Comments in Support of the USPTO Notice of Proposed Rulemaking on Revision to Rules of Practice Before the Patent Trial and Appeal Board

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December 2, 2025

Comment of Innovation Alliance in Response to USPTO Notice of Proposed Rulemaking on Revision to Rules of Practice Before the Patent Trial and Appeal Board

Docket No. PTO-P-2025-0025

The Innovation Alliance appreciates the opportunity to submit these comments in response to the notice of proposed rulemaking issued by the United States Patent and Trademark Office ("USPTO") regarding Revision to the Rules of Practice Before the Patent Trial and Appeal Board ("Proposed Rule" or "NPRM").[1] The Innovation Alliance strongly supports the Proposed Rule and urges the USPTO to finalize it with just a few small changes, which we detail below.

The Innovation Alliance is a coalition of research and development (R&D)-based technology companies representing innovators, patent owners, and stakeholders from a diverse range of industries that believes in the critical importance of maintaining a strong patent system that supports innovative enterprises of all sizes. The Innovation Alliance is committed to strengthening the patent systems around the world to promote innovation, economic growth, and job creation here at home, and we support legislation, rules, and policies that help to achieve those goals.[2]

The Innovation Alliance applauds the USPTO, under the leadership of Commerce Secretary Howard Lutnick, USPTO Director John Squires, and USPTO Deputy Director Coke Morgan Stewart, for its unwavering commitment to advancing rules and guidance that strengthen the U.S. patent system, ensuring that the United States can continue to lead the world in the innovation of critical and emerging technologies. The USPTO is providing much-needed clarity as to what inventions are patentable, and long-overdue updates to the rules governing challenges to patents before the Patent Trial and Appeal Board ("PTAB") that will restore Congressional intent and ensure innovators have a fair opportunity to defend their patents. These actions clearly demonstrate that the USPTO is delivering on Director Squires's promise to make sure "the door to the patent office is wide open to transformative technologies." As Director Squires has said, the "USPTO is the running engine of American ingenuity."

A strong patent system, grounded in predictable rules, is essential to incentivizing investment in the cutting-edge R&D that drives U.S. global leadership in foundational technologies essential to our national security and economic competitiveness. President Trump has directed the Administration to pursue policies that "enhance[] our Nation's industrial and technological advantages [and] defend[] our

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[1] U.S. Patent & Trademark Off., *Revision to Rules of Practice Before the Patent Trial & Appeal Bd.*, 90 Fed. Reg. 48335 (Oct. 17, 2025).

[2] http://innovationalliance.net.

economic and national security."[3] The U.S. patent system plays a major role in fulfilling this mandate, encouraging advanced industries, including manufacturing, to grow and develop in the United States, reducing our dependency on foreign countries, and strengthening our economic security.[4] Leadership by U.S. companies over generations of technological R&D and standards-setting has also enabled the United States to anticipate potential security risks more effectively and proactively take the necessary steps to protect U.S. national security interests.

By returning predictability, balance, and consistency into the PTAB process, the Proposed Rule promotes a strong, reliable patent system central to ensuring that the benefits of innovation are captured by U.S. innovators, and that innovative small and medium businesses can contribute to the innovation and manufacturing base that underpins U.S. economic and national security.[5]

The changes proposed in the NPRM will substantially improve the PTAB's practices for reviewing challenges to patents by better protecting inventors and patent holders from abusive and duplicative attacks on the validity of their patents. We strongly support the spirit of the NPRM and urge the USPTO to finalize most of the Proposed Rule as drafted, with certain suggested changes to the Proposed Rule for clarity as noted below.

Innovation Alliance Comments on the Proposed Rule

Required Stipulation for Efficiency. The Proposed Rule would amend 37 C.F.R. § 42.108(d) to prohibit the PTAB from instituting or maintaining an *inter partes* review

> unless each petitioner files a stipulation with the Board and any other tribunal where it is litigating or later litigates regarding the challenged patent, stating that if a trial is instituted, the petitioner and any real party in interest or privy of the petitioner will not raise grounds of invalidity or unpatentability with respect to the challenged patent under 35 U.S.C. 102 or 103 in any other proceeding.[6]

This language would further Congressional intent that IPRs serve as an alternative to litigation. The Proposed Rule would promote efficiency by encouraging petitioners to bring all available prior art challenges in a single PTAB proceeding and ensure patent owners not have to endure multiple challenges to their patent by the same or related entities before the PTAB or other tribunals. By requiring petitioners to file the stipulation with both the Board and all tribunals where the petitioner is challenging or later will challenge the patent, this rule will provide inventors with certainty that they will not face the same or similar challenges in multiple fora.

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[3] Donald J. Trump, *America First Trade Policy*, Jan. 20, 2025, https://www.whitehouse.gov/presidential-actions/2025/01/america-first-trade-policy/.

[4] Kirti Gupta, Andrei Iancu, Walter G. Copan, and Chris Borges, *Protecting Intellectual Property for National Security*, Center for Strategic and International Studies (March 2025), https://csis-website-prod.s3.amazonaws.com/s3fs-public/2025-03/250325_Gupta_Intellectual_Property.pdf

[5] 90 Fed. Reg. at 47337.

[6] 90 Fed. Reg. at 48341.

The Innovation Alliance strongly supports protecting inventors and patent holders from repetitive challenges to their patents. In finalizing the Proposed Rule, however, we recommend the USPTO clarify that the stipulation required by section 42.108(d) need only be filed in proceedings that exist *at the time of the stipulation.* The stipulation could specify that the obligation to file in "any other proceeding" includes future proceedings, but that it cannot be filed in those proceedings unless and until those proceedings are initiated.

***Claims Found Valid in Prior Proceedings*.** The Proposed Rule would prohibit the PTAB from instituting or maintaining an *inter partes* review against a patent if "a challenged claim or an independent claim from which a challenged claim depends" has been upheld in previous proceedings, including following a trial or on summary judgment in district court (if the verdict or ruling has not been vacated or reversed), in an initial or final determination at the U.S. International Trade Commission ("ITC"), by the PTAB in a final written decision or *ex parte* reexamination, or, if the claim was initially found invalid, if the Federal Circuit has reversed the decision.[7]

This Proposed Rule would restore Congressional intent that patent owners enjoy "quiet title" in their patent rights. The Innovation Alliance strongly supports prohibiting serial proceedings at PTAB after a court, the ITC, or the PTAB have already determined that a patent is valid. These types of proceedings require a substantial expenditure of time, resources, and expense to vet a patent's validity, and subjecting patent owners to further validity challenges would not only waste the resources that have already been spent but compound the burden and cost with each subsequent proceeding. When the public cannot rely upon a judgment that a patent is valid, it creates uncertainty and unpredictability in the patent system, incentivizing implementers to continue challenging validity notwithstanding prior results, risking inconsistent rulings, and discouraging investments in patented technologies. The Proposed Rule would fix these problems by ensuring that patent claims are subject to only "one bite at the apple" at the PTAB.

Parallel Litigation. The Proposed Rule would prohibit the PTAB from instituting or maintaining an *inter partes* review if it is more likely than not that, "with respect to a challenged claim or an independent claim from which a challenged claim depends," a parallel proceeding in district court, the ITC, or a different PTAB case is likely to conclude before the final written decision in the PTAB case.[8] This approach would protect patent holders against the risk of having to defend their patents in multiple proceeding simultaneously and reduce the risk of inconsistent validity determinations, under different standards of proof, across different fora.

This proposal would ensure that an *inter partes* review may only proceed if it would conclude faster than proceedings before other tribunals. This proposal would help restore the PTAB to the intent of the America Invents Act, as a faster and cheaper alternative to district court or ITC litigation, rather than an additional, duplicative venue patent owners must clear to defend their patent's validity.

The Innovation Alliance strongly supports this proposal but encourages the USPTO to ensure the Final Rule gives the Board discretion to deny institution in or terminate all cases where necessary to eliminate the risk of disparate validity decisions across venues, even if it initially appeared as though the PTAB would conclude its proceeding first.

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[7] *Id.* (proposed amendment to 37 C.F.R. § 42.108(e)).

[8] *Id.* (proposed amendment to 37 C.F.R. § 42.108(f)).

***Institution in Extraordinary Circumstances*.** This provision would allow the PTAB, in "extraordinary circumstances," to refer a petition to the USPTO Director, even if the Proposed Rule would otherwise prohibit institution. The NPRM explains that such circumstances may include prior challenges initiated in bad faith or a significant change in statute or controlling Supreme Court precedent but does not include "new or additional prior art, new expert testimony, new caselaw (except [Supreme Court precedent]) or new legal argument, or a prior challenger's failure to appeal."[9] Upon referral, the Director has discretion to "personally institute" the proceeding.

This language ensures fairness in the revised rules of practice. The Innovation Alliance supports this provision as an appropriate reservation of the Director's statutory discretion to institute *inter partes* reviews[10] and an important check to ensure that potentially meritorious petitions can proceed when warranted.

* * *

The Innovation Alliance supports the Proposed Rule and appreciates the USPTO's leadership in ensuring that Patent Trial and Appeal Board procedures reflect the true intent of the America Invents Act. Appropriate use of PTAB proceedings is critical to ensuring strong patent protections continue to incentivize U.S. innovators to invest in the research, development, and commercialization necessary for continued U.S. global leadership in innovation and technology, and the protection of U.S. economic and national security.

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[9] *Id.* (proposed amendment to 37 C.F.R. § 42.108(g)).

[10] 35 U.S.C. § 314.

The Honorable John A. Squires
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

RE: Docket No. PTO-P-2025-0025

Dear Director Squires:

We appreciate the opportunity to submit a comment in response to the notice of proposed rulemaking (NPRM) issued by the U.S. Patent and Trademark Office (USPTO) regarding Revision to the Rules of Practice Before the Patent Trial and Appeal Board (PTAB).[1] As leading voices in Congress on patent policy, we support the Proposed Rule and appreciate the USPTO taking this important step. We also encourage you to support our bipartisan, bicameral bill—the *Promoting and Respecting Economically Vital American Innovation Leadership* (PREVAIL) *Act* (S.1553/H.R.3160)—which will permanently reform PTAB procedures to make them more fair for inventors.

As the Proposed Rule rightly recognizes, Congress established the PTAB as part of the 2011 *America Invents Act* (AIA) to provide a quick and cost-effective alternative to district court patent litigation for resolving disputes over patent validity.[2] However, in practice, the PTAB operates as an additional forum for challenging patents. The vast majority of PTAB proceedings take place in parallel to another case involving the same patent or patents in another forum such as federal district court or the U.S. International Trade Commission (ITC). In addition, the same party can file multiple petitions against the same patent, allowing challengers multiple chances to invalidate patents and increasing costs for patent owners who must repeatedly defend their intellectual property rights against the same party.

Congress did not intend for the PTAB to be an additional forum for challenging patents. In fact, Congress made clear in enacting the AIA that the PTAB should not be used "for harassment or a means to prevent market entry through repeated litigation and administrative attacks" and that "[d]oing so would frustrate the purpose of the [PTAB] as providing quick and cost effective alternatives to litigation" and ultimately undermine innovation by "divert[ing] resources from the research and development of inventions."[3]

Returning the PTAB to its core purpose as an alternative to district court patent litigation is why we introduced the PREVAIL Act. The PREVAIL Act makes commonsense reforms to the PTAB to promote fair treatment for inventors, improve efficiency, and ensure the USPTO has the

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[1] Revision to Rules of Practice Before the Patent Trial and Appeal Board, 90 Fed. Reg. 48335 (proposed Oct. 17, 2025) (to be codified at 37 C.F.R. pt. 42).

[2] *See id.*; *see also* H.R. REP. NO. 112-98, at 48 (2011).

[3] H.R. REP. NO. 112-98, at 48 (2011); *see also* S. REP. NO. 110-259, at 72 (As a result of repeated patent challenges, the "uncertainty over the patent would limit the ability of inventors to attract capital investment and further develop their innovation and bring it to the marketplace.").

resources it needs to effectively administer a patent system that promotes American innovation and enables U.S. inventors to better compete in the global innovation ecosystem.

Although the NPRM and the PREVAIL Act take slightly different approaches, both the bill and the Proposed Rule would:

- Eliminate repetitive challenges by the same party on the same patents;
- End duplicative challenges and parallel proceedings in multiple tribunals, requiring a party to choose whether to bring a challenge in the PTAB or another forum, like federal district court or the ITC; and
- Reduce inconsistency between tribunals and improve efficiency by providing an inventor "quiet title" when a final judgment has been entered on the validity of a patent claim.

A future USPTO Director may repeal or alter a PTAB regulation. Indeed, USPTO Directors over the last decade have taken different approaches to implementing PTAB procedures. Inventors need certainty and predictability to justify investment in new research and development. To that end, we seek your support of the PREVAIL Act to make permanent the type of PTAB reform the USPTO seeks to achieve with this NPRM.

We appreciate the USPTO's efforts to ensure that the PTAB meets its congressional intent. We look forward to engaging with the USPTO to advance our mutual interest in ensuring fairness, efficiency, and predictability in patent disputes. Thank you for considering our comments.

Respectfully,

Chris Coons
United States Senator

Thom Tillis
United States Senator

Nathaniel Moran
Member of Congress

Deborah Ross
Member of Congress

December 2, 2025

John A. Squires
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
USPTO Madison Building
600 Dulany Street
Alexandria, VA 22314

Re: USPTO Notice of Proposed Rulemaking on Revision to Rules of Practice Before the Patent Trial and Appeal Board, Docket No. PTO-P-2025-0025

Dear Director Squires:

I am writing these comments in response to the USPTO's recent notice of proposed rulemaking on Patent Trial and Appeal Board practices for instituting challenges to patents.

I write not as a patent practitioner, nor as someone who toils day-to-day as you do in the minutiae of patent policy, but as one of the lead authors of the Leahy-Smith America Invents Act of 2011. As such, my comments focus not on the individual elements of the proposed rule and how they might work in any particular case, but rather on what I understand you are trying to achieve in putting the rule forward: a fair opportunity to challenge the validity of a patent while at the same time ensuring that patent owners who have proved the validity of their patents can enjoy quiet title. I wholeheartedly endorse your efforts toward that end.

The AIA is one of the most consequential bills I had the privilege to work on during my long congressional career, and definitely one of the bills about which I am still asked most often. I am very proud of the work Chairman Leahy and I did together to modernize the U.S. patent system. The creation of the PTAB to be a cheaper, faster alternative to district court litigation was a centerpiece of that historic legislation. It was my belief at the time, and it is a conviction I still hold to firmly today, that the same fairness that justifies a mechanism to challenge patents also demands that there must be an end to those challenges to permit patent holders the ability to enjoy quiet title.

I am dismayed by those who argue the intent of the PTAB was to give challengers a seemingly open-ended opportunity to challenge patents repeatedly, even after those patents have been upheld time and again. That was emphatically not the purpose of the PTAB. It was our intention that the PTAB would be a cheaper, faster alternative to district court litigation. It was never our intention that the PTAB become a tool to prolong litigation. Those who argue otherwise will struggle in vain to find any contemporaneous support for their perspective.

My recollection and conviction, on the other hand, that the need for quiet title was top of mind of policymakers at the time the PTAB was created is supported by the House Judiciary Committee report on the AIA, which contains the following passage:

> The Committee recognizes the importance of quiet title to patent owners to ensure continued investment resources. While this amendment is intended to remove current disincentives to current administrative processes, the changes made by it are not to be

> used as tools for harassment or a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent. Doing so would frustrate the purpose of the section as providing quick and cost effective alternatives to litigation. Further, such activity would divert resources from the research and development of inventions. As such, the Committee intends for the USPTO to address potential abuses and current inefficiencies under its expanded procedural authority.[1]

In reading your proposed rule, I see there are four elements: (1) preventing repeat PTAB challenges to a patent by related parties, (2) preventing a challenge at the PTAB to a patent that has already been upheld as valid by another judicial body; (3) preventing parallel challenges in separate judicial bodies; and (4) a safety valve to allow the Director to permit a PTAB challenge in appropriate circumstances.

It seems quite clear to me that the rule you are proposing fulfills precisely the intention the Committee professed in our report: using the Director's procedural authority to address potential abuses and inefficiencies in the PTAB. While I am not naïve in the ways of Washington, I find it hard to explain how any fair-minded person looking at the merits and the history of the AIA could suggest otherwise. A PTAB that affords a reasonable opportunity for challenge while preventing the opportunity for abuse is the essence of what my cosponsors and I were trying to achieve in creating the PTAB in the first place.

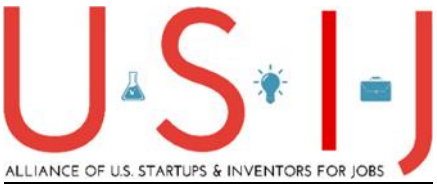
I am grateful that you are using your authority exactly as we intended at the time, and in the process, you are helping to preserve my legacy by preventing the PTAB from being a tool to be used against inventors rather than being a tool that can be used by inventors to improve the patent system. I thank you for your service, and for considering these comments.

Sincerely,

Lamar Smith

Lamar Smith
Former Chairman, House Judiciary Committee

[1] H.R. Rept. 112-98 (June 1, 2011), at 48.



December 2, 2025

USIJ COMMENTS re NPRM – Dkt. No. PTO-P-2025-0025

A. Introduction.

The Alliance of U.S. Startups and Inventors for Jobs ("USIJ") responds herein to Notice of Proposed Rulemaking, dated October 17, 2025 (90 FR 48335-41) ("NPRM"), whereby the U.S. Patent and Trademark Office ("USPTO" or "PTO") proposes corrective changes in the procedures used by the PTO Director for managing the Patent Trial and Appeal Board ("PTAB") and the statutory duties set forth in 35 U.S.C. §§ 311 *et seq* as to the institution and conduct of Inter Partes Reviews ("IPRs"). The NPRM requests comments and suggestions from all quarters of the patent stakeholder community as to these changes proposed by the PTO. The stated purpose of the proposed changes is to rebalance competing interests regarding institution and outcomes and to increase "fairness, efficiency, and predictability in patent disputes." NPRM at p. 5. USIJ believes that such a rebalancing is sorely needed and long overdue, and we commend PTO Director John A. Squires for addressing a number of significant flaws in the manner in which Inter Partes Reviews ("IPRs") have been managed in the past.

USIJ is a coalition of over 20 startups, entrepreneurs, inventors and venture investors – all of which depend on stable and reliable patent protection as a foundational prerequisite for making long term commitments of capital and human resources to high-risk efforts to commercialize new technologies. Because such commitments often consume periods of years, USIJ members rely heavily on patents to justify these investments. There is no viable commercial reason for spending time and effort over long periods of time inventing a new product or technology, if – once the invention is proven economically feasible – larger companies and foreign competitors with far greater resources, entrenched market positions, better known brands, and established sales channels can simply copy it. USIJ is committed to the restoration of a U.S. patent system that protects innovation and rewards disruption and risk-taking, all of which have been eroded severely over the past 15 or 20 years. Our mission is to ensure that the U.S. patent system continues to thrive for the benefit of American startups and inventors, and most importantly, America's leadership in science and technology of the future. The changes proposed in the NPRM reflect a major step in the right direction.

B. USIJ Strongly Supports the Proposed Changes in the Procedures Used by the Director to Manage Inter Partes Reviews.

USIJ **strongly** supports the proposed changes to CFR §42.108 and their underlying rationale as described in the NPRM. We urge their prompt approval and implementation. These changes represent a long-awaited course correction that will help bring integrity, predictability, and fairness to the post-grant review process that heretofore have been missing. For the USIJ community – indeed for the vast majority of American inventors, startups and their venture investors – the implementation of these new rules will formalize the most significant and positive step yet taken to align the operation of the PTAB with the stated congressional objectives in creating it. Congress believed it was establishing a cost-effective **alternative** to district-court litigation, a far cry from the duplicative and abusive operation that in actual practice was implemented by the PTO that has enabled large, well-capitalized infringers to increase both the cost and the risk facing smaller, disruptive competitors seeking to enforce or license their patents and, in many cases, to undermine the value of those patents altogether. This weaponization of the PTAB is described in the NPRM:

> Congress passed the [AIA] to "provide a quick and effective cost alternative" to District Court patent litigation, most notably through Inter Partes Review proceedings. H.R. Rep. No. 112-98, at 48 (2011). IPR proceedings … are not appropriate in every circumstance. When IPR proceedings cover the same ground as district court litigation, they cease to be an "alternative" and can substantially increase litigation cost. That is the **opposite of what Congress intended**. … [M]ultiple challenges to the same patent through IPRs jeopardize the reliability of patent rights and incentives to invest in new technologies. This proposed rule is intended to focus IPR proceedings on the most appropriate disputes. NPRM, p. 3 (emphasis supplied).

The proposed rules reflect, to a large extent, the culmination of over a decade of sustained advocacy by USIJ and its members, along with many others similarly situated who have been alerting the PTO to the realities of the abuse of the IPR system. This entire cohort has consistently urged the PTO to (a) curb multiple attacks on the same patent, (b) eliminate parallel proceedings whereby the same patent is challenged in both district court and before the PTAB, and (c) force the identification of real parties in interest in proxy challenges calculated to circumvent the estoppel effect of 35 U.S.C. §315(e). Under the current rules, unrelated third parties with opaque connections to a given case and often with monetary support from large infringers are allowed to file petitions asserting the invalidity of patents in the PTAB without identifying their actual clients, the sole purpose being to provide the client with additional shots at challenging validity if the PTAB attack fails.[1] The foregoing and other routine practices currently allowed by current PTAB

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[1] It is difficult to envision any other *raison d'etre* for Unified Patents, Inc. and other bounty hunters that spend large amounts of money challenging the validity of patents that they do not infringe. They purport merely to be providing a public service in challenging invalid patents, but given the source of their funding is it clear this is not the case. USIJ published a White Paper in 2018 identifying the parasitic activities of these bounty hunters as part of the epidemic of multiple attacks on the same patent claim. *See, e.g.*, "How One Bite at the Apple Became Serial Attacks on High Quality Patents," https://www.usij.org/research/2018/serial-attacks.

rules have imposed extremely costly and risky burdens on legitimate patent owners, deterring many from trying to license their inventions or assert their patents in this country, and discouraging others from even trying to invent new technologies.[2] In our view, the proposed IPR reforms advance a framework that will reward invention, encourage investment, and help restore balance in the nation's innovation ecosystem while at the same time not threatening the competitive options of incumbent companies. USIJ urges the USPTO to finalize these rules substantially as proposed. The objective is to preserve the principles of reliability, efficiency, and one-forum finality that are indispensable to a robust intellectual property system and a thriving innovation economy that is fair to both the least resourced participants and the largest resourced participants.

One extremely important point, not be overlooked, is that any company charged with infringing a U.S. patent can always assert the invalidity of the patent in district court in the event an IPR challenge is not instituted by the PTO. The unsuccessful petitioner can also request an *ex parte* reexamination through which the PTO can take a second look at a patent it previously granted. Nothing in the proposed changes set forth in the NPRM will diminish those rights. For 225 years prior to the creation of the PTAB and IPR procedures, patent owners faced and dealt routinely with such challenges in judicial proceedings and *ex parte* reexaminations. Additionally, such companies always have had and will continue to have the ability to design around or license a patent as was routinely done until the establishment of "efficient infringement" tactics enabled by the formation of the IPR system.

