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Gavel to Gavel: Former USPTO directors urge reconsideration of proposed terminal disclaimer rule

By : Christopher Schrock Guest Columnist, July 3, 2024

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Five former directors of the U.S. Patent and Trademark Office have called on current Director Kathi Vidal to withdraw proposed changes to terminal disclaimer rules. Vidal's predecessors worry the rule would depart from the "normal process of considering each patent claim on its own merits." Why?

Currently, terminal disclaimers stop patent applicants from securing rights beyond 20 years. When a first patent won't cover the full scope of an invention, the applicant can file a "continuation" application to claim the rest of the breakthrough. If the USPTO believes the second application is "obvious" in view of the first, the applicant must shorten the life of the derivative patent. You can't have 20 years on a "parent" patent plus additional time on a nearly-identical "child."

The USPTO worries that continuation patents create abusive redundancies. A wealthy applicant could use continuation applications to obtain "multiple patents directed to obvious variants" – layered protections for only one breakthrough. The new rule would eliminate layers by making the child patents depend on their parents.

An example shows the former Directors' concern. Suppose a parent patent has two claims, (1) a dilithium power source for Galaxy-class starships and (2) the atomic structure of dilithium. Claim (2) covers a natural phenomenon and, therefore, is not patent-eligible (but a fluke examination allows it anyway). Also suppose a child patent expands claim (1) to claim (1'): a dilithium power source for Nebula-class starships.

Now, an infringer of claim (1') makes and sells dilithium power sources for Nebula-class starships. The patent holder sues. With the "normal process," the defendant can challenge claim (1') on its own merits. Was the dilithium power source for Nebula-class starships eligible for patenting? If not, a court can invalidate it. Focusing on any other claim would be a red herring.

Under the proposed rule, however, invalidation of any claim in the parent patent would render the child unenforceable. Therefore, the defendant could target claim (2), which is clearly

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invalid but not in dispute. Because the atomic structure of dilithium is a natural phenomenon and not patent-eligible, the child patent, including claim (1') becomes unenforceable. In other words, the defendant could win without addressing the infringed claim, and the patent holder could lose otherwise-legitimate patent rights.

According to the former Directors, this result is unacceptable. Comments on the proposed rule close on July 9, 2024.

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