

USPTO Drops Proposed Rules on Terminal Disclaimers

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Earlier this year, the U.S. Patent and Trademark Office (USPTO) proposed a sweeping set of rules imposing new requirements on terminal disclaimers filed to overcome obviousness-type double patenting (OTDP) rejections, and separately proposed to impose new terminal disclaimer fees that would increase exponentially over the course of examination. The USPTO has since dropped both proposals, but Congressional concern about so-called patent thickets remain, and could lead to legislative action.

Withdrawal of Proposed Rules Imposing New Terminal Disclaimer Conditions

In May 2024, the USPTO proposed to impose [new conditions on terminal disclaimers](#) requiring the application/patent owner to agree that the subject patent **will not be enforceable** if **any claim** in the cited patent has been finally held unpatentable or invalid as anticipated or obvious by a federal court in a civil action or by the USPTO, or if **any claim** in the cited patent has been statutorily disclaimed after any prior art challenge has been made. The USPTO accepted public comments on the proposed rules submitted by July 9, 2024. While not all commenters were opposed, most patent bar associations submitted strong comments against the proposed rules, and **five** former USPTO directors and deputy directors wrote a letter to USPTO Director Kathi Vidal in May 2024 urging her to withdraw the rulemaking.

The USPTO formally announced that it is indeed [withdrawing the terminal disclaimer rules package](#). The announcement explains the reasons as follows:

Reason for Withdrawal

During the proposed rule's 60-day comment period, the USPTO received more than 300 comments from a variety of stakeholders, including commenters both supporting and opposing the proposal. The comments are publicly available at the Federal eRulemaking Portal at www.regulations.gov/document/PTO-P-2024-0003-0001. Of the comments received on the proposed rule, 256 comments were unique.

In light of resource constraints, the USPTO has decided not to move forward with the proposed rule at this time and to withdraw the proposed rule.

Despite the decision not to move forward with the proposed rule at this time, the USPTO appreciates and takes seriously the thoughtful perspectives raised by commenters. The USPTO will continue engaging with its stakeholders as it works to foster a balanced, robust, and reliable intellectual property system.

While the USPTO cited “resource constraints,” the significant amount of opposition to the proposal likely caused reconsideration at the USPTO. In addition, many commenters questioned the USPTO’s authority to implement the types of rules proposed, and the recent Supreme Court decision [overturning Chevron deference](#) to government agencies in rulemaking meant the USPTO would have a harder time defending the new rules in court. Further, with the upcoming change in administration and Director Vidal’s recent resignation from the USPTO, this would not be the time to push through a controversial rules package that might not be supported by new leadership.

Withdrawal of Proposed Escalating Terminal Disclaimer Fees

A further retreat from changes to terminal disclaimer practice is evident in the USPTO’s [final fee package](#), which takes effect in mid-January 2025. Although the initial fee proposal included escalating fees for filing a terminal disclaimer at later points during the patent examination process, the final fee package maintained the current practice of charging the same fee no matter when the terminal disclaimer is filed.

Together, these recent updates from the USPTO maintain the status quo on USPTO terminal disclaimer practice and will allow stakeholders to focus on [evolving case law](#), not patent office rules, in determining their options for addressing double patenting issues. Nevertheless, stakeholders should keep in mind that the proposed rules were responsive to Congressional concern about so-called patent thickets, and new rules or legislative action could be proposed during the next administration.

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