I. Congressional Update:

  
On Wednesday, the House Committee on the Judiciary Subcommittee on Courts, Intellectual Property, and the Internet held a hearing on “The U.S. Intellectual Property System and the Impact of Litigation Financed by Third-Party Investors and Foreign Entities.” The hearing explored the complexities of third-party litigation funding (TPLF) in intellectual property cases, addressing its benefits for small inventors and potential abuse by non-practicing entities (NPEs) or "patent trolls." Concerns about foreign entities from China and Russia influencing American legal processes through TPLF were discussed, along with the lack of federal regulation and transparency. Subcommittee Chairman Darrell Issa (R-CA) announced plans to draft legislation to enhance TPLF transparency. The hearing revealed partisan divisions, with Republicans emphasizing national security concerns and Democrats arguing against restricting access to justice. Witnesses Hon. Bob Goodlatte, Paul Taylor, and Prof. David Kochan argued that TPLF undermines the civil litigation system, encourages frivolous lawsuits, and threatens national security, calling for universal TPLF disclosure requirements. They claimed TPLF supports baseless patent claims and exploits the legal system. Conversely, Prof. Victoria Sahani argued that TPLF increases access to justice for small inventors and cautioned against overly broad regulations. She proposed a global code of conduct for TPLF and more resources for small plaintiffs, including pro bono funding and revised court

Headlines and Highlights:

- House IP Subcommittee Holds Third-Party Litigation Funding Hearing

- GOP Lawmakers Write Letter Seeking China Patent Data Amid Tech Pact Talks

- U.S. Chamber Criticizes Senator Sanders' Subpoena of Novo Nordisk Executive

- USPTO Enhances PTAB Decision Resources and Introduces De-Designation Requests

- USPTO Issues Corrected Pre-Grant Publications

- Comment Periods Closing for USPTO Proposed Rules and WIPO Design Law Treaty

In the Blogs:

- The Financial Times: Patent lawyers warn of AI’s ‘double-edged sword’
procedures. The full hearing and witness testimony can be found [here](#). A full ACG summary can be provided upon request.

- On Wednesday, Select Committee on China Chair John Moolenaar, along with five other Republican lawmakers, wrote a letter to Under Secretary of Commerce Kathi Vidal, requesting information on whether U.S. government-funded research has resulted in patents filed by Chinese inventors. This inquiry aims to highlight the risks associated with renewing the U.S.-China Science and Technology Agreement (STA), which has facilitated bilateral cooperation in various scientific fields since 1979. The lawmakers asked Vidal, who is also the director of the U.S. Patent and Trademark Office (USPTO), to specify the number of patents tied to U.S. funding filed by Chinese inventors since 2010 and to disclose any affiliations those inventors may have had with China's military or entities under U.S. export controls. This comes amid concerns over China's military advancements and alleged theft of U.S. intellectual property. The STA, which expired in August, has been temporarily extended twice as negotiations continue. The Commerce Department has yet to respond to the request. Read more [here](#).

II. USPTO Updates:

- On Monday, the USPTO announced that parties can now request the de-designation of precedential or informative decisions, along with updates to PTAB web resources to enhance user experience. The PTAB Decision Nomination Webpage has been updated to allow stakeholders to request the removal of a decision's precedential or informative status. Additionally, the Status of Director Review Requests webpage has been improved to organize decisions by subject matter and provide easier access to recent actions and cases. USPTO Director Kathi Vidal highlighted that these changes were made in response to stakeholder feedback, demonstrating the USPTO's commitment to improving services and enhancing the customer experience. For more information, please see [here](#).

- On Monday, the USPTO announced the discontinuation of the PTO/SB/84 form, “Authorization to Act in a Representative Capacity.” This change does not affect patent practitioners' ability to act in a representative capacity under 37 CFR 1.34. The PTO/SB/84 form was rarely used and redundant with other forms used to establish authorization for conducting interviews and presenting oral arguments in appeal proceedings. Applications already containing a PTO/SB/84 form will not experience any change in authorization or status, and any PTO/SB/84 forms filed after the discontinuation will be considered ineffective. For more details, please see [here](#).

- On Tuesday, the USPTO announced new rules that will govern how decisions are reviewed and circulated within the Patent Trial and Appeal Board (PTAB) before they are issued. These rules, which will take effect on July 12, ensure that PTAB judges maintain their judicial independence, with no influence from the Director on panel decisions before they are finalized. Additionally, the rules specify that PTAB management and other USPTO employees outside the PTAB are not involved in decision-making unless specifically requested by a panel member. Any feedback received before a decision is issued will be considered at the panel's discretion. For more information, please see [here](#).
On Tuesday, the USPTO announced that it is issuing corrected pre-grant publications for
patent applications published on April 25, 2024, which had errors in the filing date and/or
benefit date(s). These errors occurred during the initial data assembly and export process.
The USPTO has made the necessary system corrections to address these errors, and no action
is required from the affected patent applicants. For more information, please see here.

On Wednesday, an update to the Patent Trial and Appeal Board's (PTAB) Standard
Operating Procedure (SOP 1) for assigning judges to panels was announced. This latest
revision aligns with the recently updated Paneling Guidance, Standard Operating Procedure
4, and Director Review procedures. The updated SOP does not include a procedure for panel
expansion, a process that has not been used since 2018, and continues to support the Board’s
commitment to meeting statutory deadlines while ensuring reasonable workloads. “Updating
our procedures on assigning judges to PTAB panels improves, and increases the transparency
of, our operations,” said Kathi Vidal, Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office. The update is effective
immediately. For more information, please see here.

