemaking power." The court ruled that under existing case law, "there is no statutory basis for fixing an arbitrary limit to the number of continuing applications."

The district court found similar problems with the Final Rules' limit on the number of requests for continued examination. The court held the Patent Act mandates the USPTO to "provide for the continued examination of applications for patent at the request of the applicant" and does not permit the USPTO to limit the number of such requests.

The court was not persuaded that the Final Rules' provision for a petition to seek a third or subsequent continuation or a second or subsequent request for continued examination was adequate. The court noted that such petitions would be denied "in almost all circumstances,"

including situations where applicants seek to present claims covering a competitor's product – a practice of which the Federal Circuit has specifically approved.

Finally, the court ruled that the Final Rules' requirement for filing an Examination Support Document in applications containing more than five independent claims or 25 total claims conflicted with existing law, under which "applicants have 'no duty to conduct a prior art search' and 'no duty to disclose art of which an applicant could have been aware.'"

The USPTO has not yet announced whether it will appeal the district court's decision to the Federal Circuit.

Posted: April 2, 2008