

CIVIL COVER SHEET

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

Triantafyllos Tafas

(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES)

Hartford, Connecticut

DEFENDANTS

John Dudas (in his official capacity) & the United States Patent and Trademark Office

County of Residence of First Listed Defendant

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED

(c) Attorney's (Firm Name, Address, and Telephone Number)

Joseph D. Wilson, Esq.
Kelley Drye & Warren LLP
Washington Harbor, Suite 400
3050 K Street, NW
Washington, DC 20007

Attorneys (If Known)

Office of the General Counsel
United States Patent and Trademark Office
10B20, Madison Building East
600 Dulany Street
Alexandria, Virginia 22313

II. BASIS OF JURISDICTION (PLACE AN X IN ONE BOX ONLY)

- 1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (PLACE AN X IN ONE BOX)

Table with columns for Plaintiffs and Defendants regarding citizenship (Citizens of This State, Citizens of Another State, Citizens or Subject of a Foreign Country) and incorporation/principal place of business.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, OTHER STATUTES, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from another district (specify)
6 Multidistrict Litigation
7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

(Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

28 U.S.C. §§ 2201-2202

Brief description of cause:

Plaintiff seeks injunctive and declaratory relief preventing Defendants from implementing regulations that fundamentally alter the patent continuation application process.

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION DEMAND \$ UNDER F.R.C.P. 23

CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE August 21, 2007

SIGNATURE OF ATTORNEY OF RECORD

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RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

**UNITED STATES DISTRICT COURT FOR  
THE EASTERN DISTRICT OF VIRGINIA  
(Alexandria Division)**

**TRIANTAFYLLOS TAFAS,**

**Plaintiff,**

**v.**

**JON DUDAS, in his official capacity as  
Under-Secretary of Commerce for  
Intellectual Property and Director of the  
United States Patent and Trademark Office,**

**- and -**

**THE UNITED STATES PATENT AND  
TRADEMARK OFFICE,**

**Defendants.**

**CIVIL ACTION:** \_\_\_\_\_

**COMPLAINT**

The Plaintiff, Dr. Triantafyllos Tafas (“Plaintiff” or “Dr. Tafas”), as and for his Complaint against Defendants Jon W. Dudas, in his official capacity as United States Under-Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office and Defendant, the United States Patent and Trademark Office, through his undersigned counsel, Kelley Drye & Warren LLP, alleges as follows:

**PARTIES**

1. Plaintiff Dr. Tafas is an individual residing in Rocky Hill, Connecticut. Dr. Tafas is an inventor on U.S. Patent Application Serial No. 11/266948 (the “Tafas Patent Application”). He is also an inventor on more than seventeen (17) patents pending and on eight (8) U.S. issued patents.

2. Defendant, the United States Patent and Trademark office (the “USPTO”), is an administrative agency of the United States Department of Commerce charged with, among other things, establishing regulations concerning the processing of patent applications including, without limitation, continuation applications. The address for the USPTO’s headquarters is 600 Dulany Street - Alexandria, Virginia 22314 and the service addresses as set forth at 37 C.F.R. § 104.2(a)-(b) for the USPTO are c/o General Counsel, United States Patent and Trademark Office, P.O. Box 15677, Arlington, Virginia 22215 (by mail) or Office of the General Counsel, 10B20, Madison Building East, 600 Dulany Street, Alexandria, Virginia (by hand).

3. Defendant Jon W. Dudas is the present U.S. Under-Secretary of Commerce for Intellectual Property and the Director of the USPTO (the “Director” or “Dudas”) and is being sued in his official capacity. The place of business and service address for Dudas is the same as for the USPTO as set forth in paragraph 2 above.

