

November 13<sup>th</sup>, 2025

The Honorable John A. Squires  
Under Secretary of Commerce for Intellectual Property and  
Director of the U.S. Patent and Trademark Office  
600 Dulany Street  
Alexandria, Virginia 22314

Re: Comments on Notice of Proposed Rulemaking: Rules of Practice for Inter Partes Review (Docket No. PTO-P-2025-0025)

Dear Director Squires:

On behalf of my company, BadVR, Inc. I am submitting the following comments in opposition to the Notice of Proposed Rulemaking (NPRM) concerning modifications to the rules of practice for *inter partes* review (IPR). These changes would dismantle a critical check on patent quality, leaving small businesses defenseless against frivolous litigation.

BadVR is a woman-owned small business based in Pacoima, CA that builds immersive (virtual and augmented reality) workspace software for enterprise and government organizations to increase the speed and quality of data-driven decisions. This is done through next-generation AR/VR user interfaces that enable users to - quite literally - step inside their data. Our team has a diverse background spanning psychology, human-computer interaction, AI/ML, and neuroscience, with a large patent portfolio covering visualization, spatialization, and analytics. BadVR is proud to have a SBIR lineage, previously receiving grant funding from the National Science Foundation, NOAA, and NIST. Our product are software applications, to which we sell software licenses. A strong patent system is absolutely critical to the success of our company and a great deal of our company's current market value is dependent on our robust patent portfolio. Despite the high costs of patent attorneys, our main vector of defensibility as a company are our patents, which protect our innovations and ensure that we, as a team, benefit from the hard work and funding that has been funneled into our company. Without a strong patent system and without strong patent laws, our company would be at great risk of failure, and we'd be unable to benefit from the large amount of R&D funding that we've spent (and that we've been given via grants and co-operative agreements) to develop the innovations that ultimately have resulted in our current patent portfolio.

For companies like mine, the high cost of patent litigation is prohibitive. The IPR process provides a more accessible and cost-effective path to challenge overbroad or invalid patents, often held by entities that do not practice their patented invention or by foreign companies. These entities frequently demand settlements just below the cost of litigation, knowing we cannot afford to fight back. For many small businesses, including BadVR, the costs of even responding to these demand letters increase the already high fees we pay to patent attorneys, and impact our company's ability to continue to grow. The increase in patent attorney fees ties up operating capital, ultimately resulting in less people hired, fewer jobs created, and sometimes even jeopardizes the very existence of the company. Small businesses often run on razor thin budgets, and even small changes in expected costs can severely impact the ability to operate.

IPRs are our primary defense against this kind of extortion, and losing access to the IPR process would make us more vulnerable to patent demands we cannot afford to litigate, even if we believe the patent is invalid, or the assertion is false.

The proposed rules would cripple this defense by making IPRs effectively inaccessible. Specifically, I am concerned that in practice:

- The mandatory stipulation would force us to abandon our primary litigation defenses, giving patent plaintiffs overwhelming leverage to force a settlement.
- The bar on "vetted" claims would effectively immunize patents. If another petitioner loses a challenge, we are forever barred from challenging the same patent, no matter how flawed the prior proceeding was.
- The bar on parallel proceedings would result in denials based on unreliable trial court dates, which are frequently subject to change and delay.
- The "extraordinary circumstances" exception is a false promise, as it explicitly excludes the most common reasons for a new challenge, such as new prior art.

The USPTO's proposed rules would fundamentally alter the patent landscape in a way that severely disadvantages America's small business innovators like BadVR. By effectively closing the door to the IPR system for those who need it most, the rules would undermine patent quality, encourage abusive litigation, and reduce competition. I strongly urge the Office to withdraw these proposed rules and engage further with the small business community to develop a balanced solution that preserves the essential function of IPR as an accessible, cost-effective check on invalid patents.

Thank you for considering my views.

Respectfully submitted,

Suzanne R. Borders  
CEO + Founder  
BadVR, Inc.