C. The NPRM Is Transparent as to the Reasons for the Proposed Changes in the Director's Management of PTAB Proceedings.

1. Startups and Small Companies Are Critically Important to Real Innovation

The explanatory materials that accompany the proposed rule changes (NPRM, pp. 2-7) describe the PTO's reasons for the proposals and some of the circumstances wrought by the agency's past failures to implement, or even to acknowledge, the congressional intent that led to the creation of the PTAB and post-grant review processes in the first place. At bottom, these agency failures have been the primary source of most or all of the abuse that the PTAB has allowed to be visited on small companies and individual inventors by – primarily – a handful of large digital technology companies. The NPRM notes (p.5), for example:

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[2] In 2020, USIJ published a Policy Report entitled "The Importance of an Effective and Reliable Patent System to Investment in Critical Technologies," confirming the serious adverse economic effect of a weakened U.S. patent system. The study found that as post-grant proceedings and other legal changes made U.S. patents less reliable, the share of venture capital funding going to firms in patent-intensive industries fell from over 50% in 2004 to about 28% in 2017. Funding for semiconductors, medical devices, and pharmaceuticals declined sharply in relative terms, while capital flowed toward less patent-dependent sectors such as social networking and consumer finance. Interviews with leading investors and inventors traced this shift to the growing unpredictability of the U.S. patent system. This shift of capital away from strategically critical industries imperils the security and welfare of our nation.

> By far, the most frequent users of IPR proceedings are large technology companies. When a large company is free to copy a patented invention because it believes it can invalidate the patent through multiple validity challenges, the large company's other advantages such as superior brand recognition and manufacturing scale will often give it an edge over smaller competitors. Thus, weakened patent rights can contribute to market concentration in innovative industries. *See* Professor Jonathan Barnett, *Why big tech likes weak IP*, *Regulation* (Spring 2021).[3]

To flesh out the point, the NPRM (p. 5) focuses on the critical significance of innovation in our nation and the need for startups and small companies to be protected from predatory conduct by large incumbents with which they would compete. The NPRM calls attention to a 2023 report of the National Economic Council entitled, "The Economics of Investing in America," which notes that startups and small to medium sized companies are the primary source of innovation in this nation – not the entrenched corporate giants that falsely claim that role. The NEC report states:

> The evidence is clear that new small and medium-sized businesses are drivers of innovation. Yet when a few firms (or one single firm) dominate a market, they can stifle and stymie disruptive startups and other new businesses (p. 12) https://bidenwhitehouse.archives.gov/wp-content/uploads/2023/07/Economics-of-Investing-in-America.pdf

In the same vein, the NPRM calls attention to a 2022 report of the National Bureau of Economic Research entitled, "Of Academics and Creative Destruction: Startup Advantage in the Process of Innovation," https://www.nber.org/system/files/working_papers/w30362/w30362.pdf (pp. 4-5), which finds:

> First, startup innovation will be more valuable and ultimately more impactful than that of either universities or large firms, and second, startups will generate innovations that are more radical and disruptive than those of incumbent firms. We provide descriptive statistics consistent with these hypotheses using a sample of patents generated in the vicinity of the top 25 research universities in the United States from 2000 to 2015. … Overall, our findings suggest that startup innovation is qualitatively different from the

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[3] Dr. Barnett's observation is entirely consistent with the conclusion of a report released in 2022 by the House Judiciary Subcommittee on Antitrust, Commercial and Administrative Law entitled "Investigation of competition in digital markets" ("House Report"), a 451-page assessment of the state of competition in the digital technologies. Although the Report is primarily concerned with the impact that Google, Facebook, Amazon and Apple are having on privacy and competition in the digital technologies, much of the report is equally applicable to some of the other corporate giants that work in the digital technology space. An important finding of the Subcommittee confirms a substantial decline in the number of startups and entrepreneurs willing to start companies to compete with large incumbents:

> "In recent decades, however, there has been a sharp decline in new business formation as well as early-stage startup funding. The number of new technology firms in the digital economy has declined, while the entrepreneurship rate—the share of startups and young firms in the industry as a whole—has also fallen significantly in this market. Unsurprisingly, there has also been a sharp reduction in early-stage funding for technology startups." House Report at p.46.

innovation in other organizational settings: there is a clear "startup advantage" in the quality and impact of startup patents relative to established firms.[4]

2. Multiple Challenges Can Destroy the Strongest and Most Deserving Patents.

In a section of the NPRM entitled "Even extremely strong patents become unreliable when subject to serial or parallel validity challenges," the agency recognizes in simple, straightforward language, the inescapable arithmetic that attends multiple challenges to the same patent claim. NPRM, p. 3. All litigation is probabilistic in nature, because outcomes are decided by people who receive only a narrow and highly artificial view of the facts, about which they usually lack personal experience to evaluate. This means that some percentage of all litigation outcomes will simply be wrong, and for patent litigation, this is more so because of the technical complexity of the subject matter, thus making errors even more likely.[5] When any patent is subjected to multiple challenges, this risk of error grows exponentially, particularly when the attack is based on obviousness under Section 103, a determination that is both highly subjective and is inherently fraught with the danger of hind-sight bias.[6] Section 103, of course, is the basis of the vast majority of IPR invalidations of issued patents.

Notwithstanding the common sense validity of this point, it was developed more rigorously several years ago in a scholarly essay by Matteo Sabatini https://papers.ssrn.com/sol3/papers.cfm?abstract_id=366821, but despite multiple efforts by USIJ and others to call the agency's attention to Dr. Sabatini's analysis, the point has been ignored by the PTO until the current NPRM.

USIJ believes that the ultimate reason for having a government supported patent system in the first place should be to incentivize entrepreneurs, inventors and risk-tolerant investors to dedicate

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[4] USIJ has identified a significant body of scholarship that supports the same conclusion. Numerous studies have shown that the internal profit and bonus dynamics of large companies rarely tolerate disruptive innovation, so that what they call "innovation" is really just marginal improvements on existing technologies. *See, e.g.*, Clayton Christensen, "INNOVATORS DILEMMA," Harvard Business Review Press (1997), whose studies describe a number of industries where disruptive innovation caused the company's failure. *Accord*: Chris Miller, "CHIP WARS," Simon & Schuster (2022), pp. 191-97, describing Intel's inability to innovate and enter the market for mobile processing until after smaller companies were able successfully to develop low power microprocessors necessary for smartphones. *Accord*: Michael Hiltzik, "DEALERS OF LIGHTNING," Harper Collins Publishing (1999), describing how the senior management at Xerox recognized in 1970 that the dawn of digital imaging ultimately would destroy its analog copier business, and so created Xerox Parc, staffed with some of the most brilliant young inventors and scientists in the world, only to discover that the institutional forces within the company still would not allow much of the resulting innovation to come to market.

[5] In *Blonder Tongue v. University of Illinois Foundation*, 402 U.S. 313 (1971), the Supreme Court held that a single finding of invalidity is normally sufficient to invalidate a patent claim for all time and all purposes, whereas a contrary finding is binding only on the challenger. The asymmetrical aspect of this long-standing principle makes multiple attacks on a small company's patents particularly unfair.

[6] *Safety Car Heating & Lighting Co. v. General Elec. Co*., 155 F.2d 937, 939 (2d Cir. 1946) (Learned Hand, J.) ("Substantially all inventions are for the combination of old elements; what counts is the selection, out of all their possible permutations, of that new combination which will be serviceable. No objective standard is practicable. … Courts, made up of laymen as they must be, are likely either to underrate, or to overrate, the difficulties in making new and profitable discoveries in fields with which they cannot be familiar; and, so far as it is available, they had best appraise the originality involved by the circumstances which preceded, attended and succeeded the appearance of the invention.")

financial and human capital to innovation. The newly proposed rules described in the NPRM will give life to that objective by minimizing harassment and abuse of any company attempting to license or enforce its patents. USIJ is particularly pleased to see the explicit recognition in the NPRM that allowing multiple attacks on the same patent claim can destroy the very best of patents.[7] We urge the USPTO to finalize this rule substantially as proposed and thereby restore the reliability, efficiency, and one-forum finality that are indispensable to a robust intellectual property system and a thriving economy.

D. The Rules Proposed in the NPRM Address Fundamental and Well-Documented Flaws in IPRs That Have Allowed Harassment and Abuse of Inventors from the Outset.

1. Single Forum Stipulation – 37 CFR Part 42.108(d)

Forcing an adversary to fight on multiple fronts is a time-honored military strategy and is especially effective when one adversary is 4 or 5 orders of magnitude larger than the other, as is true of the vast majority of IPRs. The proposed change to 42.108(d) is designed to confine the role of IPRs to that of a true "alternative" to district court litigation, as Congress intended, and to put an end to litigating validity of the same patent in multiple tribunals. The Rule would require a petitioner to stipulate that, irrespective of the outcome of the IPR, the petitioner will not challenge the subject patent in future litigation any prior art ground, and further require the petitioner to file a copy of such stipulation in any district court proceeding involving the same patent.

USIJ suggests that consideration be given to a possible clarification to Rule 108(d). Given the inclination of the U.S. Supreme Court (and therefor lower courts) – when they are unable to find a patent ineligible under the language of Section 101 – to incorporate lack of novelty under Section 102 or lack of an inventive feature or step under Section 103 to reach their desired outcome of ineligibility. Given this approach to eligibility, the proposed rule may not be entirely clear as to whether the stipulation required by §108(d) to not assert claims under Sections 102 and 103 would also limit challenges to eligibility under Section 101 based on prior art.[8] The

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[7] The pending Federal Circuit case between Netlist and Samsung illustrates the stunningly devastating effect of allowing multiple challenges to the same patent claim. Fed. Cir. Dkt. 24-2304. Plaintiff's Opening Brief shows that Claim 16 of U.S. Patent No. 7,619,912 survived multiple *ex parte* reexams, an IPR brought by Google that went to the Federal Circuit and was affirmed in favor or Netlist, only then to face yet another IPR brought by Google's supplier of the infringing product. In this latest attempt, Samsung was assigned to a different panel of PTAB judges that was allowed to adopt a different claim construction to find the claim invalid. That decision is now on appeal, but by the time the case ends, the Netlist patent, which covers highly innovative data storage technology, will have expired after spending its entire life in multiple reexaminations by the PTO. The proposed rule promises to put a stop to this monumental injustice and perhaps rekindle the incentive to invest time and resources in developing new technologies.

[8] Thus, in *Mayo Collaborative Services v. Prometheus Laboratories, Inc*., 132 S.Ct 1289, 1303 - 1305 (2012) the Supreme Court made clear that intends to use the requirements of novelty and non-obviousness from Sections 102 and 103 to evaluate patent eligibility under Section 101, rejecting both the patent owner's argument and the advice of Solicitor General not to conflate the two concepts. The Court's opinion contains multiple references to the need for an "inventive" step as a condition of eligibility, and specifically rejects the argument that "the Court should

Rule does seem clear that a petitioner will remain free to challenge validity under Section 112, and this would be entirely consistent with the intention of Congress.

USIJ strongly endorses and supports this change to 48.108(d). A patent owner is severely disadvantaged by having to defend the validity of a patent in two tribunals, particularly given the differing standards against which invalidity can be measured. In creating the PTAB, Congress made the assumption that the PTO, because of its greater expertise in patent matters, should be allowed to use a preponderance of the evidence standard instead the clear and convincing evidence standard for judicial challenges implied by the Patent Act's presumption of validity.[9] Soon after commencement of IPR proceedings, however, infringers began to play these separate standards against one another, arguing, for example, that a defendant in district court faced a higher burden in court than in the PTAB, so that even after a failure in court to invalidate the patent, they were still entitled to attempt invalidation under the lesser standard specified in the AIA.[10] The addition to Section 48.108(d) should put a stop to that.

2. A Single Validity Challenge for a Claim – 37 CFR Part 42.108(e)

The principle of *res judicata*, also called claim preclusion, is a long standing and foundational feature of the American legal system. The principle is applied for three primary reasons – conservation of both judicial resources and those of the parties, basic fairness to litigants, and the avoidance of inconsistent judgements. The PTAB, however, has refused to recognize any aspect of "finality" as to a patent claim challenged in that tribunal. Patents that have been held not invalid by district courts, even those affirmed by the Federal Circuit, have frequently been subsequently cancelled by a panel of Article I judges. This lack of finality extends even to decisions of the PTAB itself, and is grossly unfair to patent owners, rendering their patents always at risk and severely diminishing the value of patents as a foundation for raising capital or attracting entrepreneurs to enter a new business.

Exemplary is a dispute between Netlist (the patent owner) with Samsung and Google (alleged infringers) over digital storage and retrieval technology invented and patented by Netlist and copied by Samsung to make a component sold to and resold by Google. In that case, currently awaiting oral argument in the Federal Circuit (Dkt. 2023-24-2304), Google was permitted to challenge U.S. Patent No. 7,619,912 on multiple occasions, losing each time as to Claim 16, but not barred from trying again. When that string of efforts finally failed, Samsung, the supplier of the accused device, was then permitted to initiate still another IPR proceeding, this time with a different PTAB panel, which rendered a different claim construction and a different outcome. Resources of the PTO and the patent owner dedicated to this ridiculous scenario were staggering. Worse, the Netlist story exposes – for the entire cohort of inventors, startups and their investors, the cruel hoax of a viable and enforceable U.S. patent backed by presumption of validity. It is

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not invalidate these patents under §101 because the Patent Act's other validity requirements will screen out overly broad patents."

[9] *Microsoft Corp. v. i4i Ltd. Partnership*, 564 U.S. 91 (2011) confirming the need for a clear and convincing evidentiary standard based on the presumption of validity found in Section 282 of the Patent Act.

[10] *See*, fn.15, *supra,* describing the IPR prosecuted successfully by Intel **after** it lost on the same issues in district court litigation that ended in a large verdict.

impossible for anyone to make a case justifying this type of treatment of a highly innovative small company at the hands of two corporate Goliaths that have consumed the entire life of its patent with highly profitable infringement benefits, leaving nothing for the inventor.[11]

3. Reducing Abuse of Startups and Inventors by Bounty Hunters Without Any Actual Interest in the Patents on Which They File Petitions.

One of the primary shortcomings in the AIA is the absence of a requirement that an IPR petitioner must have standing to bring the petition, *i.e.,* an actual interest in the validity of the property right it is trying to cancel.[12] Although Congress may have chosen to allow anyone to file an IPR petition – which at bottom is essentially a form of quasi-litigation – Section 314 does not require that the Director institute a trial of such a petition or dedicate time and resources to such. There are numerous reasons for scrutinizing the actual reason for filing where the petitioner has not been threatened by the patent owner or cannot demonstrate an intent to enter a business where the patent might block it from doing so. Without such scrutiny, the existing absence of a standing requirement has given rise to multiple forms of trickery and abuse.

Shortly after the PTAB was created, for example, an avaricious stock manipulator began filing IPR petitions against small public companies whose patents were extremely important to the viability of the patent owner, after shorting shares of the stock. News of the IPR petition triggered an immediate and predictable drop in the price of the shares, allowing the predator to cover the short sale and pocket a tidy profit. Petitioner's motivation was inexplicably sanctioned by the PTAB in 2015, and presumably by then Director Lee, as appropriate since "Profit is at the heart of nearly every patent and nearly every inter partes review. As such, an economic motive for challenging a patent claim does not itself raise abuse of process issues." [13]

In another exemplary incident, following a jury verdict of nearly $2B in favor of VLSI and against Intel, two entities with no interest in the patent case filed IPRs challenging the validity of the VLSI patent that had been litigated, their purpose being to extort money from one or both of the parties. *OpenSky Industries LLC et al. v. VLSI Technology LLC*, IPR 2021-01064. Intel, the losing party in the litigation, saw this IPR filing as a second opportunity to attack the validity of the VLSI patent in the PTAB, and filed a joinder request under Section 315(c), which the Director granted even though she dismissed to initial petition as improperly filed.[14] In the Open Sky LLC case, the predatory filing of an unwarranted IPR petition was done primarily for the purpose of extorting

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[11] Dr. Bowman Heiden, a professor of intellectual property economics at UC Berkeley, has used the analogy to the parable of David and Goliath, insightfully pointing out that in their matchup, Goliath did not need to learn how to use a slingshot, but merely how to take David's away.

[12] Standing has been a fundamental requirement for the initiation of litigation since the outset of the American judicial system. In part, the requirement exists because Article III specifies that courts are limited to the resolution of disputes between parties with something personal at stake. *E.g., DaimlerChrysler Corp v. Cuno*, 547 U.S. 332, 341 (2006) ("No principle is more fundamental to the judiciary's proper role in our system of government than the constitutional limitation of federal-court jurisdiction to actual cases or controversies").

[13] *See, e.g.,* https://www.businessinsider.com/no-sanctions-for-kyle-bass-ipr-2015-9 (Quoting PTAB "We take no position on the merits of short-selling as an investment strategy other than it is legal, and regulated.")

[14] *See,* https://www.ptablitigationblog.com/director-vidal-removes-opensky-and-pqa-from-vlsi-iprs-orders-sanctions.

money from which ever of the litigants would pay for it. The Director imposed sanctions on the petitioner, but nevertheless allowed the IPR to go forward with Intel now as the lead petitioner.[15] And, of course, the PTAB ultimately found the patent invalid.

Perhaps the most destructive example is that of Unified Patents and other bounty hunters that file IPR petitions challenging issued patents claiming to be the only Real Party in Interest (RPI). These filing are intended to allow the entity that pays for the IPR (and the actual RPI) to remain in the shadows, so that if the challenge is unsuccessful the RPI can avoid the estoppel effect of Section 315(e) in a subsequent challenge in district court or before the PTAB. The Unified Patents website states that "Unified is the ONLY entity that DETERS abusive NPEs (aka Patent Trolls) and NEVER pays." https://www.unifiedpatents.com. The site does not tell us what a "troll" is, but even a cursory look at Unified's actual behavior suggests that the term refers to any entity asserting or about to assert a patent against one or more of Unified's well-financed contributors. The recent petition by Unified Patents against Dolby Laboratories, LLC (IPR 2021-00275), one of America's most creative and innovative companies, is exemplary. One of Dolby's patents was challenged by Unified and instituted by the previous Director, Kathy Vidal. Dolby won the PTAB trial as to all challenged claims and asked the PTO to require Unified to comply with § 312(a)(2) and identify the real parties behind the petitions. Dolby needed the information, because the estoppel provisions apply – in addition to the actual petitioner – to all Real Parties in Interest and their privies (§ 315(e)(1)). The Director refused to require such disclosure, because Dolby had been successful in defeating the petitioner, ignoring Dolby's statutory right to know the identities of the RPIs.[16]

Proposed Rule 42.108(d) will require a petitioner, in the interest of efficient use of resources, to stipulate that if a PTAB trial is instituted, neither petitioner nor any real party in interest or privy will subsequently challenge validity under Section 102 or Section 103 in the PTAB or any other tribunal. USIJ fully supports this rule, with the cautionary observation that it necessarily means that any petitioner that has not itself been accused of infringement, either directly or indirectly, must be forthcoming and identify other entities that are covering the cost of the petition and trial, with the patent owner given ample discovery to explore the RPI issue in detail.

E. Conclusion

USIJ respectfully urges prompt adoption of the modest changes set forth in the NPRM that will go a long way toward aligning the actual procedures for IPRs with the congressional expectations at the time of the AIA. None of the changes to 42 C.F.R. §108 will eliminate the proper use of IPRs, nor will they prevent proper challenges to patent validity in Federal Court or by *ex parte* reexamination. The changes merely prevent multiple attacks on the same patent claim, which have had the long-term impact of making patents essentially irrelevant to a large number of startups and entrepreneurs and their venture capital investors.

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[15] *See*, "4 Takeaways From OpenSky's PTAB Sanctions," https://www.sternekessler.com/news-insights/news/4-takeaways-openskys-ptab-sanctions

[16] See, https://www.knobbe.com/updates/federal-circuit-review-june-2025; Federal Circuit Order dated 9.23.25 in *Dolby Laboratories v. Unified Patents and USPTO*, Dkt. No. 2023-2110, denying rehearing en banc.

21C The Coalition for 21st Century Patent Reform

December 2, 2025

Comment of the Coalition for 21st Century Patent Reform in Response to USPTO Notice of Proposed Rulemaking on Revision to Rules of Practice Before the Patent Trial and Appeal Board
Docket No. PTO-P-2025-0025

The Coalition for 21st Century Patent Reform ("21C") appreciates the opportunity to submit these comments in response to the U.S. Patent and Trademark Office (USPTO) notice of proposed rulemaking (NPRM or "Proposed Rule") to improve the Patent Trial and Appeal Board (PTAB)'s practices for instituting challenges to patents. Once finalized, updated rules of practice focused on the following objectives will protect patent owners from abusive and duplicative PTAB validity challenges while fulfilling the original intent of the America Invents Act to provide a faster, cheaper alternative for the determination of certain types of patent validity challenges.

21C is a diverse coalition of American manufacturers who rely on patents to protect their inventions, who develop and manufacture products protected by those patents, who license patents to and from others in furtherance of their business activities, and who, when necessary, assert their patents against infringers and/or defend against patents asserted against them. The Coalition for 21st Century Patent Reform represents companies from many different industry sectors and is led by a Steering Committee that includes 3M, Bristol-Myers Squibb, Caterpillar, Corning, Eli Lilly, General Electric Aerospace, Johnson & Johnson, and RTX (the merged company of Raytheon and United Technologies).

21C is aligned with the following objectives of the proposed rule intended to strengthen our patent system:

- **Protecting Patent Holders Against Repetitive Challenges**
- **Preventing PTAB Proceedings Against Patent Claims Previously Upheld As Valid**
- **Preventing Certain PTAB Proceedings Parallel to District Court or ITC Proceedings**

We look forward to working with you and your staff to improve the patent system.

Council for Innovation Promotion
C4IP®

The Honorable Andrei Iancu, Co-Chair
The Honorable David Kappos, Co-Chair
Judge Paul Michel (Ret.), Board Member
Judge Kathleen O'Malley (Ret.), Board Member
The Honorable Gary Locke, Board Member
The Honorable Lamar Smith, Board Member
Frank Cullen, Executive Director

December 2, 2025

The Honorable John A. Squires
Under Secretary of Commerce for Intellectual Property and Director
United States Patent and Trademark Office
600 Dulaney Street
Alexandria, VA 22314

Re: Revision to Rules of Practice Before the Patent Trial and Appeal Board (Docket No. PTO-P-2025-0025)

Dear Director Squires:

The Council for Innovation Promotion (C4IP) is pleased to submit this response to the October 17, 2025, Notice of Proposed Rulemaking regarding Revision to Rules of Practice Before the Patent Trial and Appeal Board (Docket No. PTO-P-2025-0025).

C4IP is a bipartisan coalition dedicated to promoting strong and effective intellectual property rights that drive innovation, boost economic competitiveness, and improve lives everywhere. Founded and chaired by former directors of the U.S. Patent and Trademark Office (USPTO) from previous Democratic and Republican administrations, our nonprofit organization aims to be a valued partner to those considering policies impacting America's intellectual property system.

