December 2, 2025

Submitted Via Federal eRulemaking Portal
https://www.regulations.gov

Attention: John A. Squires, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office

Re: Request for Comments Regarding Proposed Rulemaking (Docket No. PTO-P-2025-0025)

The Entertainment Software Association ("ESA") strongly opposes the U.S. Patent and Trademark Office's ("USPTO") October 17, 2025 proposed modifications to the rules of practice for *inter partes* review ("IPR") proceedings before the Patent Trial and Appeal Board (PTAB or Board) ("Proposed Rules"). ESA is the U.S. trade association for companies that publish interactive entertainment software for video game consoles, handheld devices, personal computers, and the internet. Our members, which comprise nearly all of the major video game platform providers and major video game publishers in the United States, not only create some of the world's most engaging interactive experiences for consumers, but also develop novel technologies that are at the cutting edge, such as virtual, augmented, and mixed reality hardware and software as well as the latest consoles and handheld video game devices.[1]

ESA's member companies make an enormous contribution to America's economy, supporting more than 350,000 well-paying jobs across the U.S[2] and contributing over $58.7 billion in U.S. video game content spending in 2024.[3] In fact, the total economic impact generated by the U.S. video game industry is over $101 billion dollars, and, on average, every job within the U.S. video game industry supports at least 2.36 additional jobs in the national economy.[4]

This success has not gone unnoticed by non-practicing entities ("NPEs"), companies that hold patents without any intention of developing products or services implementing them. NPEs continue to target ESA member companies and other leading innovators with U.S. patent litigation, often asserting low-quality patents. For example, in the first nine months of 2025, NPEs filed over 91% of the district court patent cases concerning high-tech industries.[5] Frivolous patent litigation is expensive, time-consuming, and counterproductive to the research and development activities by ESA member companies that help drive growth of the U.S. economy.

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[1] A list of ESA's member companies is available at https://www.theesa.com/about-esa/#membership.
[2] https://www.theesa.com/resources/2024-economic-impact-report/.
[3] https://www.theesa.com/u-s-consumer-spending-on-video-games-totaled-58-7-billion-in-2024/.
[4] https://www.theesa.com/resources/2024-economic-impact-report/.
[5] *Patent Dispute Report: Q3 2025 in Review,* Unified Patents (Oct. 9, 2025), https://www.unifiedpatents.com/insights/2025/10/9/patent-dispute-report-q3-2025-in-review.

Congress sought to curb such abusive litigation and improve patent quality by enacting the America Invents Act ("AIA"). "[C]oncerned about overpatenting and its diminishment of competition," Congress "sought to weed out bad patent claims efficiently" by creating IPR proceedings.[6] Thus, Congress intended that the AIA would "establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs."[7]

The Proposed Rules, however, would frustrate Congress' intent by depriving many parties of the ability to seek AIA review on grounds contrary to the framework established by Congress in the AIA.

Overbroad Restrictions in the Proposed Rules Would Undermine Fair Access to IPR Proceedings

First, the Proposed Rules prohibit any party from bringing an IPR challenge to a patent simply because the patent had survived a prior challenge by an unrelated third party in any forum. This blanket denial of access to IPR proceedings based on the conduct of unrelated third parties is problematic for several reasons. It imposes the severe consequence of denial of access to IPR proceedings without permitting any consideration of many relevant factors, including (1) the merits of a subsequent challenge, the weakness of the prior challenge, (2) whether entirely new and better prior art is being used in the subsequent challenge, and (3) the lack of any relationship between a subsequent petitioner and the prior challenger.

For example, the Proposed Rules prohibit an accused infringer from bringing an IPR challenge, no matter how strong the merits of the challenge, simply because a decision is rendered in court against an earlier weak invalidity challenge brought by an unrelated third party. Likewise, the Proposed Rules prohibit an accused infringer from bringing an IPR challenge, no matter how strong the merits of the challenge, simply because the patent had been found not invalid in an initial or final determination of the U.S. International Trade Commission ("ITC"), even though the ITC lacks authority to invalidate patents and cannot conclusively determine invalidity. The lack of flexibility in the Proposed Rules serve to insulate weak patents from meritorious IPR challenges and thereby elevate the interests of NPEs that contribute nothing to the U.S. economy above the interests of ESA's member companies that make an enormous contribution to America's economy. As such, the Proposed Rules are diametrically opposed to Congress' intent in establishing IPRs, which is to weed out bad patents and improve patent quality. The Proposed Rules also contradict Congress' intent that anyone other than the patent owner can petition for an IPR.

