

Limits on Continuing Applications

In 2007, the USPTO issued a rule change limiting continuing applications and requests for continued examination (RCEs). Basically, an applicant was permitted two continuation or continuation-in-part applications and one RCE per application family, with divisional applications being permitted only in response to a restriction or unity requirement from the USPTO (the “two plus one” rule). The USPTO was sued within a day of issuing the rule change, which resulted in the “two plus one” rule (and other related rules) being enjoined by the District Court for the Eastern District of Virginia. The district court decision was appealed, which led to a Federal Circuit panel decision in 2009 upholding the injunction as to the limits on continuing applications on the basis that it was contrary to 35 U.S.C. § 120 (and vacating other aspects of the district court decision). The Federal Circuit panel decision, however, was itself vacated when the Federal Circuit decided to take up the case en banc. The USPTO then decided to rescind the rules (change of administration) and drop the appeal in the fall of 2009, ultimately resulting in the district court decision and injunction remaining in place.

The justifications given for the limits on continuing applications (and RCEs) in 2007 were their impacts on USPTO workload as well as the uncertainty to the public as to what the set of patents resulting from the initial application will cover (72 Fed. Reg. 46718). The fee setting provision of the AIA (2011) has since given the USPTO a means to address workload issues caused by continuing applications, RCEs, claims, or other patent applicant actions: e.g., the number of applications containing a large number of claims and multiple RCEs dropped significantly after the first AIA fee setting in 2013. The USPTO currently has a fee setting under way that includes proposals to further increase excess claims fees and second and subsequent RCE fees, to add tiered additional fees for continuing applications filed beyond certain time thresholds, to increase and tier terminal disclaimer fees (addresses double patenting and continuing applications claiming indistinct inventions).

Despite these changes, concerns with continuing application practice remain. In recent years, the USPTO has received letters from members of Congress concerning continuing applications, terminal disclaimer practice, and “patent thickets.” One of these letters was a June 2022 letter by a bipartisan group of senators to the USPTO director suggesting several changes to patent regulations or practice. One of these suggestions was for the USPTO to set a time limit within which any continuing application may be filed, noting that the patent laws require the USPTO to set a “time during the pendency of the [original] application” in which any continuing application may be filed (brackets in the June 2022 letter). The USPTO published a Federal Register notice in October 2022 seeking public input on a number of issues, including the suggestions in the June 2022 letter. While it is questionable that the quoted provision in the June 2022 letter has the meaning being attributed to it,¹ the letter does evidence congressional interest in reining in continuing application practice.

¹ The June 2022 letter inserts “original” in brackets between “the” and “application” in its quote of 35 U.S.C. § 120. The quoted language was added to 35 U.S.C. §§ 119 and 120 in the AIPA, and the purpose of this language was to authorize the USPTO to set a time by which an applicant must make a claim to priority of an earlier application to

There may be value in proactively considering what limits should be placed on continuing application filings. To give more certainty to what is permitted and not permitted,² consideration should be given to legislation³ that sets a time limit (measured either from the priority date or from the earliest claimed nonprovisional filing date) after which a patent applicant may not seek additional patent coverage. Some possibilities are--

- (1) Setting a time limit within which any continuing application may be filed, and permits divisional applications after this time limit only in response to a restriction/unity requirement (or just prohibit any restriction/unity requirements after this time limit); or
- (2) Setting a time limit after which the only new or amended claim in an application or any continuing application must be one that has the same or a narrower scope as an existing claim.

allow for publication of the later-filed application at eighteen months from the earliest claimed priority date. H.R. Rept. No. 106-464, at 130-31 (1999). Thus, this provision has been interpreted as applying to the later-filed application that is claiming priority to an earlier application and not as applying to the earlier application whose priority is being claimed (the “original” application). 37 C.F.R. § 1.78(a)(4) and (d)(3).

² There is also a body of Federal Circuit decisions on prosecution laches since 2000. These Federal Circuit decisions remain relatively rare, address atypical prosecution practices, and so far have involved only pre-URAA applications. These decisions do, however, indicate that there are boundaries on the use of continuing applications.

³ While the senators’ letter suggests that the USPTO should or could address this via rulemaking, this type of change practically, if not legally, requires legislation. Whether one feels that these types of limits on continuing applications is substantive or only procedural (basis for district court decision) or that they would be contrary to 35 U.S.C. § 120 (basis for Federal Circuit panel decision), it is unquestionable that the USPTO implementing any type of limits on continuing applications by itself via rulemaking would result in a protracted rulemaking and subsequent litigation taking years to resolve.