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# PTAB Update

February 2026

CONFIDENTIAL – DO NOT DISTRIBUTE

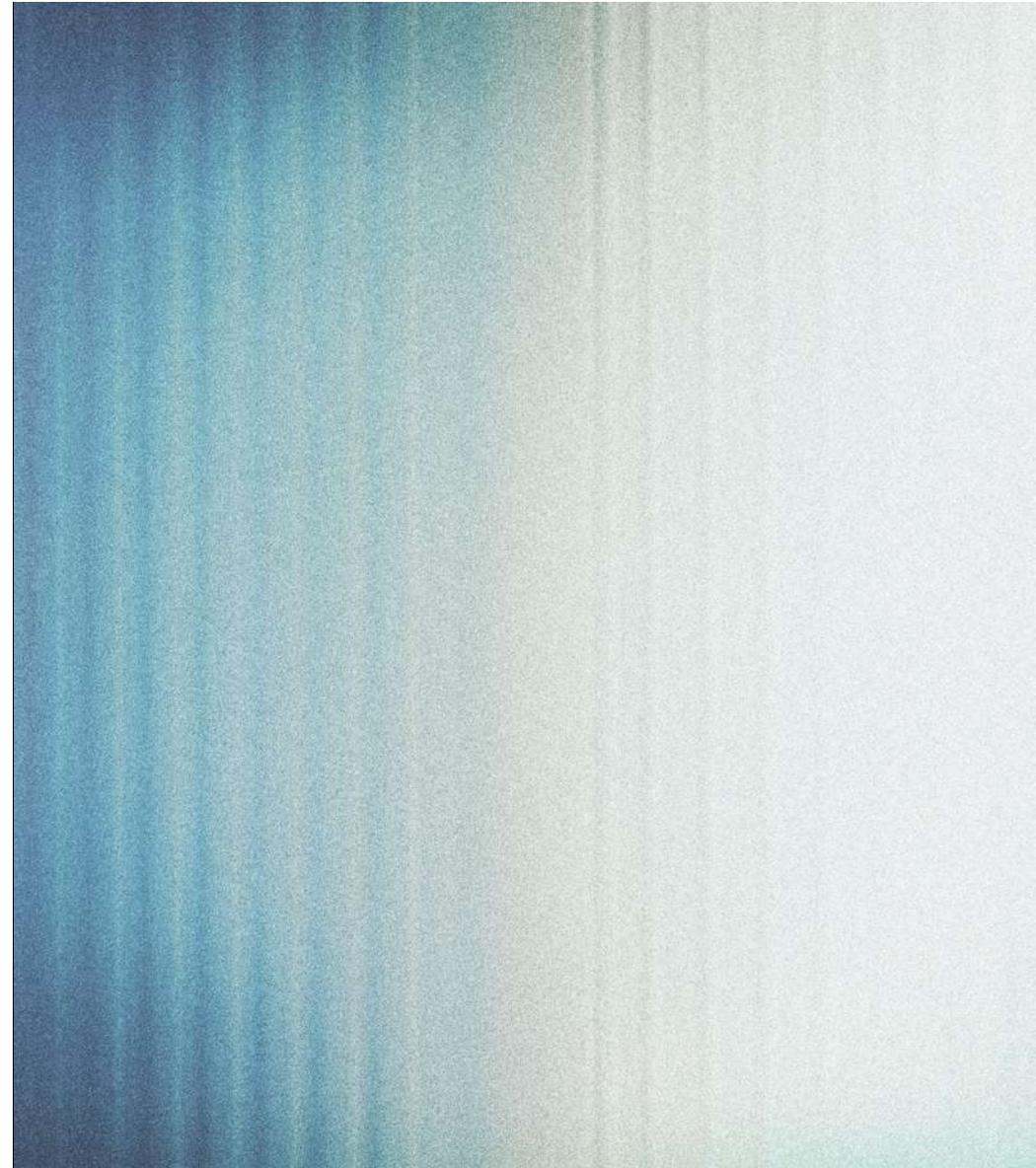
## **AGENDA**

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**Where Post-Grant Proceedings Stand Today**

