Before the
United States Patent and Trademark Office
Alexandria, VA

In re Revision to Rules of Practice Before the Patent Trial and Appeal Board	Docket No. PTO-P-2025-0025

COMMENTS OF
COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION

The Computer & Communications Industry (CCIA)[1] submits the following comments in response to the U.S. Patent and Trademark Office's Nov. 17, 2025, Notice of Proposed Rulemaking.[2]

CCIA is an international, not-for-profit trade association representing a broad cross section of communications and technology firms. For more than fifty years, CCIA has promoted open markets, open systems, and open networks. CCIA members employ more than 1.6 million workers, invest more than $100 billion in research and development, and contribute trillions of dollars in productivity to the global economy.

CCIA members are at the forefront of research and development in technological fields such as artificial intelligence and machine learning, semiconductor manufacturing, and other computer-related inventions. CCIA members are also active participants in the patent system, holding approximately 5% of all active U.S. patents and significant patent holdings in other jurisdictions such as the EU and China.

I. Summary

The proposed rules are economically disastrous, destroying the most effective reform to the U.S. patent system since the 1952 Act, as well as legally impermissible. They are also inconsistent with the purpose and statutes of patent law. Finally, they are being pursued in violation of numerous good government processes, including executive orders on regulatory reform, and appear to have erroneously avoided the regulatory oversight processes that the Office of Information and Regulatory Affairs ordinarily conducts.

For all of these reasons, the NPRM should be abandoned and all precedential decisions related to discretionary denial should be de-designated.

[1] A list of CCIA members is available online at https://www.ccianet.org/about/members.
[2] Notice of Proposed Rulemaking, 90 Fed. Reg. 51406 (Nov. 17, 2025) (hereinafter "Notice").

II. "Patent examination quality issues, predatory patent assertions and litigation abuse have precluded continued progress and efficiencies"[3]

In 2007, this was the sense of numerous industries. One of the key reforms that helped mitigate this issue was the creation of the *inter partes* review (IPR) process. This statement remains the sense of many industries, including those represented by CCIA. Destroying IPR, as would be the result of these rules, would not improve it.

Congress intended for America Invents Act (AIA) trials to provide "an effective and less expensive alternative to litigation."[4] And, in general, policy favors approaches that do not impose unnecessary costs on the participants or the public—in fact, the Office is required to consider the impact of regulation on the economy in its AIA rulemakings.[5] In determining whether to conduct rulemaking on this topic, the Office should consider the economic impacts of rules that increase discretionary denial of meritorious petitions, which are likely to be significant. It should also consider the indirect impacts on parties not before the Patent Trial and Appeal Board (PTAB) and the overall procedural cost of errors.

Once these costs are considered, it becomes clear that errors by denial of meritorious petitions are far more costly than errors by institution of petitions on patents ultimately determined to be valid, and thus that rulemaking should strongly disfavor discretionary denials. This complies with the Congressional objective of an effective and inexpensive alternative, as well as providing the most efficient policy that has the most positive economic impact.

A. "It's time to enable patent law to generate the substantial returns for the U.S economy and American competitiveness that it should"[6]

In a study conducted after the fifth anniversary of the IPR program, prior to the significant rise in the use of discretionary denial, CCIA concluded that, during those first five years of IPR, petitioners and patent owners had saved approximately $2.31 billion in deadweight loss.[7] The savings identified primarily reflect avoided legal fees, and do not attempt to capture the value of avoided transfer payments, lost employee time, or the multiplier effect that increased spending on R&D and employees may bring. A more recent study by the Perryman Group over the 2014-2019 period found a similar positive economic impact from IPR.[8]

However, recent changes that reduced access to IPR have led to negative economic impacts that are reflected in estimated costs.[9] A median IPR for a patent in the electrical

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[3] Patent Reform: The Future of Innovation: Hearing Before the S. Comm. On the Judiciary, 110th Cong. (2007) (written statement of John A. Squires, Esq., Chief Intellectual Property Counsel, Goldman, Sachs, & Co.) (hereinafter "Testimony of John A. Squires")

[4] Markup of H.R. 1249, the "America Invents Act" Before the H. Comm. on the Judiciary, 112th Congress (2011), (remarks of Rep. Zoe Lofgren, Member H. Comm. on Judiciary), https://www.uspto.gov/sites/default/files/aia_implementation/20110414-house_judiciary_mark-up_transcript.pdf.

