

TERMINAL DISCLAIMERS

SUMMARY

A terminal disclaimer is a binding statement filed by the Applicant(s) during prosecution whereby the Applicant disclaims a portion of the term of a patent.¹

The key effect of filing a terminal disclaimer is that it ties the affected patents together. Specifically, the affected patents will expire on the same date and are enforceable only during periods in which they are commonly owned. The filing of a terminal disclaimer has no relation to the merits of an issue of obviousness.²

The benefits of filing a terminal disclaimer include, among other things:

- Protecting against invalidity for obviousness-type/non-statutory double patenting;
- Preventing the unjust extension of the intended term of a patent;
- Eliminating the risk of accused infringers facing multiple lawsuits for a single act; and

Allows inventors to claim obvious variants on a single inventive idea, in order to create prior art against other applicants and to obtain a tight fit for potential infringements.

¹ See MPEP § 804.02; 37 C.F.R. § 1.321.

² See Chisum on Patents § 9.04.

DISCUSSION

I. Twenty-Year Patent Term

For applications filed prior to June 8, 1995, the term of the patent extends seventeen years from the date on which the patent issued. Under this rule, an applicant could file multiple continuation applications and effectively extend the patent protection for a given invention for much longer than seventeen years. Accordingly, Congress amended the statute governing patent terms. Now, for applications filed on or after June 8, 1995, the term of a utility patent extends twenty years from the earliest effective filing date, i.e. the date on which the earliest-filed utility application³ was filed from which a patent application claims priority. This patent term provision is referred to as the “twenty-year term.”⁴

II. Double Patenting

The patent system envisions the issuance of one patent per invention. If more than one patent could be obtained on an identical invention or obvious variation thereof, an inventor would be able to extend the period of exclusivity (i.e. the term of the patent) beyond what the law intends.⁵ In addition, if the related patents were assigned to different assignees, an accused infringer could face harassment by each of the assignees for the same infringing act.⁶ The doctrine of double patenting seeks to prevent both of these adverse consequences.

Double patenting results when the right to exclude granted by a first patent is unjustly extended by the grant of a later issued patent or patents.⁷ There are generally two types of double patenting.⁸ The first is “same invention” double patenting, where a later claim is substantively the same as the earlier claim.⁹ “Same invention” double patenting is barred under 35 U.S.C. § 101, which states that “[w]hoever invents or discovers any new and useful process ... may obtain a patent therefor.”¹⁰ Because this type of double patenting is barred by statute, it is also referred to as “statutory double patenting.”

³ A claim to priority to a provisional application is not considered in calculating the term of a patent. See 35 U.S.C. § 154(a)(3).

⁴ Design patents have a term of 14 years from the date of grant. See 35 U.S.C. § 173 and MPEP § 1505.

⁵ See *In Re Metoprolol Succinate Patent Litigation*, 494 F.3d 1011, 1016 (Fed. Cir. 2007); *Perricone v. Medicis Pharmaceutical Corp.*, 432 F.3d 1368, 1372 (Fed. Cir. 2005); *In re Goodman*, 11 F.3d 1046, 1053 (Fed. Cir. 1993).

⁶ “[i]f—Harassment by Multiple Assignees. Even though both patents are issued to the same patentee or assignee, it is possible that ownership of the two will be divided by later transfers and assignments. The possibility of multiple suits against an infringer by assignees of related patents has long been recognized as one of the concerns behind the doctrine of double patenting.” *In re Van Ornum*, 686 F.2d 937, 944 (quoting Chisum on Patents § 9.04[2][b]); see also MPEP § 8.33.

⁷ See MPEP § 804 (citing *In re Van Ornum*, 686 F.2d 937).

⁸ See MPEP § 804.

⁹ See MPEP § 804.

¹⁰ See *Perricone*, 432 F.3d at 1372-73; MPEP § 804.