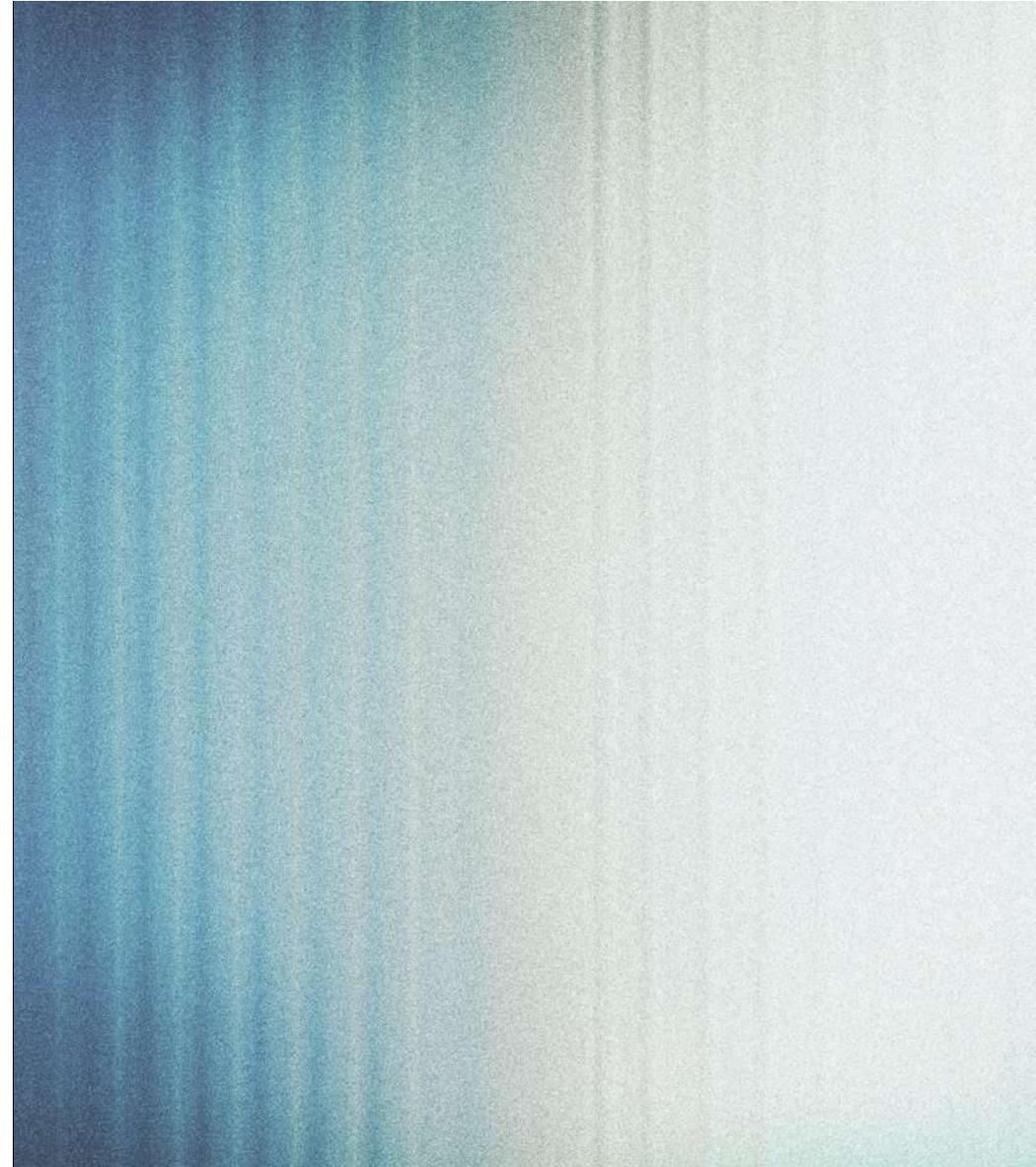
**Discretionary Denial**

**Proposed Rules**



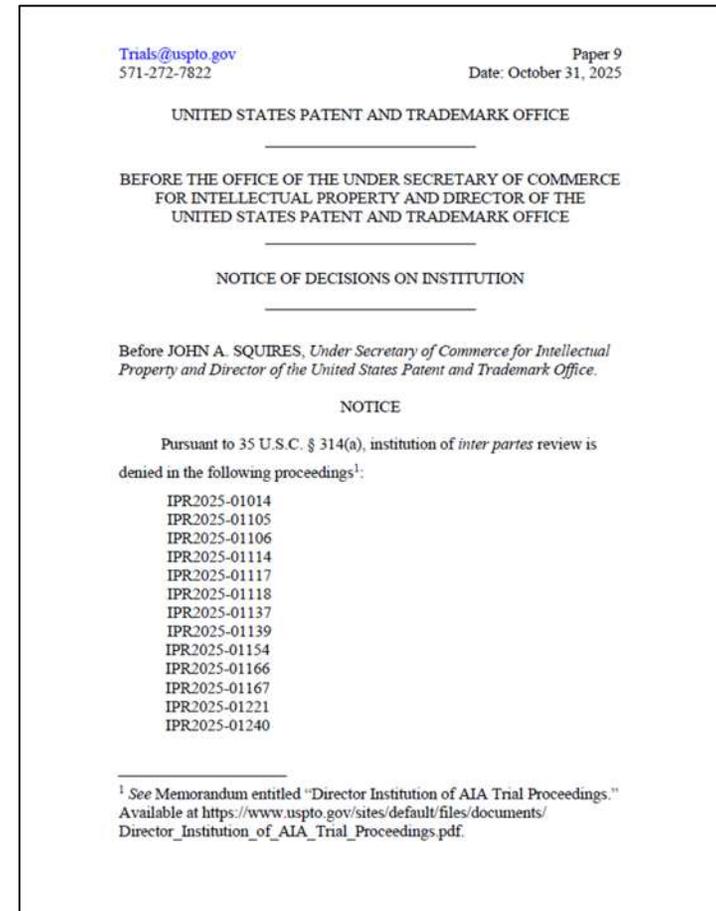
## **Where Post-Grant Proceedings Stand Today**

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## Post Grant Proceedings Today

- Per his memorandum from October 17, 2025, the Director is deciding whether proceedings should be instituted and issuing summary notices of his decision
- These summary notices are less likely to be appealable
  - Very few decisions provide justifications for Director's decision



Source: October 31, 2025 Notice of Decisions on Institution

# How Did the USPTO Get Here: A 2025 Timeline

**January 20**

Coke Morgan Stewart appointed Acting Director

**February 28**

USPTO rescinded previous administration's memorandum limiting discretionary denial

**March 10**

John Squires nominated to be Director

**March 26**

Acting Director Stewart to review discretionary considerations but refer merits to the Board

**September 23**

John Squires confirmed by the Senate

**October 16**

USPTO proposes rules limiting IPRs

**October 17**

Director Squires to make both discretionary and merits decisions

## Former Director Vidal's Rescinded Memorandum

- The following are no longer dispositive:
  - Compelling merits
  - ITC consideration
  - Sotera stipulation
  - Trial dates or statistics

Source: *Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation* (June 21, 2022).

 Patent Trial and Appeal Board  
Rescinded: February 20, 2025

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**UNITED STATES PATENT AND TRADEMARK OFFICE**  
UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND  
DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

**MEMORANDUM**

DATE: June 21, 2022

TO: Members of the Patent Trial and Appeal Board

FROM: Katherine K. Vidal *Katherine Kelly Vidal*  
Under Secretary of Commerce for Intellectual Property and  
Director of the United States Patent and Trademark Office (USPTO or the Office)

SUBJECT: INTERIM PROCEDURE FOR DISCRETIONARY DENIALS IN AIA POST-GRANT PROCEEDINGS WITH PARALLEL DISTRICT COURT LITIGATION

