

# The Benefits and Drawback to Filing an SRR In View of the New Rules Published August 21, 2007

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## I. INTRODUCTION

The new rules patent published August 21, 2007 substantially impact strategies for protecting inventions and limit the achievable protection. This paper ignores the possibility of revising the contents of applications to segment inventions into different applications and instead focuses on the effects of filing SRRs (Suggested Restriction Requirements).

## II. BENEFITS OF FILING AN SRR IN AN APPLICATION EXCEEDING THE 5/25 CLAIM LIMIT

An application having more than 5/25 claims does not comply with the claims limitations imposed in 37 CFR 1.75(b). It is a non complying application.

A non complying application filed with no SRR or ESD will lose patent term adjustment (PTA) equal to the period from the date of filing to the date on which the application complies with 1.75(b). 37 CFR 1.705(c)(11). Filing an SRR in compliance with 1.142(c) with such an application at the time the application is filed eliminates this loss of potential PTA. 37 CFR 1.705(c)(11). An SRR complies with 1.142(c) if:

- (1) the application contains 2 or more independent and distinct inventions;
- (2) the SRR is filed prior to a first office action on the merits or a requirement to restrict;
- (3) the SRR is accompanied by an election without traverse of an invention to which there are no more than 5 independent and 25 total claims; and
- (4) the SRR identifies the claims to the elected invention. 37 CFR 1.142(c).

According to the USPTO presentation on August 24, 2007, slide 60, an examiner will either impose the SRR, impose some other restriction requirement, or issue a notice providing a 2 month period in which to comply with 1.75(b) (file either an acceptable ESD or limit the claims to be examined to 5/25).

If the examiner imposes a restriction requirement, the non elected inventions may be subject of division applications, and those division applications cannot be rejected for double patenting over the original application, avoiding the potential requirement for a terminal disclaimer in divisional applications. Therefore, patent term in a continuing applications which have a number of claims presented in the original application that exceeded the 5/25 claims limitation may be preserved. Moreover, the claims to the non-elected inventions in the original application will be withdrawn. With respect to the withdrawn claims, the official comments on the new rules state that "... claims withdrawn from consideration ... are not taken into account in determining whether an application exceeds the [5/25 claims limitation and] ... are not taken into account in determining whether a co-pending application ... contains a claim that is patentably indistinct from a claim in such application" for purposes of the 5/25 claims limitation. 78 FR 46726.

One issue with this strategy is that what constitutes 2 or more independent and distinct inventions? That is, what is the impact on PTA if the USPTO decides not to restrict? Does such

a decision not to restrict raise a presumption that the SRR was not in compliance with 1.142(c), and therefore the application is subject to loss of PTA from date of filing until long subsequent filing of either an ESD or limitation of the claims to 5/25? The rules changes suggest not. Specifically, rules 1.142(a) and 1.146 were both amended concurrently with the amendment to rules 1.75(b) and 1.705(c)(11) to give the examiner discretion to not impose a restriction when an application claimed 2 or more independent and distinct inventions. This suggests an intent on the part of the USPTO to allow the presumption that an SRR defines two independent and distinct inventions even if the examiner decides not to impose a restriction requirement. Hence, although uncertain, it is likely that the USPTO would not impose a 1.705(c)(11) penalty on PTA due to the filing of an SRR in an application in which the examiner imposed no restriction requirement. Thus, the filing of an SRR in a non complying application, is likely to avoid loss of substantial potential PTA.

Another issue with this strategy is what estoppel impact the filing of the SRR might have in the patent. However, the requirements for restriction or election are not akin to the requirements for obviousness, and therefore the potential impact on issues of claim construction are minimal. In addition, restriction requirements are devoid of reference to the prior art, and therefore no prior art characterization appears necessary. All in all, presenting a SRR, even if it requires showing compliance with the criteria for restriction specified in the MPEP, does not appear to present substantial estoppel risks.

Another issue with this strategy is the "gotcha" effect. If an application exceeds the 5/25 limits, even if accompanied by an SRR, there is an incentive for the examiner to not impose a restriction requirement. The new rules expressly authorize the examiner to not impose a restriction when there are independent and distinct inventions. Thus, the examiner may for example send the applicant a notice requiring the application to limit the claims to 5/25. Thereafter the examiner could still issue a restriction requirement, further limiting examination to only some of the remaining 5/25 claims. Gotcha! Hence, this strategy leaves the applicant at the discretion and mercy of the examiner.

If the examiner does not impose a restriction, the examiner is supposed to issue a notice providing a 2 month period in which to comply with 1.75(b). The applicant can respond with either an ESD or limit the claims to be examined to 5/25. In this case, the application will be subject to a PTA loss pursuant to 37 CFR 1.705(c)(11). However, that PTA loss is limited to the time of the notice until the response, which is at most 2 months. If the examiner issues such a notice, then the applicant may limit the claims to 5/25, and then prosecute the canceled claims in a continuation application upon allowance, abandonment, or appeal to the courts, in the first application. 37 CFR 1.75(b)(4); 72 FR 46726, left column, USPTO power point slide presentation of August 24, 2007, slide 69.

Thus, the filing of an SRR in an original application having a number of claims exceeding the 5/25 claims limitations may preclude a loss of PTA in that case, and may preclude truncation of patent term in subsequently filed applications for the originally presented claims.

### III. BENEFITS OF FILING AN SRR IN A COMPLYING APPLICATION

Why would you file an SRR in a complying application? The SRR will incent the examiner to impose a restriction requirement. Since an applicant would almost always prefer to

have all claims examined in one application, is there any reason to file an SRR in this situation? Yes. This is because the number of claims in an application is now limited to 5/25. Because of the 5/25 limit the applicant filing a non complying application runs the risks noted in section I.

Here is an example showing the benefit of filing an SRR in a complying application. Assume that the applicant believes that the invention warrants the protection of more than 5/25 claims. Specifically, assume that the applications contains 5 independent claims. It is always the case that patentability of claims in an application is uncertain. The application is limited to 20 more dependent backup claims, in case the independent claims are ultimately found unpatentable. However, the applicant determines that the additional 20 dependent backup claims are insufficient assurance.

The applicant could file the 5 independent claims, and propose an SRR. For example, assume the SRR suggests that each independent claim defines an independent and distinct invention. If the examiner agrees and imposes the SRR, then the applicant has the right to file 4 division applications. In each division application, the applicant can present a series of backup dependent claims to the independent claim in case the independent claim is ultimately found unpatentable. Moreover in the original application in which the examiner imposed the SRR, the applicant can cancel the withdrawn claims and add additional dependent backup claims in case the independent claim in that case is also ultimately found unpatentable.

Moreover, because of the restriction requirement, each of the different applications will be immune from a double patenting rejection based upon claims in any other one of those applications, thereby preserving potential PTA.

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