Life Sciences Due Diligence and the Importance of Recent Prosecution Timing Changes at the USPTO

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In an article for *Westlaw Today,* Haynes Boone Partner Jeff Morton discussed the U.S. Patent and Trademark Office's recent changes affecting prosecution timing and the potential impact of these changes on due diligence for live sciences companies.

Read an excerpt below.

Life sciences transactions necessarily result in intellectual property (IP) due diligence being carried out on the underlying IP assets that are often a central part of the transaction. Typically, this includes a focus on patent due diligence to determine whether key patent assets are valid and enforceable.

For many life sciences companies, and particularly for early-stage companies, patent prosecution is ongoing at the same time that due diligence is occurring. Accordingly, effective due diligence is oftentimes characterized by taking "snapshots" of a moving target, the moving target being the ongoing patent prosecution.

Recently, there have been a number of changes in patent practice in front of the United States Patent and Trademark Office (USPTO) that have impacted prosecution timing. These changes have the potential to impact due diligence of patent matters that are being actively prosecuted. Below is a discussion of a few key changes.

A common feature of life sciences patent prosecution is the interplay between obtaining the issuance of valuable patents while simultaneously ensuring that prosecution continues through the filing of continuation applications. Continued prosecution allows patent owners to refine their long-term patent strategy, oftentimes through the prosecution of broader patents. All of this is important to understand during a life sciences patent due diligence.

Continuation Practice Changes

As of Jan. 19, 2025, and in an effort to reduce the growing backlog of continuation applications and promote efficient prosecution, the USPTO began requiring a Continuing Application Fee (CAF) for certain continuing applications filed six or more years after their Earliest Benefit Date (EBD) (the EBD is the earliest date under which priority can be claimed).

Patent applicants often file what are commonly known as "no fee" continuing applications, which allow for the deferral of fees until a response is required to a Notice to File Missing Parts. This strategy provides patent applicants with a significant time delay (e.g., seven months) in which they can refine their patent claim strategy.

Read the full article from *Westlaw Today* here.