[5] 35 U.S.C. § 316(b).

[6] Testimony of John A. Squires, *supra* n. 3.

[7] Landau, "Inter Partes Review: Five Years, Over $2 Billion Saved", *Patent Progress* (Sep. 14, 2017), https://www.patentprogress.org/2017/09/14/inter-partes-review-saves-over-2-billion/.

[8] Perryman Group, "An Assessment of the Impact of the America Invents Act and the Patent Trial and Appeal Board on the US Economy" (June 2020), https://www.perrymangroup.com/media/uploads/report/perryman-an-assessment-of-the-impact-of-the-american-invents-act-and-patent-trial-and-appeal-board-on-the-us-economy-06-2020.pdf.

[9] For example the *NHK Spring* decision, which limited access to IPR based on scheduled trial date appears to be causally related to both increases in estimated cost of IPR and litigation and reduced institution rates.

technologies costs approximately $150,000 through filing of a petition, and $500,000 through appeal.[10] At the same time, a mid-sized NPE dispute in district court regarding that same technology area costs approximately $3,200,000 per patent to defend.[11] Patent owner costs are estimated by practitioners to be approximately equal to petitioner costs.[12] Based upon RPX estimates of litigation cost phasing,[13] a reasonable estimate for costs incurred in litigation prior to an IPR-based stay is approximately 1/5 of total costs, or $640,000, meaning that an instituted meritorious IPR saves approximately $2.56 million per party, for a total of $5.12 million per instituted IPR. Approximately 70% of IPR petitions are related to actively litigated patents,[14] and at least 80% of petitions represented a unique petitioner/patent pairing, meaning that a minimum of 80% of petitions would provide a unique litigation cost benefit. Finally, though not all IPRs lead to a stay, approximately 77% do.[15] The portion of IPRs leading to litigation stays leads to an estimated discount factor of 57% to reflect IPRs with overlapping litigation cost benefits, and an estimated discounted savings of $2.2 million per petition instituted, with half of that benefit accruing to each party.[16]

But if a meritorious petition is instead denied on a discretionary basis, the economics are reversed. The petitioner pays $150,000 to prepare and file their petition, but avoids no deadweight losses from litigation, and must pay the full cost of defense in order to invalidate the patent in court. The patent owner similarly pays to respond to the petition and to litigate, without any ultimate benefit. Thus, contrary to an instituted IPR scenario, each discretionary denial creates a deadweight loss of $2.2 million over the status quo *ex ante* of institution of meritorious petitions.

Any potential payment from petitioner to patent owner is ignored in this analysis as it is a prototypical transfer payment that simply shifts a resource from one economically productive actor to another, not a deadweight loss. Petitioners are also innovative productive actors and typically avoided transfers will instead be used for innovation by the petitioner, meaning there is no economic loss or foregone innovation.

B. "A second window to oppose, triggered when notice is provided, may be the first and only opportunity for the industry to challenge a patent's validity before the agency best equipped to review the art it has marshaled"[17]

Discretionary denials also create negative indirect impacts on other companies who are chilled from innovating and investing due to the presence of an invalid patent.

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[10] AIPLA, "Report of the Economic Survey 2023" 63 (2023). These costs have increased alongside the increase in the use of discretionary denials.
[11] *Id*. at 62.
[12] *Id*. at 71.
[13] RPX, "NPE Litigation: Costs by Key Events" (Mar. 2015), https://www.rpxcorp.com/wp-content/uploads/2014/12/Final-NPE-Litigation-Costs-by-Key-Events.pdf.
[14] Vishnubhakat et al., "Strategic Decision Making in Dual PTAB and District Court Proceedings", 31 Berkeley Tech. L.J. 45, 46 (2016), https://scholarship.law.tamu.edu/cgi/viewcontent.cgi?article=2049&context=facscholar.
[15] McClellen *et al.*, "How Increased Stays Pending IPR May Affect Venue Choice," Law360 (Nov. 15, 2019), https://www.law360.com/articles/1220066/how-increasedstays-pending-ipr-may-affect-venue-choice.
[16] $4.8 million, discounted by 57%, yields 2.06 million. (4.8*.43=2.06).
[17] Testimony of John A. Squires, *supra* n. 3.

