Conservatives
for
Property Rights

July 8, 2024

Director Kathi Vidal
U.S. Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22313

RE: Terminal Disclaimer Practice to Obviate Nonstatutory Double Patenting, Docket No. PTO-P-2024-0003

Dear Director Vidal,

Conservatives for Property Rights (CPR) is pleased to comment on the U.S. Patent and Trademark Office's (PTO) Notice of Proposed Rulemaking (NPRM) on "Terminal Disclaimer Practice to Obviate Nonstatutory Double Patenting" (Docket No. PTO-P-2024-0003).

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. We believe U.S. public policy must provide for clear, secure, reliable, and enforceable property rights — including intellectual property rights.

We urge PTO to withdraw this proposed rule. It is a recipe for causing disruption to patent prosecution, denying patentees their constitutional and statutory rights, wiping out property rights to inventions, and handing patent infringers (and malevolent foreign competitors) yet another antipatent weapon. It further turns PTO into an enemy of American invention.

CPR associates itself with the considered perspective expressed in May 28, 2024, correspondence signed by bipartisan, former top PTO officials.[1] Their collective wisdom

[1] https://ipwatchdog.com/2024/05/29/former-uspto-officials-urge-vidal-immediately-withdraw-nprm-terminal-disclaimers/id=177142/

should be heeded. The proposed rules radically changing the repercussions of filing terminal disclaimers should be immediately withdrawn.

Terminal disclaimers provide patent applicants with flexibility in the patent application process, which benefits both inventor and PTO, including in situations where technologies unfold over time. This flexibility allows a patent applicant to secure the full scope of patent protection throughout the innovation process and, in exchange, the public obtains broad, early disclosure of these innovations. Thus, these procedural measures accommodate the Patent Bargain's equal trade of public disclosure in exchange for exclusivity, as well as the practical reality that invention and subsequent improvements routinely involve allocation of the patent owner's limited resources over a period of time and the constraints of uncontrollable regulatory, commercial, etc. hurdles along the way.

Several patent attorneys with whom I have spoken express surprise, or shock, at the dramatic proposal. Its far-reaching lengths, such as radically making all patent claims unenforceable if a single claim in another patent is found invalid when the patent claims are tied via a terminal disclaimer to that other patent, runs counter to the statutory presumption that each patent is valid on its own. That is, this rule is contrary to statute. It exceeds the agency's limited rulemaking authority. It very likely suffers constitutional infirmities. And it makes a U-turn as to the role of the Patent Office in fostering "the progress of science and useful arts."

The proposed rule would adversely affect the patent application strategies of all sized inventors and companies and of all technologies. Small companies, startups, independent inventors, and those who depend on venture investment would suffer great harm from this misguided change to an established, routine part of patent prosecution and commercialization. I.E., PTO proposes to disrupt U.S. invention and patenting.

Ultimately, innovators require confidence that their IP confers reliable rights and quiet title. In today's knowledge economy, a well-functioning patent system that instills this confidence is crucial for incentivizing the innovation and entrepreneurship that drive progress. Such predictability and certainty of settled procedures and means of managing patenting and commercialization strategies are imperative to private investors' and commercialization partners' assurance in patent-intensive investees' IP.

By starting from the premise that patents are property rights and making the protection of those rights the guiding principle, PTO can craft rules that genuinely serve America's innovators and the public interest. Our nation's continued leadership in the innovation

industries of the future depends on getting this right. Therefore, we urge PTO immediately to withdraw this proposal with these concerns in mind.

Sincerely,

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