The second form of double patenting is “obviousness-type” double patenting. “Obviousness-type” double patenting is a judicially created doctrine adopted to prevent claims in separate applications or patents that do not recite an identical invention, but nonetheless claim inventions so alike that granting both exclusive rights would effectively extend the life of patent protection.¹¹ For example, issues of obviousness-type double patenting can arise where an inventor seeks to patent both a broad genus and a narrow species of that genus. Because this is a judicially created doctrine, it is also referred to as “non-statutory” double patenting.

In certain instances, a non-statutory double patenting rejection can be overcome by filing a terminal disclaimer.¹² A terminal disclaimer, however, cannot be used to overcome statutory double patenting issues.

III. Terminal Disclaimer

A terminal disclaimer is a statement filed by an owner (in whole or in part) of a patent or a patent to be granted that is used to disclaim or dedicate a portion of the entire term of all the claims of a patent.¹³ A terminal disclaimer causes the patent issuing from a later filed application to expire on the day that the patent term of any patent issuing from the earlier filed application expires. By arranging for all related patents to elapse at the same time, the patentee overcomes the concerns of extended patent protection for the same inventive concept. The terminal disclaimer technique allows inventors to file applications claiming obvious variants on a single inventive idea, in order to create prior art against other applicants and to obtain a tight fit for potential infringements.

The USPTO mandates that terminal disclaimers include a provision that any subsequent patent shall be enforceable only while it is commonly owned with the application or patent which formed the basis for the double patenting rejection.¹⁴ This requirement of common ownership eliminates the risk that related patents might be assigned to different parties, each of whom could bring duplicative and harassing claims against a potential infringer.

IV. Effect of Filing a Terminal Disclaimer

A terminal disclaimer ties the affected patents together. Once a terminal disclaimer is filed, the affected patents will expire on the same date and are enforceable only during periods in which they are owned by the same person or entity.¹⁵ The USPTO permits

¹¹ See *Perricone*, 432 F.3d at 1373; MPEP § 804.

¹² See MPEP § 804.

¹³ The requirements for a terminal disclaimer are set forth in 37 CFR 1.321.

¹⁴ See 37 C.F.R. § 1.321.

¹⁵ Terminal disclaimers do not affect other cases in the same chain or family that are not specifically identified in the disclaimer. Thus, a patent owner can “carve up” a patent family amongst multiple owners, provided that those patents that are tied by a terminal disclaimer remain commonly owned. However, in the event that a party asserts a patent that is not specifically tied by terminal disclaimer and it is determined during the litigation that the asserted patent is an obvious variation of a related case owned

a terminal disclaimer only of the entire patent, that is, of *all* the claims. The filing of a terminal disclaimer does not operate as an admission, acquiescence, or estoppel on the merits of an issue of obviousness.¹⁶

V. Timing of Terminal Disclaimer

Generally, terminal disclaimers are filed before the PTO during prosecution i.e. *prior* to the issuance of a patent. However, Section 253 does not state a time period for filing. Indeed, in a recent decision, the Court of Appeals for the Federal Circuit stated that a patentee may file a terminal disclaimer after issuance of the challenged patent or during litigation, even after a finding that the challenged patent is invalid for obviousness-type double patenting¹⁷. However, the *terminal disclaimer must be filed before the earlier patent expires*. Once the earlier patent (over which claims have been found obvious) expires, a terminal disclaimer cannot cure obviousness-type double patenting.¹⁸

by a different party, the patentee will not be able to argue that it could simply execute a terminal disclaimer to overcome the invalidity argument. For example, in *Fallaux*, a terminal disclaimer was not accepted because common ownership could not be established. See *In re Fallaux*, 564 F.3d 1313, 1319 n.5 (Fed. Cir. 2009).

¹⁶ See Chisum on Patents § 9.04.

¹⁷ See *Boehringer Ingelheim Int'l GmbH v. Barr Labs., Inc.*, 592 F.3d 1340, 1347 (Fed. Cir. 2010).

¹⁸ See *Id.* at 1348.