C4IP has long been concerned that the Patent Trial and Appeal Board (PTAB) has not operated as intended by the Leahy-Smith America Invents Act of 2011 (AIA), being at odds with the original legislative intent for IPRs to be a faster, less expensive alternative to district court litigation and legislative history stating that post-grant proceedings are "not to be used as tools for harassment or a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent."[1] Practices such as serial petitions at PTAB and proceedings running in parallel at PTAB and district courts or the International Trade Commission (ITC) have unduly burdened the system with duplicative and, in some cases, harassing proceedings.

[1] H.R. Rep. No. 112-98, at 48 (2011), https://www.congress.go of the proceedings/112/crpt/hrpt98/CRPT-112hrpt98.pdf; Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 6, 125 Stat. 284, 299 (2011), https://www.govinfo.gov/content/pkg/STATUTE-125/pdf/STATUTE-125-Pg284.pdf.

C4IP applauds Director Squires on taking immediate action "to ensure the timely and fair adjudication of patent validity challenges" through these proposed rules.[2] The need to eliminate duplication and repetition is essential to ensuring the fairness of the proceedings. As then-Acting Director Stewart explained, "repeated and expedited reconsideration of patent grants under the low preponderance of evidence standard is the antithesis of stability."[3] Accordingly, the Office's proposed rules package is a welcome effort to address the various ways that the current rules allow serial and duplicative challenges.

C4IP emphasizes, however, the importance for the Office to avoid inadvertently disincentivizing use of inter partes reviews (IPRs) altogether, which would undermine congressional intent in a different way. IPRs were meant to provide a meaningful opportunity for alternative review of the highly technical novelty and non-obviousness requirements of patentability, but not at the expense of endless, repetitive, or harassing reconsideration.

The key is achieving the right balance between the USPTO, via the PTAB, reviewing an issued patent, with the public having certainty that the USPTO has finally signed off (even if an accused infringer can still non-duplicatively challenge a patent in district court or the ITC). For this reason, C4IP believes it would be consistent with congressional intent for the USPTO to craft the final version of these proposed rules in such a way that there is a clear path for the PTAB, through an IPR or post-grant review (PGR), to be able to review a patent once where such review would not duplicate validity proceedings of a district court or the ITC on behalf of the same party. This includes the common situation in which a defendant, sued in district court or the ITC, chooses to bring an IPR challenge and is willing to drop the same scope of invalidity challenges in the other forum.

It is clear that Congress intended the PTAB to have at least some viable opportunity to consider whether a patent was properly issued, if asked to do so, particularly if the party making the ask is willing to ensure that there is not duplication on the same issue in two tribunals. After one IPR or PGR challenge, however, an exercise of the Director's discretion

[2] John A. Squires, U.S. Pat. & Trademark Off., *An Open Letter From America's Innovation Agency: Bringing the USPTO Back to the Future: Return of Institution Authority Under 35 U.S.C. §§ 314 and 324 to the Director* (Oct. 17, 2025), https://www.uspto.gov/sites/default/files/documents/open-letter-and-memo_20251017.pdf.

[3] Coke Morgan Stewart, Acting Dir., U.S. Pat. & Trademark Off., statement quoted in Matthew Bultman, *Stewart Says New Patent Policies Aim to Bring Stability*, Law360 (Sept. 8, 2025, 12:33 PM), https://www.law360.com/articles/2364638/stewart-says-new-patent-policies-aim-to-bring-stability. *See also* Revision to Rules of Practice Before the Patent Trial and Appeal Board, 90 Fed. Reg. 48,335, 48,335 (proposed Oct. 17, 2025) (to be codified at 37 C.F.R. pt. 42), https://www.federalregister.gov/documents/2025/10/17/2025-19580/revision-to-rules-of-practice-before-the-patent-trial-and-appeal-board ("[A] patent with a 70% chance of surviving one de novo patentability review has less than a 50% chance of withstanding two or more de novo patentability challenges. Thus, even extremely strong patents depend on a presumption of validity for their survival.").

to deny further institutions would be consistent with AIA legislative history counseling against harassment and duplication.

While Congress may have been focused on providing another avenue to examine novelty and non-obviousness when it passed the AIA in 2011, now, with over a dozen years of experience seeing the unintended consequences of the PTAB, it is more important than ever to have Congress holistically revisit how IPRs function. The creation of IPRs and PGRs was a response to the state of patent litigation at that time, including abuses of the patent system. But the last twelve years have shown the damage that is caused by allowing repeated reviews at the USPTO, which goes too far in undermining the certainty of a patent right to the detriment of a patent's ability to promote innovation. The kernel of wisdom in the AIA's creation of the PTAB has been lost amidst new ways of gaming the system, putting innovators and patent owners at a decided disadvantage.

Correcting the system requires codifying a better balance, and one that is less subject to revision under successive USPTO leadership, both of which will better position patents to function as stable assets that support long-term, resource-intensive investment in innovation. The time is right for this Administration to take the lead in spearheading such permanent change.

C4IP believes that the bipartisan, bicameral PREVAIL Act presents a clear and important opportunity to cement long-needed PTAB changes.[4] Critically, the legislation turns IPRs into a true alternative to district court or the ITC, requiring the petitioner to choose to move forward only in one forum with §§ 102–103 invalidity challenges based on patents and printed publications. This legislation can achieve directly what the USPTO is able to achieve at best indirectly through stipulation practice.

The PREVAIL Act is also responsive to the many other inadequacies of the PTAB that have become apparent. It addresses gamesmanship that has arisen on the petitioner side by tightening the definition of a real party in interest to eliminate loopholes and allowing adequate discovery on this issue to uncover instances of bad behavior. The legislation would also harmonize IPRs so that the same "clear and convincing" evidence standard is applied in the PTAB, as it currently is in district court and the ITC. This standard is more appropriate for issued patents, as it helps guard against hindsight bias when assessing obviousness,

[4] Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL Act), H.R. 3160, 119th Cong. (2025); Promoting and Respecting Economically Vital American Innovation Leadership Act (PREVAIL Act), S. 220, 119th Cong. (2025).

particularly when patents are challenged years after issuance.[5] Finally, this legislation would be particularly beneficial in providing the sort of long-term predictability and stability that is important to the patent system by correcting these imbalances and preventing dramatic changes to PTAB operations in the future, ensuring that patents are supported by a legal regime that is more stable and predictable.

C4IP strongly supports the PREVAIL Act and urges the Administration to push for its passage.

C4IP commends the proposed rules package for including many elements that are similar to the PREVAIL Act. The proposed rule regarding stipulations, § 42.108(d), is an example. C4IP believes this sort of arrangement is key to guarding against needless duplication in multiple forums absent legislation. However, C4IP suggests making clear that if a petitioner is willing to submit this stipulation, the proposed bar in § 42.108(f) should not preclude the petitioner from proceeding in the PTAB. In other words, where the petitioner is both attempting to challenge a patent in an IPR and is the same party in a district court or ITC proceeding, the fact that the district court or ITC proceeding might issue a decision first should not preclude institution if the petitioner is willing to submit a stipulation. C4IP believes this is one interpretation of proposed § 42.108(f) as it is currently written, but requests that the USPTO clarify that this is how these two provisions are meant to interact.

To ensure that the proposed stipulation is squarely aimed at eliminating duplication, C4IP also suggests modifying proposed § 42.108(d) so that it operates on a claim-by-claim (rather than patent-by-patent) basis and so that it extends only to §§ 102–103 invalidity arguments based on patents and printed publications, in line with the scope of the PTAB's jurisdiction in IPRs. Having the stipulation operate on a claim-by-claim basis would be in keeping with the rest of the proposed rules and would avoid gamesmanship that might otherwise occur if the claims being asserted in parallel litigation are not immediately known, or if other claims become disputed in the future (for example, as the case progresses or if other products are later included in that or a future lawsuit).

[5] KSR Int'l Co. v. Teleflex Inc., 550 U.S. 398, 421 (2007) ("A factfinder should be aware … of the distortion caused by hindsight bias and must be cautious of arguments reliant upon ex post reasoning."); Graham v. John Deere Co., 383 U.S. 1, 36 (1966) (establishing objective indicia to "guard against slipping into use of hindsight, and to resist the temptation to read into the prior art the teachings of the invention in issue." (internal quotation marks omitted)).

As for the scope of §§ 102–103 challenges, the PTAB is not authorized to hear invalidity arguments based on prior use or prior sales, two avenues of §§ 102–103 invalidity that are likely to require more discovery and evidence than the PTAB was designed to handle.[6] To best eliminate duplication while being fair to both the patent owner and petitioner, C4IP suggests limiting this estoppel to §§ 102–103 patents and printed publications and to prior use arguments that are too similar to arguments that could be asserted based on patents and printed publications.[7]

Without these proposed changes, C4IP is concerned that petitioners will be forced to forgo otherwise appropriate PTAB challenges. Petitioners should indeed have to make a choice on which forum will hear identical challenges to identical patent claims. But petitioners should not have to guess what patent claims might be asserted against them in the future or forgo the types of discovery-intensive §§ 102–103 challenges that Congress has not deemed appropriate for PTAB adjudication. C4IP believes that fixing this issue is relatively straightforward and would send the clear and appropriate message that IPRs will operate in a manner that was intended by Congress, that is, fair for all participants.

C4IP also suggests reconsidering whether an ex parte reexamination Office Action upholding a patent claim's validity should automatically block an IPR, as § 42.108(e) proposes. Reexaminations, however, lack the attributes of a normal adversarial process.[8] For this reason, C4IP suggests that whether a reexamination should result in denial of institution is already appropriately accounted for under 35 U.S.C. § 325(d) and existing PTAB precedent, such as *Advanced Bionics*.[9] The existing rules appropriately give deference to arguments considered by the Office, helping to avoid duplication, but do not confer such a broad estoppel effect where there has not been the rigor of an adversarial process.

[6] Lynk Labs, Inc. v. Samsung Elecs. Co., 125 F.4th 1120, 1128 (Fed. Cir. 2025) (describing the origins of the printed publication limitation in reexamination that was carried through the AIA in stating that "prior art in the form of sales and public use often requires substantial discovery or fact finding into how the alleged prior-art product at issue operates, how it was formed, what it comprises, and the circumstances surrounding the alleged sale or use. Patents and printed publications, on the other hand, generally do not require such additional discovery or fact finding.").

[7] This mismatch of breadth also appears in proposed § 42.108(e) and (f), and C4IP suggests that the scope of these estoppels also be recalibrated to reflect the PTAB's jurisdiction.

[8] 35 U.S.C. § 302 (allowing petition for reexamination for "substantial new question[s] of patentability affecting any claim of a patent"); 35 U.S.C. § 305 (2018) (stipulating that reexamination becomes *ex parte* under §§ 132–133 once the filing and reply period under § 304 has expired).

[9] 35 U.S.C. § 325(d) ("In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office."); Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GmbH, IPR2019-01469, Paper 6 (P.T.A.B. Feb. 13, 2020) (precedential) (creating a two-part framework for denying IPR when the same or substantially the same prior art or arguments were previously presented to the PTO).

C4IP generally supports proposed § 42.108(g), which gives the Director the discretion to institute proceedings in "extraordinary circumstances," even when the proposed rules would otherwise block institution. C4IP believes that this rule is a thoughtful safeguard to this overall proposal that will ensure the Office's ability to review a patent in an IPR proceeding under appropriate equitable circumstances that are otherwise difficult to foresee and capture in a rule.

With that function in mind, C4IP suggests that the rule be broadened to give the Director more discretion, as additional unforeseen circumstances may also reasonably warrant institution in the future. Simple changes in prior art, particularly where the prior art is cumulative of what the Office has already seen, are sensible to exclude, but otherwise, the Office's admonition that "[f]rivolous or abusive petitions" may be sanctioned, coupled with guidance from specific Director decisions, should be sufficient to guard against disappointed petitioners seeking this exception in every case.

In particular, C4IP suggests broadening the scope of legal changes that might be permissible to reflect significant new developments from the Federal Circuit, such as panel decisions deciding previously unresolved legal questions or en banc decisions overturning prior case law. This change would reflect the contours of the law binding the agency, and so too should apply to the patents it may be asked to reconsider.

C4IP believes that it is important, however, for the final rule to reflect the factors that the Director will consider in exercising this residual discretion so that the public has clear notice of when circumstances are exceptional enough to warrant institution under this provision. This will help ensure transparency and predictability of IPRs for petitioners, patent owners, and the public alike. It will also help ensure that, in the future, this basis of discretion does not become so broad and undefined that it eviscerates the guidelines established by this rules package.

C4IP further requests clarification of whether the wording of § 42.108(g) means that a panel of three administrative patent judges will resume initial consideration of IPR institution decisions on their own instead of in conjunction with the Director. The proposed rule states, "If a panel of the Board determines that extraordinary circumstances warrant institution … <u>the Panel shall refer to matter to the Director</u> who may personally institute *inter partes* review" (emphasis added), suggesting that it is the Board, not the Director, who is initially in charge of the institution decision. In addition, the proposed rules do not otherwise change § 42.4(a), which provides that "[t]he Board institutes the trial on behalf of the Director." Together, these provisions suggest that the Board will again take sole responsibility

for institution decisions, although Director Review of institution decisions could still be sought pursuant to § 42.75. This interpretation of § 42.108(g) would effectively rescind the Director's memorandum of October 17, 2025.[10]

To the extent that this is the interpretation meant by the Office, C4IP supports it. In general, C4IP believes it makes sense to return institution decisions to a Board panel, where the Board is following instructions put in place by the Director that reflect how his statutory discretion should be exercised. C4IP believes that separating run-of-the-mill cases from direct action by politically appointed decision-makers, at least in the first instance, best serves to maintain long-term consistency of decisions and the PTAB's credibility as a neutral adjudicatory forum. Having the Board work according to rules that embody the Administration's policy goals is the best way to balance this neutrality while fulfilling the mandate that the Director be politically accountable for the overall functioning of the PTAB.[11]

Finally, C4IP notes that the PTAB operates under a complex set of procedures, and since the beginning of this Administration, many changes to the PTAB have been put into effect.[12] Yet only some of these changes are reflected in the proposed rules. It is unclear if the rest of the changes will be codified. C4IP urges the Office to set forth its overall vision of how PTAB will operate to help guide the public's understanding and future feedback, as it is otherwise challenging to assess one proposal without having a holistic sense of all the changes that will be proposed to PTAB.

In sum, C4IP believes that Congress meant for the PTAB and IPRs (when properly configured) to have an important role to play in the patent ecosystem. The PTAB should be an alternative to litigation, meaning that patent owners are not unfairly burdened by parallel and serial PTAB challenges. PTAB should also be available for a reasonable check on validity in appropriate circumstances, but not a forum for endless, repetitive reviews of the same patent. Reconciling these divergent interests is critical to fulfilling the mandate of the AIA, and more broadly ensuring that the patent system is optimally incentivizing American innovation.

[10] Memorandum from John A. Squires, Under Secr'y of Com. for Intell. Prop. & Dir. of the U.S. Pat. & Trademark Off., to all PTAB Judges on Director Institution of AIA Trial Proceedings (Oct. 17, 2025), https://www.uspto.gov/sites/default/files/documents/Director_Institution_of_AIA_Trial_Proceedings.pdf (reclaiming Director control over institution of IPRs and post-grant review proceedings).

[11] United States v. Arthrex, Inc., 141 S. Ct. 1970 (2021).

[12] Director Institution of AIA Trial Proceedings, *supra* note 10; Memorandum from Coke Morgan Stewart, Acting Under Secr'y of Com. For Intell. Prop. & Acting Dir. Of the U.S. Pat. & Trademark Off., to all PTAB Judges on Interim Processes for PTAB Workload Management (Mar. 26, 2025), https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf.

C4IP again commends the Office and the Director for taking formal steps to address longstanding imbalances in the operations of IPRs before the PTAB. C4IP appreciates the opportunity to submit these comments and would be happy to provide any further input that would assist the Office.

Sincerely,

Frank Cullen
Executive Director
Council for Innovation Promotion (C4IP)

December 2, 2025

Submitted via Regulations.gov

John A. Squires
Under Secretary of Commerce for Intellectual Property
Director, United States Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

AUTM's Comments on the Revision to Rules of Practice Before the Patent Trial and Appeal Board (Docket No. PTO-P-2025-0025)

Dear Director Squires:

Please accept AUTM's comments on the USPTO's "Revision to Rules of Practice Before the Patent Trial and Appeal Board" (the "NPRM").

Introduction

AUTM is the non-profit leader in efforts to educate, promote, and inspire professionals to support the further development and deployment of innovations arising from academic research. Our community is comprised of more than 3,000 members who work in more than 800 universities, research centers, hospitals, businesses, and government organizations around the globe.

AUTM's membership has traditionally stemmed—and continues to draw primarily—from academic settings. AUTM members in such academic settings are focused on advancing early-stage inventions and other technologies to the marketplace, primarily through licensing and further development with partners (i.e., implementers). Between 2005 and 2024, our skilled professionals filed over 288,000 new patent applications for academic inventors and negotiated over 122,000 intellectual

property license agreements on behalf of U.S. universities and academic research institutions. About 70% of these licenses are to start-ups and small companies. One model estimates that technology transfer activities carried out by AUTM members over the past 30+ years contributed $2 trillion to the U.S. gross industry output.[1] In the pharmaceutical space, it is estimated that since the Bayh-Dole Act was signed into law in 1980, over 200 drugs and vaccines that originated from U.S. public research institutions were developed and approved by the FDA.[2] Many of these public-private partnerships involved university technologies.

As such, AUTM members are key players at the genesis of innovation, helping to translate early-stage inventions into new products and services through commercialization so that all Americans can benefit from them. We appreciate your consideration of AUTM's views on this important issue, as strong protections for intellectual property are critical to our technology transfer and commercialization activities, and the products and services that result from our activities have powerful and positive impacts on human lives, economic development, global competitiveness, and national security.

<u>The Proposed Rules Will Improve Patent Reliability and Support Innovation.</u>

AUTM strongly agrees with the USPTO's stated concern that "even extremely strong patents become unreliable when subject to serial or parallel challenges."[3] AUTM appreciates the NPRM's recognition that reliable patent rights are necessary to incentivize the investment required to bring new, patent-dependent products to market.[4] It follows that PTAB rules that improve patent reliability, such as the rules proposed in the NPRM, will result in more innovative products and services. This is because reliable patents reduce the inherent risk associated with the long, expensive, and sometimes unpredictable process of product testing and development.

Conversely, unreliable patent rights hinder innovation. When issued patent claims can be repeatedly attacked and reconsidered, investment in the underlying technology is more risky and

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[1] *Economic Contributions of University/Nonprofit Inventions in the United States 1996-2020*, Lori Pressman, Mark Planting, Carol Moylan and Jennifer Bond, available at https://autm.net/AUTM/media/About-Tech-Transfer/Documents/BIO-AUTM-Economic-Contributions-of-University-Nonprofit-Inventions_14JUN2022.pdf. This model is based on reported earned royalties and estimated domestically manufactured product sales.

[2] *The Role of Public-Sector Research in the Discovery of Drugs and Vaccines*, Stevens, A.J., Benson, D.E., Dodson, S.E. *et al.*, J Technol Transf 49, 857–867 (2024), available at https://www.nejm.org/doi/full/10.1056/NEJMsa1008268. See, for example, Table 1 (The Number of Drug Products Approved by the Food and Drug Administration and Originating from Public-Sector Research, According to Therapeutic Area, 1970–2009).

[3] *USPTO advances proposed rule governing PTAB inter partes review practices*, October 16, 2025, available at https://content.govdelivery.com/accounts/USPTO/bulletins/3f734cb.

[4] The NPRM states "These serial and parallel patentability challenges have undermined the reliability of patent rights and deterred investment in new technologies."

thus less likely to occur. Subjecting an issued U.S. patent—which has already been examined by the USPTO and deemed patentable—to repeated, additional challenges before the USPTO is analogous to attempting to saddle the horse after it has left the barn. At some point, industry partners should be able to rely on the statutory presumption of patent validity to attract investment and commercialize patented innovations. Repeatedly reopening validity disrupts the commercial certainty necessary to justify investment in new technologies and weakens confidence in the patent system.

AUTM urges the USPTO to adopt the proposed revisions to the PTAB rules of practice. As AUTM has previously noted, the current IPR system acts as a cloud over the title of issued patents because there are no meaningful limits on the total number of post-grant attacks that can be directed at a patent during its term.[5] USPTO data demonstrate the prevalence of parallel and serial PTAB challenges to issued patents. The revised rules will correct this persistent problem by requiring patent challengers to put forth their strongest arguments and to select the forum that is best situated to evaluate those arguments. For example, requiring an IPR petitioner to stipulate that it will not pursue invalidity challenges under 35 U.S.C. § 102 or 103 in other forums promotes efficiency by requiring the petitioner to identify its strongest § 102 or 103 arguments up front and present them to one forum—rather than repeatedly trying different arguments in front of different adjudicators.

<u>The Proposed Rules Will Promote Efficiency and Patent Quality</u>.

The revised rules will go a long way in making the PTAB what it was intended to be: a faster, less expensive, and reliable alternative to district court litigation to resolve certain questions of patent validity.[6] As the NPRM notes, the proposed rules will streamline the PTAB's work by preventing repetitive analyses of the same or similar patent challenges. This will allow the PTAB to focus on new, different challenges to patents, and it creates an opportunity to redirect resources in ways that address the current patent examination backlog (e.g., allowing PTAB judges more time to resolve ex parte appeals from examination).

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[5] *AUTM's Comments on the USPTO's Notice of Proposed Rulemaking re Patent Trial and Appeal Board Rules of Practice for Briefing Discretionary Denial Issues, and Rules for 325(d) Considerations, Instituting Parallel and Serial Petitions, and Termination Due to Settlement Agreement (Docket No. PTO–P–2023–0048)*, June 17, 2024, available at https://autm.net/AUTM/media/About-Tech-Transfer/Documents/AUTM-Comments-on-Docket-No-PTO-P-2023-004.pdf.

[6] *AUTM's Comments in Response to the USPTO's Advance Notice of Proposed Rulemaking (ANPRM) Regarding Changes Under Consideration to Discretionary Institution Practices, Petition Word-Count Limits, and Settlement Practices for America Invents Act Trial Proceedings Before the Patent Trial and Appeal Board (Docket ID Number: PTO-P-20200022)*, June 20, 2023, available at https://autm.net/AUTM/media/About-Tech-Transfer/Documents/AUTM-Comments.pdf.

Moreover, curbing repetitive litigation will minimize waste and allow the USPTO to prioritize its efforts to issue higher-quality patents. Strengthening front-end efforts—such as examiner training and resource allocation—is a more effective way to enhance patent quality than repeatedly reexamining claims the USPTO has already examined and issued.

The Proposed Rules Will Strengthen National Security, Economic Growth, and Global Leadership.

In your statement before the Intellectual Property Subcommittee of the U.S. Senate Committee on the Judiciary, you called the USPTO the Department of Commerce's Central Bank of Innovation.[7] You noted that "every piece of IP we put into circulation is a potential job, a new business, a competitive advantage, or an investible asset." AUTM could not agree more. Universities create and refine the "currency" of ideas and intellectual property through research and discovery. When universities secure patent rights and license them to companies, we are collectively putting that intellectual currency into circulation, fueling new industries, products, and technologies.