#### NATURE OF ACTION

4. This action is brought for a preliminary injunction; declaratory judgment pursuant to 28 U.S.C. § 2201 *et seq.* and for a *Writ of Mandamus*. More particularly, Dr. Tafas seeks: (1) to prevent Defendants from implementing Sections 1.75 and 1.78 of certain new federal regulations published by the USPTO at 72 Fed. Reg. No. 161 on August 21, 2007 (with an effective date of November 1, 2007) entitled “Changes to Practice for Continuing Examination Filings, Patent Applications Containing Patentably Indistinct Claims, and Examination of Claims in Patent Applications; Final Rule” (to be codified at 37 CFR Part 1 and sometimes collectively referred to herein as the “Revised Rules”); (2) to have the Revised Rules declared null, void and without legal effect as being beyond the rule making power of the USPTO and inconsistent with various federal statutes and Article I, Section 8, Cl. 8 and the Fifth Amendment to the United States Constitution; and (3) for the issuance of a *Writ of Mandamus*

requiring Defendants to comply with the requirements of the Administrative Procedure Act, 5 U.S.C. §§1 *et seq.* (the “APA”) in promulgating any further rules in the future concerning the subject matter of the Revised Rules.

5. The Revised Rules require patent applicants who file multiple voluntary-divisional continuations, seeking differing inventions from the same initial application and continuation-in-part applications, to show that the third and subsequent continuing applications in the chain are necessary to advance prosecution. The Revised Rules also limit the right of a patent applicant to continue prosecution of applications related to a single invention (commonly known as a Request for Continuation Examination or “RCE”).

6. Dr. Tafas is entitled to preliminary injunctive relief preventing the Revised Rules from taking effect on November 1, 2007 because they substantially change the regulatory landscape under which inventors, like Dr. Tafas, have traditionally operated and, once effective, will frustrate the purposes of the U.S. Patent laws by preventing Dr. Tafas and other similarly situated inventors from realizing the full economic potential of their work. The Revised Rules should be preliminarily and permanently enjoined and declared null and void because, among other things, they violate: (1) Sections 2, 120, 131, 132 and 365 of the Patent Act (35 U.S.C. §§ 1 *et seq.*) by exceeding the rule making authority delegated to the Defendants by Congress; (2) Sections 553(c) and 706(2) of the APA (5 U.S.C. §§ 553(c) and 706(2)) by, among other things, purporting to enact rules with retroactive effect; failing to consider all the relevant matter presented as required by 5 U.S.C. § 553(c); and, by promulgating rules that are arbitrary, capricious, an abuse of discretion, otherwise not in accordance with law, contrary to Plaintiff’s constitutional rights and in excess of the USPTO’s statutory jurisdiction and authority; and (3) Article I, Section 8, Cl. 8 and the Takings Clause of the Fifth Amendment of the United States Constitution.

### JURISDICTION AND VENUE

7. This Court has jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338, inasmuch as this is a civil action arising under the laws and Constitution of the United States, and relating to patents, including the United States Patent Act, 35 U.S.C. §§ 1 *et seq.*, the Declaratory Judgment Act, 28 U.S.C. § 2201 and the United States Constitution.

8. This Court also has jurisdiction pursuant to 28 U.S.C. § 1361, inasmuch as Dr. Tafas seeks a *Writ of Mandamus* requiring Defendants to comply with the APA in promulgating regulations.

9. Venue is proper in this District pursuant to 35 U.S.C. § 1(b) and 28 U.S.C. § 1391(e).

### FACTS APPLICABLE TO ALL COUNTS

10. Under the law as it existed for over 100 years prior to the promulgation of the Revised Rules, an inventor was entitled to file an application to patent his original ideas and, if at some future time, the inventor discovered other patentable claims arising from his original application, the inventor could file an application for a continuation to patent those claims as well. There was no limit to the number of voluntary-divisional continuations an inventor could file prior to the promulgations of the Revised Rules.

11. The right to freely file multiple continuations is extremely valuable to inventors like Dr. Tafas, *inter alia*, because the continuation is deemed to relate back to the date of the inventor's original application. Thus, the continuation process provides the inventor with a priority right against all others concerning patented claims stemming from the inventor's original application.

