Sections 1.129 (a) and (b) are being changed to identify the effective date of 35 U.S.C. 154(a)(2) as June 8, 1995.

Further, § 1.129(a) is being changed to provide that the first and second submissions and fees set forth in § 1.17(r) must be filed prior to the filing of an Appeal Brief, rather than prior to the filing of the Notice of Appeal, and prior to abandonment of the application. The requirement that the fee set forth in § 1.17(r) be filed within one month of the notice refusing entry is being deleted. Section 1.129(a) is also being changed to provide that the finality of the final rejection is automatically withdrawn upon the timely filing of the submission and payment of the fee set forth in § 1.17(r). The language indicating that the submission would be entered and considered after timely payment of the fee set forth in § 1.17(r) 'to the extent that it would have been entered and considered if made prior to final rejection" is being deleted. In view of the magnitude of the fee set forth in § 1.17(r), the next PTO action following timely payment of the fee set forth in § 1.17(r) will be equivalent to a first action in a continuing application. Under existing PTO practice, it would not be proper to make final a first Office action in a continuing application where the continuing application contains material which was presented in the earlier application after final rejection or closing of prosecution but was denied entry because (1) new issues were raised that required further consideration and/or search, or (2) the issue of new matter was raised. The identical procedure will apply to examination of a submission considered as a result of the procedure under § 1.129(a). Thus, under § 1.129(a), if the first submission after final rejection was initially denied entry in the application because (1) new issues were raised that required further consideration and/or search, or (2) the issue of new matter was raised, then the next action in the application will not be made final. Likewise, if the second submission after final rejection was initially denied entry in the application because (1) new issues were raised that required further consideration and/or search, or (2) the issue of new matter was raised, then the next action in the application will not be made final. In view of 35 U.S.C. 132, no amendment considered as a result of the payment of the fee set forth in § 1.17(r) may introduce new matter into the disclosure of the application.

Section 1.129(b)(1) is being changed to identify the date which is two months prior to the effective date of 35 U.S.C. 154(a)(2) as April 8, 1995. Section 1.129(b)(1) is also being changed to

clarify in subsection (ii) that the examiner has not made a requirement for restriction in the present or parent application prior to April 8, 1995, due to actions by the applicant.

Section 1.129(b)(2) is being changed to delete the identification of the period provided for applicants to respond to a notification under § 1.129(b) as one month. The time period for response will be identified in any written notification under § 1.129(b) and will usually be one month, but in no case will it be less than thirty days. The period may be extended under § 1.136(a). The language is also being changed to provide that applicant may respond to the notification by (i) electing the invention or inventions to be searched and examined, if no election has been made prior to the notice, and paying the fee set forth in § 1.17(s) for each independent and distinct invention claimed in the application in excess of one which applicant elects, (ii) confirming an election made prior to the notice and paying the fee set forth in § 1.17(s) for each independent and distinct invention claimed in the application in addition to the one invention which applicant previously elected, or (iii) filing a petition under § 1.129(b)(2) traversing the requirement without regard to whether the requirement has been made final. No petition fee is required. The section is also being changed to provide that if the petition under § 1.129(b)(2) is filed in a timely manner, the original time period for electing and paying the fee set forth in § 1.17(s) will be deferred and any decision on the petition affirming or modifying the requirement will set a new time period to elect the invention or inventions to be searched and examined and to pay the fee set forth in § 1.17(s) for each independent and distinct invention claimed in the application in excess of one which applicant elects.

Section 1.129(c) is being changed to clarify that the provisions of §§ 1.129 (a) and (b) are not applicable to any application filed after June 8, 1995. However, any application filed on June 8, 1995 would be subject to a 20-year patent term.

Section 1.137 is being amended by revising paragraph (c) to eliminate, in all applications filed on or after June 8, 1995, except design applications, the requirement that a terminal disclaimer accompany any petition under § 1.137(a) not filed within six (6) months of the date of the abandonment of the application. The language "filed before June 8, 1995" and "filed on or after June 8, 1995" as used in the

amended rule, refer to the actual United States filing date, without reference to any claim for benefit under 35 U.S.C. 120, 121, or 365. No change to § 1.137 was proposed in the Notice of Proposed Rulemaking. However, in all applications filed on or after June 8, 1995, except design applications, any delay in filing a petition under § 1.137(a) will automatically result in the loss of patent term. The loss of patent term will be the incentive for applicants to promptly file any petition to revive. Therefore, no need is seen for requiring a terminal disclaimer in such applications. It would amount to a penalty if a terminal disclaimer was required.

Section 1.136 is being amended by revising paragraph (d) to eliminate, in all applications filed on or after June 8, 1995, except design applications, the requirement that a terminal disclaimer accompany any petition under § 1.316(b) not filed within six (6) months of the date of the abandonment of the application. Acceptance of a late payment of an issue fee in a design application is specifically provided for in § 1.155. Therefore, § 1.316 does not apply to design applications. The language "filed before June 8, 1995" as used in the amended rule, refers to the actual United States filing date, without reference to any claim for benefit under 35 U.S.C. 120, 121, or 365. No change to § 1.316 was proposed in the Notice of Proposed Rulemaking. However, in all applications filed on or after June 8, 1995, except design applications, any delay in filing a petition under § 1.316(b) will automatically result in the loss of patent term. The loss of patent term will be the incentive for applicants to promptly file any petition under § 1.316(b). Therefore, no need is seen for requiring a terminal disclaimer in such applications. It would amount to a penalty if a terminal disclaimer was required.

Section 1.317 is being amended by removing and reserving paragraph (d) to eliminate the requirement that a terminal disclaimer accompany any petition under § 1.317(b) not filed within six (6) months of the date of lapse of the patent. No change to § 1.317 was proposed in the Notice of Proposed Rulemaking. However, the delay in filing a petition under § 1.317(b) does not result in any gain of patent term. Therefore, no reason is seen for requiring a terminal disclaimer in such cases.

Section 1.701(a) is being changed to identify the implementation date as June 8, 1995, and to clarify that a proceeding under 35 U.S.C. 135(a) is an interference proceeding.