

TYPES NOT MAPPED YET May 16, 2024 | TTR not mapped yet | Steven M. Ritchey

USPTO Issues Notice of Proposed Rule Making

On May 10, 2024, the United States Patent & Trademark Office (USPTO) issued a Notice of Proposed Rule Making (NPRM) that is a major change to terminal disclaimer practice that, if implemented, will significantly affect patent prosecution and litigation.

Specifically, the proposed rule changes will require a terminal disclaimer, which obviates non-statutory double patenting, to include an agreement that the subject patent “will be enforceable only if [it] is not tied and has never been tied directly or indirectly to a [reference] patent ... in which: (1) any claim has been finally held unpatentable or invalid [as being anticipated or obvious] in a Federal court in a civil action or at the USPTO, and all appeal rights have been exhausted; or (2) a statutory disclaimer of a claim is filed after any challenge based on [anticipate or obviousness of] that claim has been made.” Stated more succinctly, the disclaimant must agree that the subject patent is unenforceable if any claim of any “tied” patent is found anticipated or obvious. The notice provides several examples to demonstrate the meaning of a directly or indirectly “tied” patent. For example, if a terminal disclaimer for the subject patent is filed over reference patent #1, and a terminal disclaimer for reference patent #1 was filed over reference patent #2, the subject patent is tied to reference patents #1 and #2 despite there being no terminal disclaimer for the subject patent over reference patent #2. In short, the subject patent is “tied” to another patent if there is any degree of disclaiming connection from the subject patent to the other patent.

This is a substantial additional requirement to filing a terminal disclaimer, and goes well beyond the case law upon which the current terminal disclaimer practice is based. Under current practice, invalidation of one patent by a challenger *does not* affect the patentee’s ability to enforce its other patents against the same or a different challenger, even if they are tied together by terminal disclaimers. But if this proposed rule is adopted, the practical effect is an end-run around case law in which held filing a terminal disclaimer is not an admission, nor may it be presumed, that the claims of the subject patent are obvious over the reference patent. *Quad Environmental Technologies Corp. v. Union Sanitary District*, 946 F.2d 870 (Fed. Cir. 1991); *SimpleAir, Inc. v. Google LLC*, 884 F.3d 1160 (Fed. Cir. 2018).

Although not referenced in the NPRM, but prominently mentioned in the earlier Request for Comments, the proposed changes arose from a June 8, 2022 letter to the USPTO signed by senators Patrick Leahy (D-VT), John Cornyn (R-TX), Richard Blumenthal (D-CT), Susan Collins (R-ME), Amy Klobuchar (D-MN), and Mike Braun (R-IL) wanting to address perceived issues with large numbers of patents covering a single product in the pharmaceutical industry.

This proposed change to terminal disclaimer practice follows [proposed changes](#) to the USPTO’s fees for terminal disclaimers, Request for Continued Examination, continuation-type applications, and excess claims, with which the USPTO is implementing cost-based incentives that encourage compact and focused patent prosecutions reminiscent of its withdrawn Final Rules on Claims and Continuations of 2007. For example, the USPTO intends to institute significant fee increases for filing terminal disclaimers depending on the stage of the prosecution (e.g., an increase of 724%, from \$170 to \$1,400, for filing in an issued patent) and new fees for filing continuation-type applications more than five and eight years after the earliest priority date of \$2,200 and \$3,500 (undiscounted), respectively. Further, there is a 25% increase in fees for independent claims in excess of three, and a 100% increase in fees for dependent claims in excess of twenty.

The full text of Terminal Disclaimer notice is available at the [Federal Register](#), which also has a link for submitting comments to the proposed rulemaking until July 9, 2024.



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