



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 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:

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.gov/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 ... the Panel shall refer to matter to the Director 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 Sec'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. 1707 (2021).

[12] Director Institution of AIA Trial Proceedings, *supra* note 10; Memorandum from Coke Morgan Stewart, Acting Under Sec'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,

A handwritten signature in black ink, which appears to read "Frank Cullen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Frank Cullen
Executive Director
Council for Innovation Promotion (C4IP)