**A. THE PATENT ACT**

12. The Patent Act of 1952, as amended, codified at 35 U.S.C. § 1, *et seq.* (the “Patent Act”), established the USPTO, which is responsible for the granting and issuing of patents and for disseminating information to the public with respect to patents. The USPTO Director administers the issuance of patents. 35 U.S.C. § 3.

13. Sections 2 and 3 authorize the Director to establish regulations that facilitate and expedite the processing of patents. 35 U.S.C. §§ 2(c), 3.

14. Sections 120 and 365(c) grant a patent applicant the benefit of the earlier filing date when filing a voluntary-divisional continuation patent application for an invention disclosed in a previously filed application but not claimed in the previously filed application and with respect to continuation-in-part applications. 35 U.S.C. §§ 120 and 365(c).

15. Section 131 requires the Director to cause an examination to be made of an application and the claimed new invention. 35 U.S.C. § 131.

16. Section 132 requires the Director “to provide for the continued examination of applications for patent” and to establish appropriate fees for the continued examination of applications (35 U.S.C. § 132(b)). No provision in Section 132 empowers the Director to deny a continued examination of an application or to promulgate regulations having the effect of denying an applicant a continued examination of an application. The Revised Rules are contrary to Section 132(b), which requires the Director to provide for the continued examination of patent applications at the request of the applicant. 35 U.S.C. § 132(b).

**B. THE ADMINISTRATIVE PROCEDURE ACT (APA)**

17. The APA defines “rule” as meaning “the whole or a part of an agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy or describing the organization, procedure, or practice requirements of

an agency....” 5 U.S.C. § 551(4) (emphasis added). As a federal administrative agency, the USPTO is bound to comply with the rule making procedures set forth in Section 553 of the APA. 35 U.S.C. § 2(b)(2)(B). Upon information and belief, the USPTO has failed to meet its obligations under the APA by, *inter alia*, failing to consider all the relevant matter presented as required by 5 U.S.C. § 553(c) and by promulgating rules that are arbitrary, capricious, an abuse of discretion, otherwise not in accordance with law, contrary to Plaintiff’s constitutional rights and in excess of the USPTO’s statutory jurisdiction and authority in violation of 5 U.S.C. § 706(2).

**C. THE ENACTMENT BY THE USPTO OF THE REVISED RULES.**

18. On January 3, 2006 the USPTO published two (2) notices of proposed rule making. The first was titled “Changes to Practice for Continuing Applications, Requests for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims” (“Proposed Rule I”). 71 Fed. Reg. 48. The Second proposed rule was titled “Changes to Practice for the Examination of Claims in Patent Applications” (“Proposed Rule II”). 71 Fed. Reg. 61.

19. Comments on Proposed Rule I were solicited, however, the USPTO refused to hold formal public hearings. Upon information and belief, Proposed Rule I received the greatest number of extensively briefed negative comments of any proposed rule package by the USPTO in its history. Similarly, Proposed Rule II received a large number of negative comments.

20. In April 2007, it was widely reported that the USPTO was seeking to make final a substantially revised version of Proposed Rules I and II pending approval by the United States Office of Management and Budget. Irrespective of the reportedly substantial modifications made to Proposed Rules I and II, the USPTO refused to republish the rules for

further comment as required by law or to disclose any of its modifications to Proposed Rules I and II, notwithstanding, on information and belief, FOIA requests seeking this information filed by numerous interested parties.

21. On August 21, 2007, the USPTO published a Notice of Final Rule Making in the Federal Register purporting to issue final rules entitled “Changes to Practice for Continued Examination of Filings, Patent Applications Containing Patentably Indistinct Claims, and Examination of Claims in Patent Applications” which purported to implement 37 C.F.R. 1.75 (hereinafter referred to as “Revised Rule II”) and 37 C.F.R. 1.78 (hereinafter referred to as “Revised Rule I”) (collectively, the “Revised Rules”). (See 72 Fed. Reg. 161, Aug. 21, 2007). The Revised Rules have an effective date of November 1, 2007.

