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December 2, 2025

The Honorable John A. Squires
Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office
Office of the Under Secretary and Director

Re: JIPA Comments to Revision to Rules of Practice Before the Patent Trial and Appeal Board

Dear Mr. Squires,

Japan Intellectual Property Association (JIPA), one of the world's largest organizations of intellectual property (IP) right users, currently comprises 1,025 regular members as of December 2, 2025, which are Japanese enterprises. In view of the fact that many of these member companies file a substantial number of U.S. patent applications and conduct business in the United States, JIPA has carefully reviewed the Request for Comments on "Revision to Rules of Practice Before the Patent Trial and Appeal Board" published by the United States Patent and Trademark Office (USPTO) in the Federal Register dated October 17, 2025.

JIPA hereby submits its comments on the proposed rule amendments as attached document: Comments on Revision to Rules of Practice Before the Patent Trial and Appeal Board [Docket No. PTO-P-2025-0025].

We respectfully request that the USPTO take these views into consideration in making its final determination.

Respectfully,

Toshihiko Kobayashi
President
Japan Intellectual Property Association

Attachment

Comments on Revision to Rules of Practice Before the Patent Trial and Appeal Board [Docket No. PTO-P-2025-0025]

Despite ongoing efforts to improve patent quality, Non-Practicing Entities (NPEs) continue to initiate numerous patent litigations in the United States, and litigation funding entities remain widely active. Against this backdrop, ensuring adequate opportunities to challenge patent validity is critical. Accordingly, the proposed amendments to the Inter Partes Review (IPR) rules raise significant concerns not only for Japanese companies operating in the U.S. market but also for U.S. businesses.

The IPR system was introduced to strengthen the reliability of patents by enhancing the quality of patents granted by the USPTO. As noted in the USPTO's report, "A Study of Unpatentability Findings in Inter Partes Reviews (IPR) Final Written Decisions (FWDs)" issued on November 21, 2024, "47% of U.S. patent documents cited as prior art by petitioners for the first time in AIA IPR proceedings were outside an examiner's reasonable field of search." Consequently, a blanket waiver of future invalidity challenges at the institution stage could result in patents with substantive defects remaining enforceable, thereby undermining the integrity of the patent system.

As noted in the USPTO report, "Reliance on additional information, such as expert testimony and experimental analysis/testing, it demonstrates that the use of prior art not previously identified by examiners, together with expert testimony and other technical evidence, during IPR proceedings", enables a more thorough assessment of the technical soundness of patents and contributes significantly to the qualitative improvement of the patent system.

The proposed rule amendments require a comprehensive waiver of invalidity challenges at the institution stage and establish broad and absolute grounds for denying institution. We are concerned that, under this proposed amendment, patents that should properly be invalidated may instead be preserved and continue to confer exclusive rights, thereby weakening the fundamental public and institutional objectives of the patent system and ultimately undermining the public interest. Accordingly, we cannot support amendments that have the effect of restricting access to IPR.

(d) Required stipulation for efficiency

We oppose 37 C.F.R. §42.108(d). This provision requires that, as a condition for instituting or maintaining an IPR, the petitioner and its real parties in interest submit a stipulation not to raise any invalidity challenges under 35 U.S.C. §102 or §103 with respect to the same patent in any other proceeding.

We understand the intent, as explained in the background of the Proposed Rules, to

prevent serial and parallel challenges against the same patent, challenges using substantially the same prior art and/or arguments previously presented to the Office, and repetitive challenges based on slightly rebranded evidence, thereby enhancing predictability for patent rights. However, we have the following concerns:

• IPR under the AIA is designed as a swift and cost-effective mechanism limited to prior art documents for contesting patent validity, with one of its objectives being the improvement of patent quality. However, grounds and standards for invalidity differ between IPR and other proceedings. For example, even under §102 or §103, IPR recognizes only documentary prior art, excluding on-sale bar challenges. There are cases in which a patent should be found invalid based on reasons such as lack of clarity or public use, even if invalidity cannot be recognized in an IPR. Therefore, the proposed rule change, which would in effect compel parties to forgo presenting different prior art or different grounds of invalidity in litigation in exchange for IPR review, risks undermining the integrity of the patent system as mandated by 35 U.S.C. §316(b).

• This provision restricts the petitioner's conduct in other disputes following the institution of an IPR. Under 35 U.S.C. §311(a), "a person who is not the owner of a patent" is entitled to file an IPR petition. Imposing such restrictions effectively limits this statutory right and impairs the legitimate ability of a person who is not the owner of a patent to defend itself in litigation, thereby unreasonably narrowing opportunities for fair dispute resolution and contravening the intent of §311(a).

• A blanket waiver of future invalidity challenges raises serious concerns that patents containing defects—including grounds for invalidity—may remain enforceable without being invalidated through IPR. Furthermore, this requirement effectively discourages parties from utilizing PTAB proceedings if they wish to preserve their rights in court or before the ITC, thereby diminishing access to the PTAB for both Japanese and U.S. companies operating in the United States and ultimately harming the public interest.