1. The potential for discretionary denial disincentivizes use of IPR to combat low-quality patent assertions

Prior to the existence of IPR, firms—especially small and medium-sized enterprises (SMEs)—that were faced with a low-quality patent assertion could either pay the entire cost to litigate the patent or settle. Settlements were often priced at a "nuisance cost"—a level below the cost of litigation—to take advantage of this dynamic, abusing the litigation process to extract nuisance settlements.

The creation of IPR changed this calculus. Because IPR is an order of magnitude less expensive than litigation, nuisance cost settlements had to be reduced correspondingly. Instead, companies, including SMEs, could challenge the low-quality patents issued by the Office and used for abusive patent litigation. One such example is the MPHJ "scan-to-email" patent. That patent litigation campaign was so notorious that MPHJ was ultimately sued by the state of Vermont and the majority of states adopted laws against bad-faith patent litigation.[18] Even that did not eliminate the threat. Ultimately, this abusive litigation campaign was brought to an end by the use of IPR.[19] If discretionary denials had been prevalent at the time, MPHJ could have entirely avoided IPR by choosing to file its cases in district courts that set aggressive trial schedules.

Further, the presence of discretionary denial would more broadly change the settlement calculus, increasing nuisance cost settlement rates, by permitting plaintiffs to use particular filing strategies to avoid IPR. This, in turn, creates an incentive for firms—particularly SMEs—not to invest in innovation, as such investment increases the risk of facing such nuisance complaints.

2. Even the potential of discretionary denial disincentivizes use of IPR to "clear the field" for product development

The potential for discretionary denial—the potential for the Office to say that, while the patent appears to be invalid, it still will not hear the case—creates a significant disincentive to challenge poor-quality patents before investing resources in product development. This, in turn, leads to less productive activity overall, rather than to more innovation.

In one recent instance of using IPR to attempt to clear the field, a company sought IPR to ensure that it could legally make a product desired by its customers. Developing such a product would cost hundreds of millions or even billions of dollars.[20] Rather than launching their product at risk of litigation, the company filed a petition for review. If such a petition were to be discretionarily denied, the company would be faced with the choice of investing hundreds of millions of dollars in product development that they might never recoup due to infringement allegations, investing additional dollars in needlessly developing a product that designs around an invalid patent, or else not developing a product in that space.

Again, the potential for discretionary denials increases the chance that a company will choose not to innovate, rather than risk investing in an IPR that is denied and fails to clear the field. This, in turn, leads to reduced innovation and concomitant harms to consumers and other firms who might benefit from the forgone innovative activity.

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[18] Landau, *IPR Successes: Scan-To-Email Defeated By Scanner Makers*, Patent Progress (Oct. 4, 2017).
[19] *See* IPR2014-00538.
[20] Petition for *Certiorari* in *GE v. Raytheon*, Dkt. No. 19-1012 (Feb. 12, 2020) (cert. denied May 26, 2020).

3. The discretionary denial process is biased against petitioners, which leads to reduced willingness to innovate and take risks

Finally, the discretionary denial process itself is inherently biased against petitioners, as it is always used to deny a petition that deserves institution on the merits.[21] Given this clear bias, innovators who face the potential for patent litigation are less inclined to take risks and innovate. Reduced access to IPR decreases the ability of innovators to defend themselves from meritless patent assertions. This, in turn, becomes part of the risk calculus when deciding where to invest. Similarly, when venture capital considers which startups to invest in, the potential for patent litigation is seen as a strongly negative signal for investment.[22]

By reducing risk and exposure to litigation, IPR increases investment in innovation and risk-taking. The corollary is that reduced access to IPR, especially the unpredictably reduced access to IPR created by discretionary denial rules, decreases investment in innovation and reduces innovative risk-taking.