*Rescinded*

Introduction

Congress designed the America Invents Act (AIA) post-grant proceedings "to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs." H.R. Rep. No. 112-98, pt. 1, at 40 (2011), 2011 U.S.C.A.N. 67, 69; see S. Rep. No. 110-259, at 20 (2008). Parallel district court and AIA proceedings involving the same parties and invalidity challenges can increase, rather than limit, litigation costs. Based on the USPTO's experience with administering the AIA, the agency has recognized the potential for inefficiency and gamesmanship in AIA proceedings, given the existence of parallel proceedings between the Office and district courts. To minimize potential conflict between the Patent Trial and Appeal Board (PTAB) and district court proceedings, the Office designated as precedential *Apple Inc. v. Fintiv, Inc.*<sup>1</sup> This precedential decision articulates

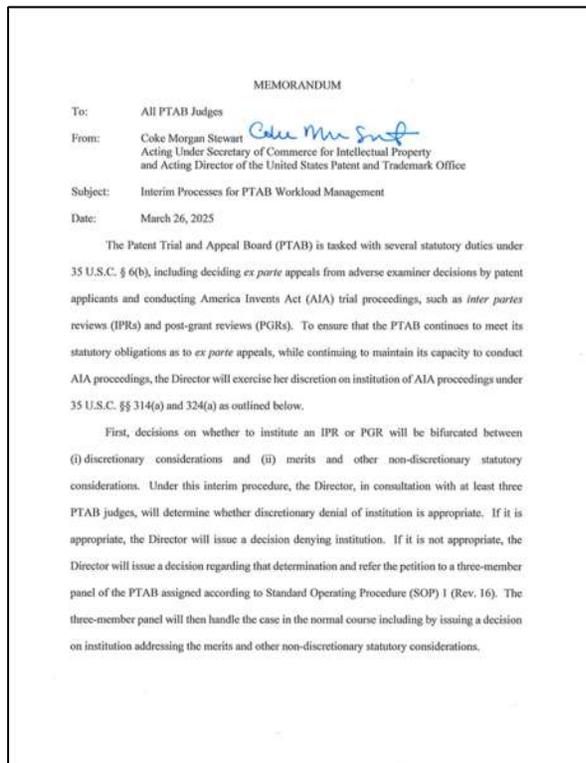
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<sup>1</sup> See *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (designated precedential May 5, 2020).

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## Acting Director Stewart Created a Bifurcated Process



- March 26, 2025 “Interim Processes” Stewart Memo
- Bifurcated Institution for IPRs and PGRs
  - First, Director addresses discretionary factors and refers to a panel or denies
  - Second, if referred, Board panel considers merits
- Note: After Director Squires was confirmed, and until his Oct. 17th memo, he delegated discretionary denial review to Deputy Director Stewart

Source: *Interim Processes for PTAB Workload Management*, March 26, 2025

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## Director Squires' Institution Process

- Director Squires reviews both the discretionary considerations and the merits
- Claim construction, priority, or real party in interest may be referred to the PTAB
- Summary notices unless complex issues
- Refers instituted petitions to the PTAB to conduct the trial

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## Policy Reasons for Director Squires' Process

- The statute (§§ 314, 324) names the Director
  - Directors had previously delegated their institution authority under § 3(b)(3)(B)
- Accountability
- Efficiency and consistency
- Focus the PTAB on adjudicating the merits
- End perceptions that the PTAB was incentivized to institute

*Source: Bringing the USPTO Back to the Future: Return of Institution Authority under 35 U.S.C. §§ 314 and 324 to the Director, October 17, 2025*