While university technology transfer offices endeavor to generate revenue when licensing university-developed technologies, that is not the objective of what we do. Rather, our primary goal is to identify the best mechanism to deploy each university-created technology for public benefit. Sometimes, this is accomplished by publishing the results of university research; other times, it is accomplished through testing and development agreements to assess whether the technology is ready for incorporation into a product or service.

This objective—deploying university-created technology for public benefit—is what the National Institute of Standards and Technology (NIST) called "the underlying social and public mission inherent in the development of Federal research into products and services benefiting American taxpayers."[8] As breakthrough innovations in artificial intelligence, cybersecurity, biotechnology, and clean energy emerge from university laboratories at an unprecedented pace, now is the time to strengthen partnerships among universities, private investors, and commercial enterprises—partnerships built on strong U.S. patents. Because the proposed rule changes will result in

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[7] *Statement by Director Squires before the United States Senate Subcommittee on Intellectual Property Committee on the Judiciary*, October 9, 2025, available at https://www.uspto.gov/about-us/news-updates/statement-director-squires-united-states-senate-subcommittee-intellectual.

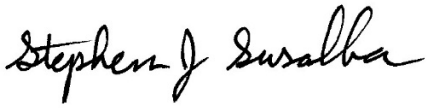
[8] Natl. Inst. Stand. Technol. Spec. Publ. 1234, (April 2019), available at https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.1234.pdf. The Green Paper further states, "The "return" is interpreted to encompass a wide variety of benefits of technology transfer, both tangible and intangible to the investor, namely American citizens. It should not be viewed in the narrow context of revenue generation, but rather as contributions to broader economic prosperity, national security, and societal impact." *Id.* at p.20

stronger and more reliable patents, they will enhance such partnerships and bring industries back to America, create jobs, and enhance national security.

Conclusion

AUTM believes the proposed rule strikes the appropriate balance between efficiency, fairness, and stability in the patent system. AUTM thanks the USPTO for its efforts to promote innovation by making patent rights more reliable, which in turn incentivizes investment in promising technologies and encourages their development into tangible products and services. We appreciate the opportunity to respond to the NPRM and look forward to a continued productive dialog on this and other matters critical to the growth of American innovation and the health and economic well-being of Americans.

Sincerely,



Stephen J. Susalka, Ph.D.
Chief Executive Officer

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MDMA

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November 24, 2025

Via Electronic Submission

John Squires
Director
United States Patent and Trademark Office
600 Dulany Street
Arlington, VA 22314

RE: Revision to Rules of Practice before the Patent Trial and Appeal Board [PTO-P-2025-0025]

Dear Director Squires,

On behalf of the Medical Device Manufacturers Association (MDMA), I am writing to express MDMA's support of the USPTO notice of proposed rulemaking, "Revision to Rules of Practice before the Patent Trial and Appeal Board."

MDMA is a national trade association that provides educational and advocacy assistance to hundreds of innovative companies in the field of medical technology. Our members, the majority of which are small to mid-sized medical device companies, have a strong record of delivering breakthrough therapies to treat chronic diseases and life-threatening conditions while lowering the cost of care.

MDMA's mission is to ensure that patients have timely access to the latest advancements of safe and effective medical technologies that improve health outcomes. The companies developing these treatments rely on strong intellectual property protections to attract capital to develop their technologies. The investment required to bring innovative technologies to market is enormous, involving not only a commitment to product development but also to clinical research, which is necessary to validate the safety and efficacy of medical technology. When patent rights are unreliable, fewer inventors and investors will devote the many years, sometimes a decade or more, and tens of millions of dollars to secure regulatory approval and reimbursement to bring new medical devices to market.

The NPRM's targeted reforms—such as requiring petitioners to stipulate against raising duplicate invalidity grounds in future proceedings, barring challenges to claims previously upheld as valid in district court, the International Trade Commission, or prior PTAB decisions, and prioritizing PTAB institutions only when they promise faster resolution than parallel litigations—will foster

a more efficient and equitable forum. These measures promote the PTAB's original vision under the America Invents Act as a streamlined alternative to costly district court battles, reducing the burden on patent holders defending their innovations across multiple fronts and minimizing the risk of inconsistent outcomes.

We also appreciate the NPRM's balanced approach in preserving the Director's discretion to institute proceedings in extraordinary circumstances, such as bad-faith prior challenges or significant legal developments, ensuring that meritorious petitions are not unduly foreclosed. This collaborative framework supports our shared industry goal of a PTAB that serves all stakeholders fairly, encouraging innovation without stifling legitimate scrutiny. To that end, we urge the USPTO to finalize these rules expeditiously, empowering the medical device community to focus on advancing patient care rather than protracted validity disputes.

We appreciate the opportunity to comment on this important topic. If we can provide any additional information, please contact me at mleahey@medicaldevices.org or (202) 354-7171.

Sincerely,

Mark Leahey
President & CEO
Medical Device Manufacturers Association

Conservatives
for
Property Rights

November 25, 2025

The Honorable John Squires
Director
U.S. Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

RE: Revision to Rules of Practice before the Patent Trial and Appeal Board (Docket No. PTO-P-2025-0025)

Dear Director Squires:

We strongly favor the proposal in the Revision to Rules of Practice before the Patent Trial and Appeal Board (Docket No. PTO-P-2025-0025). This proposal takes a stand for reliable intellectual property (IP) rights by reforming the Patent Trial and Appeal Board's (PTAB) widely criticized invalidation of patents previously upheld by courts and predatory infringers' PTAB abuse.

Conservatives for Property Rights (CPR) is a coalition of public policy organizations concerned with preserving and protecting private property rights. We have long advocated for policies that bolster U.S. industrial competitiveness and technological innovation.[1] To be sure, patents and IP are at the center of our innovation economy as well as America's prosperity and national security. CPR believes U.S. policy must provide clear, secure, reliable, and enforceable property rights—including patent rights.

At present, PTAB rules disproportionately benefit large corporations with deep pockets that aim to wipe out their competitors' patents. PTAB empowers those companies to challenge the same patents repeatedly. That forces startups and small innovators constantly to expend resources defending their patents in multiple forums.[2]

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[1] https://www.property-rts.org/competitiveness-and-property

[2] https://ipwatchdog.com/2025/10/01/netlist-continues-enforcement-campaign-samsung-dram-modules-itc/

We firmly believe that the concept of “quiet title” is central to reliable and secure IP rights. PTO’s proposal will restore predictability to the patent system. As a result, entrepreneurs and investors will gain confidence to pursue state-of-the-art R&D.

Congress was clear during the enactment of the 2011 America Invents Act (AIA) that it intended the Patent Trial and Appeal Board (PTAB) to be a cost-effective alternative to federal district court, not a tool for litigation harassment.[3] However, this administrative body is in fact a weapon for predatory infringers—often Big Tech corporations and foreign companies—to wage lawfare even when patents have already been challenged in federal court, the International Trade Commission (ITC), or PTAB. In fact, China has become the weapon of choice for Big Tech in its efforts to undermine patent owners. Big Tech claims that protecting inventors’ rights benefits China–-an unfounded and blatant attempt to use the China card to further Big Tech’s interests in invalidating patents they want to use for free.

The salt in patent owners’ wounds is when PTAB, an Article II quasijudicial body, overturns the decision of an Article III court or the ITC.

The proposed rule would rectify this highly suspect situation. Moreover, the rule would require PTAB gamesmen to choose one forum or the other for where the challenger will raise issues of a patent's novelty or nonobviousness, making IPR more rationally narrow. These improvements in PTO policy and practice will foster job growth and investment in the United States.

We offer friendly suggestions for consideration. Adding specific examples such as naming previous cases that would have met the "extraordinary circumstances" exceptions would provide greater clarity to the exceptions’ metes and bounds. Setting explicit timeframes for stipulation and disclosure and meaningful consequences for failure to meet those deadlines would foster greater predictability and confidence regarding patents’ reliability for inventors and investors.

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[3] “The intent of the post-grant review process is to enable early challenges to patents, while still protecting the rights of inventors and patent owners against new patent challenges unbounded in time and scope. . . . **The Committee recognizes the importance of quiet title to patent owners to ensure continued investment resources**. While this amendment is intended to remove current disincentives to current administration processes, the changes made by it are not to be used as tools for harassment or a means to prevent market entry through repeated litigation and administration attacks on the validity of a patent. Doing so would frustrate the purposes of the section as providing quick and cost effective alternatives to litigation. Further, such activity would divert resources from the research and development of inventions.” H.R. Rept. 112-98 (June 1, 2011), at 47–48 (emphasis added).

These much-needed efforts will help inventors and patent owners achieve quiet title. They will safeguard the rights our Founders recognized to be crucial to our nation's progress, prosperity, and national security.

Sincerely,

James Edwards, Ph.D.
Founder and Executive Director
Conservatives for Property Rights

November 24, 2025

The Honorable John Squires
Director
U.S. Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

Subject: Support for NPRM: Restoring Predictability in PTAB Institution, Docket No. PTO-P-2025-0025

Dear Director Squires:

We write in strong support of the U.S. Patent and Trademark Office's recent Notice of Proposed Rulemaking (NPRM) to improve the Patent Trial and Appeal Board's (PTAB) practices for instituting inter partes review (IPR) challenges (Docket No. PTO-P-2025-0025). The proposal would help restore fairness, efficiency, and predictability to patent adjudication, principles that Congress pledged in the America Invents Act (AIA), but that years of serial and duplicative challenges and bias for patent claim invalidation have eroded.

Congress intended IPRs to serve as a faster, less costly alternative to district court litigation, not a second front for infringers to attack patents until they are worn down or invalidated. Yet today, more than half of IPR petitions—filed by the same large corporations such as Apple, Microsoft, and others—represent repeat challenges against the same patent. More than 80 percent of IPRs overlap with ongoing litigation. This has created a system that multiplies uncertainty and imposes duplicative costs on inventors, the opposite of the efficient alternative Congress promised.

By requiring petitioners to stipulate that they will not pursue overlapping §102 or §103 invalidity arguments and by declining to institute review where claims have already survived judicial or administrative scrutiny, the USPTO's proposal faithfully implements the "one bite at the apple" principle that Congress thought it was making law. The rule also allows USPTO to consider the effects of its regulations on "the economy [and] the integrity of the patent system."

Reliable patent rights are the lifeblood of America's innovation economy. They give investors the confidence to finance risky, long-horizon research and allow small inventors and startups to compete on equal footing with well-established firms. When patents can be relitigated endlessly before multiple tribunals, investment dries up, technology transfer stalls, and only the largest firms, with the resources to absorb the cost of serial proceedings, can compete.

In your recent statement before the Senate Judiciary Subcommittee on Intellectual Property you effectively connected the dots not just between strong patent protection and America's economic vitality, but also our national security. Weak, uncertain patent rights invite foreign competitors and adversarial regimes to infringe American innovations with impunity. By restoring finality and predictability, the proposed rule will help secure the unique intellectual property foundation of U.S. leadership in critical technologies from AI to quantum computing.

By limiting duplicative challenges, the NPRM's framework channels patent disputes to a single forum. By reserving exceptions for truly extraordinary circumstances, cost and delay will be reduced for all participants. The proposal will also allow USPTO to redirect its limited resources to its core mission of examining and issuing patents. These reforms will make PTAB proceedings what Congress intended: a focused, efficient, and fair mechanism to resolve legitimate validity questions without undermining confidence in issued patents.

The undersigned organizations and individuals support this reform-minded NPRM because it advances the AIA's goals of fairness, efficiency, and predictability. These are the conditions essential to investment, job creation, and America's technological and economic security. We applaud the USPTO's leadership on removing this weak link in U.S economic and national security and stand ready to assist in implementation.

Respectfully,

James Edwards, Ph.D.
Founder and Executive Director
Conservatives for Property Rights
Patent Policy Advisor
Eagle Forum Education & Legal Defense Fund

Kevin L. Kearns
President
U.S. Business and Industry Council

Kent Kaiser, Ph.D.
Executive Director
Trade Alliance to Promote Prosperity

Tom Giovanetti
President
Institute for Policy Innovation

Dick Patten
President
American Business Defense Council

Bob Carlstrom
Executive Director
Prosperity for US Foundation

James L. Martin
Founder/Chairman
60 Plus Association

Saulius "Saul" Anuzis
President
American Association of Senior Citizens

Dee Stewart
President
Americans for a Balanced Budget

Jeffrey Mazzella
President
Center for Individual Freedom

Karen Kerrigan
President & CEO
Small Business & Entrepreneurship Council

Phil Kerpin
President
American Commitment

Anthony J Zagotta
President
Center for American Principles

Ginevra Joyce-Myers
Executive Director
Center for Innovation and Free Enterprise

Daniel Perrin
President
HSA Coalition

November 21, 2025

Via Federal eRulemaking Portal (https://www.regulations.gov)

Department of Commerce
Patent and Trademark Office
37 CFR Part 42
[Docket No. PTO-P-2025-0025]
RIN 0651-AD89

Re: Comments by Adeia Inc. in Support of the Proposed "Revision to Rules of Practice Before the Patent Trial and Appeal Board" (Docket No. PTO–P–2025–0025)

Adeia Inc. (Adeia) submits these comments in response to the U.S. Patent & Trademark Office (USPTO) Notice of Proposed Rulemaking on "Revision to Rules of Practice Before the Patent Trial and Appeal Board" [Docket No. PTO-P-2025-0025] RIN 0651-AD89, 90 Fed. Reg. 48335-41 (Oct. 17, 2025).

I. BACKGROUND

Adeia is a publicly traded, U.S.-based research and development (R&D) technology company headquartered in Silicon Valley (NASDAQ: ADEA). Adeia invents, develops, and accelerates the adoption of next-generation technologies for the semiconductor and media industries. Adeia is among the most innovative companies in America, ranking in the Top 75 organizations granted the most U.S. patents last year.[1] In 2024, Adeia invested $60 million in R&D, representing more than 15% of its annual revenue. Adeia's advanced semiconductor R&D includes hybrid bonding and thermal management technologies critical to the development of Artificial Intelligence (AI) infrastructure.[2] Adeia's media technologies include leading-edge advancements in video

[1] *See* Intellectual Property Owners Ass'n, *2024 Top 300 Patent Owners* (Jan. 15, 2025), *available at* https://ipo.org/wp-content/uploads/2025/01/2024-Top-300-Patent-Owners-List.pdf (ranking Adeia #72 among top U.S. patent recipients). Adeia was granted more patents last year than NVIDIA, Meta, HP, Broadcom, and many other technology leaders.

[2] *See, e.g.*, Yole Group, *Hybrid Bonding & Latest Advancements in 2.5D/3D Packaging Industry* (Feb. 27, 2025), *available at* https://www.yolegroup.com/player-interviews/hybrid-bonding-latest-advancements-2-5d-3d-packaging-industry-an-interview-with-adeia/ ("ADEIA is the market leader in providing innovations for hybrid bonding… At the heart of…AI, data center, and HPC [high-performance computing], is massively parallel processing of bits, which requires scaling the interconnect to finer pitches for high bandwidth, low power interfaces. Hybrid bonding is the core technology to make this interconnect a reality."); 3DInCites, *An Integrated Cooling Solution for Hot Chips* (June 4, 2025), *available at* https://www.3dincites.com/2025/06/an-integrated-cooling-solution-for-hot-chips/ ("Adeia's Integrated Cooling Solution represents a paradigm shift in semiconductor thermal management. By eliminating the TIM layer and leveraging advanced silicon bonding techniques, ICS delivers improved thermal efficiency-reducing chip temperatures, increasing reliability to enabling higher computational chipsets for AI-centric data centers."); *see also* Future Memory and Storage Press Release, *2025 Best of Show Award Winners* (Aug. 5, 2025), *available at* https://futurememorystorage.com/news/press-releases/download/114/FMS 2025 Best of Show_FINAL.pdf (awarding Adeia's hybrid bonding technology "Most Innovative Technology" in the 3D Memory Technology category).

streaming, as well as pioneering AI solutions that enable media and entertainment platforms to deliver more immersive experiences.[3] Adeia holds over 13,000 U.S. and foreign patents and patent applications, and is a major stakeholder in the U.S. patent system.

Adeia applauds USPTO leadership for recognizing the need for the proposed rule changes, and agrees that they strike the appropriate balance between efficiency, fairness, and stability in the patent system. As discussed below, Adeia has experienced real-world examples of the types of uncertainty and abuses that the proposed rules are intended to address.

Accordingly, Adeia **supports** the proposed rule changes in their entirety, with some suggested modifications noted in Section II.C below.

II. ADEIA COMMENTS

A. Section 42.108(d) (*Required stipulation for efficiency*) and Section 42.108(f) (*Parallel litigation*).[4]

The proposed rules requiring a stipulation for efficiency, and precluding IPRs in the event of parallel litigation, would address the problem of multiple, serial, and parallel IPR petitions, and further Congress's intent for IPRs to be "alternative" proceedings to challenge the validity of patents. As noted in the legislative history of the America Invents Act (AIA):

- "The Patent Reform Act of 2007 has … [a] primary goal[] … [of] improv[ing] and clarify[ing] several aspects of patent litigation, including the creation of a less expensive, more expeditious administrative *alternative* to litigating patent validity issues."[5]
- "The time has come to eliminate the inter partes reexamination system and replace it with a new post-grant review system at the USPTO that will give third parties a quick, inexpensive, and reliable *alternative* to district court litigation to resolve questions of patent validity."[6]

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[3] *See* Business Intelligence Group, *AI Breakthroughs of 2025 – Celebrating the Visionaries, Innovators & Trailblazers of the Artificial Intelligence Excellence Awards* (Mar. 25, 2025), *available at* https://www.bintelligence.com/posts/ai-breakthroughs-of-2025-celebrating-the-visionaries-innovators-and-trailblazers-of-the-artificial-intelligence-excellence-awards (recognizing Adeia for its "remarkable contributions to the AI industry").

[4] 90 Fed. Reg. 48,341 (proposed Oct. 17, 2025) (to be codified at 37 C.F.R. §§ 42.108(d), (f)).

[5] S. Rep. No. 110-259, at 5 (2008) (emphasis added), *available at* https://www.congress.gov/110/crpt/srpt259/CRPT-110srpt259.pdf.

[6] *Id.* at 20 (emphasis added).

- "By allowing post-grant review of patents … the bill creates an inexpensive *substitute* for district court litigation."[7]
- "opening up a second window for administrative challenges to a patent only makes sense if defending a patent in such proceedings is not unduly expensive, and if such proceedings *substitute* for a phase of district-court litigation."[8]
- "The process should be timely and streamlined and *should take issues off the table that cannot be resurrected in subsequent litigation*, providing a cost effective *alternative* to litigation."[9]

But since the AIA's enactment, IPRs have turned out in practice not to be true alternatives to litigation. Rather, they have become *additions* to litigation — duplicative proceedings in which defendants endlessly bombard patent owners with multiple challenges to the same patent, increasing cost, burden, and uncertainty. It has become commonplace for defendants to file IPR petitions against patents already at issue in federal district court cases or U.S. International Trade Commission (ITC) investigations. But when they do so, they typically do not dismiss or waive their challenges to patent validity in those other venues — the IPRs are simply stacked on top of the other challenges. This results in the multiplication of proceedings, increased cost and strain on judicial, agency, and party resources, the potential for re-litigation of the same or similar issues, and inconsistent results in different venues under different standards of proof.

Adeia can attest that the concerns identified by the USPTO are real, as it has experienced the harassment, uncertainty, and burden of being subjected to IPRs as exponential multiplications of proceedings, rather than as alternative proceedings. Several years ago, Adeia had to seek relief in court and the ITC against a large technology company for its unauthorized use of Adeia's patented media technologies. The defendant — a Top 10 filer of IPRs per the USPTO's recent statistics[10] — responded by filing *over 120 IPR petitions* against Adeia's affiliates' patents, averaging three to four IPRs against each patent, and in one case filing *eight IPRs against the same patent on the same day*. (See Appendix A.) Adeia had to spend enormous sums of money to defend against this extraordinary number of IPRs — amounts that would be financially impossible for a patent owner with fewer resources such as a startup or individual inventor. This abuse of the IPR system so overwhelmed the USPTO's resources, and was so administratively untenable, that it directly

[7] 157 Cong. Rec. S5319 (daily ed. Sept. 6, 2011) (emphasis added), *available at* https://www.govinfo.gov/content/pkg/CREC-2011-09-06/pdf/CREC-2011-09-06.pdf .

[8] S. Rep. No. 110-259, note 5 *supra*, at 66 (emphasis added).

[9] *Id.* at 71 (emphasis added).

[10] *See* U.S. Patent & Trademark Office, *Study of high-volume filers and domestic university-related patentees in district court litigation and PTAB proceedings* 11 (Oct. 2025), *available at* https://www.uspto.gov/sites/default/files/documents/HVF_study_presentation.pdf.

resulted in a change to the Patent Trial and Appeal Board (PTAB) Trial Guide.[11] The PTAB instituted 100% of the IPRs filed against patents that were already at issue in the ITC, leading to egregious conflicting results as discussed further below in Part II.B.

B. Section 42.108(e) (*Claims found valid in prior proceedings*).[12]

The proposed rules precluding IPRs if a challenged claim has already survived a validity challenge in another proceeding would further Congress's intent when it passed the AIA that patent owners have "quiet title" in their patent rights:

- "If a patent can be easily challenged at any time under a low standard of proof — even years after the patentee and the public have come to rely on it … patents will have much less value, and investment predicated upon them will inevitably be diminished."[13]
- "patent owners have a right to expect quiet title at some point without facing an endless series of challenges."[14]
- "Whatever post grant system is ultimately devised, at some point the patent should be final and the inventor should enjoy the benefit of their invention without a cloud of uncertainty lingering over it during the full life of the patent."[15]
- "The Committee recognizes the importance of quiet title to patent owners to ensure continued investment resources. While this amendment is intended to remove current disincentives to current administrative processes, the changes made by it are not to be used as tools for harassment or a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent. Doing so would frustrate the purpose of the section as providing quick and cost effective alternatives to litigation. Further, such activity would divert resources from the research and development of inventions. As such,

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[11] *See* U.S. Patent & Trademark Office, *Trial Practice Guide Update* 27 n.4 (July 2019), *available at* https://www.uspto.gov/sites/default/files/documents/trial-practice-guide-update3.pdf; *see also* C. Okafor & H. Batts, *New PTAB Guide Creates Uncertainty as to Multiple Petition Situations*, Sheppard Mullin Intellectual Property Law Blog (Aug. 12, 2019), *available at* https://www.intellectualpropertylawblog.com/archives/new-ptab-uncertainty-multiple-petition-situations/ (discussing the rule change: "The new procedure requires that, when a petitioner files more than one petition challenging the same patent, the petitioner should rank the petitions and explain in its petition or in a separate filing the differences between the petitions, why the differences are material, and why the Board should exercise its discretion to institute additional petitions.").

[12] 90 Fed. Reg. 48,341 (proposed Oct. 17, 2025) (to be codified at 37 C.F.R. § 42.108(e)).

[13] Patent Reform: Hearing Before the S. Comm. on the Judiciary, 110th Cong. 223 (2007), *available at* https://www.congress.gov/110/chrg/CHRG-110shrg37760/CHRG-110shrg37760.pdf.