C. "[E]ven if it were possible to review all of the relevant patents in the first window, it would be impossible to determine how a patentee might interpret and apply the patent."[23]

In normal court proceedings, denial of an early motion simply postpones the legal issue to a later date. Even where the issue is considered to be fully adjudicated based on the law, such as with a judgment as a matter of law, the losing party maintains the ability to appeal.

Institution decisions do not operate in this fashion. Once denied, the losing petitioner typically lacks any ability to appeal that denial, then or at any later date. They are fully cut off from access to AIA trial proceedings.[24] In contrast, when a petition is instituted on a patent claim, while there are financial costs to both petitioner and patent owner, patent owners may still win at the final written decision stage and retain the ability to appeal an invalidation they believe to be erroneous. (Patent owners also benefit by avoiding the greater costs of addressing invalidity in co-pending litigation if they agree to a stay.)

In general, procedural rules are intended to jointly minimize two costs—"error costs," costs resulting from mistakes in adjudication, and "direct costs," the costs involved in reaching adjudication.[25] Because of the asymmetric severity of an error at the institution phase, where an error is far more harmful to petitioners than it is to patent owners, an error cost minimizing rule would generally lean towards institution. The direct cost of institution—that is, the cost of an IPR proceeding—is also significantly lower than the direct cost of denial, being the cost of

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[21] Were the petition unable to show a reasonable likelihood of prevailing on at least one claim, the USPTO could simply deny it on the merits. Thus, discretionary denial is always an admission that the USPTO either believes the petition to be meritorious, or has failed to conduct its statutorily required determination of whether such a reasonable likelihood exists. 35 U.S.C. § 314(a),(c).

[22] Feldman, "Patent Demands & Startups: Views from the Venture Capital Community", 16 Yale J.L. & Tech. 236, 243 (2014) ("100% of venture capitalists indicate that if a company had an existing patent demand against it, they might refrain from investing").

[23] Testimony of John A. Squires, *supra* n. 3.

[24] *See Thryv, Inc. v. Click-To-Call Technologies, LP*, 140 S. Ct. 1367 (2020); *In re Cisco Systems, Inc.*, Case No. 2020-148 Dkt. No. 17 (Fed. Cir. Oct. 30, 2020) (barring appeal of a *Fintiv* denial of institution).

[25] *See* Posner, "An Economic Approach to Legal Procedure and Judicial Administration", 2 J. Legal Stud. 399, 400 (1973).

litigation or at least of post-stay litigation.[26] Applying these general biases to the error-minimizing approach, the optimal approach to a discretionary denial rule is to never deny discretionarily.

III. "[T]he more common experience unfortunately has been that the patent system is a legal system in need of substantial reform"[27]

While this was, and remains, true, the 'reforms' proposed in the NPRM are not the needed ones. In fact, adoption of the NPRM would exacerbate the need for reforms. IPR has provided a second-window ability to review patents that should not have issued. Congress created the program for precisely this reason and set forth a variety of limitations on IPR. Most relevant to this NPRM, Congress spoke to how IPR would relate to parallel litigation and chose not to set any limits based on prior determinations from courts or the International Trade Commission. The rules proposed by the NPRM violate Congress's clear intent.

A. "[W]e support the language in the bill as introduced" [28]

It is a core principle of administrative law that, where "Congress has directly spoken to the precise question at issue" and "the intent of Congress is clear" then "that is the end of the matter."[29] In those circumstances, the agency "must give effect to the unambiguously expressed intent of Congress."[30] Here, with respect to the proposed rules, Congress has spoken directly to the relevant questions—who can file a petition, how long they have to file it, what standard to apply, whose patents are subject to review, what—if any—estoppel takes effect, and when that estoppel takes effect. And it has done so clearly.

That is the end of the matter. The USPTO lacks any authority to institute rules like those proposed in the NPRM.