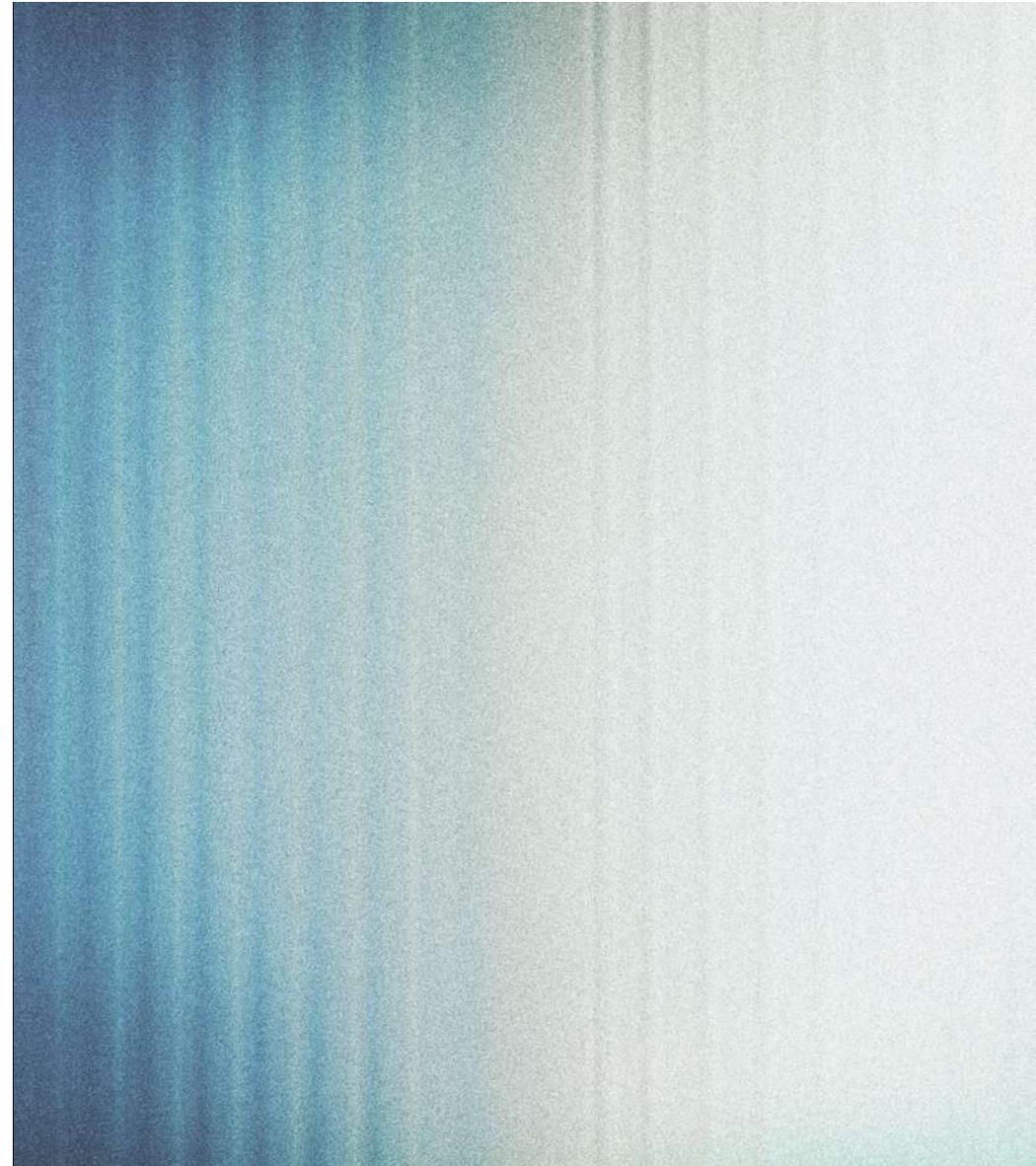
## **Discretionary Denial**

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**Considerations**

**Statistics**

**Notable Decisions**



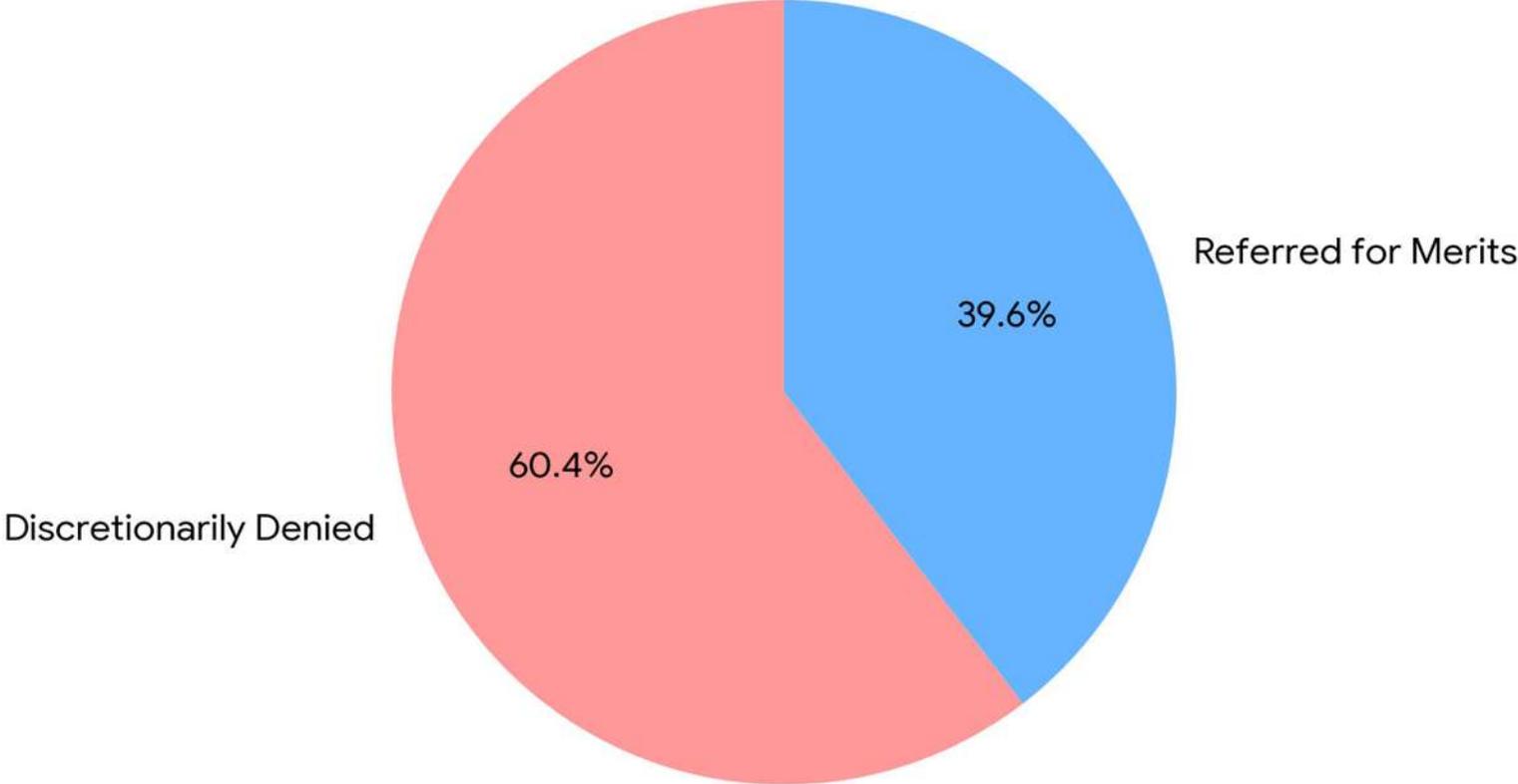
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## Discretionary Denial: Considerations

- Settled expectations
- Material error
- Prior adjudication
- Broad stipulations
- Parallel proceedings
- Multi-patent proceedings
- Changes in the law
- Claim construction
- Real party-in-interest

