

## The “Serious Burden” Requirement Has Teeth - A Prohibition on Restriction Requirements Later in Prosecution

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### I. BACKGROUND

For about the last decade, I have followed the strategy of appealing as soon as possible in applications for computer implemented inventions for the following reasons. First, information indicated that the policy and procedure imposed by the Director on the examining corps in this area made prosecution before the examining corps fruitless.<sup>2</sup> Second, the Board of Patent Appeals and Interferences ("BPAI") is at least nominally independent of supervision by the Director because BPAI decisions are reviewed by the Courts, not the Director. Therefore, my belief has been that a significant fraction of rejections in patent applications claiming computer implemented inventions would be reversed on appeal, leading to allowance.

Unfortunately, obtaining decisions on appeals in the computer implemented inventions area has been difficult and slow due to procedural obstacles imposed in prosecuting cases in this area. The procedural obstacles have included: examiners imposing requirements to re-file briefs to address alleged formal errors; examiners responding to appeals by reopening prosecution and imposing new grounds for rejection; and the BPAI administratively remanding cases to the examiner ordering the examiner to correct the record.<sup>3</sup>

In addition, in several cases, the examiners responded to my appeals by reopening prosecution only to the extent of imposing restriction requirements. However, the new precedent discussed below holds that requiring restriction in an application after all claims have been twice rejected is improper. Since all claims in appealed cases are normally twice rejected, the practice of responding to an appeal with a restriction requirement is generally improper and should cease.<sup>4</sup> Before discussing this precedent, it is useful to summarize the conditions required for a proper restriction.

### II. CONDITIONS REQUIRED FOR A PROPER RESTRICTION

The authority for the Director to require restriction appears in 35 USC 121, which authorizes the Director to impose a requirement for restriction whenever claimed inventions in one application are “independent and distinct.”<sup>5</sup> The Director specifies in the MPEP instructions to examiners. These include conditions under which examiner’s may require restriction.<sup>6</sup> In MPEP 803, the Director interprets 35 USC 121 to authorize restriction whenever claims in an application are independent or distinct. Various criteria are specified in the MPEP for defining inventions that are either independent or distinct from one another. The MPEP requires an examiner to specify, based upon these criteria, why the claims in an application are either independent or distinct from one another, as a necessary condition for imposing a requirement for restriction.

However, the MPEP contains an additional necessary condition that must be met by an examiner before the examiner can impose a restriction requirement. This is the requirement to show that there is a "serious burden" on the examiner to search and examine the allegedly independent or distinct claims. Specifically, the second paragraph of MPEP 803 states that:

If the search and examination of **>all the claims in an<** application can be made without serious burden, the examiner must examine **>them<** on the merits, even though **>they include<** claims to independent or distinct inventions. [MPEP 8th Edition, Rev. 5, 2006]

MPEP 803 also provides general guidance regarding what the examiner must show to satisfy the "serious burden" requirement, stating that:

For purposes of the initial requirement, a serious burden on the examiner may be prima facie shown **>** by appropriate explanation of separate classification, or separate status in the art, or a different field of search as defined in MPEP § 808.02. That prima facie showing may be rebutted by appropriate showings or evidence by the applicant. Insofar as the criteria for restriction practice relating to Markush-type claims is concerned, the criteria is set forth in MPEP § 803.02. Insofar as the criteria for restriction or election practice relating to claims to genus-species, see MPEP § **>806.04<** - § 806.04(i) and § 808.01(a).

MPEP 808.02 also discusses the "serious burden" requirement, but its discussion is redundant of MPEP 803.

Timing is also an important factor in determining whether a requirement for restriction is proper. Respecting timing for a restriction requirement, MPEP 811 cites to 37 CFR 1.142(a). Rule 1.142(a) states that:

§ 1.142 Requirement for restriction.

(a) If two or more independent and distinct inventions are claimed in a single application, the examiner in an Office action will require the applicant in the reply to that action to elect an invention to which the claims will be restricted, this official action being called a requirement for restriction (also known as a requirement for division). Such requirement will normally be made before any action on the merits; however, it may be made at any time before final action. ... [Para (a) revised, 62 FR 53131, Oct. 10, 1997, effective Dec. 1, 1997]

In discussing rule 1.142(a), MPEP 811 states that:

811 Time for Making Requirement [R-3]

37 CFR 1.142(a), second sentence, **>** indicates that a restriction requirement "will normally< be made before any action upon the merits; however, it may be made at any time before final action **>**." This means the examiner should make a proper requirement as early as possible in the prosecution, in the first action if possible, otherwise, as soon as the need for a proper requirement develops.