As a reminder, the comment period closes July 9 for proposed changes to terminal disclaimer
practice. The United States Patent and Trademark Office (USPTO) issued a notice of
proposed rulemaking (NPRM) on May 10, 2024, to add a new requirement for terminal
disclaimers filed to overcome nonstatutory double patenting. Comments on the NPRM must
be submitted by July 9 through the Federal eRulemaking Portal to ensure consideration. The
USPTO does not intend to extend the deadline for comments on this NPRM.

As a reminder, the comment period closes next week for PTAB proposals formalizing the
Director Review process and rules relating to discretionary denials. In April 2024, the United
States Patent and Trademark Office (USPTO) issued two notices of proposed rulemaking
(NPRM) related to Patent Trial and Appeal Board (PTAB) processes under the America
Invents Act (AIA). On April 16, 2024, the USPTO issued an NPRM to formalize the
enhanced Director Review process for decisions in AIA proceedings at the PTAB.
Comments on this NPRM must be submitted by June 17 through the Federal eRulemaking
Portal. On April 19, 2024, the USPTO issued another NPRM to codify existing PTAB review
practices related to discretionary denials of institution in AIA proceedings, based on parallel
and serial petitions and petitions implicating prior art or arguments previously presented to
the USPTO. This NPRM also includes a separate briefing process for discretionary
institution arguments and aligns procedures for termination of proceedings pre- and post-
institution due to settlement. Comments on this NPRM must be submitted by June 18
through the Federal eRulemaking Portal. The USPTO does not intend to extend the deadline
for comments on either NPRM.

As a reminder, the deadline for submitting comments on negotiations at the World
Intellectual Property Organization (WIPO) regarding a proposed Design Law Treaty is
Tuesday, June 25. A Federal Register Notice and request for comments was originally
published on March 27, 2024. A diplomatic conference to finalize the Design Law Treaty
will be conducted in Riyadh, Saudi Arabia, from November 11-22, culminating years of
discussions at the WIPO Standing Committee on Trademarks, Industrial Designs, and
Geographical Indications. The treaty's provisions will pertain to formalities associated with
applications for the protection of industrial designs, potentially changing filing requirements in the United States.

III. Administration Updates:
- On Tuesday, June 11, the U.S. Chamber of Commerce criticized Senator Bernie Sanders (I-VT) for his attempt to subpoena Doug Langa, the Executive Vice President of North America Operations for Novo Nordisk, a Dutch pharmaceutical company. The Chamber accused Sanders, who chairs the U.S. Senate Committee on Health, Education, Labor and Pensions (HELP), of abusing his power for political reasons. They argued that the subpoena was unnecessary since Novo Nordisk had already made multiple offers to cooperate with the Senate HELP Committee. Read more here.

IV. Judicial Updates:
- On Wednesday, July 12, the Court of Appeals for the Federal Circuit (CAFC) confirmed the rejection of a patent application due to excessive experimentation required for polymer substituents. The court upheld a patent examiner's decision in the case "In re: The Pen," which involved a patent claim for a metallole polymer with a polycyclic repeating unit backbone. The court agreed with the Patent Trial and Appeal Board (PTAB) that the patent application required an undue amount of experimentation to determine the number of repeating units "n" because the "R" substituents could include an indefinite variety of species, as specified in the application. Read more here.

- On Thursday, in an opinion by Justice Thomas, the U.S. Supreme Court overturned a Federal Circuit decision that the Lanham Act’s “names clause” violated the First Amendment. Elster argued that the USPTO’s refusal to register his mark “Trump too small” without former President Trump’s consent violated his First Amendment right to free speech. The Supreme Court disagreed, finding this to be the first case considering “the constitutionality of a content-based—but viewpoint neutral—trademark restriction.” Although the names clause did not “facially discriminate against any viewpoint,” it did turn “on the content of the proposed trademark—whether it contains the person’s name.” Due to “the uniquely content-based nature of trademark regulation and the longstanding coexistence of trademark regulation with the First Amendment,” the Court declined to apply heightened scrutiny, instead concluding that the history and tradition of the names clause was sufficient evidence of its compatibility with the First Amendment. Throughout history, the clause allowed one to trademark their own name and prohibited claiming another’s name to protect the other’s reputation and goodwill, as was traditional in common law. This “firm grounding in traditional trademark law” gave the Court “no reason” to find the names clause unconstitutional.

- Last Friday, Judge RAO of the D.C. Circuit overturned a district court decision that an anti-circumvention exemption for medical device software under the Digital Millennium Copyright Act (DMCA) was not subject to review under the Administrative Procedure Act (APA). The Library of Congress had argued that it was not an agency and thus exempt from the APA’s judicial review, citing sovereign immunity. However, the D.C. Circuit found that the APA provided grounds for the lawsuit and waived sovereign immunity, noting that actions by the Register under the Copyright Act, including those approved by the Librarian,
were subject to the APA. In dissent, Judge CHILDS contended that sovereign immunity should apply as the Library was not an agency and had not given clear consent to be sued.