



PREVAIL ACT

Congress Should Pass PREVAIL Act to Reform PTAB and Promote U.S. Global Technology Leadership

Patents are crucial to a strong U.S. economy and global technological leadership. They create jobs, grow businesses, incentivize investment in research and development, and enable commercialization of emerging technologies that drive the U.S. competitive edge in global innovation.

Congress established the Patent Trial and Appeal Board (PTAB) as part of the 2011 America Invents Act to provide a cost-effective alternative to adjudicating patent validity in federal district court. However, Big Tech companies have exploited the PTAB since its inception, using it as an additional opportunity to invalidate patents. Far from serving its purpose as an alternative to court, the PTAB has become a patent “death squad” and second bite at the apple. USPTO and Docket Navigator data show:

- The PTAB invalidated more than 68% of all patent claims and at least one claim of more than 83% of the patents for which it issued a final written decision in FY 2024.
- At least 85% of PTAB proceedings take place in parallel to another case involving the same patent(s) in another forum, like federal district court.
- PTAB cases are on the rise, up 14% year-over-year.
- 24 of the top 25 users of the PTAB are Big Tech companies.

PTAB abuse has harmed inventors, startups, universities, and the U.S. leadership position in technology and innovation.

To help inventors get out of the courtroom and back to the lab and field to make the technological breakthroughs that advance U.S. technological leadership, Sens. Chris Coons (D-DE) and Thom Tillis (R-NC) and Reps. Nathan Moran (R-TX) and Deborah Ross (D-NC) introduced the bipartisan, bicameral Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL Act). Last Congress, the Senate Judiciary Committee advanced the bill on a bipartisan basis.

We urge you to cosponsor the PREVAIL Act and support commonsense reforms to the PTAB to promote fair treatment for inventors, improve efficiency, and ensure that the USPTO has the resources it needs to effectively administer a patent system that incentivizes American innovation and enables U.S. inventors to compete. Learn more about the problems with the PTAB and the solutions the bill offers below.

The PREVAIL Act Restores Fairness to the PTAB To Promote U.S. Innovation and Competitiveness

Problem: There are different standards of proof for invalidating patents in federal district court and the PTAB. Parties who challenge a patent in district court must demonstrate invalidity by “clear and convincing evidence” to invalidate the patent. At the PTAB, a petitioner need only show invalidity by a “preponderance of the evidence.” These differences lead to inconsistent results between the two tribunals.

Solution: Harmonize PTAB claim interpretation and burden of proof with federal district court. The PREVAIL Act requires the PTAB to find a patent invalid by “clear and convincing” evidence and requires the PTAB to interpret patent claims using the same “plain and ordinary meaning” standard used in federal district court.

Problem: Challenging a patent in federal district court requires the plaintiff to have a personal interest in the patent. PTAB does not require standing, allowing anyone to challenge a patent, even if they have no stake in the patent’s validity. This has allowed parties to extort settlements, short stocks, and otherwise game the system to their own advantage.

Solution: Require judicial standing for entities challenging patents at the PTAB. The PREVAIL Act requires PTAB petitioners to show that they have a true stake in the matter so they cannot use the PTAB solely for financial gain or gamesmanship.

Problem: Different parties can work together to bring multiple, repeated, and harassing challenges against a single patent or patent owner—including small businesses or independent inventors with limited resources.

Solution: Limit repeated petitions. The PREVAIL Act limits multiple attacks on the same patent by prohibiting any entity financially contributing to a PTAB proceeding from bringing its own separate challenge.

Problem: Although a party must file a PTAB challenge within one year of being sued for infringement, a loophole allows a time-barred party to challenge patents after the PTAB filing deadline expires by joining a PTAB proceeding brought by another party.

Solution: Close the joinder loophole. The PREVAIL Act establishes a rebuttable presumption against joinder for a time-barred party and prohibits such a party from maintaining the proceeding after the original challenger settles.

Problem: Some aspects of PTAB proceedings lack transparency. For example, no rules prevent the Director from meddling in a PTAB panel’s decision. And 75% of PTAB judges who responded to a 2022 Government Accountability Office survey reported that USPTO Directors and PTAB management had affected their independence.

Solution: Increase transparency and enhance accountability. The PREVAIL Act requires the USPTO Director to issue written opinions when rehearing PTAB decisions to increase transparency and reduce concerns that the Director unfairly influences PTAB decisions. The bill also prohibits the Director from influencing PTAB panel decisions and requires the Director to establish a code of conduct for PTAB judges.

The PREVAIL Act Protects Inventors from Costly, Unnecessary Litigation

Problem: At least 85% of PTAB proceedings take place in parallel to another case involving the same patent(s) in another forum, like federal district court. Challengers get several bites at the apple by raising the same or similar validity challenges at the PTAB and the other forum.

Solution: End duplicative patent challenges. The PREVAIL Act requires a party to choose between making its validity challenges before the PTAB or in another forum, such as federal court. The bill also requires a party that is already involved in a separate court proceeding to agree not to pursue the same claims asserted in their PTAB petition in that court or any other forum.

Problem: Often, another forum, such as a federal district court, reviews a validity challenge to a patent and enters a final judgment before the PTAB completes its review. Instituting or maintaining a PTAB proceeding after the district court already has decided validity is duplicative, inefficient, and may lead to inconsistent decisions between both tribunals.

Solution: Defer to prior patent validity decisions. The PREVAIL Act requires the PTAB to deny a petition or dismiss a proceeding if another forum, including a federal court, has already upheld the validity of the patent at issue.

Problem: The same party can file multiple petitions against the same patent, allowing challengers to paper over weaknesses in their case and increasing costs for patent owners repeatedly defending their rights against the same opponent.

Solution: Require a party to raise all arguments in one challenge. The PREVAIL Act would ensure that a single party can only file one challenge against any patent.

Problem: A PTAB challenge or a reexamination request often will assert evidence or arguments for invalidation that the USPTO already considered in a previous proceeding, such as the examination of the patent, a prior reexamination, inter partes review (IPR), or post-grant review (PGR). Multiple proceedings asserting the same evidence and arguments are costly and inefficient.

Solution: Limit duplicative challenges to a patent within the USPTO. The PREVAIL Act requires the USPTO to reject a PTAB challenge or a request to reexamine a patent where the challenge or request includes arguments that were previously considered by the USPTO, absent exceptional circumstances.

The Bill Ensures the USPTO Has the Resources It Needs To Administer a Pro-Innovation Patent System

Problem: Since 2010, approximately \$409.8 million in user fees have been diverted from the USPTO.

Solution: Eliminate fee diversion and allow the USPTO to keep its fees to fund its own operations. The PREVAIL Act ends the practice of diverting fees collected by the USPTO to other federal agencies and programs by establishing a new revolving fund in the U.S. Treasury to ensure the USPTO has the funding necessary for timely and quality examination.

Problem: Small businesses do not always have the resources they need to navigate the patent system.

Solution: Support innovative small businesses. The PREVAIL Act requires the Small Business Administration to draft two reports on patents and small businesses. The bill also expands online access to patent-searching databases currently available only in person at public search facilities.