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December 2, 2025

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

Submitted via: <https://www.regulations.gov>

Dear Director Squires:

Intellectual Property Owners Association appreciates the opportunity to respond to the USPTO’s Notice of Proposed Rulemaking (NPRM), published on October 17, 2025, concerning “Revision to Rules of Practice Before the Patent Trial and Appeal Board.”

IPO is an international trade association representing a “big tent” of diverse companies, law firms, service providers, and individuals in all industries and fields of technology that own, or are interested in, intellectual property rights. IPO membership includes over 125 companies and spans over 30 countries. IPO advocates for effective and affordable IP ownership rights and offers a wide array of services, including supporting member interests relating to legislative and international issues; analyzing current IP issues; providing information and educational services; supporting and advocating for an IP system that enables innovation and creativity; and disseminating information to the public on the importance of IP rights. IPO’s vision is the global acceleration of innovation, creativity, and investment necessary to improve lives.

IPO has long emphasized that the predictability of the IP legal framework enables and encourages innovators to make significant investments in research, development, and commercialization. When laws or policies undermine legal certainty, they risk disrupting innovation and deterring investment. Predictability and certainty in PTAB proceedings are essential to a well-functioning post-grant system, and clear, consistently applied legal standards enable innovators and competitors to make informed decisions about investment, risk, and litigation strategy. As explained further below, when institution criteria or procedural requirements change frequently, stakeholders can face uncertainty that can deter innovation and increase costs. Ensuring that PTAB rules remain grounded in transparent, objective, and statutory criteria will promote confidence in the system, support high-quality patent rights, and strengthen the stability of the U.S. innovation ecosystem.

I. Overview and General Comments

IPO shares the USPTO’s goals of promoting efficiency, avoiding unnecessary duplication between the PTAB and the courts, and ensuring predictability in post-grant practice. IPO members strongly support predictable and transparent procedures and favor an inter partes review (IPR) system that effectively ensures the quality of U.S. patents.

Because we are a “big tent,” IPO members have a diverse range of opinions concerning the NPRM, with some supporting and others opposing the rule revisions. Nevertheless, we have found some points of consensus on ways in which the NPRM might be improved should it be implemented.

IPO members overwhelmingly value predictability and certainty in the intellectual property system. Major changes in the laws governing IP protection can threaten the core innovative work that IPO members undertake. This is true across technology areas, for members whose patent portfolios are large, small, or in between, and regardless of the frequency with which they engage in litigation. Consequently, many IPO members are concerned about the magnitude of the shift presented by the NPRM and the precedent this sets for significant changes in future administrations.

IPO recognizes that Congress committed institution decisions to the Director’s discretion and protected that exercise of discretion from judicial review by making such determinations “final and nonappealable.” *SAS Inst., Inc. v. Iancu*, 584 U.S. 357, 358 (2018); 35 U.S.C. § 314(d). However, over the last decade, that discretion has been used to create swings in policy and procedure, from rules more favorable to patent owners, more favorable to patent challengers, and back again, every few years. This undermines predictability and can create issues for patent owners regarding patent valuation, validity, and assessing litigation risk. We encourage rules that are likely to stand the test of time rather than rules that might be susceptible to change from administration to administration.

Furthermore, the proposed rules appear to be in tension with the language of the America Invents Act (AIA) and the Congressional intent behind it, specifically the estoppel and multiple-proceeding provisions of §§ 315 and 325. By substituting categorical prohibitions for individualized discretion, the proposal risks exceeding statutory authority under the Administrative Procedure Act. 5 U.S.C. § 706(2)(C).

Finally, IPO is concerned about the interplay between the NPRM and the Director’s recent reclamation of authority to make institution decisions. Although IPO recognizes the intent to ensure consistency in institution determinations, summary decisions do not provide any reasoning that will allow parties to understand how the NPRM is applied in practice. This could undermine transparency and predictability, create the perception of arbitrary and capricious decision-making, and decrease public confidence. An important aspect of exercising discretion is providing well-reasoned opinions that demonstrate to stakeholders that discretion is being exercised consistent with the underlying facts, law, and language of the AIA. Therefore, IPO recommends that institution decisions continue to provide written explanations sufficient to guide future parties and panels.

IPO urges the USPTO to not move forward with the proposed rules as drafted and to instead attempt to reach consensus and support among stakeholders such that any action taken or rules promulgated better represent the interests of the patent community and are not as likely to be undone by future USPTO leaders.

II. Comments Responsive to Proposed New Subsections of § 42.108

IPO provides the following recommendations and comments for each of the proposed additions to § 42.108, namely new proposed subsections d-g.

A. IPO Requests Revision of the Requirement to Waive All Future §§ 102 and 103 Challenges

The NPRM proposes adding the following as § 42.108(d), relating to a stipulation that will accompany a petition for IPR:

(d) *Required stipulation for efficiency.* *Inter partes* review shall not be instituted or maintained 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.