Before making a restriction requirement after the first action on the merits, the examiner will consider whether there will be a serious burden if restriction is not required.

The rule requirement that "however, it may be made at any time before final action" clearly indicates that a requirement for restriction is improper after a final action. However,

focus on the statement "as soon as the need for a proper requirement develops". That statement indicates that a requirement for restriction should be made in response to a claim amendment resulting in claims that define "independent and distinct" inventions within the meaning of 35 USC 121. MPEP 811, first paragraph, does not expressly prohibit restriction after examination of otherwise restrictable claims. However, a question arises whether there can be a "serious burden" in examination of claims already examined. The decision discussed below addresses that question.

**III. THERE IS NO "SERIOUS BURDEN" EXAMINING AN APPLICATION IN WHICH ALL CLAIMS WERE PREVIOUSLY TWICE REJECTED, AT LEAST IN THE EYES OF TECHNOLOGY CENTER 3600**

On 3/24/2004, I filed a petition on behalf of the applicant in application 09/478,351 that requested that a restriction requirement imposed in response to the filing of an appeal brief be withdrawn and that the appeal brief be reinstated.

On 10/31/2008, the USPTO issued a decision on the petition. The decision on that petition is signed by Group Director Coggins, for Technology Center 3600. The decision on the petition reads in toto as follows:

MAILED FROM DIRECTOR'S OFFICE  
10/31/2008  
TECHNOLOGY CENTER

In re Application of Michael Scroggie et al : DECISION ON PETITION  
REGARDING RESTRICTION REQUIREMENT

Applicants' petition filed on March 25, 2004 requests withdrawal of the election requirement as set forth in the Office action mailed November 24, 2003. Applicants further request reinstatement of the supplemental appeal brief filed on September 11, 2003.

The petition is GRANTED.

A review of the record reveals that the Office action mailed November 24, 2003 set forth an election requirement requiring a provisional election between five subcombinations identified as (1) Claims 28-29, 32, 73-75, 76-78, and 79-81, (2) Claims 61-62, 64, 65-72, (3) Claims 34-41, 42-44, 45-49, 82, and 83; (4) Claims 31, 50, 51-54; and (5) Claims 55-60 and 63. Applicants elected the subcombination of Claims 28-29, 32, 73-75, 76-78, and 79-81 with traverse in the response filed December 22, 2003. The examiner, upon reconsideration, modified the grouping of the claims and mailed a non-final office action on March 1, 2004 addressing Claims 28, 29, 32, 55-60, and 73-81. The March 25, 2004 petition was then timely filed.

Applicants' petitions [sic] allege that the election requirements are improper because there would be no burden on the examiner since all of the present claims had already been rejected at least two times prior to the election requirement.

For the foregoing reasons, the examiner's provisional election requirement

has been deemed to be improper.

The application is being forwarded to the examiner for consideration of claims 28, 29, 31-32, and 34-83. An appropriate Office response to the Appeal Brief filed on September 11, 2003 will follow in due course.

The decision holds that there is no serious burden justifying restriction when all pending claims in an application have previously been rejected at least twice. This decision is precedent indicating that prior examination of all claims at least two times immunizes the application from a requirement for restriction. There is of course nothing in the decision indicating that it is considered by the USPTO to be precedential. However, it is an agency interpretation of the agency's procedural rules. Accordingly, any subsequent petition decision to the contrary in any other case would raise issues of arbitrary and capricious agency action in violation of the administrative procedures act ("APA"). Thus, barring an official change in USPTO policy, such as a rule change, or revision in the MPEP, this decision is precedential since it would have probative evidentiary value in an APA action challenging a decision in any other case that was contrary to the holding in this case.

I raise and dispose of arguments to factually distinguish this case in the following paragraphs.

An additional fact noted in the petition and identified in the decision was that the office action imposing the restriction requirement was an office action reopening prosecution in response to the applicant's appeal. However, that fact was not relied upon in the decision, thereby indicating that the existence of an appeal is not required to immunize an application in which all claims have been rejected at least two times from restriction.

An additional fact noted in the decision is that the petition was filed in 2004, - - 4 years before the decision on the petition. In fact, what caused that delay in the USPTO included 2 administrative remand Orders from the BPAI to the examining corps to have the examining corps correct the record. However, that fact was not relied upon in the decision, thereby indicating that substantial USPTO delays are not required to immunize from restriction an application in which all claims have been rejected at least two times.