While Congress provided the Director with some amount of discretion on institution, that discretion was intended to fill in gaps, not to contradict the statutory design. Gaps that discretion could fill include defining what qualifies as abuse of process or discovery, or what justice requires in the course of discovery.[31]

B. "[T]he second window is the only proposal that addresses this issue and as a practical matter, is the first and only opportunity"[32]

But Congress also set a number of clear limits on the Director's discretion over institution. Institution may only occur when the Director determines that a "reasonable likelihood that the petitioner would prevail" exists.[33] The Director must inform the petitioner, the patent owner, and the public of that determination.[34] Congress gave the petitioner one year

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[26] *See* Section II, *supra*.
[27] Testimony of John A. Squires, *supra* n. 3.
[28] *Id*.
[29] *Chevron USA Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 842-43 (1984) (overturned on other grounds).
[30] *Id.*
[31] 35 U.S.C. § 316(a)(5), (a)(6).
[32] Testimony of John A. Squires, *supra* n. 3.
[33] 35 U.S.C. § 314(a).
[34] 35 U.S.C. § 314(c).

after service of complaint to file their petition.[35] And Congress said that "any person who is not the patent owner" may file a petition against a patent; it did not in any way limit the universe of patents against which a petition may be filed.[36]

Former members have stated that there are major problems with proposals similar to those in the present NPRM.[37] Current members of Congress have questioned the USPTO's authority to implement rules like those in the NPRM, with statements like "it's not up to the PTO to try and make the law and redo it in their rulemaking process."[38] Congress is correct—this is not the Office's role, and the USPTO lacks authority to make these rules.

None of these limits are ambiguous. Congress debated various rules and ultimately settled on those that became law. The Director lacks the power to limit, contradict, or subvert Congress's words as set forth in statute. The rules proposed in the NPRM would do exactly that.

C. "While available in theory, the current reexamination processes have generally proved ineffective and are not widely accessible or used."[39]

Most specifically, the NPRM proposes to bar access to IPR based on prior determinations of, and parallel litigation within, the International Trade Commission. It justifies this on the basis of 35 U.S.C. § 316(a)(4)'s grant of authority to the Director to make rules pertaining to "other proceedings under this title." However, proceedings at the Commission do not occur under Title 35.[40] Commission proceedings instead occur under the auspices of Title 19.[41]

Congress determined that even if there was co-pending litigation, petitioning for IPR was still permissible. Indeed, the language restricting petitions filed more than one year after service of an infringement complaint specifically contemplates exactly this. If Congress wished to cut off access to IPR based on co-pending litigation, it knew precisely how to do so, and it rejected the idea. Further, Congress further chose not to cut off review based on proceedings at the International Trade Commission, as such proceedings do not trigger the § 315 time-bar. This is because ITC proceedings are distinct from civil actions[42] and the time-bar is triggered by "a complaint in a civil action."[43] The NPRM proposes to block access to IPR in circumstances in which Congress clearly intended it to remain available.

Congress also stated that a petition may not be filed until after the conclusion of a post-grant review (PGR).[44] This language would be meaningless were a patent to have been found

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[35] 35 U.S.C. § 315(b).
[36] 35 U.S.C. § 311.
[37] Sen. Patrick Leahy, *New USPTO rulemaking should seek to strengthen, not weaken, the America Invents Act*, The Hill (May 25, 2023), https://thehill.com/opinion/congress-blog/4020170-leahy-new-uspto-rulemaking-should-seek-to-strengthen-not-weaken-the-america-invents-act/; Rep. Bob Goodlatte, *USPTO's ANPRM Has Major Problems*, (May 26, 2023), https://www.patentprogress.org/2023/05/usptos-anprm-has-major-problems/.
[38] House Judiciary Committee, Subcommittee on Courts, Intellectual Property, and the Internet, *Hearing on Oversight of the U.S. Patent and Trademark Office* (Apr. 27, 2023).
[39] Testimony of John A. Squires, *supra* n. 3.
[40] *See Spansion, Inc. v. Int'l Trade Comm'n*, 629 F.3d 1331, 1359 (Fed. Cir. 2010) (discussing the "different statutory underpinnings for relief before the Commission in Section 337 actions and before the district courts in suits for patent infringement").
[41] 19 U.S.C. § 1337.
[42] *See* 35 U.S.C. § 315(e)(2) (distinguishing between civil actions in the district courts and proceedings at the ITC).
[43] *Click-to-Call Techs. v. Ingenio, Inc.*, 899 F.3d 1321, 1330 (Fed. Cir. 2018).
[44] 35 U.S.C. § 311(c)(2).