Requiring petitioners to waive future challenges unrelated to patents or printed publications is beyond the scope of the AIA. As written, this rule would require a petitioner to waive all future §§ 102 and 103 challenges in any forum as a condition of institution, even though not all §§ 102 and 103 defenses may be raised in an IPR. The scope of IPR proceedings is limited in 35 U.S.C. § 311(b) to grounds “that could be raised under section 102 or 103 **and only on the basis of prior art consisting of patents or printed publications.**” Outside of the IPR context, challenges under §§ 102 and 103 extend to include prior-use, on-sale, product-based art, or derivation arguments, which cannot be raised in IPR.

Moreover, the proposal is inconsistent with Congress’ express statement, codified in 35 U.S.C. § 315(e), of the extent to which estoppel should apply. Extending estoppel to include prior-use, on-sale, or product-based art that cannot be raised in an IPR would conflict with the AIA statute and unduly discourage meritorious petitions.

This proposed rule shifts the calculus for petitioners, who would be required to relinquish the right to raise §§ 102 and 103 challenges in Article III courts, as provided by the Patent Act, in favor of pursuing IPR. This rule would thus frustrate the intent of the AIA to offer an alternative forum for contesting patent validity.

IPO recommends narrowing this provision so that any waiver applies only to grounds that reasonably could have been raised during IPR—consistent with both the text and the policy considerations underpinning the AIA. Accordingly, the stipulation should conform to the types of prior art that the statute provides as the basis for an IPR petition, *i.e.*, patents and printed publications. IPO further recommends that any proposed rule should not be applied retroactively to any previously filed petitions.

B. IPO Requests Revision of the Proposed Bars to IPRs Based on Prior Proceedings

The proposal to add § 42.108(e) would prevent institution or maintenance of a proceeding if a claim from the challenged patent was previously found not invalid or patentable (with certain conditions) in a U.S. District Court trial, U.S. District summary judgment, U.S. International Trade Commission (ITC) determination, PTAB final written decision, *ex parte* reexamination, or Federal Circuit decision.

As written, the rule would bar any subsequent petition against a claim that has previously been challenged absent extraordinary circumstances. A near-categorical prohibition would unfairly restrict legitimate IPR challenges and invite strategic gamesmanship to insulate patents. IPO recommends that the USPTO instead codify a factor-based approach, preserving discretion to deny truly repetitive or abusive petitions while maintaining the flexibility to institute likely meritorious petitions where new art, new arguments, or unrelated parties are involved and employing a more flexible standard that considers factors such as the facts of the prior case, including the petitioner's privity with the parties to the prior case (or lack thereof). IPO further recommends that any proposed rule not be applied retroactively.

IPO also notes that it is incongruous to bar a petition in view of a prior ITC determination, which is not binding on either party. The ITC cannot invalidate a patent and cannot even determine conclusively that a patent has not been shown to be invalid. Because the ITC does not finally resolve an invalidity dispute *between the parties*, much less as to the public, the USPTO's role in adjudicating meritorious claims of patent invalidity is undiminished by the fact that the ITC may have previously considered challenges to the patent.

C. IPO Opposes the Proposed Bars Relating to Parallel Litigation Timing

The proposal to add § 42.108(f) would prevent institution or maintenance of an IPR proceeding challenging a particular claim or claims if, more likely than not, the IPR will not be completed prior to a U.S. District Court trial, an ITC determination, or PTAB final written decision (in a separate proceeding) relating to that claim or claims.

IPO appreciates the USPTO's interest in coordinating PTAB and district-court proceedings to prevent duplicative challenges. However, tools already exist to avoid duplication at both the PTAB and in the District Courts. Congress is also considering alternative approaches to parallel litigation, such the Promoting and Respecting Economically Vital American Innovation Leadership (PREVAIL) Act. IPO recommends maintaining a more flexible approach to considering co-pending litigation that utilizes the existing tools, rather than creating a rigid structure for denying institution, absent contrary guidance from Congress. As such IPO recommends that the USPTO not adopt proposed § 42.108(f).

The argument against deference is stronger where the relevant hearing date is in the ITC, which cannot determine patent validity with finality. It is the PTAB, as opposed to the ITC, who should fulfill that function if presented with a meritorious challenge.

D. Comment on "Extraordinary Circumstances" Provision

Proposed § 42.108(g) would define exceptional circumstances that would justify diverging from the standards laid out in proposed §§42.108(d)-(f). IPO opposes proposed § 42.108(g) to the extent that it does not allow for the flexibility in instituting petitions recommended above and due to the lack of predictability in its application.

III. Conclusion

IPO appreciates the opportunity to provide input on this important rulemaking. IPO encourages the USPTO to withdraw or substantially revise the NPRM and accompanying memorandum to align

with the statutory framework of the AIA and the principles of transparency, fairness, and predictability that underpin effective patent adjudication.

IPO offers these comments in a constructive spirit and shares the USPTO's goals of strong patents, efficiency, and consistency. IPO welcomes continued dialogue on refining the PTAB framework and stands ready to participate in whatever manner the USPTO would like to help achieve a balanced outcome that enhances both patent quality and procedural fairness.

Sincerely,

A handwritten signature in black ink that reads "Krish Gupta". The signature is written in a cursive, flowing style.

Krish Gupta
President