

WEEKLY NEWS - MAY 08, 2008 USPTO to appeal claims and continuations case

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In the latest round of GlaxoSmithKline's and inventor Triantafyllos Tafas's battle to stop the USPTO from introducing new rules on patent claims and continuations, the USPTO yesterday said it planned to appeal a court decision that gave victory to its opponents last month

The Office [officially filed a Notice of Appeal](#) with the Court of Appeals for the Federal Circuit.

In a [decision](#) last month, Judge James Cacheris of the District Court for the Eastern District of Virginia granted GSK's and Tafas' motion for summary judgment against the USPTO, holding that the proposed rules were substantive, rather than procedural, as the USPTO had argued, and that the Office therefore did not have the authority to promulgate them.

The USPTO's latest move came on the last day of the window for filing an appeal, suggesting that the decision was made after considerable deliberation.

"I think there's probably been a lot of negative publicity for the Office [resulting from this case]," said Paul Rivard of Banner & Witcoff. "The district court came down hard on the Patent Office and whether to continue to fight or not was probably a difficult decision to make."

Although a Notice of Appeal does not necessarily represent an official appeal, it is likely that the Office will move forward, considering its continued commitment to trying to implement the controversial rules.

A USPTO statement sent to *Managing IP* yesterday said: "The United States Patent and Trademark Office remains convinced the proposed rules about claims and continuations are consistent with existing statutes, and that these rules will strengthen the US patent system for all stakeholders."

Nancy Pekarek, a spokesperson for GSK, said that the move simply represents "the next step in the process".

She continued: "The lower court decided that the PTO lacked the authority to make these rules and we believe that was a judgment in support of innovation across all industries. We will continue to support those arguments at the Court of Appeals."

Sherry Knowles, GSK's senior vice-president of corporate IP and worldwide head of IP, added:

"GlaxoSmithKline expected the USPTO to appeal ... Judge Cacheris's decision was well reasoned and based on settled law from the CAFC. We are optimistic that the CAFC will confirm that Judge Cacheris is correct that the Final Rules represent a "drastic departure" from the terms of the Patent Act as they are presently construed, and effect substantive changes in GSK's existing rights and obligations."

Although many speculated that the Office would be forced to appeal in order to obtain clarification on its other pending rules packages, Rivard said that the move still comes as something of a surprise: "I wasn't totally surprised by their decision to appeal, but I thought it was equally likely that they wouldn't," said Rivard.

He added that the Office may only be looking for a compromise from the CAFC, rather than a full reversal of the decision: "The district court's opinion was pretty far-reaching," said Rivard. "The PTO may just be looking for some smaller gains."

However, the lawyer, who said he agreed with the district court's decision, also speculated that the appeal could further undermine the Office's already-tarnished reputation: "They could be setting themselves up," said Rivard. "Especially if the CAFC slams them just as hard."