These changes in the Proposed Rules are also unnecessary in view of the PTAB's existing precedential cases setting forth an adequate legal framework for addressing whether to discretionarily deny a follow-on petition. For example, *General Plastic*[8] sets forth a test for deciding whether to discretionarily deny a follow-on petition that takes into account many

[6] *Thryv, Inc v. Click-To-Call Technologies, LP*, 140 S.Ct. 1367, 1374 (2020).
[7] H. R. Rep. No. 112-98, pt. 1, p. 40 (2011).
[8] *General Plastic Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential).

relevant factors, including (1) whether the same petitioner previously filed the earlier petition, (2) the time elapsed between the two petitions, and (3) when the petitioner learned of the prior art being used in the second petition. The Board expanded this framework in *Valve I*[9] to separate petitions with meritorious claims from others with first-time petitioners if the latter petitioners had a "significant relationship" with a prior petitioner, such as being co-defendants in the same litigation accused of infringing the same patent based on a single set of products. The Board also has found the relationship between petitioners to be significant enough to warrant discretionary denial if a subsequent petition used the prior petition as a roadmap for its own petition.[10]

The Proposed Rules Create Unnecessary Barriers and Erode the Rights of Petitioners under the AIA

Although the Proposed Rules assert that serial challenges remain a significant problem, to the extent that remains the case, such a problem would be better addressed by applying discretionary denial within the context of the factors set forth by *General Plastic*, *Valve I*, and subsequent case law. Instead, the Proposed Rules require abandoning any consideration of those factors. For example, the Proposed Rules would not even permit consideration of a strong petition in which every one of the case law factors tilts strongly in favor of the petitioner and would instead reach this extreme result even for patents that had never before been challenged in IPR. Such a result runs contrary to the statutory framework and would deny petitioners of their right to challenge a patent's validity.

Second, the Proposed Rules would require a petitioner to give up its right to challenge a patent's validity in parallel district court litigation in order to obtain institution of an IPR, even for system art (i.e., product prior art) that is not eligible for an IPR challenge. But the AIA does not require any such relinquishment of rights in order to obtain a validity review. Further, nothing in the legislative history of the AIA suggests that Congress intended such a relinquishment of rights. To the contrary, requiring petitioners to relinquish their right to raise a validity challenge in district court based on system art that is ineligible for an IPR challenge would further frustrate Congressional intent by placing additional unintended barriers to reevaluating bad patent claims.

Third, the Proposed Rules require denying institution if any third-party decision on validity is more likely than not to occur before the due date for a final written decision, whether such a decision occurs through a district court trial, an ITC initial or final determination, or a Board final written decision. This reliance on trial or decision dates in unrelated third-party litigation is problematic for several reasons. Nothing in the AIA authorizes denying institution of an IPR based on third-party district court proceedings or ITC proceedings. To the contrary, IPR was "designed in large measure to simplify proceedings before the courts and to give the courts the benefit of the expert agency's full and focused consideration of the effect of prior art on patents being asserted in litigation."[11] Reliance on the timing of an initial decision in a third-party ITC

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[9] *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00062, Paper 11 at 9-10 (Apr. 2, 2019) (precedential) (*Valve I*).
[10] *Ericsson Inc. v. Uniloc 2017, LLC*, IPR2020-01550, Paper 8 at 12 (PTAB Mar. 17, 2020).
[11] *NFC Tech. LLC v. HTC Am., Inc.*, 2015 WL 1069111, at *4 (E.D. Tex. Mar. 11, 2015) (Bryson, J., sitting by designation).

proceeding is even more problematic. For example, with the speed of ITC proceedings, a patent owner could shut the door on a meritorious IPR challenge simply by filing an ITC complaint against a third party *after* the IPR petition had been filed. Moreover, as explained above, the ITC lacks authority to invalidate patents and cannot conclusively determine invalidity.

The practical effect of adopting the proposed rule on discretionary denial based on a validity decision in other proceedings is that it renders IPRs illusory for nearly all companies facing patent litigation. Congress plainly did not intend to deprive all parties of the ability to seek an IPR simply because the patent owner also accused a third party of infringement in a speedy forum, such as the ITC.

Conclusion

In sum, ESA strongly encourages the USPTO to refrain from rulemaking that:

- prohibits all parties from bringing an IPR challenge to any patent that had survived a prior challenge by an unrelated third party in any forum,
- requires petitioners to give up their rights to bring system art challenges in district court, and
- forbids institution based on the expected decision date of third-party patent proceedings.

We recommend that the USPTO continue to work with industry stakeholders in these and other matters involving Board practice, and we remain available to answer any additional questions you may have. We thank the agency for its leadership and for the opportunity to contribute to this important legal and policy conversation.

Respectfully submitted,

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