The decision also refers to an "election requirement." The MPEP distinguishes between "election" and "restriction" requirements depending upon whether the claims are alleged to be either "independent" or "distinct". However, the "serious burden" requirement specified in the MPEP applies to all types of requirements for restriction pursuant to 35 USC 121. Accordingly, this petition decision has precedential value for applications receiving any type of requirement pursuant to 35 USC 121.

One might argue that this decision is a fluke, improvident, and does not reflect actual USPTO policy. However, I know of other petitions against restriction requirements in other cases that have been granted based upon the USPTO finding no serious burden.<sup>7</sup> Thus, this decision's reliance on a finding of no serious burden is not a fluke; the fluke argument fails.

#### **IV. CONCLUSIONS REGARDING THE "SERIOUS BURDEN" LIMITATION ON RESTRICTION REQUIREMENTS**

37 CFR 1.142(a) forbids examiners from imposing restriction requirements after examination is final. The "serious burden" requirement and 37 CFR 1.142(a) further limit the right of examiners to impose restriction requirements late in prosecution. The petition decision

discussed herein above holds that examiners cannot restrict once all claims in an application have been twice rejected because there can be no "serious burden" in that situation. That petition decision is precedential to the extent that it would be probative evidence in an APA action challenging an inconsistent decision in any other application. Since all claims being twice rejected is the typical situation on appeal, the petition decision discussed herein above should curb the practice of restrictions in response to appeals. Finally, even when all claims have not been twice rejected, 37 CFR 1.142(a) and the "serious burden" requirement limit an examiner's right to impose a restriction later in prosecution.

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<sup>2</sup>See the USPTO web page <http://www.uspto.gov/web/offices/com/strat21/action/q3p17a.htm> reporting that:

In March 2000, the USPTO established the "second pair of eyes" review for business method patents in Class 705. It is a "universal" review of all allowances in Class 705 with each allowance taking about one hour. The purpose of this review is for the reviewer to quickly flag issues that need further consideration by the examiner and/or the examiner's supervisor.

See the Ladas and Parry law firm web page <http://www.ladas.com/BULLETINS/2006/USPTOBusinessMethodsMeeting.shtml> which notes that:

For an application in Class 705, the application allowance rate for FY2005 and at mid-year FY2006 is 19%. This compares to previous years as follows:

FY2001	45%
FY2002	26%
FY2003	16%
FY2004	11%
FY2005	19%
FY2006 at mid year	19%

The allowance rates noted on the foregoing Ladas and Parry law firm web site are well below the average allowance rates for patent applications.

<sup>3</sup>For some data showing these difficulties, see Tables I-III in "New Rules of Practice Before the Board of Patent Appeals and Interferences - The Proposed Rules for Ex Parte Appeals, Appeals Data, and Practice Advice," Rick Neifeld, presented at the AIPLA 2008 spring meeting, and available on my firm's publications page: <http://www.neifeld.com/advidx.html>.

<sup>4</sup>Jurisdiction for appeal only exists once an application for patent has been twice rejected. See Ex parte Lemoine, 46 USPQ2d 1420 (BPAI 1994)(precedential decision of an expanded panel including APJ Schafer, APJ Meister, SAPJ McKelvey; CAPJ Stoner concurring on the

jurisdictional issue; APJ McQuade dissenting on the jurisdictional issue). Typically, all claims in an application in which an appeal is filed have been twice rejected. It is however possible for an applicant to add new claims during prosecution that are not twice rejected before appeal.

<sup>5</sup>35 USC 121 states that "If two or more independent and distinct inventions are claimed in one application, the Director may require the application to be restricted to one of the inventions." I use "restriction" in the sense used in 35 USC 121. The MPEP uses the terms "requirement for restriction" and "requirement for election of species" depending upon the relationship between the subject matter defined by the claims.

<sup>6</sup>Many of these conditions are based upon case law antedating the 1952 patent act. For example: Ex parte Eagle, 1870 C.D. 137 (Comm'r Pat. 1870) and Ex parte Muench, 79 USPQ 92, 93 (BOPA 1948) regarding restriction of species.

<sup>7</sup>Cf. Paper titled "DECISION TO WITHDRAW RESTRICTION REQUIREMENT" dated October 20, 2008 in application 09/828,<sup>122</sup> (Stating that "it is not deemed a significant burden on the examiner to examine the newly added Claims [because of relationship of subject matter defined by new claims to subject matter defined by old claims]... ," interpolation supplied.)