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Patent Office Proposal Seeks to Expand Applicability of Terminal Disclaimers in Joint Research Agreement Patent Filings

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As of December 30, 2020, the USPTO is seeking public comments on proposed changes to terminal disclaimer practice that would increase the ability to file a terminal disclaimer in limited circumstances to obviate a nonstatutory double patenting rejection. The rule changes attempt to address certain loopholes developed through successive legislation and judicial decisions that prevent parties in joint research agreements (JRA) from filing terminal disclaimers in response to a double patenting rejection premised on applications and patents not deemed prior art.

In order to promote cooperative research between separate entities (typically universities and companies), the CREATE Act of 2004 was enacted to amend 35 U.S.C. § 103(c) to provide that subject matter developed by separate inventors could be regarded as commonly owned where: (1) the invention was made by parties to a JRA; (2) the invention is within the scope of the JRA; and (3) the patent application names the parties to the JRA. “Common ownership” of a patent application allowed examined claims to take advantage of the safe harbor provision in [pre-AIA] 35 U.S.C. § 103(c) that excluded prior art attributable other parties in the JRA under 35 U.S.C. § 102(e), (f), or (g) for obviousness rejections. This safe harbor provision was subsequently introduced as 35 U.S.C. § 102(b)(2)(C) and 102(c) in the America Invents Act of 2011.

The loosened examination requirements, however, remained counterbalanced by the doctrine of nonstatutory double patenting, in which claims to the same subject matter can be refused on the basis of patents or patent applications that are not necessarily considered prior art under 35 U.S.C. § 102. In standard practice, double patenting rejections are overcome by filing a terminal disclaimer that effectively disclaims any resulting patent term extending beyond an earlier expiring patent. For entities bound by JRAs, however, the governing statute 37 C.F.R. § 1.321(d) requires that the terminal disclaimer only be applied to obviate rejections in view of cited or available prior art. In such situations, a petition under 37 C.F.R. § 1.183 is required to waive the requirement to obtain a terminal disclaimer where an application or

patent had an effective filing date on the same day or after claims rejected on double patenting grounds.

To avoid the unnecessary costs and time associated with the petition filing process, the USPTO proposes to revise 37 C.F.R. § 1.321(d) to permit parties to a JRA to file a terminal disclaimer to obviate a nonstatutory double patenting rejection where the reference patent or application is not prior art. Proposed rule changes also include revisions to 37 C.F.R. § 1.321 that require a disclaimer be filed by the owner(s) of the whole interest; and to provide explicitly that a terminal disclaimer may be filed to obviate potential nonstatutory double patenting rejections, such as when an earlier expiring patent could later become prior art usable for a double patenting rejection on an earlier filed second patent.

The commenting period to respond to this proposed rule change is open until March 22, 2021. If you would like assistance in submitting comments to the proposed rule change, please contact your Vorys attorney.