



THE NAPLES ROUNDTABLE

Exploring Ways to Strengthen & Improve the Patent System

July 8, 2024

Submitted Via Federal eRulemaking Portal

The Honorable Kathi Vidal
Under Secretary of Commerce for Intellectual
Property and Director of the USPTO
Madison East Building
600 Dulany St.
Alexandria, VA 22314

Subject: PTO-P-2024-0003 “Terminal Disclaimer Practice To Obviate Nonstatutory Double Patenting” [RIN 0651-AD76]

Dear Director Vidal:

The Naples Roundtable submits these comments on the Office’s notice of proposed rulemaking, titled “Terminal Disclaimer Practice To Obviate Nonstatutory Double Patenting,” 89 Fed. Reg. 40439 (May 10, 2024).

We respectfully submit that the Office should consider whether the proposed rule will allow parties to circumvent—against congressional intent—the very safeguards Congress included in inter partes review proceedings, namely, the one-year time-bar of 35 U.S.C. § 315(b) and the estoppel of § 315(e). One likely consequence of the proposed rule will be an increase in IPRs filed against unasserted patents that a petitioner runs no risk of infringing, but nevertheless challenges—for the sole purpose of rendering an asserted patent unenforceable, long after the asserted patent would have been shielded by the safeguards of § 315(b) and § 315(e).

The one-year time bar of § 315(b) requires any party who wishes to file an IPR petition to do so within one year of being served with a complaint alleging infringement of that patent.¹ Thus, if a party is served with a complaint alleging infringement of Patent A, then that party has one year from the date of service to file any IPR petition against Patent A. If, however, Patent A is tied by a terminal disclaimer to a *different patent (Patent B)*, and Patent B was never asserted in any infringement

¹ 35 U.S.C. § 315(b) (“An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent. . . .”).

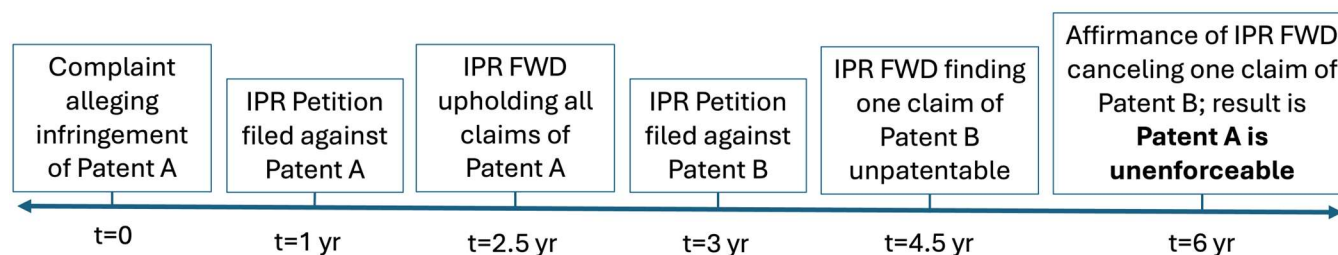
complaint, then nothing in the statute seems to prevent a petitioner from waiting more than a year to file an IPR against Patent B.

The estoppel of § 315(e) also operates on a patent-by-patent basis.² If an IPR against a claim of Patent A results in a final written decision, then the petitioner will be estopped from challenging that claim of Patent A, in any IPR or civil litigation, on any ground that the petitioner raised or reasonably could have raised in the IPR. If, however, Patent A is tied by a terminal disclaimer to a *different patent* (Patent B), and Patent B was never involved in any IPR, then nothing in the statute seems to prevent Patent B from being challenged in an IPR or civil litigation.

Congress included the twin safeguards of § 315(b) and § 315(e) in the Leahy-Smith America Invents Act to give the patent owner some degree of “quiet title” in a patent, after that patent has survived an IPR, at least as against the petitioner, its real party-in-interest, and privies. H. REPT. NO. 112-98 (June 1, 2011) (discussing the protections for patent owners in AIA trial proceedings and noting the “importance of quiet title to patent owners to ensure continued investment resources”).

The Office’s proposed rule, however, would allow a petitioner to circumvent these safeguards. As an example, consider the timeline below. The timeline shows how two patents (Patent A and Patent B), which are tied by a terminal disclaimer, can be attacked sequentially by the same party—resulting in unenforceability of Patent A, long after Patent A had survived an IPR filed by that same party, and long after the one-year deadline for challenging Patent A had closed.

Exemplary Timeline of Attacks against Two Patents (A and B) Tied By a Terminal Disclaimer



As shown above, a complaint asserts infringement of Patent A, triggering a one-year deadline by which the accused infringer must file an IPR against Patent A. At the one-year mark, the infringer timely files an IPR against Patent A. After a six-month preliminary phase, followed by a twelve-month

² 35 U.S.C. § 315(e)(1) (“The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.”); *id.* § 315(e)(2) (“The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.”).

trial phase, the IPR concludes with a final written decision that finds all claims of Patent A not unpatentable: the patent owner has won. At this point (2.5 years after service of the infringement complaint), the patent owner should have confidence that § 315(b) will bar the petitioner from filing another IPR against Patent A and that § 315(e) will estop this petitioner from challenging the validity of Patent A's claims, in any IPR or civil litigation, on any ground that the petitioner raised or reasonably could have raised in the IPR.

But, while the statute blocks any further *direct* attacks by the petitioner against Patent A at the 2.5-year mark, the Office's proposed rule opens another avenue: an indirect attack on Patent A, through Patent B. Patent B was not asserted in the infringement complaint; and no final written decision has addressed any claim of Patent B. Thus, no statutory provision prevents the petitioner from filing and maintaining an IPR against Patent B (here, the IPR petition filed at the 3-year mark). In this IPR, assume that even just *one claim* of Patent B is found unpatentable in a final written decision. This decision is affirmed after an appeal to the Federal Circuit, causing that one claim of Patent B to be canceled. Because Patent B is tied to Patent A via a terminal disclaimer, the consequence of the Office's proposed rule is that cancellation of that one claim of Patent B will result in the totality of all claims of Patent A to be unenforceable.

We respectfully submit that the Office should consider whether the foregoing outcome is consistent with the goal that Congress sought to achieve when Congress included the safeguards of § 315(b) and § 315(e) in the statute. It is also worth considering if the proposed rule will create an incentive for IPRs to be filed against unasserted, un infringed patents that would never have been challenged, but-for the prospect of rendering other patents unenforceable through the proposed rule.

About the Naples Roundtable

The Naples Roundtable convenes leading patent law experts under the auspices of the Leahy Institute for Advanced Patent Studies. The Naples Roundtable is engaged in the advanced study of intellectual property law and policy, by fostering the exchange of ideas, viewpoints, and scholarly papers among leading jurists and practitioners in the intellectual property field.