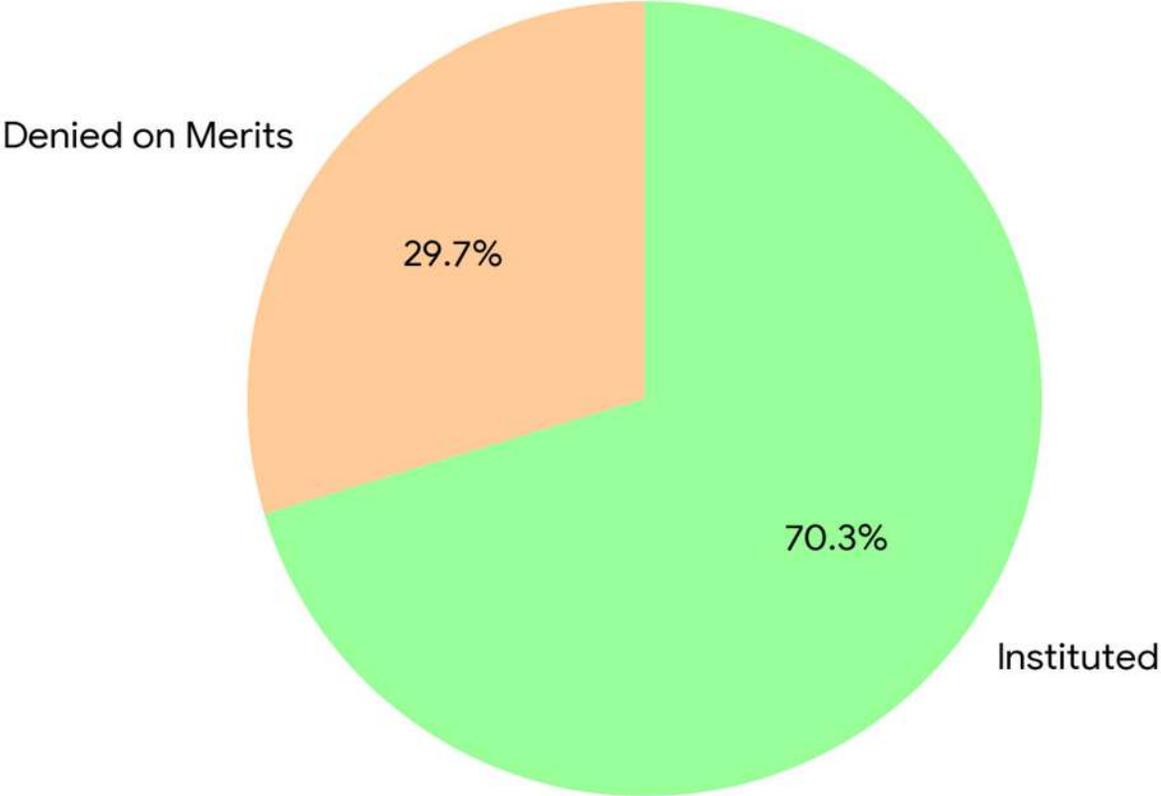
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## Discretionarily Denied vs. Referred



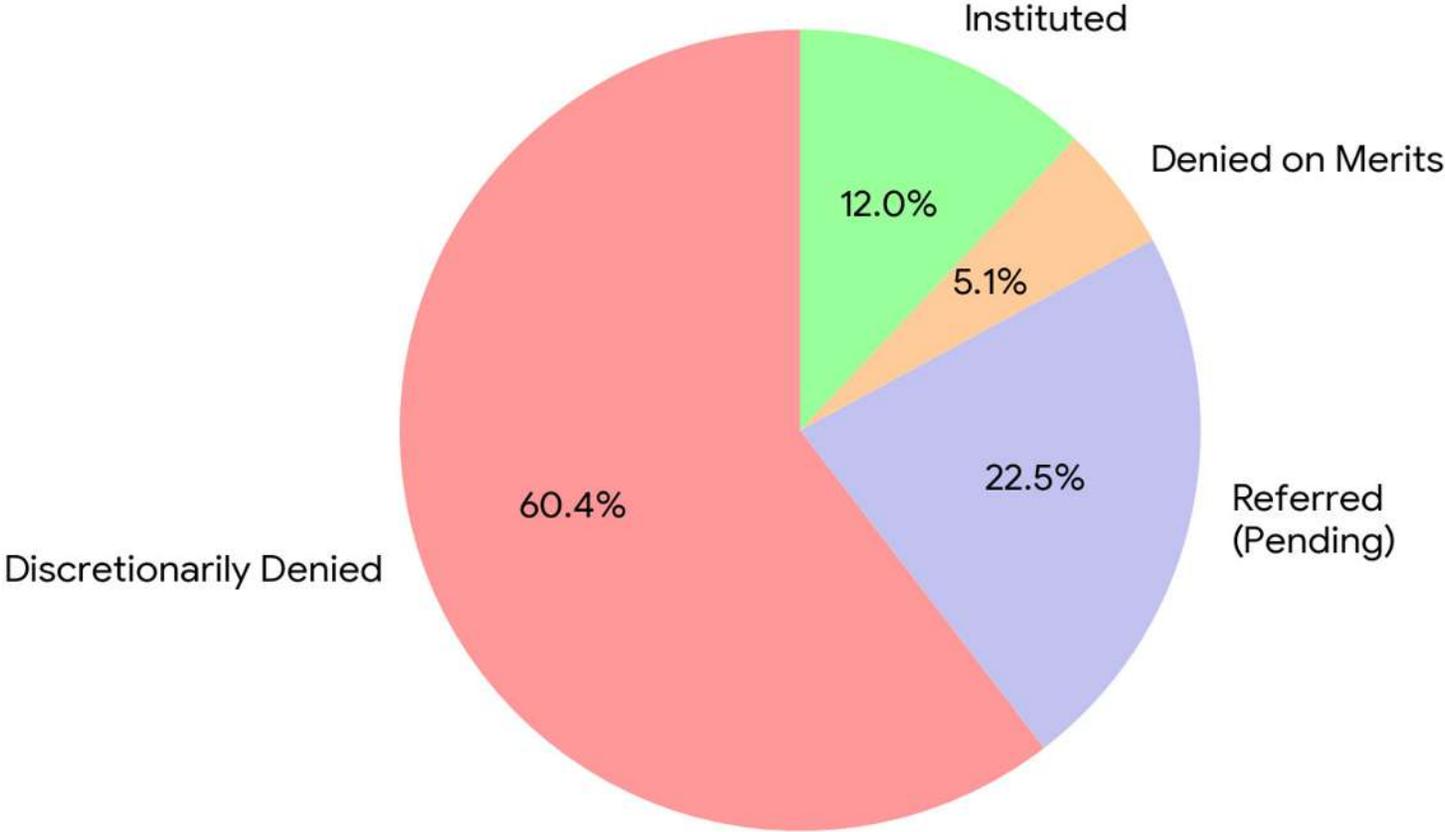
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## Outcomes of Merits Review