[14] Patent Reform: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary, 110th Cong. 55 (2007), *available at* https://www.congress.gov/110/chrg/CHRG-110hhrg34929/CHRG-110hhrg34929.pdf.

[15] S. Rep. No. 110-259, note 5 *supra*, at 71.

> the Committee intends for the USPTO to address potential abuses and current inefficiencies under its expanded procedural authority."[16]

A patent's validity is already subject to scrutiny through the original USPTO examination process, and then by law an issued patent is given a presumption of validity. After a patent claim has then been subjected to and withstood a *further* validity challenge — whether in court, the ITC, or a prior PTAB proceeding — its validity should be settled, and no further IPR challenges should be allowed. Patent owners and the public deserve to have an expectation that patent rights that have been adjudicated valid (or "not invalid" or "not unpatentable") are strong and reliable.

Unfortunately, IPR practice following the enactment of the AIA has diverged far away from Congress's original intent.[17] Over the past decade, U.S. patents have been subjected to an endless gauntlet of IPR attacks, even if patent claims have already been proven to be valid in court or the ITC under a higher "clear and convincing" standard of proof, or survived a prior PTAB challenge. This creates uncertainty in the value and viability of U.S. patent rights. IPRs hang like a sword of Damocles over every U.S. patent, because even if a patent claim has been proven valid, neither the patent owner, nor implementers of the technology, nor the public can ever be completely sure that the patent claim will continue to be upheld in the face of unending *de novo* reviews under a lesser standard of proof. This uncertainty (and the hope for a different result) encourages implementers to continue launching IPR challenges and using the patented technology without negotiating a license. The proposed rule, by effectively establishing once and for all, "this patent claim is valid" from USPTO's point of view, will promote certainty for the public and all interested parties.

Some commenters have argued that ITC adjudications of validity should not preclude IPRs because the ITC does not technically decide "patentability" or "validity" in the sense of having the legal ability to cancel a patent, and its decisions do not have preclusive effect. Those hyper-technical legal arguments ignore the reality that validity is fully litigated and decided at the ITC as a practical matter, and at great expense. The issues presented are the same or substantially the same, and they are subject to extensive fact and expert discovery, a full evidentiary hearing (trial) on the merits, appellate review by the Commission and Federal Circuit, hundreds if not thousands of pages of briefing, and millions of dollars spent by the parties. If a patent claim has been adjudicated valid (or "not invalid") in a full-blown ITC proceeding under the higher clear and convincing standard, that adjudication should be credited no less than a district court judgment of validity, and the patent claim should not be subject to further attack at the PTAB under a lower evidentiary standard. From the standpoint of resource allocation, it also does not make sense for

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[16] H.R. Rep. No. 112-98, pt. 1, at 48 (2011), *available at* https://www.congress.gov/112/crpt/hrpt98/CRPT-112hrpt98.pdf.

[17] *See* P. Johnson, *A Look Back at the Legislative Origin of IPRs*, IPWATCHDOG (Sept. 20, 2017) ("Those now familiar with IPR proceedings will already have recognized how little resemblance current IPR proceedings have to what most supporters of the AIA envisioned upon its passage."), *available at* https://ipwatchdog.com/2017/09/20/look-back-legislative-origin-iprs/.

the USPTO to spend its limited resources on a discretionary proceeding re-reviewing a patent claim that has already undergone a full review on the merits at the ITC.

Adeia has experienced three egregious real-world examples of IPRs undermining prior adjudications of validity. (See below, and Appendix B.) These examples demonstrate how current IPR practice undermines the stability that Congress intended when it created the presumption of validity and enacted the AIA. In each of the examples below, patent claims that had already been found valid by the ITC were later held unpatentable by the PTAB under the lower preponderance of the evidence standard. These serial, inconsistent proceedings imposed enormous unnecessary cost and burden on the parties and agencies involved, and created uncertainty and unpredictability despite the patent rights having already been adjudicated valid.

Example 1 – ITC Investigation No. 337-TA-1001

In April 2016, certain Adeia affiliates[18] asserted digital video patents against a large technology company. In May 2017, following extensive pretrial discovery, a lengthy hearing, and post-hearing briefing, an ITC Administrative Law Judge (ALJ) issued a 615-page initial determination finding that U.S. Patent Nos. 8,006,263 and 8,578,413 were both valid and infringed.[19] In November 2017, the Commission affirmed the ALJ's decision in a final determination, found a violation of Section 337, and issued an exclusion order barring the importation of infringing products.[20] Meanwhile, notwithstanding the ITC proceedings, the PTAB instituted six IPRs, and in September and October 2018 — nearly a year after the ITC's final determination — the PTAB found all challenged claims unpatentable under the lower "preponderance of evidence" standard.[21] The PTAB's decisions effectively reversed the ITC's rulings, nullifying the exclusion order and undoing 1.5 years of work by the parties, the ALJ, the Commissioners, and their staff.

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[18] The complainants were Rovi Corporation and Rovi Guides, Inc., now known as Adeia Media LLC and Adeia Guides Inc.

[19] *See In re Certain Digital Video Receivers and Hardware and Software Components Thereof*, Inv. No. 337-TA-1001, Initial Determination (U.S. Int'l Trade Comm'n May 26, 2017), *available at* https://edis.usitc.gov/external/search/document/615236 (public version, login required).

[20] *Id.*, Notice of the Commission's Final Determination Finding a Violation of Section 337; Issuance of a Limited Exclusion Order and Cease and Desist Orders; Termination of the Investigation (Nov. 21, 2017), *available at* https://www.usitc.gov/secretary/fed_reg_notices/337/337-1001_notice11212017sgl.pdf.

[21] *See* IPR2017-00950 (PTAB Sept. 19, 2018) (Paper 42) (finding claims 1-19 of the '263 patent unpatentable); IPR2017-00951 (PTAB Sept. 19, 2018) (Paper 43) (same); IPR2017-00952 (PTAB Sept. 19, 2018) (Paper 41) (same); IPR2017-01048 (PTAB Oct. 16, 2018) (Paper 36) (finding claims 1-18 of the '413 patent unpatentable); IPR2017-01049 (PTAB Oct. 16, 2018) (Paper 36) (same); IPR2017-01050 (PTAB Oct. 16, 2018) (Paper 36) (same). The ITC also found three additional patents (U.S. Patent Nos. 8,046,801, 8,566,871, and 8,621,512) not infringed, but valid. The PTAB subsequently also found those patents to be unpatentable, contradicting the ITC's validity decisions. *See* IPR2017-01065 (PTAB Oct. 15, 2018) (Paper 35) (finding claims 1-54 of the '801 patent unpatentable); IPR2017-01066 (PTAB Oct. 15, 2018) (Paper 36) (same); IPR2017-01143 (PTAB Oct. 15, 2018) (Paper 35) (same); IPR2017-00942 (PTAB Oct. 11, 2018) (Paper 38) (finding claims 1-33 of the '871 patent unpatentable); IPR2017-00742 (PTAB Aug. 7, 2018) (Paper 32) (finding claims 1-24 of the '512 patent unpatentable); IPR2017-00744 (PTAB Aug. 7, 2018) (Paper 32) (same).

Example 2 – ITC Investigation No. 337-TA-1103

In February 2018, Adeia's affiliates[22] again sought relief at the ITC. They again prevailed in June 2019 when, following fact and expert discovery, pretrial proceedings, a full evidentiary hearing on the merits, and post-hearing briefing, an ITC ALJ determined in a 325-page opinion that U.S. Patent No. 7,779,011 was valid and infringed.[23] In April 2020, the Commission upheld the decision, confirmed the violation of Section 337, and again issued an exclusion order barring the importation of infringing products.[24] Shortly after the ITC's final determination, in June and August 2020, the PTAB issued final written decisions in two IPRs, finding all the challenged claims of the '011 patent unpatentable.[25] Accordingly, once again, a patent that was fully litigated and adjudicated valid after more than two years of ITC proceedings was later nullified by PTAB.

Example 3 – ITC Investigation No. 337-TA-1010

In 2016, another Adeia affiliate[26] asserted infringement of a foundational semiconductor processing patent invented by a member of its Board of Directors, U.S. Patent No. 6,849,946. The defendant filed an IPR petition (IPR2017-00107), but in March 2017, the PTAB denied institution on the merits. In a reasoned decision, the PTAB found no reasonable likelihood that any of the challenged claims was unpatentable: "[W]e are not persuaded Petitioner has shown a reasonable likelihood that it would prevail with respect to at least one of the Challenged Claims … Accordingly, we deny the Petition and decline to institute inter partes review of the Challenged Claims."[27] The '946 patent's validity was also challenged at the ITC, where Adeia's affiliate had initiated an investigation (ITC Inv. No. 337-TA-1010). In June 2017, after more than a year of discovery and pretrial proceedings and a full evidentiary hearing on the merits, the ITC Administrative Law Judge confirmed the '946 patent's validity in a 264-page opinion, and further held that it was infringed by over 2,000 products.[28] This was the second time the patent had

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[22] The complainants again included Rovi Corporation (n/k/a Adeia Media LLC) and Rovi Guides, Inc. (n/k/a Adeia Guides Inc.), as well as Rovi Technologies Corp. (n/k/a Adeia Technologies Inc.), and Veveo, Inc. (which has since been spun off).

[23] *See In re Certain Digital Video Receivers and Related Hardware and Software Components Thereof*, Inv. No. 337-TA-1103, Initial Determination on Violation of Section 337 and Recommended Determination on Remedy and Bond (U.S. Int'l Trade Comm'n June 4, 2019), *available at* https://edis.usitc.gov/external/attachment/679602-1453243.pdf (public version, login required).

[24] *See id.*, Notice of the Commission's Final Determination Finding a Violation of Section 337; Issuance of a Limited Exclusion Order and Cease and Desist Orders; Termination of the Investigation (Apr. 23, 2020), *available at* https://www.usitc.gov/secretary/fed_reg_notices/337/337_1103_notice_04232020sgl.pdf.

[25] *See* IPR2019-00237 (PTAB Aug. 12, 2020) (Paper 59) (finding claims 1-24 of the '011 patent unpatentable); IPR2019-00239 (PTAB June 30, 2020) (Paper 50) (same). The ITC also found a companion patent (U.S. Patent No. 9,396,741) not infringed, but valid. The PTAB subsequently also found that patent to be unpatentable, contradicting the ITC's validity decision. *See* IPR2019-00231 (PTAB May 8, 2020) (Paper 44) (finding claims 1-26 of the '741 patent to be unpatentable).

[26] Adeia's affiliate in this example was Invensas Corporation, now known as Adeia Semiconductor Technologies LLC.

[27] IPR2017-00107, at 2 (PTAB Mar. 15, 2017) (Paper 7). The PTAB also concurrently denied institution of an IPR against a related family member. *See* IPR2017-00831 (Mar. 15, 2017) (Paper 8).

[28] *In re Certain Semiconductor Devices, Semiconductor Device Packages, and Products Containing Same*, Inv. No. 337-TA-1010, Initial Determination on Violation of Section 337 (U.S. Int'l Trade Comm'n June 30, 2017), *available at*

survived a validity challenge. The parties then reached a settlement and entered into a license agreement. The following year, in July 2018, the '946 patent was again challenged in a subsequent IPR by a different petitioner (IPR2018-01402), but that matter eventually settled with that petitioner also entering into a license agreement. Although the '946 patent was repeatedly subjected to attacks on its validity — overcoming all of them — a third, different petitioner filed IPR2020-00602 against the '946 patent years later, undoubtedly learning from the prior arguments, rulings, and unsuccessful challenges. Despite its earlier finding that there was no reasonable likelihood that any of the challenged '946 patent claims was unpatentable, the PTAB contradicted itself, and in September 2021, found those same claims unpatentable.[29] The PTAB did not credit its earlier contradictory decision not to institute an IPR against the same patent claims, nor did it credit the ITC's prior adjudication of validity of those patent claims.

The above examples starkly illustrate the uncertainty, unpredictability, and lack of finality of current IPR practice. Even patent claims supposedly enjoying a presumption of validity and *adjudicated on the merits to be valid* by an independent agency — after millions of dollars spent and years of litigation, with exclusion orders, settlements, and license agreements entered into on the basis of such rulings — were still subject to later re-litigation in the PTAB and found unpatentable under a lower evidentiary threshold. Such duplicative, inconsistent proceedings undermine the stability and predictability of the U.S. patent system and subject the parties and tribunals to extraordinary burden and expense.

These examples also show why USPTO is correct to apply the proposed rule's prohibition on institution to any potential challenger, including parties not involved in the original proceeding. Each new petitioner learns from prior unsuccessful challenges. Subsequent filers can see what worked and what didn't, and adjust their arguments to try to improve their chances. This creates a situation where the patentee remains subject to never-ending PTAB challenges, even if its patent has already been found valid.

By precluding IPRs of patent claims that already survived a validity challenge in another forum, the proposed rule would restore the finality and "quiet title" Congress envisioned, reduce wasteful duplicative litigation, and strengthen the reliability of U.S. patent rights. The proposed rule is also fair to patent challengers, because they can still elect to challenge a patent in district court.

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https://edis.usitc.gov/external/attachment/618468-1213725.pdf (public version, login required); *see also id.*, Notice of Commission Determination to Review in Part a Final Initial Determination Finding in Part a Violation of Section 337 (Sept. 29, 2017), *available at* https://www.usitc.gov/secretary/fed_reg_notices/337/337_1010_notice_09292017sgl.pdf .

[29] IPR2020-00602 (PTAB Sept. 1, 2021) (Paper 52) (finding claims 16-22 of the '946 patent unpatentable).

C. Proposed Modifications

Adeia offers the following suggested modifications to the proposed rules.

1. As noted in Section II.B above, Adeia's affiliate survived an IPR when institution was denied on the merits (IPR2017-00107), with the PTAB finding no reasonable likelihood that any of the challenged claims would be found unpatentable. Adeia considered the denial of institution to be a "win" that confirmed the strength of its patent, and did not expect any further IPR proceedings to be successful. It was absurd and contradictory that, years later, the PTAB found unpatentable the very claims that it previously said had no reasonable likelihood of being found unpatentable. Patent owners should be able to rely on the PTAB's decision that an IPR not be instituted, and have quiet title from such a result. Accordingly, Adeia suggests that the proposed rules include a prior denial of institution of an IPR or refusal of an *ex parte* reexamination request filed by someone other than the patent owner — whether due to discretionary or merits-related factors — as a further ground for precluding any future IPRs against the patent.

Adeia's proposal captures the reality that institution denial is an indication that the patent is exceptionally strong — so resilient to challenge that the PTAB or Director has determined that a full trial and a final written decision is not necessary. Consequently, denial of institution should be given the same IPR-preclusive effect as a PTAB final written decision of no unpatentability. Although rendered before the full proceeding is completed, an institution denial reflects the considered judgment of the USPTO after reviewing the petition and all accompanying evidence. Including an institution denial in the rule would reflect that the USPTO is giving its own prior judgments at least as much respect as it accords to those of other tribunals, such as initial determinations of the ITC or summary judgments of a district court.

2. The rationales of institutional efficiency and avoiding the potential for inconsistent outcomes are equally present for post-grant reviews (PGRs). For consistency, Adeia suggests that the USPTO consider implementing a similar set of changes in 37 C.F.R. § 42.208 for PGRs.

3. In connection with proposed Section 42.108(f), litigants sometimes dispute when a district court trial will occur. In some situations, a patentee may argue that institution should be denied because the district court's scheduling order sets a trial date that is, *e.g.*, only nine months away, and the petitioner may respond with average time-to-trial statistics suggesting that a more realistic trial date is still 24 months away. The USPTO may wish to consider including language clarifying how it will evaluate circumstances of this type, to the effect of: "A district court case schedule listing a trial date beginning before the statutory deadline for the final written decision is sufficient to meet the more-likely-than-not standard in this rule."

III. CONCLUSION

Adeia commends the USPTO on its leadership, vision, and courageous return to Congressional intent in developing the proposed rule changes. Adeia supports all the proposed changes and urges that they be adopted in their entirety, as they would restore fairness, efficiency, stability, and predictability to the U.S. patent system.

Thank you for your consideration of Adeia's comments.

adeia

APPENDIX A

124 IPRs Filed Against Adeia Affiliates by a Single Large Technology Company

Item No.	IPR Trial No.	Filing Date	Patent
1.	IPR2017-00217	11/8/16	7,996,864
2.	IPR2017-00715	1/19/17	8,433,696
3.	IPR2017-00716	1/19/17	8,433,696
4.	IPR2017-00742	2/2/17	8,621,512
5.	IPR2017-00744	2/2/17	8,621,512
6.	IPR2017-00866	2/9/17	8,713,595
7.	IPR2017-00867	2/9/17	8,713,595
8.	IPR2017-00932	2/22/17	8,122,034
9.	IPR2017-00933	2/22/17	8,122,034
10.	IPR2017-00934	2/21/17	8,768,147
11.	IPR2017-00939	3/1/17	9,172,987
12.	IPR2017-00941	3/1/17	9,172,987
13.	IPR2017-00942	3/10/17	8,566,871
14.	IPR2017-00943	3/10/17	8,566,871
15.	IPR2017-00944	3/7/17	7,895,218
16.	IPR2017-00945	3/7/17	7,895,218
17.	IPR2017-00950	3/6/17	8,006,263
18.	IPR2017-00951	3/6/17	8,006,263
19.	IPR2017-00952	3/24/17	8,006,263
20.	IPR2017-00953	3/15/17	8,755,666
21.	IPR2017-00954	3/15/17	8,755,666
22.	IPR2017-00955	3/15/17	8,755,666
23.	IPR2017-00956	3/15/17	8,755,666
24.	IPR2017-00957	3/16/17	8,755,666
25.	IPR2017-00988	3/20/17	6,725,281
26.	IPR2017-00989	3/20/17	6,725,281
27.	IPR2017-00990	3/20/17	6,725,281
28.	IPR2017-00991	3/20/17	6,725,281
29.	IPR2017-00992	3/20/17	6,725,281
30.	IPR2017-00993	3/20/17	6,725,281
31.	IPR2017-00994	3/20/17	6,725,281
32.	IPR2017-01048	3/16/17	8,578,413
33.	IPR2017-01049	3/16/17	8,578,413
34.	IPR2017-01050	3/27/17	8,578,413

Item No.	IPR Trial No.	Filing Date	Patent
35.	IPR2017-01065	3/23/17	8,046,801
36.	IPR2017-01066	3/23/17	8,046,801
37.	IPR2017-01143	3/29/17	8,046,801
38.	IPR2017-01144	4/10/17	6,418,556
39.	IPR2017-01145	4/10/17	6,418,556
40.	IPR2017-01146	4/10/17	6,418,556
41.	IPR2017-01147	4/10/17	6,418,556
42.	IPR2017-01148	4/10/17	6,418,556
43.	IPR2017-01149	4/10/17	6,418,556
44.	IPR2017-01150	4/10/17	6,418,556
45.	IPR2017-01151	4/10/17	6,418,556
46.	IPR2019-00224	11/10/18	7,827,585
47.	IPR2019-00225	11/10/18	7,827,585
48.	IPR2019-00226	11/10/18	7,827,585
49.	IPR2019-00227	11/10/18	7,827,585
50.	IPR2019-00228	11/10/18	7,827,585
51.	IPR2019-00229	11/10/18	7,827,585
52.	IPR2019-00231	11/12/18	9,369,741
53.	IPR2019-00232	11/12/18	9,369,741
54.	IPR2019-00237	11/12/18	7,779,011
55.	IPR2019-00238	11/12/18	7,779,011
56.	IPR2019-00239	11/12/18	7,779,011
57.	IPR2019-00279	11/12/18	9,621,956
58.	IPR2019-00280	11/12/18	9,621,956
59.	IPR2019-00281	11/12/18	9,621,956
60.	IPR2019-00282	11/12/18	9,621,956
61.	IPR2019-00283	11/12/18	9,621,956
62.	IPR2019-00284	11/12/18	9,578,363
63.	IPR2019-00285	11/12/18	9,578,363
64.	IPR2019-00286	11/12/18	9,578,363
65.	IPR2019-00287	11/12/18	9,578,363
66.	IPR2019-00288	11/12/18	9,578,363
67.	IPR2019-00289	11/12/18	9,578,363
68.	IPR2019-00290	11/12/18	7,937,394
69.	IPR2019-00291	11/12/18	7,937,394
70.	IPR2019-00292	11/12/18	7,937,394
71.	IPR2019-00293	11/12/18	7,937,394
72.	IPR2019-00299	11/12/18	9,294,799

Item No.	IPR Trial No.	Filing Date	Patent
73.	IPR2019-00300	11/12/18	9,294,799
74.	IPR2019-00303	11/12/18	9,294,799
75.	IPR2019-00304	11/12/18	9,294,799
76.	IPR2019-00305	11/12/18	9,294,799
77.	IPR2019-00555	1/10/19	9,668,014
78.	IPR2019-00556	1/10/19	9,668,014
79.	IPR2019-00557	1/10/19	9,668,014
80.	IPR2019-00558	1/10/19	9,668,014
81.	IPR2019-01353	7/19/19	8,448,215
82.	IPR2019-01354	8/1/19	8,448,215
83.	IPR2019-01355	8/1/19	8,448,215
84.	IPR2019-01375	7/26/19	9,055,319
85.	IPR2019-01376	8/1/19	9,055,319
86.	IPR2019-01377	8/1/19	9,055,319
87.	IPR2019-01413	7/31/19	9,232,254
88.	IPR2019-01414	8/2/19	9,232,254
89.	IPR2019-01415	8/2/19	9,232,254
90.	IPR2019-01416	7/30/19	7,735,107
91.	IPR2019-01417	8/2/19	7,735,107
92.	IPR2019-01418	7/31/19	7,873,978
93.	IPR2019-01419	8/5/19	7,873,978
94.	IPR2019-01420	8/5/19	7,873,978
95.	IPR2019-01421	7/31/19	9,118,948
96.	IPR2019-01422	8/16/19	9,118,948
97.	IPR2019-01423	8/19/19	9,118,948
98.	IPR2019-01431	7/31/19	8,272,019
99.	IPR2019-01432	8/5/19	8,272,019
100.	IPR2019-01433	8/5/19	8,272,019
101.	IPR2019-01434	7/31/19	8,973,069
102.	IPR2019-01435	8/2/19	8,973,069
103.	IPR2019-01436	8/2/19	8,973,069
104.	IPR2020-00787	4/22/20	7,200,855
105.	IPR2020-00788	4/22/20	7,200,855
106.	IPR2020-00789	4/24/20	7,200,855
107.	IPR2020-00790	4/22/20	7,301,900
108.	IPR2020-00791	4/22/20	7,301,900
109.	IPR2020-00792	4/22/20	7,301,900
110.	IPR2020-00793	4/22/20	7,301,900

Item No.	IPR Trial No.	Filing Date	Patent
111.	IPR2020-00796	4/22/20	7,386,871
112.	IPR2020-00797	4/22/20	7,386,871
113.	IPR2020-00798	4/22/20	7,386,871
114.	IPR2020-00799	4/22/20	7,386,871
115.	IPR2020-00800	4/17/20	7,779,445
116.	IPR2020-00801	4/17/20	7,779,445
117.	IPR2020-00802	4/17/20	7,779,445
118.	IPR2020-00806	4/17/20	8,001,564
119.	IPR2020-00807	4/17/20	8,001,564
120.	IPR2020-00808	4/17/20	8,001,564
121.	IPR2020-00809	4/22/20	8,156,528
122.	IPR2020-00810	4/22/20	8,156,528
123.	IPR2020-00811	4/22/20	8,156,528
124.	IPR2020-00812	4/22/20	7,386,871

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APPENDIX B

ITC VALIDITY RULINGS UNDERMINED BY SUBSEQUENT IPR DECISIONS

The following table presents, for each patent with claims found valid and infringed in an ITC determination but later found unpatentable in a PTAB IPR, both the ITC and IPR proceedings and their outcomes.