(e) Claims found valid in prior proceedings

We oppose 37 C.F.R. §42.108(e). This provision stipulates that an IPR shall not be instituted or maintained if the challenged claims have previously been adjudicated as valid under 35 U.S.C. §102 or §103 in another forum. While we understand the intent to prevent repeated invalidity challenges on the same claims for the same reasons, the provision fails to consider any identity of parties or evidence between the prior forum and the IPR.

As a result, newly discovered evidence or challenges by third parties to claims that were not previously contested in an earlier IPR would be barred. Consequently, patents that should be invalidated based on appropriate evidence may remain enforceable solely because of procedural restrictions, thereby undermining the integrity of the patent system as mandated by 35 U.S.C. §316(b).

Moreover, the opportunity to contest the validity of patent claims in IPR would depend on the outcome of prior invalidity challenges in other forums or on the quality of the first IPR petition. This would unfairly deprive third parties—who neither participated in prior litigation nor filed the initial IPR—of any subsequent opportunity to challenge validity. Additionally, whether the first IPR is filed by a third party and the timing of such filing would force businesses seeking to invalidate a patent to adjust their strategies regarding when to petition for IPR.

However, because it is impossible to predict whether and when a third party will file an IPR, this creates a significant obstacle to planning IPR petitions. Further, if a third party files an IPR first, the likelihood of invalidating the patent would depend on which prior art references and invalidity grounds are asserted in that proceeding. This unpredictability would impair predictability in patent disputes, which is essential for fair and efficient resolution. Finally, under 35 U.S.C. §311(a), "a person who is not the owner of a patent" is entitled to file an IPR petition. Imposing restrictions that effectively bar such petitions limits this statutory right, impairs the legitimate ability of a person who is not the owner of a patent to defend itself in litigation, and unreasonably narrows opportunities for fair dispute resolution, thereby contravening the intent of §311(a).

(f) Parallel Litigation

We oppose 37 C.F.R. §42.108(f). This provision stipulates that an IPR shall not be instituted or maintained if it is reasonably likely that a decision in another forum addressing issues under 35 U.S.C. §102 or §103 will occur prior to the statutory deadline for the IPR's final written decision. While we understand the intent to avoid duplication with parallel litigation and to enhance efficiency and predictability, we have significant concerns. In matters of patentability, judges (or juries) in district courts or the ITC often lack specialized expertise in patent law and technical knowledge.

By contrast, the PTAB provides a highly specialized forum for assessing validity, and its determinations are generally more accurate and predictable. Denying parties the opportunity to obtain a critical validity determination from the PTAB would be detrimental not only to Japanese companies operating in the United States but also to U.S. businesses. If patents that should be invalidated remain enforceable as a result, the reliability of the U.S. patent system would be compromised.

Furthermore, the determination of whether a decision in another forum is "reasonably likely" to occur before the IPR deadline depends on uncertain and subjective predictions, which undermines predictability in patent disputes.

In addition, in major jurisdictions such as Japan and Europe, patent offices do not suspend invalidity proceedings even when litigation is pending in parallel. The proposed rule therefore lacks international harmonization.

We oppose 37 C.F.R. §42.108(g). This provision allows the PTAB, in cases where

institution is otherwise barred under §§42.108(d)–(f), to refer the matter to the Director if "extraordinary circumstances" are found, and permits the Director, in his or her discretion, to authorize institution or continuation of the IPR. While we understand the intent to provide a safeguard against potential misuse of the rules that could otherwise prevent legitimate challenges to patents, we believe the proposed framework lacks clarity in several critical respects. To ensure transparency and fairness for both patent owners and petitioners, we respectfully request clarification on the following points:

- **Timeliness and Transparency of Director's Determinations**

It is unclear how many of the approximately 1,300 petitions filed annually would be subject to referral under this provision. Limiting decision-making to the Director raises concerns about potential delays. The USPTO should clearly articulate operational measures to ensure timely determinations. Furthermore, the standards and reasoning underlying the Director's decisions should be publicly disclosed to enhance transparency.

According to internal PTAB guidance, the Director may issue summary notices when any discretionary, substantive, or statutory factor supports institution, and likewise issue summary denials when none do. However, to maintain transparency, detailed reasoning—not summary notices—should be provided.

- **Scope of "Extraordinary Circumstances"**

The proposed rule offers only two illustrative examples, creating risks of arbitrariness and unpredictability. We urge the USPTO to provide additional concrete examples to improve transparency and predictability in the administration of this provision.

- **Interpretation of "Bad Faith" and "Material Change"**

The USPTO should clarify the circumstances under which "bad faith" or "material change" applies, particularly in cases involving prior petitions filed by third parties. For example, what specific conduct would constitute "bad faith" by a non-party petitioner? Clear standards are essential to avoid uncertainty.

In light of these concerns, we believe the proposed rule does not advance the goal of strengthening U.S. industrial competitiveness through a reliable patent system. We strongly urge the USPTO to reconsider this amendment.