May 28, 2024

Via Electronic Submission

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

RE: Terminal Disclaimer Practice To Obviate Nonstatutory Double Patenting (89 FR 40439)

Dear Director Vidal,

We are former USPTO Directors, Deputy Directors, and Patent Commissioner who have served in multiple administrations of both parties. As active intellectual property law practitioners, we collectively have well over 100 years of experience with patent prosecution, licensing, litigation, and policy. We have represented patent owners and accused infringers in many different areas of technology. We are committed to maintaining a balanced, well-functioning patent system for the United States.

We take the unusual step of sending you this letter because we are deeply concerned with the substance and process surrounding the USPTO's recent promulgation of a rules package regarding continuations and terminal disclaimers (89 FR 40439). We call on your Office to withdraw it immediately. These proposed rules provide perverse incentives and threaten serious harm to America's innovation economy. They are contrary to law, and it will be argued that they exceed the Office's rulemaking authority.

We are particularly troubled that the Office promulgated rules of such consequence without conducting thorough studies that the public could evaluate regarding the proposed changes' alleged desirability and potential impact. The proposed rules run counter to decades of patent practice, undermining long-settled expectations. While we recognize that the USPTO has shown a genuine interest in receiving public feedback, the NPRM is having an immediate impact while pending. Patents convey property rights upon which inventors, investors, companies, and the public make important long-term decisions. They are financial instruments at the core of the innovation economy, enabling investment, trade, and collaboration. Radical changes in the patent system should be undertaken only after careful analysis of need, consequence, and public input.

The proposed rules package contradicts these fundamental principles of a stable and robust patent system. Some of our concerns include:

- Because the proposal clearly impacts the scope of patent rights in one application based on validity determinations in another, it will be argued that it constitutes a "substantive" rule, which is outside of the Office's statutory authority and, therefore, illegal.

- The proposal will increase the number of challenges to double patenting rejections and reduce the use of terminal disclaimers. This will, in turn, significantly increase the cost of obtaining patents and the hurdles in enforcing patents. This will disproportionately impact independent inventors, start-ups and small businesses, and other under-resourced innovators.
- The proposed rules render unenforceable entire patents if a single claim in a different patent is found to be invalid. This is a dramatic (and arguably illegal) departure from the normal process of considering each patent claim on its own merits.
- This proposal hands a powerful cudgel to infringers, who will attack an inventor's rights where there is a continuation patent by taking advantage of the shortcut these proposed rules would create. Infringers would be able to render strong, meritorious patent claims unenforceable without challenging those claims on their own merits.
- The proposal seeks to solve a problem that does not exist. At a minimum, the USPTO has made no showing that the terminal disclaimer and continuations practice is harming the American economy or that the new rules would improve matters if adopted.

Combined with another recent proposal to increase fees for continuations and terminal disclaimers, some over 700%, the Office is evidently attempting to significantly deter, if not eliminate, continuations practice – a right that inventors are given by statute. It is not for the USPTO, an administrative agency with no substantive rulemaking authority, to make such an important decision for the United States on its own.

At a time when America is losing its technological edge to China and other nations and needs to maximize its creative output in order to compete in artificial intelligence, 5/6G, quantum, energy, biotechnology, and so much more, the USPTO's NPRM destabilizes the patent system and advances anti-innovation policies. The terminal disclaimer and continuations proposal creates uncertainty every day that it remains under consideration, disrupting the innovation economy even if the rules are ultimately not adopted. The USPTO should withdraw this proposed rules package immediately and work to restore stability and predictability in the American patent system.

Sincerely,

Drew Hirshfeld
Performed the Functions and Duties of the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office (2021-2022)
Former Commissioner for Patents of the U.S. Patent and Trademark Office (2015-2022)

Andrei Iancu
Former Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent & Trademark Office (2018-2021)

David Kappos
Former Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office (2009-2013)

Laura Peter
Former Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the U.S. Patent and Trademark Office (2018-2021)

Russell Slifer
Former Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the U.S. Patent and Trademark Office (2015-2017)