Patent No.	ITC Inv. No.	ITC Decision Date	ITC Result	IPR Nos.	IPR Decision Date	PTAB Result
8,006,263	337-TA-1001	11/21/17	claims 1, 2, 14, and 17 **valid and infringed** (exclusion order issued)	IPR2017-00950/-00951/-00952	9/19/18	claims 1-19 **unpatentable**
8,578,413	337-TA-1001	11/21/17	claims 1, 3, 5, 9, 10, 14, and 18 **valid and infringed** (exclusion order issued)	IPR2017-01048/-01049/-01050	10/16/18	claims 1-18 **unpatentable**
7,779,011	337-TA-1103	4/23/20	claim 9 **valid and infringed** (exclusion order issued)	IPR2019-00237/-00239	6/30/20	claims 1-24 **unpatentable**
6,849,946	337-TA-1010	6/30/17	claims 16, 17, 20, and 22 **valid and infringed**	IPR2020-00602	9/1/21	claims 16-22 **unpatentable** (PTAB reversal after earlier institution denial in IPR2017-00107)

Comment of Dolby Laboratories, Inc. In Response to Notice of Proposed Rulemaking Concerning Changes To Rules of Practice for America Invents Act Trial Proceedings Before the Patent Trial and Appeal Board

Dolby Laboratories Inc. ("Dolby") respectfully submits this comment in response to the Office's notice of proposed rulemaking of October 17, 2025 ("NPRM"), titled "Revision to Rules of Practice Before the Patent Trial and Appeal Board."[1]

Dolby has pioneered the invention, development, and dissemination of industry-wide audio and imaging technologies since its founding in 1965 by inventor Ray Dolby. Today, Dolby remains headquartered in San Francisco, and employs over 2,000 people, with more than 1,000 employees in the United States. Dolby's business is driven by its continuous innovations in signal processing and compression technologies. These innovations have enabled more immersive experiences for cinema, television, mobile devices, streaming, and home entertainment. In 2004, the National Inventors Hall of Fame inducted Ray Dolby. Dolby holds more than 3,500 United States Patents.

Dolby provides these comments in support of the Office's proposed revisions to the rules of practice before the PTAB.

As a threshold matter, Dolby writes in support of the policy observations made in the NPRM. Dolby is an American inventor that relies upon intellectual property licensing to bring its technologies into consumer markets. This tradition began when Ray Dolby licensed his Dolby Noise Reduction for use in consumer cassette tape players in the 1970's, making Dolby the household name that it is today. The licensing model continues to drive the company's business today – from branded consumer-facing technologies like Dolby Atmos and Dolby Vision, to technologies contributed to collaboratively developed open industry standards and licensed through patent pools. In recent years, Dolby has earned the majority of its revenues though intellectual property licensing and has reinvested over twenty percent of its revenues back into research and development.

In this regard, Dolby welcomes the recognition by the USPTO of the importance of the patent system to promoting innovation from all sources – including small innovators whose technologies compete for adoption in markets dominated by large incumbents. Dolby has taken note of the USPTO's observations in the recently-filed statement of interest in *Radian v. Samsung* that "the United States has an interest in encouraging innovation not only

[1] 90 FR 48335.

from large firms, but also from 'Little Tech,' which includes 'small businesses and innovators," and that "competition benefits from a multiplicity of innovative solutions leading to a wide range of products and services that offer different solutions to problems."[2] Dolby agrees with these views and welcomes policies that reflect them.

The NPRM also reinforces the importance of commercializing innovations from all sources – and the challenges of bringing them to market in the presence of large incumbents – a challenge that is rightly met by strong patent protection. Dolby strongly agrees with the perspective in the NPRM that "allowing market incumbents to copy the innovations of smaller rivals and maintain their dominant market positions" through misguided patent policy "can reduce competition in the economy."[3] Dolby agrees that:

> [T]here is a bipartisan consensus that small and medium-sized businesses are especially harmed by weakened patent rights because they are more likely to rely on superior technology protected by patent rights to challenge market incumbents.

Further, Dolby agrees with the findings of Professor Jonathan Barnett cited by the NPRM for the proposition that:

> When a large company is free to copy a patented invention … the large company's other advantages, such as superior brand recognition and manufacturing scale, will often give it an edge over smaller competitors. Thus, weakened patent rights can contribute to market concentration in innovative industries.[4]

The NPRM correctly concludes that the resulting "increased market concentration and reduced competition stifle economic growth."[5]

Dolby further agrees with the specific rule changes proposed by the NPRM. As a starting point, streamlining validity challenges under §§ 102 and 103 to one forum and to one instance is consistent with the legislative purposes of the AIA. Indeed, Congress expressly

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[2] Statement of Interest of the United States, *Radian Memory Sys. LLC v. Samsung Electronics Co., LTD.*, No. 2:24-cv-1073 at 2 (E.D. Tex. June 24, 2025), https://www.justice.gov/atr/media/1404506/dl?inline

[3] 90 FR 48337.

[4] Id.

[5] Id.

instructed the Director in 35 U.S.C. § 316 to "prescribe regulations" that prevent "abuse of process, or any other improper use of the proceeding[.]"[6] Congress further instructed the Director to prescribe regulations that are in the interest of "the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete" post-grant proceedings.[7] By requiring a patent challenger to direct its relevant validity challenges to a single forum, the Office's proposed rule effectuates Congress's mandate under § 316 in that it promotes efficiency, predictability, and finality.

The proposed rules also correctly centralize institution determinations through the Director. That approach likewise conforms to Congress's mandate that "[t]he Director shall determine whether to institute an inter partes review" or post-grant review.[8]

Centralizing institution decisions through the Director further promotes consistency and ensures that all regulatory and statutory requirements are enforced and upheld. For instance, critical to the proper enforcement of the proposed rules and the statutory text is the requirement that the petitioner fully and accurately identify ***all*** real parties in interest (including after institution).[9] As the Director has correctly recognized, Patent Owners cannot effectively and efficiently enforce their estoppel rights or obtain the information rights Congress granted to them under 35 U.S.C. § 312(a)(2) without a fulsome enforcement of the AIA's "all real parties in interest" disclosure requirement.[10] Centralizing institution decisions through the Director will serve to ensure that the real party in interest disclosure requirements of § 312(a)(2), and other similar requirements of the AIA and the Office, are properly met.

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[6] § 316(a)(6).

[7] § 316(b).

[8] 35 U.S.C. §§ 314(b), 324(b).

[9] *See* proposed rule § 42.108(d) (requiring stipulation that neither the petitioner nor "any real party in interest or privy of the petitioner" will raise any challenges under § 102 or § 103 in any other proceeding), 90 FR 48341.

[10] *Corning Optical Communications RF, LLC v. PPC Broadband, Inc.*, IPR2014-00440, Paper 68 (August 18, 2015) (designated precedential October 28, 2025).

Dolby additionally supports the NPRM's focus on reducing and preventing abuse of post-grant proceedings. Dolby has itself been subject to attempted harassment by domestic entities that have abused the PTAB system, and fully concurs with Director Squires' recent observation that:

> The integrity of PTAB proceedings depends on knowing who is behind a petition, who funds it, directs it, and/or benefits from it. Any opacity in that chain of control invites exploitation … and serves only to undermine public confidence in the integrity of the patent system.[11]

The proposed rules further promote the United States economy, consistent with Congress's mandate under § 316(b). As the Director has stated, a strong patent system is critical for the nation's economic well-being.[12] The NPRM correctly recognizes that "multiple challenges to the same patent through IPRs jeopardize the reliability of patent rights and incentives to invest in new technologies," and that "[e]ven extremely strong patents become unreliable when subject to serial or parallel validity challenges."[13] The proposed rules address and resolve those concerns.

As a significant innovator and innovation-driven enterprise, Dolby supports and applauds the proposed rules set forth at 90 FR 48335, and the USPTO's efforts to strengthen the patent system more broadly.

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[11] Precedential designation of *Corning Optical Communications RF, LLC v. PPC Broadband Inc.*, IPR2014-0040, Paper 68 (PTAB Aug. 18, 2015) (except for §II.E.1) (Oct. 28, 2025), https://www.uspto.gov/sites/default/files/documents/Precedential_designation_of_Corning_Optical_Communications_RF_LLC_v._PPC_Broadband_Inc_Memo_-_Dated_10_28_25.pdf.

[12] Statement of John A. Squires before the Subcommittee on Intellectual Property Committee on the Judiciary United States Senate, October 9, 2025, available at https://www.uspto.gov/about-us/news-updates/statement-director-squires-united-states-senate-subcommittee-intellectual.

[13] 90 FR 48335.

interdigital.com

December 1st, 2025

VIA ELECTRONIC SUBMISSION

The Honorable John A. Squires
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

Re: Notice of Proposed Rulemaking regarding a Revision to Rules of Practice Before the Patent Trial and Appeal Board, Docket No. PTO-P-2025-0025

Dear Director Squires,

InterDigital, Inc. ("InterDigital") appreciates the opportunity to respond to the Notice of Proposed Rulemaking on *Revision to Rules of Practice Before the Patent Trial and Appeal Board* ("NPRM").[1] As a publicly-traded, American innovator focused on the research and development of critical and emerging technologies like advanced wireless, video, and artificial intelligence technologies, among others, with over 33,000 patents and patent applications, InterDigital is well positioned to comment on the NPRM.

InterDigital commends the United States Patent and Trademark Office for proposing important reforms for Patent Trial and Appeals Board proceedings that will refocus inter partes review proceedings to serve as an alternative to litigation rather than a duplicative second bite at the apple. InterDigital supports the NPRM's overarching goals of improving the fairness, efficiency, and predictability of patent validity disputes, and we applaud the Office's efforts to promote balance in the patent system. In addition, InterDigital emphasizes the importance of long-term stability in the patent system, and therefore urges the Office to also support the pending PREVAIL Act.

This letter describes: (a) InterDigital's business and role in innovation; (b) the state of current IPR practice and the proposed changes under the NPRM; and (c) why the NPRM's changes are a step in the right direction.

[1] *Revision to Rules of Practice Before the Patent Trial and Appeal Board*, 90 Fed. Reg. 66,410 (Oct. 17, 2025).

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I. INTERDIGITAL'S ROLE IN INNOVATION

InterDigital is a global R&D and innovation company, headquartered in Wilmington, Delaware, and has been a pioneer in wireless and video technology for five decades. InterDigital is consistently recognized as a global innovation leader. For example, in 2025, InterDigital was selected by LexisNexis as one of the World's 100 Most Innovative Businesses for the fourth year in a row.[2]

InterDigital's success as one of the largest pure R&D and innovation companies in the world is fueled and protected by its significant patent portfolio of fundamental wireless, video, and AI technologies. As of December 31, 2024, InterDigital held a worldwide portfolio of more than 33,000 patents and patent applications related to the critical technology areas of wireless communications, video coding, display technology, and others relevant to communications and entertainment products and services. InterDigital's portfolio includes numerous patents and patent applications that are or may become essential to standards established by the relevant standards development organizations, such as 3GPP, ITU, IEEE, IETF, and ISO.

As part of its intentional cycle of innovation, InterDigital licenses its patented technologies to some of the most prominent companies around the world, most often through amicable, bilateral negotiations but sometimes needing litigation as a last resort. It then reinvests licensing fees back into its R&D engine to invent and advance the technologies of the future. Indeed, since 2000, about 50% of InterDigital's recurring revenue has been reinvested in fundamental R&D and patent portfolio enhancement. Through this sustaining cycle, InterDigital has become a key contributor and leader in standards-based technologies with more than 5,000 contributions to global standards, including 2G, 3G, 4G, 5G, and AVC (H.264), HEVC (H.265), and VVC (H.266). InterDigital's worldwide portfolio of standards-essential patents spans more than 40 countries and is one of the strongest and deepest in the industry.

InterDigital's decades of experience in developing, licensing, and litigating patents gives it a unique vantage point to comment on USPTO practices. InterDigital is committed to a stable patent system that rewards innovation through reliable, predictable and enforceable patent rights, which in turn incentivizes continued investment in new technologies.

II. CURRENT INTER PARTES REVIEW PRACTICE AND THE CHANGES UNDER THE NOTICE OF PROPOSED RULEMAKING

InterDigital believes that the current framework governing institution decisions for IPR proceedings fails to properly balance the interests of patent owners, petitioners, and the public. The proposed changes to IPR discretionary denial practice under the NPRM aim to bring greater predictability, transparency, and fairness to the IPR process. In addition, and for long-term stability, balance and predictability, InterDigital also urges the USPTO to support the PREVAIL Act currently pending in Congress.

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[2] *Innovation Momentum 2025: The Global Top 100 Intellectual Property Report*, LEXISNEXIS (Feb. 18, 2025).

A. Current IPR Discretionary Denials Practice

The U.S. patent system recognizes the importance of protecting inventors' intellectual property rights—protections endorsed by the Founding Fathers in the Constitution itself—while ensuring that patents are granted only for legitimate inventions. In an attempt to facilitate post-grant validity review, Congress established the IPR process in 2011 through the Leahy-Smith America Invents Act ("AIA"). Congress intended IPRs to serve as a "quick and cost-effective alternative" to district court litigation for resolving questions of patentability under 35 U.S.C. §§ 102 and 103.[3] Congress did not intend IPRs to be repetitive add-ons to litigation. Specifically, Congress indicated that "the changes made by [the AIA] are not to be used as tools for harassment or a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent."[4]

While IPRs were intended to promote efficient resolution of validity disputes, the practice has evolved in ways that often undercut these goals. Instead of alternatives to litigation, more than 80% of IPRs run in conjunction with ongoing patent infringement litigation,[5] which increases litigation costs and can yield inconsistent outcomes.[6] This usually makes litigation more expensive, not less, and reduces certainty in the patent grant. And without reliability and certainty, it makes it much harder for innovators to invest in the next generation of technology.

Although IPRs may be an appropriate tool under certain circumstances, the current process cannot be squared with the AIA's commitment to striking a responsible balance between patent quality assurance and the preservation of reliable patent rights. The NPRM's proposed limits on duplicative and serial petitions represent a welcome step in restoring IPRs to their original purpose: serving as a focused, fair, and efficient check on questionable patents, rather than an open-ended venue for duplicative litigation.

B. Changes Under the NPRM

The proposed rule changes in the NPRM seek to address the current issues with the IPR process by narrowing the circumstances under which IPRs will be instituted. In particular, the NPRM would create bright-line rules that preclude institution of an IPR in three scenarios, effectively codifying the USPTO's recent practice on discretionary denials. Under the proposed 37 C.F.R. Part 42 amendments, an IPR will not be instituted if:

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[3] H.R. Rep. No. 112-98, Part 1, 112th Cong., 1st Sess. (2011). https://www.congress.gov/committee-report/112th-congress/house-report/98/1 (last visited Oct. 26, 2025).

[4] *Id*.

[5] *PTAB Parallel Litigation Study*, USPTO (June 21, 2022), https://www.uspto.gov/sites/default/files/documents/ptab_parallel_litigation_study_20220621_.pdf (last visited Oct. 26, 2025).

[6] *See* Vishnubhakat et al., *Strategic Decision Making in Dual PTAB and District Court Proceedings*, 31 BERKELEY TECH. L.J. 45 (2016).

1. **Claims Already Adjudicated**: The patent's claims have been previously upheld as valid in a final decision by a court or the PTAB. This rule prevents redundant litigation of issues that have already been decided, reinforcing finality and conserving resources. Once a claim has been fully adjudicated and found valid, challengers should not get a second bite at the apple via IPR proceedings.
2. **Parallel Litigation Nearing Resolution**: A parallel district court case involving the same patent is well advanced such that a court judgment on validity is likely to issue before the PTAB would conclude its review. In this situation, instituting an IPR would be needlessly duplicative and risk inconsistent outcomes. The proposed rule minimizes these risks.
3. **No Stipulation to Avoid Duplicative Challenges**: The IPR petitioner refuses to stipulate that it will not pursue any validity arguments under Sections 102 and 103 in other forums. Requiring such stipulations is a minimal burden on petitioners, and helps streamline disputes.[7] It forces challengers to choose a single forum for their validity challenge, preventing the strategy of simultaneously attacking a patent on multiple fronts.

Notably, the NPRM includes an "exceptional circumstances" safety valve, allowing the Director to institute an IPR even in the above three cases, if justified by appropriate reasons.[8] In this way, the proposed rule seeks to ensure the system remains flexible and that truly meritorious challenges are not excluded when justice requires review by the Office.

Collectively, as discussed below, *see infra* pp. 5-7 at Section III, these reforms aim to re-focus the IPR process on its original role – as an efficient alternative to litigation when needed, rather than a parallel, repetitive proceeding to every major patent dispute that offends the original intent of the IPR regime and does nothing but increase costs and the potential for inconsistent outcomes.

III. THE NEED TO REALIGN THE IPR SYSTEM WITH THE AIA

As discussed above, *see supra* pp. 4-5, Congress created the IPR system under the AIA with the goal of "provid[ing] a quick and cost-effective alternative" to district court patent litigation.[9] The legislative history of the AIA makes clear that IPRs were intended as a streamlined substitute to courtroom validity challenges, offering faster resolution of patent validity issues at lower cost while maintaining fairness.

But the IPR system has evolved in ways that undermine the patent system's fairness and predictability. Rather than being used strictly as an alternative to district court, IPRs are often used as a duplicative challenge to patents that have already undergone rigorous examination and even judicial scrutiny. This gives an unintended second bite at the apple to those dissatisfied with the outcome of initial patent examinations or court cases.

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[7] *See Revision to Rules of Practice Before the Patent Trial and Appeal Board*, *supra* note 1.

[8] *Id*.

[9] H.R. Rep. No. 112-98, Part 1, *supra* note 3.

Moreover, unlike in district court cases, IPR proceedings apply a "preponderance of the evidence" standard[10] and do not presume the challenged claims' validity, making it easier for petitioners to prevail. PTAB statistics reflect this: in IPR final written decisions issued between October 1, 2024 and March 31, 2025, at least some claims were found unpatentable in over 70% of instituted petitions, and all challenged claims were cancelled in more than 22% of proceedings.[11] By contrast, district court trials—observing a presumption of validity and applying the more rigorous "clear and convincing" standard of proof—resulted in a much lower invalidation rate of 42%.[12]

This stark disparity raises concerns about consistency and fairness: patents that survive rigorous examination and even district court scrutiny can nonetheless be eliminated in IPR at a much higher rate. Moreover, the availability of parallel IPR and court proceedings on the same patent can lead to inconsistent outcomes and wasted resources. In some instances, a patent could be upheld as valid by a judge or jury, only to be later struck down by the PTAB (or vice versa), undermining confidence in the finality of decisions. Indeed, these additional rounds of adjudication load the dice against the patent holder. That is because the patent holder must run the table whereas the challenger only needs to win once across the various forums. This asymmetry was never the intent of the AIA's "alternative" review system.

These structural incentives to pursue IPRs have led to increased litigation costs, forum shopping, and diminished patent certainty. Small and mid-sized entities that often lack the resources to defend against repeated attacks are the hardest hit by these structural abuses. Scholars and policymakers alike have warned that this dynamic undermines investment in innovation, especially in high-risk sectors like biotechnology and telecommunications.[13]

By precluding duplicative litigation, the proposed rule recognizes the issue of deploying significant time and expense to duplicative challenges. If this issue were addressed, agency resources currently spent handling repetitive or parallel petitions could instead be redeployed to initial patent examination or other pressing matters. Patent owners will be protected from harassment by serial attacks and can litigate validity once in a single forum with greater confidence that the result will stand.

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[10] 35 U.S. Code § 316.

[11] *Patent Trial and Appeal Board FY 2025 Q2 Outcome Roundup*, USPTO (Mar. 31, 2025), https://www.uspto.gov/sites/default/files/documents/ptab_aia_fy2025_q2_roundup.pdf (last visited Oct. 26, 2025).

[12] Josh Landau, *A Little More Than Forty Percent: Outcomes at the PTAB, District Court, and the EPO*, PATENT PROGRESS (May 1, 2018), https://patentprogress.org/2018/05/a-little-more-than-forty-percent/ (last visited Oct. 26, 2025).

[13] . *See, e.g.*, Kevin Madigan, *An Ever-Weakening Patent System Is Threatening the Future of American Innovation*, CPIP (2017).

Notably, recent data indicates that the USPTO's previous guidance on discretionary denial of IPRs, such as the *General Plastic*,[14] have already helped to curb duplicative petitions from one petitioner within the Office. A 2023 USPTO study of PTAB filings found that, as of 2022, 90% of challenged patents faced only one or two IPR petitions, and that 72% faced only a single petition.[15] Serial petition attempts dropped to just 1.7% of challenges in 2022, which is down from around 9% in 2015.[16] Parallel same-patent petitions fell to 7.5% of challenges, down from 20% in 2019.[17] Furthermore, very few of those repetitive attempts ultimately resulted in trial institution – in fact, in 2022 only 0.3% of total challenges were instituted on a serial petition, and roughly 3.4% on parallel petitions.[18] This positive trend confirms the assertion that limiting petitioners' ability to get multiple bites of the apple is both feasible and effective.

Still problematic, however, are the duplicative proceedings as between the PTAB and other tribunals (district courts and the ITC). While the *Fintiv-Sotera* line of cases have helped, the prior administration weakened its applicability and there are still many cases where such duplicative challenges take place. For instance, in 2023, Innoscience Zhuhai Tech. Co. filed four separate IPR petitions against Efficient Power Conversion's patents in response to EPC's filing of complaints in a federal district court and the ITC.[19] After fully adjudicating the issues at the ITC, and after the ITC entered an exclusion order that the president allowed to stand, the PTAB later issued a final written decision that invalidated the same claims that the ITC found to be valid. Such duplicative proceedings are not efficient, deplete patent owners of resources, reduce the value of intellectual property, and therefore depress investment in innovation and the next generation of cutting-edge technologies. The NPRM goes a long way to address these issues.

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[14] *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (P.T.A.B. Sept. 6, 2017).

[15] Eileen McDermott, *USPTO Says Serial and Parallel PTAB Petitions Have Declined*, IP WATCHDOG (July 6, 2023), https://ipwatchdog.com/2023/07/06/uspto-says-serial-parallel-ptab-petitions-declined/ (last visited Oct. 26, 2025).

[16] *Id*.

[17] *Id*.

[18] *Id*.

