JENNER & BLOCK

PREVAIL Act Advances to the Senate: Potential Implications for Patent Challenges

Publications

January 2025
By: Nick G. Saros, Chloe Law

On November 21, 2024, the Senate Judiciary Committee voted by a narrow 11–10 margin to advance the PREVAIL Act to the Senate for consideration. The PREVAIL Act, or the Promoting and Respecting Economically Vital American Innovation Leadership Act, aims to reform rules and procedures at the Patent Trial and Appeal Board (PTAB) to limit Inter Partes Review and other procedures to challenge patents.

Businesses and patent holders should take note of the act's key provisions, which make several reforms intended to make invalidating issued patents more difficult in order to further the purpose of protecting innovation from individual or small entity inventors. Those changes include: (1) implementing a standing requirement to reduce the opportunities to challenge a patent in the PTAB; (2) restricting a challenger's ability to file multiple petitions against the same patent; and (3) raising the burden of proof from the current "preponderance of the evidence" standard to "clear and convincing" as required in federal court.

Critics of the bill argue that the proposed changes unduly restrict PTAB review, making challenges harder and stifling competition. In particular, some Senators have raised concerns that restrictions on PTAB challenges will hinder the ability to challenge pharmaceutical patents and may lead to overall higher drug prices. However, this fear is perhaps misguided given that pharmaceutical and biological patents only accounted for 7% of PTAB challenges in 2023, and because these challenges will likely be diverted to federal court.

Further, the act's standing requirement, which would restrict challengers to only those who have been sued or threatened with patent infringement, is unlikely to greatly affect the overall number of challenges because 85% of PTAB challenges have a co-pending infringement proceeding in other forums, and surely others have been threatened with infringement by letter before a lawsuit has been filed.

Moreover, despite PREVAIL's goals of supporting small businesses and inventors, the bill may instead have the unintentional effect of protecting Non-Practicing Entities (NPEs)—non-innovating organizations that may fit the profile of a small entity inventor—that acquire patents to seek licenses

or asserts them in infringement lawsuits, including suits against those smaller entities the act seeks to protect.

For example, during the Senate Judiciary discussions, Senator Cruz (TX) proposed an amendment to allow small businesses—an inventor or company with less than 500 employees and gross revenue less than $24 million annually—to "opt out" of PTAB proceedings. The amendment failed under those terms, but some senators were generally supportive of the "opt out" concept to protect small businesses. However, instead of protecting small businesses, the "opt out" provision may serve to protect NPEs that have minimal employees and revenue in the patent holding entity, who will continue engaging in infringement litigation while "opting out" of PTAB review—thereby granting NPEs a strong litigation and negotiating advantage.

The final form of the PREVAIL Act and whether it can fulfill its intended purpose is unknown at this point, although we will continue monitoring its evolution as it proceeds to the Senate.

This article is available in the Jenner & Block Japan Newsletter. / この記事はJenner & Blockニュースレターに掲載されています。

Related Attorneys

Nick G. Saros
Partner
nsaros@jenner.com
+1 213 239 5175

Chloe Law
Associate
claw@jenner.com
+1 213 239 2267

Related Articles

Jenner & Block Japan Newsletter | January 2025

Related Capabilities

Japan Practice

Patent Litigation and Counseling

© 2026 Jenner & Block LLP. Attorney Advertising. Jenner & Block LLP is an Illinois Limited Liability Partnership including professional corporations. This publication, presentation, or event is not intended to provide legal advice but to provide information on legal matters and/or firm news of interest to our clients and colleagues. Readers or attendees should seek specific legal advice before taking any action with respect to matters mentioned in this publication or at this event. The attorney responsible for this communication is Brent E. Kidwell, Jenner & Block LLP, 353 N. Clark Street, Chicago, IL 60654-3456. Prior results do not guarantee a similar outcome. Jenner & Block London LLP, an affiliate of Jenner & Block LLP, is a limited liability partnership established under the laws of the State of Delaware, USA and is authorised and regulated by the Solicitors Regulation Authority with SRA number 615729. Information regarding the data we collect and the rights you have over your data can be found in our Privacy Notice. For further inquiries, please contact dataprotection@jenner.com.

Stay Informed →