22. Revised Rule I requires that third or subsequent voluntary-divisional continuation application or continuation-in-part application, be supported by a showing as to why the amendment, argument, or evidence presented could not have been previously submitted. This substantially changes prior law which allowed for multiple continuations without explanation or showing of good cause.

23. Pursuant to Revised Rule I, the USPTO may deny an applicant the benefit of priority claimed to a prior application in all third or subsequent voluntary-divisional continuation or continuation-in-part application in the subjective discretion of the Director, regardless of whether the express statutory requirements for filing a continuing application have otherwise been met.

24. Revised Rule I also requires that patent applicants (or assignees) who file multiple patent applications having the same effective filing date, overlapping disclosure, and a common inventor include either an explanation of how the claims are patentably distinct, or a

terminal disclaimer and explanation as to why there are patentably indistinct claims in multiple applications.

25. Revised Rule I will retroactively effect patent applications filed before its effective date. An applicant will only be allowed two (2) voluntary-divisional continuations or continuation-in-part applications (or one of each) after the effective date of Revised Rule I unless the applicant meets the new requirements. If the applicant has already filed two voluntary-divisional continuations, or two continuation-in-part applications, or both a voluntary-divisional continuation and a continuation-in-part application prior to the effective date, the applicant is not entitled to file another without complying with the requirements of Revised Rule I.

26. In addition, Revised Rule I creates the presumption that inventions are patentably indistinct if a patent applicant files multiple applications with the USPTO with the same filing date, or within two (2) months of such date, and the applications include common inventors and overlapping disclosures.

27. Revised Rule I requires that the applicant rebut the presumption with an explanation as to why the claims in the application are distinct or submit a terminal disclaimer and explain to the USPTO, to its satisfaction, why two or more pending applications should be maintained.

28. Revised Rule II requires that if an application contains more than a specified number of independent claims (five-(5)) or if the applicant wishes to have initial examination of more than a specified number of total claims (twenty-five (25)), then the applicant must provide an examination support document that covers all of the claims. Such examination support document is onerous, and will require significant monetary outlays to prepare.

29. By virtue of the all the foregoing and as set forth below, Dr. Tafas has been injured and faces continuing irreparable injury due to the Revised Rules and, therefore, has standing to challenge the Revised Rules.

30. In November 2005, Dr. Tafas filed a patent application incorporating his new inventive concepts in the automotive arts. Dr. Tafas' invention pertains to capturing the heat from an automobile's internal combustion engine manifold. Once that heat is captured, it can be utilized in any number of ways to improve the automobile's performance. The proposed concept has the potential to improve fuel consumption by the automobile's engine with a significant effect in the miles-per-gallon performance. Additionally, acceptance of this concept by the automotive industry, will reduce exhaust gas emission and thus contribute in addressing concerns related to the rise of atmospheric carbon dioxide and global warming.

31. Dr. Tafas discloses multiple devices in which the captured heat may be utilized. Each potential use for the heat that is captured from the automobile's manifold would constitute a new invention. Under the present continuation application rules, Dr. Tafas would have been permitted to file unlimited voluntary-divisional continuation applications and continuation-in-part applications to claim these new inventions and each of those continuation applications would be deemed to relate back to the filing of his original patent application.

32. The Revised Rules concerning voluntary-divisional continuation applications and continuation in-part applications substantially and adversely change Dr. Tafas' rights concerning the filing of future continuation applications and adversely impair his ability to patent inventions that flow from his original invention. As such, the Revised Rules, among other things, create a disincentive for inventors like Dr. Tafas to continue inventing because there is a very real possibility that he will not be able to realize the full economic benefit of his work. These Revised Rules also create a disincentive for inventors like Dr. Tafas to reveal the full