[19] *See In Efficient Power Conversion Corp. v. Innoscience Zhuhai Tech. Co.*, No. 2:23-cv-04026 (C.D. Cal. May 24, 2023); *Certain Semiconductor Devices, and Methods of Manufacturing Same and Products Containing the Same*, In re Investigation No. 337-TA-1366, 89 Fed. Reg. 90051 (Int'l Trade Comm'n Nov. 14, 2024); *Innoscience (Zhuhai) Technology Co., Ltd. v. Efficient Power Conversion Corp.*, IPR 2023-01381, Paper 11 (P.T.A.B. Mar. 20, 2024); *Innoscience (Zhuhai) Tech. Co., Ltd. v. Efficient Power Conversion Corp.*, IPR2023-01382, Paper 11 (P.T.A.B. Mar. 26, 2024); *Innoscience (Zhuhai) Tech. Co., Ltd. v. Efficient Power Conversion Corp.*, IPR2023-01383, Paper 11 (P.T.A.B. Mar. 20, 2024); *Innoscience (Zhuhai) Tech. Co., Ltd. v. Efficient Power Conversion Corp.*, IPR2023-01384, Paper 11 (P.T.A.B. Mar. 26, 2024).

In short, the NPRM's changes highlight an opportunity area for promoting greater efficiency, consistency, and finality in patent validity determinations. This is entirely in line with the AIA's intent for an IPR proceeding to be a "strong medicine" used in carefully defined circumstances, rather than a routine tactic to multiply proceedings and, consequently, costs.

IV. THE NEED TO RESTORE QUIET TITLE IN THE PATENT SYSTEM

The patent system must strike a careful balance between (1) providing robust protection to encourage innovation and (2) ensuring that patents are correctly granted. In recent years, the scales have tipped too far in favor of serial validity challenges through second bites and repeated attacks. Such practices have undermined the assurance of quiet title traditionally afforded to patent owners. The ever-present threat of serial IPRs, even after a patent has been litigated or has already withstood one challenge, means that, under the current system, even high-quality patents will never truly benefit from quiet title. Codifying the concept of a single, meritorious challenge to a patent will help restore the balance between incentivizing innovation and promoting the public interest by providing patent holders with the prospect of quiet title. This emphasis on finality and quiet title does not come at the expense of patent quality: truly invalid patents will still be removable, either in court or through the IPR process against patents that have not been previously tested.

Uncertainty and the lack of quiet title diminishes incentives to invest in R&D and commercialize new technologies. As the USPTO itself has noted, the previous PTAB regime has "undermined the reliability" of duly issued patents by subjecting them to repeated, expensive, and often inconsistent validity contests.[20] In some industries, important patents have been tied up in serial challenges for years, delaying their deployment or licensing, and decreasing competition in the marketplace.[21]

The NPRM seeks to address this systemic weakness. By increasing predictability and finality, the proposed rules aim to give inventors and investors greater confidence that a patent, once granted and affirmed, will not be easily invalidated by duplicative challenges. An inventor who prevails in defending a patent can proceed with commercializing or licensing the innovation without the shadow of serial IPRs hanging indefinitely overhead. This kind of certainty is exactly what fosters a thriving American innovation ecosystem. When innovators know their patent rights will be relatively stable and enforceable, they will be more willing to invest resources into developing new products and technologies. The NPRM achieves these goals.

In addition, we urge the USPTO to support the bipartisan PREVAIL Act,[22] through which Congress can bolster long-term confidence in patent rights, thereby encouraging the substantial investments required to bring pioneering technologies to market. By harmonizing the IPR

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[20] *Revision to Rules of Practice Before the Patent Trial and Appeal Board*, *supra* note 1.

[21] *See* Christian Helmers & Brian J. Love, *Patent Hold-Out and Licensing Frictions: Evidence from Litigation of Standard-Essential Patents*, INT'L J. INDUS. ORG. 89 (2023).

[22] PREVAIL Act, S. 2220, 118th Cong. (2023).

process with Congress's original intent in the AIA, the PREVAIL Act would help restore predictability, efficiency, and quiet title to the U.S. patent system. Such stability will ultimately redound to everyone's benefit because reliable patent protection directly correlates with greater R&D spending and technological diffusion.[23]

V. THE NEED TO PROTECT THE U.S. PATENT SYSTEM FROM FOREIGN EXPLOITATION

In addition to the above concerns, the IPR process, as it stands today, allows foreign entities to exploit the U.S. patent system. More specifically, weak post-grant review safeguards at the USPTO have enabled foreign adversaries—including companies linked to the Chinese government—to take advantage of an unbalanced IPR system.[24] The example above, where the ITC entered an exclusion order against Innoscience, a Chinese company, but the PTAB after the fact invalidated the same patent the ITC found valid, could potentially allow the Chinese infringer back on the market. The current IPR process, therefore, not only hobbles innovation in the first place; it can also directly impact the ability of American inventors to exclude infringing products. All this imperils national security. If U.S. companies become less likely to invest in risky next-generation technologies, then the United States risks ceding technological leadership and military superiority to China.[25] If American inventors have a more difficult time enforcing their rights to exclude infringing imports, our competitors will increase their ability to capture market share with competing and foreign technology. To reverse these negative trends, it is critical that the U.S. patent system reimpose limits on duplicative IPR petitions. An expansive IPR system with unlimited challenges only helps foreign competitors destroy American patents, burden American inventors, and ultimately weaken American innovation. The NPRM addresses these issues and protects the American patent system.

VI. CONCLUSION

InterDigital commends the USPTO's proposed rule changes to the PTAB's practices. We appreciate the opportunity to provide these comments, and we stand ready to discuss these issues with the USPTO as needed. If the USPTO has any questions, please contact Rob Stien, Executive Vice President, Chief Communications and Public Policy Officer of InterDigital, at Rob.Stien@InterDigital.com.

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[23] Bronwyn H. Hall & Dietmar Harhoff, *Post-Grant Reviews in the U.S. Patent System - Design Choices and Expected Impact*, 19 BERKELEY TECH. L.J. 1017, 1042–43 (2004).

[24] *China Hijacks US Patent System to Steal American Inventions*, US INVENTOR, https://usinventor.org/china-hijacks-us-patent-system-to-steal-american-inventions/ (last visited Nov. 6, 2025).

[25] *See* Andrei Iancu & David J. Kappos, *U.S. Intellectual Property Is Critical to National Security*, CSIS (July 12, 2021).

Respectfully submitted,

DocuSigned by:

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Joshua D. Schmidt
Chief Legal Officer
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Docket: Revision to Rules of Practice Before the Patent Trial and Appeal Board
Agency: U.S. Patent and Trademark Office
Commenter: ExploraMed (U.S. medical device company creator and incubator)

Executive summary

ExploraMed strongly supports the USPTO's proposed revisions to PTAB IPR practice. For device startups, serial and parallel IPRs have too often turned the PTAB from an alternative to court into an add-on that magnifies cost, delay, and bargaining leverage for large implementers. The proposal's core guardrails:

- one-forum election via petitioner stipulation,
- respect for claims already upheld,
- a timing screen that avoids parallel litigation of the same patent, and
- a narrow extraordinary-circumstances safety valve

Who we are and why this rulemaking matters

ExploraMed is a Silicon Valley medical device company creator and incubator that has founded and scaled nine venture-backed companies bringing novel devices from idea to clinical and commercial use. Our president, Earl "Eb" Bright, testified to Congress in 2022 that PTAB practice—especially serial, duplicative petitions and proxy filings—has imposed outsized burdens on startups, deterred investment, and unsettled the reliance interests that make medical device entrepreneurship possible. He emphasized that Congress intended "one bite at the apple," and that, at the time, discretionary frameworks such as General Plastic, Fintiv, and Sotera were overdue, targeted responses to documented abuse of the PTAB process[1].

Peer-reviewed scholarship on device markets also explains why reliable patents matter. Patents enable early-stage transactions, licensing, and collaboration that are essential for moving risky hardware from bench to bedside. Weakening reliability or inviting repeated do-overs undermines those transactions and shortens the investable runway for the companies inventors start.

How the NPRM fixes problems device startups actually face

1. **Stipulation to only challenge validity in one forum**

[1] https://www.congress.gov/117/meeting/house/114937/witnesses/HHRG-117-JU03-Wstate-BrightE-20220623.pdf

What the rule does: If an IPR is instituted, petitioners (and their RPIs/privies) must stipulate they will not pursue duplicative §102/§103 invalidity challenges in district court and/or the ITC.

Why this helps American medical device innovators: Early-stage device companies cannot finance two full prior-art wars in parallel. Serial/parallel tracks raise capital burn, enable delaying tactics by much larger incumbent competitors, and push small firms toward uneconomic settlements—a pattern documented in medical-device startup experience and highlighted in congressional testimony. A stipulation restores the AIA's bargain: PTAB as a true alternative, not a second front.

Innovation impact: Clear forum choice lowers litigation capital expenditure, improves time-to-certainty on freedom-to-operate, and preserves resources for clinical studies, regulatory testing and compliance, and manufacturing scale-up—the very uses that patents are meant to enable through protected early exchange and investment.

2. **No institution/maintenance of IPR when claims were already found valid**

What the rule does: Withhold institution or terminate when the **same claims** have already been upheld (e.g., district court, ITC, PTAB FWD, reexam), absent narrowly defined exceptions.

Why this helps American medical device innovators: Startups plan debt, equity, and partnership deals around adjudicated validity. Allowing re-tries after patents have **already been found valid** destabilizes those deals and encourages holdout behavior. ExploraMed's president Eb Bright testified to the U.S. House Judiciary committee in 2022 on the extent to which repeat PTAB attempts had become a lever against smaller firms.

Innovation impact: Respecting prior adjudications increases the *reliability* (not just the length) of device patents—exactly what a 2023 report from Fordham University identifies as vital to early transactions in a sector with shorter commercial lifecycles and rapid iterative engineering.[2]

3. **Timing screen to avoid parallel litigation**

What the rule does: Decline IPR when a district-court trial, ITC determination, or another PTAB FWD will likely arrive **before** the expected outcome in the newly filed PTAB petition.

Why this helps American medical device innovators: In practice, accused infringers have used IPR filings primarily to **seek stays** and multiply expense, even where another tribunal is poised to finish first. Device startups—juggling IDE/PMA/510k regulatory milestones, reimbursement coding and coverage, and hospital contracting—cannot absorb schedule uncertainty layered on top of each of those risks. The timing screen presented in the NPRM eliminates duplication without blocking merits adjudication already underway.

[2] https://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?article=1823&context=iplj

4. **Narrow "extraordinary circumstances" safety valve**

What the rule does: Preserves a limited path to institute notwithstanding these screens (e.g., demonstrable bad-faith blocking or seismic legal change).

Why this helps American medical device innovators: Real flexibility remains for true edge cases, not for routine re-litigation. This is the right balance for a sector where first-mover disadvantage and fast design-around pressures already compress returns, as do repeated IPR bites which erase the value patents provide to enable early-stage financing deals.

Why these reforms align with medical device-sector realities (and public interest)

1. Reliability matters more than raw term. Because devices are regulated by function and often improved rapidly, the most important thing U.S. patent policy can provide is certainty during the formative years of a new technology. The NPRM's finality/timing features deliver that certainty.
2. Capital formation depends on predictable rights. Eb Bright's testimony documented how serial and proxy petitions diverted millions from R&D to defense and pushed investors to lower-risk, less patent-reliant sectors—an allocation problem Congress never intended when it created IPR as an efficiency tool. Restoring Director/Board discretion to curb duplication corrects that drift.
3. Patients benefit when start-ups can finance early-stage trials and scale. Reliable rights enable earlier stage financing, which is the most common pathway for devices originating in small firms and inventors. That translates into faster clinical validation and regulatory approval.

Addressing common critiques

Critique: "Channeling and finality will shield 'bad' device patents."
Response: The NPRM does not eliminate PTAB review; it requires a forum choice and respects prior merits outcomes. Weak claims can still be canceled in PGR and IPR, and strong ones should not face endless re-tries. That accords with congressional intent and the discretion the Office has already exercised in General Plastic/Fintiv/Sotera to deter abuse.

Critique: "Device patents matter less, so process fixes are unnecessary."
Response: Scholarship shows medical device patents are critical early-stage enablers for technology transfer, financing and knowledge exchange. The NPRM enhances reliability precisely where device markets need it most.

Conclusion

ExploraMed applauds the USPTO's targeted IPR reforms. For medical-device startups, duplicative and serial IPRs have too often become a costly tactic, not a truth-seeking efficiency. Requiring one-forum election, respecting claims already upheld, and avoiding parallel collisions will restore balance, accelerate patient-benefiting innovation, and align PTAB IPR

practice with the AIA's purpose. We urge the Office to finalize the rule substantially as proposed.

I write in response to the USPTO's Request for Comments on its proposed rulemaking concerning inter partes review (IPR). My comments draw on original empirical research that tracks multi-forum patent validity challenges across federal district courts and the PTAB. The central finding from this large-scale dataset is clear: duplicative validity litigation between district courts and the PTAB is pervasive, imposes substantial delays and costs, and provides minimum adjudicative or informational value. More effort is needed to control unnecessary duplications, tighten controls over repeat petitions, and better coordinate proceedings across multiple fora. The IPR proceeding is currently insufficiently integrated with district-court proceedings, resulting in systemic drag rather than system-wide efficiency**.**

I. **Overview of the Empirical Dataset**

My dataset links all PTAB IPR petitions to district-court litigation involving the same patents. Specifically, over the past decade, I created a database of all IPR decisions filed from September 12, 2012 through December 31, 2024. I also created a separate database of all district court decisions from January 1, 2000 through January 31, 2024, linking up the two datasets by patent number from the IPR proceeding. My data includes the following:

- Federal district-court filings and docket-level events
- All PTAB IPR petitions, institutions, and outcomes
- Standardized litigant and law-firm identities (including name changes, acquisitions, and corporate relationships)
- Technology classifications
- Full procedural timelines for both fora

This methodology enables accurate petitioner–defendant matching and allows me to identify when the same patent—and often the same parties—litigate validity simultaneously before both the PTAB and district courts. It can be difficult to assess whether the same parties are present in both fora. Many parties are acquired by other entities or change names. Thus, it entailed a significant amount of work to analyze whether the same parties were present. This architecture allows me to identify the problem identified by the USPTO: same patents, same issues, and often the same parties litigating validity in more than one place—frequently at the same time.

II. **Empirical Findings: The Scope and Consequences of Duplication**

A. **PTAB–District Court Overlap Is Extremely High**

Since 2012 to the present, 12,445 patents have been litigated at the PTAB. Of these, 11,150 also appear in district-court litigation—an extraordinarily high multi-forum overlap. Approximately 775 patents were litigated in three fora: the district court, the PTAB and the International Trade Commission. Thus, approximately 90% of PTAB patents have been raised at some point in district court litigation. These data empirically substantiate that the agency must address duplicative, burdensome, and unnecessary parallel proceedings.

PTAB patents also often are litigated in multiple separate PTAB proceedings. Over its history, a little more than half of PTAB patents are litigated in multiple PTAB proceedings. Especially in

the early years of the PTAB especially, it was not uncommon for there to be two or three separate PTAB proceedings involving the same exact prior art but different claims. Multiple petitions are either split between the same petitioner raising new prior art arguments, or a new petitioner raising a different combination of prior art arguments. Moreover, while in most cases the same PTAB judges are assigned to hear the repeat case, because of the fast turnover of PTAB judges, it is often the case that at least one new judge is assigned to hear the repeat case, contributing to a waste of resources at the PTAB. Further, despite the multiple petitions, the invalidity rate at the final merits stage is indistinguishable whether or not there are multiple petitions. Multiple petitions also raise the issue of conflicting outcomes. While in most cases of multiple petitions, the outcomes are consistent, under 5% of patents have direct conflicting outcomes at the PTAB in some form. For example, in some cases, the PTAB will find the challenged claims invalid, then in a separate proceeding, it reaches a conclusion of no invalidity or vice versa. In some cases, the same claims are involved in both proceedings (particularly if there are different parties or the cases are issuing near each other involving slightly different panels). In about two-thirds of the cases where there is a direct conflict such as this, the PTAB finds a patent not invalid, and then invalidates the patent claims in whole or in part in subsequent proceedings. This is not an entirely unsurprising result. With each additional petition, the petitioner can potentially gap fill problems from the earlier proceeding, particularly with respect to arguments with respect to obviousness. While a conflicting outcome is still an unlikely occurrence, the fact that there are so many opportunities to fine tune validity challenges increases the chance that an otherwise valid patent will be found invalid. Given the high burden of proof imposed to invalidate a patent in the district court (requiring clear and convincing evidence), the agency should take caution to minimize this risk.

About 15% of patents litigated in both the district court and the PTAB received a substantive district-court decision at some point (invalidity, no invalidity, infringement, no infringement, or a decision on inequitable conduct). This substantive decision could have come through a judgment on the pleadings, a motion for summary judgment, a trial or some other way. Some cases have multiple substantive decisions, as the district court will resolve different claims in a different fashion, i.e., find some claims invalid due to lack of subject matter, then have a trial on the remaining claims on the remaining invalidity challenges and on infringement. The vast majority of the patents litigated at the PTAB do not receive any substantive decision in the district court because most of the cases settle without the district court taking any action. About 40% of those substantive decisions at the district court occurred before the PTAB proceeding terminated; the remainder occurred after PTAB termination.

Critically, more than two-thirds of these district-court substantive decisions involved defendants <u>different</u> from the PTAB petitioners, meaning district courts were adjudicating the validity of patents also targeted at the PTAB—often by other parties not bound by statutory estoppel. In most cases, the district courts' finding on validity in those cases parallels that of the PTAB. It may of course be the case that different claims were challenged or different pieces of art were used by other parties not part of the PTAB litigation. Nonetheless, the high degree of congruence on the ultimate outcome of section 102 and 103 indicates that the district court and PTAB deal with paper prior art in a similar fashion. Moreover, there were only a few cases where section 102 or section 103 issues were raised in the district court after the conclusion of the PTAB proceedings by the same parties. These issues were limited to the rare circumstance of raising

public use or on sale bar arguments, issues that are not allowable before the PTAB. In a small number of cases, parties sometimes also raise new issues with respect to obviousness, and in particular, how to combine references.

B. **District Courts Repeatedly Address Invalidity Grounds Unreachable in IPR**

My data confirm that because IPR is constitutionally and statutorily limited**,** significant validity disputes remain—and often must be fully litigated in district court even after the IPR concludes. IPR and district-court review are not substitutes, and duplication often represents additional burdens, not additional accuracy. Among cases in which district courts reached a substantive judgment:

- When the PTAB ultimately found claims unpatentable (meaning the final IPR proceeding found all challenged claims unpatentable), district courts found the patent invalid under section 101 nearly 20% of the time, and found indefiniteness in about 5% of case, across all cases and litigants.
- When the district-court decision occurred before PTAB termination, the figures were even higher: section 101 invalidations in roughly 25% of substantive decisions and indefiniteness in about 10% in cases reaching a substantive conclusion.

These results show that IPR does not resolve all validity disputes: significant section 101 and section 112 issues inevitably remain for district courts—often long after PTAB proceedings conclude. Moreover, a significant number of patents are found invalid in two fora, at the PTAB and also at the district court particularly on arguments not related to anticipation or obviousness.

When the PTAB issued mixed results on section 102/103 grounds (meaning a final decision where the PTAB found some challenged claims invalid and upheld others), district courts found at least one or more claims invalid under section 101 or section 112, in over one-third of cases that reached a substantive decision. Even when the PTAB upheld validity, district courts frequently continued to litigate remaining invalidity theories.

In cases litigated after the concluding date of the PTAB proceeding, district courts found claims invalid under section 101 in about 14% of subsequent substantive decisions and found at least one claim indefinite in about 8% of cases. When the parties matched between the PTAB and district court (meaning the same parties appeared in both proceedings), section 101 findings rose to about a quarter of all district-court substantive decisions taking place after PTAB termination. Note that these figures only refer to when the district court makes a substantive judgment. Most cases settle and the court issues either no judgment or only a partial judgment. Thus, the fact that there is a comparably high rate of the district court particularly making judgments based on section 101 is significant. Notably, this figure does not account for the rate at which parties at least raise other validity challenges when the case is heard at the district court post-PTAB. In many cases returning to district court post-IPR, parties at least raised additional invalidity arguments—typically section 101 or 112—even when the PTAB had already adjudicated section 102/103. Many of these cases ultimately settled without the court resolving the invalidity decision.

C. **In Multi-Patent Cases, District Courts Still Must Resolve Remaining Claims Involving Non-PTAB Proceedings**

Further, many district court litigations involve families of related patents. Some of those patents may have a companion PTAB proceeding and some may not. Litigants who have many PTAB proceedings are disproportionately more likely to have multiple patents at play in district court proceedings within a single lawsuit. Many of these patents are related to the PTAB patents and involve similar claim construction issues. Thus, the fact that the PTAB resolves one patent does little to help shorten the remaining litigation on other patents that either were not challenged at the PTAB or were ones the PTAB upheld. PTAB resolution of one patent rarely streamlines litigation on the others; courts must still conduct claim construction and sometimes trial on the remaining patents. While in some cases the conclusion of the PTAB proceeding may foster settlement of remaining patent litigation, this does not always occur. Moreover, many patentees file litigation in the district courts against numerous defendants. Some of these result in IPR proceedings, some do not. The patentee still must spend resources addressing the remaining validity arguments for these other proceedings, particularly when the PTAB upheld the patent's invalidity. Many of the defendants had no involvement in the PTAB proceeding whatsoever, and it does little to shorten the patentee's overall time litigating the infringement of the patent and having to respond to validity challenges by the various mix of defendants. This issue is most relevant to computer, and to a lesser extent pharmaceutical patents in which the patentee files an infringement lawsuit against dozens of defendants.

Moreover, parallel proceedings do not meaningfully improve validity-decision accuracy. When both fora decide overlapping prior art (particularly concerning different parties), outcomes align in over 90% of cases. Divergences stem largely from procedural posture rather than novel evidence. Parallel proceedings thus do not reduce Type I error (upholding invalid patents) but do increase Type II error risk (erroneously invalidating patents) by giving challengers multiple bites at the apple.

III. **Conclusion**

In short, my empirical findings reinforce the core insight driving reform: the current system produces extensive duplication, repeated petitions, and parallel validity disputes across multiple fora, with little corresponding benefit to accuracy or finality. The USPTO needs to make changes to curb serial filings, enhance coordination, and reduce any unnecessary multi-forum conflict. Such reforms will improve fairness, efficiency, and coherence across the patent system. Please see my research on SSRN and www.amysemet.com/research for updates on this project. I plan to make public my full paper this coming winter 2026, with more detail and analysis than that provided in this brief comment.

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Inter Partes Review of Patent Claims:
An Error Cost Analysis of USPTO's Proposed Reforms

Dr. Alexander Raskovich*

December 1, 2025

I write in response to the request for comment by the U.S. Patent and Trademark Office (USPTO) on its Notice of Proposed Rulemaking (NPRM) regarding the inter partes review of patents by the Patent Trial and Appeal Board (PTAB).[1] This comment draws on my expertise in economic theory generally and in the economics of intellectual property in particular.

I begin with a non-technical discussion of error cost analysis[2] as it applies to inter partes review. The granting and subsequent review of patent claims essentially involves binary decisions: a claim is found to be valid or invalid. By the same token, decision errors are of two types: an invalid claim found valid, or a valid claim found invalid. Both error types weaken incentives to innovate, though in different ways.

