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Intellectual Property Update

U.S. Patent and Trademark Office Will Rescind Controversial Final Rules; Status of District Court Decision Unclear

On October 8, 2009, the Director of the U.S. Patent and Trademark Office (the "Office"), David Kappos, signed a new final rule rescinding the Office's rules ("Final Rules") relating to limitations on (A) the number of continuing patent applications that an applicant can file, (B) the number of requests for continued examination ("RCEs") that an applicant can make as a matter of right, and (C) the number of claims that can be filed per patent application as a matter of right before triggering a requirement to submit an Examination Support Document ("ESD").

On March 20, 2009, the United States Court of Appeals for the Federal Circuit ("Federal Circuit") issued its decision in the case captioned *Tafas v. Doll*, which affirmed-in part and vacated-in-part the decision by the United States District Court for the Eastern District of Virginia on April 1, 2008, to permanently enjoin the Office from implementing the Final Rules. The Federal Circuit case *Tafas v. Doll* stems from an appeal by the Office of the District Court decision, which consolidated suits brought by plaintiffs Smithkline Beecham Corporation (d/b/a GlaxoSmithKline) and inventor Triantafyllos Tafas. On July 26, 2009, the Federal Circuit agreed to rehear the appeal after expressly vacating the Federal Circuit's decision of March 20, 2009. On August 21, 2009, the Federal Circuit granted a stay of the case until 60 days after David Kappos is confirmed as the new Office Director.

Disposition of Pending Litigation – *Tafas v. Doll*

The Office also announced on October 8, 2009, that it will file a motion to dismiss and vacate the District Court decision of April 1, 2008.

In view of the Office's decision to rescind the Final Rules and the forthcoming motion to dismiss and vacate, the Federal Circuit will make a formal decision regarding the status of the pending appeal and will determine whether to vacate the District Court's decision of April 1, 2008.

Reportedly, the plaintiffs in the case, GlaxoSmithKline and Mr. Tafas, disagree as to the desired disposition of the District Court decision. In particular, GlaxoSmithKline has reportedly agreed with the Office to request that the Federal Circuit dismiss their appeal and to vacate the district court decision below. Mr. Tafas apparently disagrees with the request to vacate, and believes that the District Court's precedential decision should be maintained to limit the Office's substantive rulemaking power.

For more information, please contact one of the authors of this alert or your Michael Best attorney.

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