invalid in post-grant review and thus clearly contemplates a role for the *inter partes* review process to review patents that have been found not invalid in post-grant review. Nonetheless, the NPRM proposes to restrict access to IPR when a patent has already been reviewed in post-grant review under 35 U.S.C. § 328.[45]

The NPRM's effect, as described above, would effectively eliminate any use for IPR. While the NPRM asserts that "[p]atent challengers also have the ability to raise a patentability challenge by filing an *ex parte* reexamination request," a major rationale behind the creation of IPR was that the current processes—including *ex parte* reexamination—were ineffective. This has not changed. *Ex parte* reexamination remains a far less effective vehicle for reviewing the validity of patents because it removes the ability of the patent challenger to respond to the statements (or misstatements) of the patent owner.

On these bases alone, the NPRM should be withdrawn.

IV. "The second window is essential to a meaningful, efficient and broadly available reevaluation of suspect patent claims before a firm is forced into prolonged and expensive litigation"[46]

As is fundamental to patent law, and as the NPRM acknowledges, a patent is never found valid. But—as the NPRM misrepresents—a patent is also never found "not invalid." Instead, a patent is found to be "not invalid" **with respect to a particular set of prior art**. A finding of "not invalid" with respect to one set of prior art bears precisely zero relevance to the validity of the patent with respect to a distinct set of prior art. Indeed, district courts regularly—and correctly—bar patent owners from discussing prior validity challenges based on other prior art as unduly prejudicial.

The NPRM disregards this dynamic. Instead, it states that if a challenged claim was found "not invalid" in any court it can never be reviewed in IPR. This is the case even if the prior challenge was made by another party entirely on the basis of completely different prior art.

This creates perverse incentives to target small and underresourced entities first and refuse to settle in order to obtain a verdict of "not invalid" over whatever prior art that entity might have found. Having done so, the patent owner can then litigate their patent against their true targets without any concern over any possibility of IPR. Unless there is a desire to make small businesses more, rather than less, susceptible to abusive patent litigation, this provision makes no sense.

It also runs counter to the Supreme Court's determination in *SAS*, where the Court noted that the AIA "anticipates a regime where a reasonable prospect of success on a single claim justifies review of all."[47] But in the NPRM, challenging a single claim that someone else previously challenged on distinct prior art would bar review of the whole set of claims even if the remainder were never once challenged.

Again, this flaw alone is sufficient to justify withdrawal of the NPRM.

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[45] Proposed 37 C.F.R. § 42.108(e)(4).
[46] Testimony of John A. Squires, *supra* n. 3.
[47] *SAS Inst. Inc. v. Iancu*, 584 U.S. 357, 365 (2018).

V. "The litigation around patents is too fervent and the awards and settlements too unbalanced" [48]

Unfortunately, beyond the negative economic impacts and the complete contradiction of the statutory text, the NPRM also misrepresents the economic impact of the rules in a way that circumvents regulatory requirements. Most relevantly, it claims that "the changes in this NPRM are not expected to result in an annual effect on the economy of $100 million or more" and that the rule is "not significant" under E.O. 12,866.[49] Neither is correct.

A. The proposed discretionary denial rule would have an annual effect on the economy of $100 million or more

Executive Order 12,866 identifies as "economically significant" any rule that would "have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities."[50] Such rules require the proposing agency to provide additional cost-benefit analysis.

