USPTO CONSIDERING CHANGES TO ENFORCEABILITY OF PATENTS SUBJECT TO A TERMINAL DISCLAIMER

Date: 16 May 2024

US Intellectual Property Alert

By: Jason A. Engel, John Paul A. Galgano

On 10 May 2024, the United States Patent and Trademark Office (USPTO) published a Notice of Proposed Rulemaking aimed at changing the current practices surrounding terminal disclaimers. The proposed change could have substantial effects on the enforceability of patents that are subject to a terminal disclaimer.

LEGAL BACKGROUND

At a basic level, a terminal disclaimer ties two patents together such that the enforcement period of the second patent does not extend beyond the enforcement period of the first patent. The USPTO often requires a terminal disclaimer if at least one of the claims of the second patent is an obvious variant of the first patent, a condition referred to as "nonstatutory (obviousness-type) double patenting." Under current rules, if the first patent is found to be invalid, there is no direct effect on the second patent that is subject to the terminal disclaimer.

PROPOSED RULE CHANGE

The Notice of Proposed Rulemaking takes the position that terminal disclaimers generally stifle competition and can lead to infringement actions involving far too many patents aimed at essentially the same invention.[1] The USPTO is therefore considering revising the current rules so that a patent subject to a terminal disclaimer is no longer enforceable if:

- A final, nonappealable decision has been made by a federal court or the USPTO that any one claim in the first patent is invalid under 35 U.S.C. § 102 or § 103; or
- A statutory disclaimer of a claim is filed for the first patent after any challenge to that claim under 35 U.S.C. § 102 or § 103 has been made.[2]

The proposed rule change would make it easier for a defendant in a civil action to invalidate multiple closely related patents being simultaneously asserted against it.

The USPTO has noted that those opposed to changes in terminal disclaimer practice raised the following: "validity is determined on a claim-by-claim basis; claims are presumed valid under 35 U.S.C. § 282; the fact that prior art invalidates a claim in one of two patents tied together by a terminal disclaimer does not necessarily mean that the same prior art would invalidate a claim in the other patent; and/or these changes raise questions of due process and fairness."[3] The USPTO also noted that certain commenters questioned the USPTO's authority to make

©2005-2026 K&L Gates LLP. All Rights Reserved.

changes in terminal disclaimer practice,[4] but the USPTO countered that "[a] rule requiring that terminal disclaimers filed to obviate nonstatutory double patenting include language placing conditions upon enforcement was previously upheld as within the USPTO's rulemaking authority. *See In re Van Ornum*, 686 F.2d 937 (CCPA 1982)."[5]

LOOKING FORWARD

The proposed rulemaking is currently open to public comments until 9 July 2024. Those interested in submitting comments can do so at the following link: https://www.regulations.gov/document/PTO-P-2024-0003-0001.

For further reading on this topic please read our blog.

FOOTNOTES

[1] Terminal Disclaimer Practice To Obviate Nonstatutory Double Patenting, 89 Fed. Reg. 40439, 40440 (proposed May 10, 2024) (to be codified at 37 C.F.R. pt. 1).

[2] *Id*. at 40441.

[3] *Id*. at 40440.

[4] *Id*.

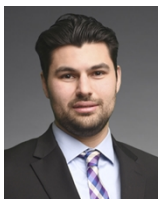
[5] *Id*. at 40441.

KEY CONTACTS



JASON A. ENGEL
LEAD PRACTICE AREA LEADER - INTELLECTUAL PROPERTY

CHICAGO
+1.312.807.4236
JASON.ENGEL@KLGATES.COM



JOHN PAUL A. GALGANO
ASSOCIATE

CHICAGO
+1.312.807.4290
JP.GALGANO@KLGATES.COM

This publication/newsletter is for informational purposes and does not contain or convey legal advice. The information herein should not be used or relied upon in regard to any particular facts or circumstances without first consulting a lawyer. Any views expressed herein are those of the author(s) and not necessarily those of the law firm's clients.

©2005-2026 K&L Gates LLP. All Rights Reserved.