



For Immediate Release

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**WLF URGES COURT TO STRIKE DOWN
U.S. PATENT OFFICE REGULATIONS
(*SmithKline Beecham Corp. v. PTO*)**

The Washington Legal Foundation (WLF) recently filed a brief in the U.S. District Court for the Eastern District of Virginia urging the court to strike down new regulations issued by the U.S. Patent and Trademark Office (PTO) that would severely restrict the number of "continuation" applications a company may file based on its original patent application. In its brief, WLF argued that such unlawful restrictions would deprive patent applicants of substantial property rights and constitute an unconstitutional "taking" of intellectual property rights without just compensation.

In *SmithKline Beecham Corp. v. PTO*, the PTO issued new rules essentially limiting an inventor to no more than two "continuation" applications based on its original filing, that is, additional information and data supporting the original patent application. The new rules, which were to become effective on November 1, 2007, were preliminarily enjoined on October 31, 2007 by U.S. District Court Judge James Cacheris. The court ruled that the rules were substantive rather than procedural in nature, and therefore, required authorizing legislation. The court held the rules in abeyance while it considered the recent filing of motions for summary judgment by both sides to the case. A hearing on the motions is scheduled for February 8, 2008.

In its brief, WLF explained how patent applications are a valuable asset, even though the patent has not been granted. Indeed, pending applications are routinely made available for licensing long before any patents issue. Accordingly, the PTO failed to conduct the required analysis under Executive Order 12630 for new rules that affect property rights; instead, it summarily concluded that the new rule "will not affect a taking of private property." Numerous industry trade groups, such as Pharma and the Biotechnology Industry Organization (BIO), also filed briefs opposing the PTO rules because they would seriously harm the rights of inventors and patent applicants.

WLF's brief was filed with the *pro bono* assistance of Alan Charles Raul, David L. Fitzgerald, Ann M. Mace, and Kevin H. Henry of the Washington, D.C. law firm of Sidley Austin LLP.

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For further information, contact WLF Senior Executive Counsel Paul Kamenar at 202-588-0302. A copy of WLF's brief is available on its website at www.wlf.org.