As discussed above in Section II.A, a discretionary denial generates a deadweight loss of approximately $2.2 million per petition.[51] A mere 50 discretionary denials would reach the $100 million threshold—even ignoring the petitions never filed due to the potential of a discretionary denial. *Fintiv*-based denials have reached that threshold in all but one year since the *Fintiv* precedential decision. This conclusion is bolstered by a CBO analysis which concluded that a distinct set of changes to IPR would increase costs by $1.3 billion for the federal government alone.[52]

Beyond legal fees, there are other significant economic impacts in the form of illegitimate transfers of wealth from one firm to another and increased costs to U.S. consumers due to patent-enforced lack of competition. Just one patent that should have been invalidated, left in force by the Office, may lead to significant and undeserved damages. The Intel-VLSI dispute, with its multi-billion dollar judgment on a pair of invalid patents, exemplifies this problem.[53] This concern is even more pressing if the patent potentially results in an injunction against a major consumer electronics product or if the patent potentially holds generic competitors to a blockbuster drug off of the market. A delay of as little as a week in the introduction of a generic competitor may be sufficient to reach the economic threshold of $100 million in impact, as well as potentially implicating public health. And setting aside the inevitable delays within trial schedules, compared to the Office's strict adherence to its statutory timelines, the ability to invalidate a patent at trial after discretionary denial may be prejudiced, as many judges will

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[48] Testimony of John A. Squires, *supra* n. 3.
[49] Notice at 48339.
[50] While the "economically significant" portion of E.O. 12,866 was modified by E.O. 14,094, E.O. 14,094 was subsequently rescinded by E.O. 14,148 on Jan. 20, 2025. As such, the E.O. 12,866 "economically significant" requirement is again in effect.
[51] This is the discounted savings rate correcting for cases lacking parallel litigation; an individual denial will in fact have significantly higher cost if it is associated with co-pending litigation.
[52] Joseph Walker, *Drug-Industry Rule Would Raise Medicare Costs*, Wall Street Journal (Aug. 31, 2015), https://www.wsj.com/articles/drug-industry-bill-would-raise-medicare-costs-1441063248.
[53] Landau, "One Case, All The Problems: VLSI v. Intel Exemplifies Current Issues In Patent Litigation", *Patent Progress* (Mar. 15, 2021), https://patentprogress.org/2021/03/one-case-all-the-problems-vlsi-v-intel-exemplifies-current-issues-in-patent-litigation/.

permit introduction of evidence that the Office chose not to institute review of that patent. This can persuade jurors—incorrectly—that the patent is valid.

For these reasons, a rule proposing discretionary denials appears to be likely to be economically significant. The Office must therefore conduct the required cost-benefit analysis prior to proposing such a rule so that the economic analysis can be considered by the appropriate stakeholders and other government agencies.

B. The proposed NPRM is also significant under E.O. 12,866's "raises novel legal or policy issues" Prong

Beyond the economic impact, the proposed NPRM raises numerous legal and policy issues. It contradicts clear statutory text on the basis of a claimed un-cabined discretion. It claims authority using a provision regarding relations to other actions under Title 35 and applies it to proceedings under Title 19. It blocks access to IPR if a patent has been reviewed under PGR, despite Congress's explicit intent that IPR would be available. And it bars access to IPR based on a prior finding of "not invalid" based on entirely distinct, and thus irrelevant, prior art.

Any one of these legal issues would justify treating the proposed NPRM as significant. It should be returned to USPTO for the requisite analysis prior to a proper review by OIRA under the rules pertaining to significant regulatory actions.

VI. Conclusion

For all of the reasons set forth above, the proposed NPRM is both a bad idea and one that violates the law. If the Office adopts the rules proposed in the NPRM, it will have effectively destroyed the utility of *inter partes* review in all but the most extreme circumstances. If that is the goal, it will succeed. And it will succeed in increasing consistency across IPR—by reducing the number of IPRs filed to nearly zero.

On the other hand, if the goal is to create a positive impact on the economy, to reduce the overall expenditures in patent litigation, drive innovation and economic growth, then both this NPRM and the USPTO's illegitimate discretionary denial scheme should be abandoned.

Submitted on Dec. 2, 2025,

Joshua Landau
Reg. No. 71,491
Senior Counsel, Innovation Policy
Computer & Communications Industry Association
25 Massachusetts Ave NW
Suite 300C
Washington, DC 20001
jlandau@ccianet.org