Ideally, the process for inter partes review should limit both types of error comparably, according to the associated losses they generate. But the process departs from the ideal,

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[1] The NPRM is available at https://www.federalregister.gov/documents/2025/10/17/2025-19580/revisions-to-rules-of-practice-before-the-patent-trial-and-appeal-board.

[2] Error cost analysis, which grapples with the expected losses from the false positive and false negative errors of decisions, is a branch of decision theory that has been prominently applied to antitrust issues. *See*, e.g., Alan Devlin & Michael Jacobs, "Antitust Error," 52 *Wm. & Mary L. Rev*. 75 (2010), available at https://scholarship.law.wm.edu/cgi/viewcontent.cgi?article=3358&context=wmir. Devlin & Jacobs seek to "debunk the current presumption that false positives are necessarily to be preferred over false negatives" in antitrust decision-making. My error cost analysis of patent decisions below, however, does not rely on any assumption about the relative magnitudes of loss from false positive versus false negative error.

with adverse consequences for innovation. I apply error cost analysis to explain how incentives to petition for inter partes review are socially excessive. Qualitative and empirical evidence is consistent with this theoretical finding.

Finally, I discuss how USPTO's proposed reforms for inter partes review are broadly consistent with moving the process closer to the ideal by limiting duplicative review, with the prospect of improving incentives to innovate.

1. Error Cost Analysis

In many settings, decisions are binary: whether to accept or reject a hypothesis. Decision errors are then of two types. Type I or false positive error is to accept a false hypothesis. Type II or false negative error is to reject a true hypothesis. Both types of error tend to result in losses for the decision-maker. The expected loss from an error is the probability of the error occurring multiplied by the loss realized in case of that error.

A decision-maker can lower the likelihood of both types of error by acquiring more information. But acquiring information is costly. An ideal decision-making process minimizes the sum of the expected losses from error plus the cost of acquiring the relevant information. The decision-maker should continue to acquire relevant information up to the point where the incremental cost of doing so just equals the incremental gain from reducing the expected losses from Type I and Type II error. The higher the incremental cost of acquiring information, the less information the decision-maker will tend to acquire, and the greater will be the incidence of error.

In the present context, petitioners for inter partes review have the incentive and ability to raise the information burden PTAB faces. Limiting such behavior by petitioners, as the USPTO proposes to do, would render inter partes review more efficient—lessening the administrative costs, delay and uncertainty in resolving invalidity claims, likely resulting in more R&D investment in innovation.

Matcham and Schankerman undertake a sophisticated theoretical and empirical error cost analysis of the patent examination process within the USPTO.[3] An initial question is whether this process can be usefully modeled as involving binary decisions, despite the complexities and nuances of the real-world process. The authors answer in the affirmative. They treat a patent filing as containing a number of distinct "claims" which together comprise the proposed patent's scope.

The applicant has an incentive to "pad" the set claims in its patent filing. Broadening scope increases the patent's value if it is granted, but also risks the examiner not granting the patent. The applicant chooses the extent of its padding to maximize the patent's expected value, trading off risk against reward.

The patent examination process involves multiple rounds of "negotiation" between the applicant and examiner. If the examiner signals an unwillingness to grant the patent because of the inclusion of a particular claim, the applicant has the option to excise the objectionable claim in an amended filing. This process of narrowing the patent's scope proceeds, round by round, until either the applicant withdraws the application or the examiner becomes satisfied that the collection of remaining claims satisfies the statutory standards of patentability. Thus, every round involves a binary decision by the examiner, whether to accept or reject a claim in the filing, and each such decision is subject to Type I and Type II error.

A similar modeling framework can be applied to inter partes review, as I do here. Petitioner submits a number of distinct grounds for patent invalidity in its filing. These grounds may be targeted to one or more of the patent's claims that survived the patent examination process.

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[3] William Matcham & Mark Schankerman (2025), "Screening Property Rights for Innovation," available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4519999.

Unlike the case of patent examination, however, there are a set number of rounds in inter partes review. In the first PTAB round, a three-judge panel determines whether the petition merits the institution of inter partes review, under the new rules that would be the Director along with a panel of Judges.[4] If the panel/Director finds that any ground challenging any single claim of the patent merits consideration, the review will be instituted. If PTAB institutes review, the patent owner has a chance to respond (and file a motion to amend) and the petitioner can then reply to that response (and motion to amend), the patent owner then gets a final response after which there is a hearing then final written decision in which the same three-judge panel assesses each ground for invalidity, deciding whether to accept the ground. Each of these binary decisions carries the potential for Type I and Type II error.

A petitioner has an incentive to "pad" the grounds for invalidity included in its filing for inter partes review, for reasons similar to a patent applicant's incentive to pad claims in its patent filing. Two types of padding are in petitioner's interest.

First, petitioner has an incentive to pad the claims challenged in its filing, or more commonly to pad claims by filing multiple petitions on a given patent. Insofar as it is uncertain which grounds for which challenged claims will pass muster for institution, such claims-padding tends to increase the chances that inter partes review will be instituted on at least one ground.

Second, for each claim in its filing, petitioner has an incentive to pad the grounds for the claim's invalidity. For example, petitioner may make excessive references to prior art, drawing tenuous connections with the patent at issue to bolster a ground for anticipation (35 U.S.C. § 102) or obviousness (35 U.S.C. § 103). Such grounds-padding carries both risk and reward for the petitioner. It may result in an otherwise weak ground prevailing, or it may tarnish an otherwise legitimate case for the claim's invalidity. Petitioner chooses the

[4] *See* 35 U.S.C. 314(a).

extent of both kinds of padding to maximize its expected gain from inter partes review. Both kinds of padding tend to result in the proliferation of Type I and Type II error, with adverse consequences for innovation.

The social benefit of inter partes review is the culling of invalid patents (or patent claims) that have been wrongly granted. Lessening such Type I error sharpens innovators' focus on investing in R&D projects that have the potential to yield useful new inventions, rather than engaging in rent-seeking to secure rights to ineligible subject matter or to ideas that are not novel, being anticipated by prior art or obvious. Lessening Type II (false negative) error in inter partes review also promotes innovation, by reducing the uncertainty that innovators will appropriate the returns to R&D that yields useful new inventions.

A significant impetus to Type II error is the excessive incentive to file petitions for inter partes review. Although the frequency of Type II error in inter partes review—the frequency with which statutorily valid patents (or patent claims) are invalidated—counts as a dynamic social loss from lessened incentives to innovate, it counts as static private gain to petitioners, who can thereby avoid paying royalties on the falsely invalidated patent. The incentive to petition for inter partes review thus tends to be socially excessive.[5] Petitioner's incentive to pad its filing with excessive grounds for a patent claim's invalidity likewise heightens the risks of Type II error.

Reforms to inter partes review that reduce a party's incentive or ability to file weak petitions or to pad petitions with weak grounds could reduce the incidence of Type II error and so promote innovation.

[5] Relatedly, a party contemplating filing for inter partes review does not take into account the administrative costs of the patent owner. Petitioning tends to be excessive for this reason also.

2. Evidence for Excessive Petitioning

Qualitative and empirical evidence is consistent with the theoretical proposition that incentives to petition for inter partes review are socially excessive. First, the outcome of inter partes review is asymmetric. A patent (or patent claim) that is sustained after review remains open to future challenge and invalidation—even on the same grounds—by *other* petitioners.[6] In contrast, a (false) finding that a patent claim is invalid is unlikely to be overturned on appeal.[7] This asymmetry biases toward invalidation.

Second, the USPTO in its NPRM cites two statistics on filings for inter partes review. One statistic is that, since the creation of inter partes review in the America Invents Act (AIA) of 2011,[8] more than half of petitions for such review have been part of multiple petitions challenging the same patent.

Such multiplicity can be of three types: (1) multiple challenges by the *same* petitioner, each petition being on *different* grounds; (2) challenges by *another* petitioner but on the *same* grounds as those of a given petitioner; or (3) challenges by *another* petitioner on grounds that *differ* from those of a given petitioner. Multiple petitions of types (1) and (2) are likely to be excessive, creating uncertainty and administrative delay that lessens innovation incentives but is not likely to yield any significant countervailing benefit. A qualified argument can be made that petitions of type (3) are also excessive.

For petitions of type (1), it would certainly be more efficient for the challenging party to consolidate all of its grounds and evidence into a single inter partes petition. For

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[6] Even though § 315(e) estops the *losing* petitioner from making a later claim to USPTO, in district court or to ITC, on grounds the petitioner raised or could have reasonably raised in the given inter partes review. Other petitioners are not limited in this way, however, because every inter partes review is a de novo assessment of the evidence for validity.

[7] By one account, in 2023 83% of final written PTAB decisions were affirmed by the Federal Circuit, 11% were remanded and only 3% fully reversed (Sterne Kessler, "Data and Trends," February 2024).

[8] *See* https://www.uspto.gov/sites/default/files/aia_implementation/20110916-pub-I112-29.pdf (Leahy-Smith America Invents Act, Pub. L. 112-29, 125 Stat. 284 (2011).)

petitions of types (2) and (3), consolidating grounds and evidence into a single inter partes petition by a coalition of interested parties, if feasible, would likewise be more efficient than a multiplicity of petitions. But here a question of transaction costs arises. Is coordination among potential petitioners with similar interests prohibitively costly? If so, are multiple reviews likely to lower error costs?

Petitioners are often sophisticated firms well aware of other parties that have interests aligned with their own. Such petitioners would collectively gain from forming a coalition to share resources and divide administrative costs. An argument positing substantial coordination costs across petitions of type (2) is thus not credible.[9]

But even if coordination costs were prohibitively high, it is unclear that multiple petitions of type (2) would lower expected error costs[10] On the contrary, the administrative costs borne by the USPTO and patent owners proliferate with multiple petitions, and the prospects for Type II error are compounded.

Issues are more complicated for petitions of type (3)—multiple petitions by different petitioners appealing to different grounds for invalidity. Transaction costs inhibiting coordination to consolidate petitions is more plausible here. Differentiated products that read on the same patent may rely on different claims within the patent. In this case, the interests of potential petitioners may not be well aligned, with some motivated to invalidate one claim and others motivated by other claims. There may be diseconomies of scope in inter partes review. Invalidity grounds could vary in strength across claims in the patent. Joining a weak ground to a strong one could tarnish the strong ground. If so, this would tend to discourage the consolidation of petitions.

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[9] More plausibly, the uncertainty and delay in patent owners obtaining "quiet title" because of multiple inter partes reviews benefits petitioners privately by putting patent owners at a disadvantage in licensing negotiations. Such wasteful rent-seeking should be discouraged.

[10] A petition for inter partes review can be based only on two invalidity grounds: anticipation by prior art (35 U.S.C. § 102) and obviousness (35 U.S.C. § 103).

Another statistic cited by the USPTO in its NPRM is that, for more than 80 percent of inter partes reviews, petitioner simultaneously seeks to invalidate the same patent in district court. To the extent that the claims of invalidity pursued in court are the same as those in inter partes review, the duplication would tend to be inefficient for reasons similar to those given above for multiple inter partes reviews.

A plaintiff, however, can bring invalidity claims in district court that are barred to a petitioner in inter partes review—for example, invalidity because of ineligible subject matter. In this case, a consolidation of challenges into inter partes review is not possible. But given that the challenging party can address the full spectrum of invalidity claims in court, duplication of a subset of those claims in inter partes review may still be inefficient.

Duplication of inter partes review and a court challenge may benefit the challenging party because the burden of proof in inter partes review—a "preponderance of the evidence"—is lower than the burden in court, where there is a rebuttable presumption of patent validity and invalidity must be shown by "clear and convincing evidence." Such a private benefit for petitioners does not necessarily imply a social benefit. But this feature of inter partes review is baked into the AIA. The efficiency goal articulated in the AIA to which USPTO refers does not apply to the lower standard of proof, which may reflect Congress's view that duplication is potentially efficient in this case.

To sum up, a multiplicity of inter partes reviews challenging the same patent is generally unlikely to yield benefits by lowering losses from Type II error, while imposing considerable costs on the patent system, both administratively and through the uncertainty and delay of quiet title for the patent owner.

3. The Proposed Reforms

The foregoing error cost analysis broadly supports the reforms proposed by the USPTO in its NPRM as improving the process of inter partes review by limiting the

inefficiencies of duplicative action. There are two main proposals for change, paralleling the two types of duplication discussed in the preceding section.

First, when filing a petition for inter partes review, petitioner would be required to stipulate that it will not raise anticipation or obviousness claims in any other (future) proceeding, such as in district court or at the International Trade Commission (ITC). As discussed above, such duplicative proceedings are likely inefficient. Requiring petitioner to consolidate its claims in a single forum—whether the PTAB, district court or the ITC—would tend to lessen losses from Type II error as well as lowering the administrative costs, uncertainty and delay in resolving the relevant issues.[11]

Second, if a patent has been found valid in a (past) final decision by the PTAB, district court or the ITC after a challenge on grounds of anticipation or obviousness, the PTAB would not institute or continue a new inter partes review. Again, eliminating such duplicative action would tend to promote efficiency, lowering administrative costs and lessening the risk of Type II error.[12]

The language of this proposed reform refers, however, to a patent rather than to individual patent claims. If a subset of patent claims has been found valid in previous inter partes review, a later petition challenging other claims within the patent—especially by different petitioners—may not be duplicative. In this case, the argument for inefficiency would not necessarily apply.

A related proposal is that if there is no past finding of patent validity but it is "more likely than not" that an existing parallel proceeding in district court or the ITC would

[11] The party would remain free to challenge the patent in both district court and the ITC, but in this case would be barred from inter partes review by PTAB.

[12] Arguably the primary benefit of an inter partes review is to resolve prior art invalidity challenges faster and at lower cost than district court. Most of that benefit is likely to be realized with the first challenge (in any forum), after which the incremental benefit of a second challenge is greatly diminished.

reach a final decision before the PTAB is likely to reach its final decision on inter partes review, PTAB would deny institution of the review.

A proposal stronger than this would bar inter partes review in case of any ongoing parallel proceedings, regardless of the likely timing of final decisions. Presumably, the rationale for the timing restriction is to allow for a PTAB final decision upon which a district court could rely in its deliberations. Courts are not bound by PTAB decisions, but can find the associated information probative, given the subject matter expertise of USPTO. The efficiency tradeoff here is between the costs of duplication and the associated gains in the quality of the court's decision-making. Without more information on this tradeoff, it is difficult to determine whether the gains from this stronger proposal would outweigh the costs.

A possible alternative to the USPTO's proposed reforms would be to continue to allow multiple inter partes reviews but charge graduated filing fees to eliminate the excessive private incentives to petition. Implementing such change reliably would be difficult if not impossible, however, given heterogeneity across cases and the informational burden of estimating the divergence of private and social gains. Moreover, for the case of patent applications, Matcham and Schankerman[13] find that limiting the number of amendments that can be filed on a given patent application is more effective at promoting efficiency than charging graduated filing fees. A similar result likely to applies to inter partes review.

4. Conclusions

The patent system, in Abraham Lincoln's colorful phrase, adds "the fuel of interest to the fire of genius."[14] Securing investment incentives for innovators is the primary benefit of the patent system, along with facilitating follow-on innovation through the public

[13] Matcham and Schankerman, *supra* n.3.

[14] Abraham Lincoln, "Discoveries and Inventions," lecture before the Young Men's Association of Bloomington, Illinois, April 6, 1858.

dissemination of patented ideas.[15] But the system is not perfect. There can be too much interest fueling mediocrity, or too little fuel for true genius. Carefully crafted reforms of the patent system can improve its efficiency.

I employ an error cost analysis to explain how private incentives to petition for inter partes review are socially excessive. Qualitative and empirical evidence is consistent with this theoretical result. Limiting duplicative challenges to patent validity would tend to improve the efficiency of inter partes review. On the whole, the reforms the USPTO proposes in its NPRM are likely to have salutary effects on innovation.

There is one issue with the proposed reforms, however, that warrants further consideration by the USPTO. The language of the reform regarding findings of validity by previous inter partes review refers to patents, rather than to patent claims. If a subset of patent claims has been found valid by previous inter partes review, a later petition by another party challenging other claims within the patent would not be duplicative, in which case the argument for inefficiency would not necessarily apply.[16]

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[15] Although the public dissemination of patented ideas tends to facilitate follow-on innovation, inordinately strong protection of the initial patent (e.g., excessively broad scope) can frustrate follow-on innovation.

[16] But recall the discussion above regarding the costs of coordination across potential petitioners. If these costs are modest, a consortium of petitioners with aligned interests could form to file a consolidated petition. In this case, duplicative petitioning would be inefficient.

Harlan Strategies, LLC

Via Federal eRulemaking Portal: https://www.regulations.gov

Re: Docket No. PTO–P–2025–0025 – Revision to Rules of Practice Before the Patent Trial and Appeal Board

December 3, 2025

To the United States Patent and Trademark Office:

I appreciate the opportunity to comment on the proposed rule titled "Revision to Rules of Practice Before the Patent Trial and Appeal Board," 90 Fed. Reg. 48335 (Oct. 17, 2025). **I support the proposal** because it addresses longstanding structural problems in inter partes review (IPR) practice that have weakened issued patents and distorted the balance Congress intended when it enacted the America Invents Act. Before turning to specific concerns, I want to restate the proposal as I understand it.

I. Summary of the Proposed Rule

The proposed rule would amend 37 C.F.R. § 42.108 to limit when the Patent Trial and Appeal Board (PTAB) institutes an IPR. It introduces three core restrictions.

First, under proposed § 42.108(d), the Office would not institute or maintain an IPR unless the petitioner stipulates that it will not pursue invalidity arguments under 35 U.S.C. §§ 102 or 103 in any other tribunal. This stipulation must be filed both at the PTAB and in any court or agency where related litigation is underway. The purpose is to prevent duplicative challenges and to ensure that an IPR actually substitutes for part of the litigation, rather than becoming an additional layer of it.

Second, under proposed § 42.108(e), the Office would not institute an IPR if the challenged claims, or the independent claims they depend from, have already been upheld in another proceeding. This includes district court trials, district court summary-judgment decisions, final determinations of the International Trade Commission, prior PTAB decisions finding the claims not unpatentable, or ex parte reexamination decisions confirming patentability. It also includes situations where the Federal Circuit reversed a finding of invalidity or unpatentability. The idea is that once claims have survived a full validity review, they should not be reopened before the PTAB

Third, under proposed § 42.108(f), the Office would not institute an IPR when a parallel proceeding is likely to reach a validity determination first. If a district court trial, ITC determination, or PTAB final written decision in another proceeding is expected before the statutory deadline for the IPR decision, the Office would decline to institute.

The proposal also includes an "extraordinary circumstances" provision in § 42.108(g), allowing institution despite these limits only in rare, well-defined circumstances, such as bad-faith manipulation of earlier proceedings or major changes in controlling law.

In short, the proposal reshapes IPR practice to reduce redundancy, strengthen finality, and ensure that IPRs serve as substitutes for litigation rather than supplements to it. I agree with this direction.

II. Congress Intended IPRs To Be a Limited Alternative, Not a Parallel Track

When Congress created IPRs in the America Invents Act, it described them as "a quick and cost-effective alternative to district court litigation." H.R. Rep. No. 112-98, at 48 (2011). Members of Congress repeated that description many times. The entire statutory structure reflects an assumption that IPRs would replace part of litigation, not add to it.

That is not what has happened. Most IPR petitions today are filed in parallel with district court cases or International Trade Commission investigations. As the USPTO's own analysis shows, more than 80 percent of IPRs overlap with parallel litigation, and well over half are one of multiple petitions against the same patent. 90 Fed. Reg. at 48337–48338. These are not "alternatives." They are duplicates. They multiply cost and delay and shift leverage in ways Congress never contemplated.

III. Endless Administrative Review Erodes the Presumption of Validity

Issued patents come with a statutory presumption of validity. 35 U.S.C. § 282(a). Investors, licensees, and potential acquirers all rely on that presumption when deciding whether to commit capital to a technology.

Repeated IPR challenges undermine that expectation. Each IPR reopens validity under a de novo standard and a lower burden of proof. The USPTO recognizes the problem: "even extremely strong patents become unreliable" when subjected to serial or parallel challenges. 90 Fed. Reg. at 48336.

Congress predicted this. The Senate warned that endless challenges would "limit the ability of inventors to attract capital investment" and would "frustrate the purpose" of creating a streamlined post-grant process. S. Rep. No. 110-259, at 71–72 (2008).

A system with no real endpoint undermines the value of an issued patent. That outcome is inconsistent with the structure and objectives of the Patent Act.

IV. The Proposed Rule Realigns IPRs With Their Statutory Purpose

The limits in proposed § 42.108(d), (e), and (f) bring IPR practice back to what Congress intended. They prevent institution when there is already meaningful progress in another forum, when claims have already been upheld, or when duplicative litigation is ongoing.

Congress delegated this authority to the Director. Under 35 U.S.C. § 316(b), the Director must consider regulations' impact on "the economy, the integrity of the patent system, [and] the efficient administration of the Office." The proposed rule advances each of these aims. It restores predictability, reinforces finality, and reduces strain on the PTAB so that its judges can focus on ex parte appeals—proceedings that only the Office can hear.

V. Duplicative Challenges Are Especially Harmful to Smaller Innovators

The USPTO notes that the most aggressive filers of IPR petitions tend to be large incumbent companies. 90 Fed. Reg. at 48338. Startups and mid-sized innovators often lack the resources to defend the same patent in several venues at once. Those companies depend on predictable patent rights to raise capital, negotiate licenses, and enter markets dominated by larger firms.

When issued patents become unstable, these companies lose the very leverage the patent system is designed to give them – the right to exclude. The proposed rule helps correct that imbalance.

VI. Recent USPTO Leadership Supports the Direction of This Rule

Recent developments inside the agency reinforce the importance of finality in post-grant practice. Director John A. Squires has publicly emphasized strengthening patents "on the front end" and reducing the ability of challengers to re-litigate validity long after issuance.

This direction is evident in the agency's discretionary-denial practice. In 2025, the Office applied a "settled expectations" analysis to deny institution in several cases. In *iRhythm Technologies v. Welch Allyn, Inc.* (June 6, 2025), the Director denied institution partly because the patent had been in force for many years and the petitioner had long known of it, creating legitimate reliance interests for the owner and the market. Later that month, in *Dabico Airport Solutions, Inc. v. AXA Power ApS*, the Director denied institution even without evidence that the petitioner had actual notice of the patent, holding that a patent's age alone can establish settled expectations.

These decisions show that the Office recognizes the need for finality. The proposed rule moves in the same direction by imposing clear, public limits on when the Office will reopen questions of patentability.

VII. One Additional Refinement

A prior denial of institution on the merits under 35 U.S.C. § 314(a) should also preclude later petitions on the same claims. Once the Office has determined that a petition does not meet the statutory threshold, the patent owner should not face repeated attempts by other parties seeking a different panel or different articulation of the same arguments.

VIII. Conclusion

The proposed rule is a sound and necessary reform. It restores IPRs to the role Congress intended: a focused, efficient alternative to litigation, not a parallel attack on issued patents. It strengthens the reliance interests that arise once claims have been examined and upheld. And it is consistent with recent USPTO leadership that recognizes the need for stability, finality, and fairness.

I urge the Office to adopt the proposal in full and to consider the additional refinement discussed above.

Respectfully submitted,

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