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## Distribution of All Cases



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## Notable Decisions: Settled Expectations

- Settled expectations seem to kick in when the patent is about six years old
  - Investing into the patented product
  - Licensing the patent
  - Petitioner's knowledge of related patents
- **BUT** settled expectations may be rebutted
  - No commercialization of the patented invention
  - Petitioner's own settled expectations

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## Notable Decisions: Material Error

- Can outweigh other discretionary denial factors
- Examples:
  - Examiner improperly reviewed the record during examination
  - Misinterpreted or overlooked prior art references
  - Misunderstood the claims
  - Violated Office procedures or regulations
  - Error persists in issued claims (for example amendment to claims not reflected in issued claims)

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## Notable Decisions: Prior Adjudications



DECISION  
Denying Institution of IPR

ADVANCED MICRO DEVICES, INC.,  
Petitioner,

v.

ADVANCED CLUSTER SYSTEMS, INC.,  
Patent Owner.

IPR2025-00862 (Patent 10,333,768 B2)  
IPR2025-00863 (Patent 10,333,768 B2)

- Previous Denials of IPRs
- Road Mapping
- Prior Decisions, including Jury Verdicts and District Court Decisions

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## Notable Cases: Stipulations

- *Sotera* stipulations no longer sufficient
  - May be helpful to raise broader stipulations, including any ground of invalidity
  - Director disfavors raising system art in combination with references to effectively circumvent *Sotera*

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## Notable Cases: Parallel Proceedings

- Trial Date
- Case Investment
- Changed Circumstances
- Petitioner's Role
- Ex Parte Reexamination (EPR)

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## **Notable Cases: Multi-Patent Proceedings**

- Holistic Review
- Case Volume
- Procedural Efficiency

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## **Notable Cases: Claim Construction**

- Forum Claim Construction Consistency
- Explain Differences
- Broad Petition and Narrow Non-Infringement Positions Disfavored

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## **Notable Cases: Real Party-in-Interest (RPI)**

- Identify All RPis
- RPI Disputes Resolved Before Institution
- State Backed Entities Additionally Scrutinized

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## Takeaways for Discretionary Considerations

- Institution is likely if the patent issued within the last 6 years
- Institution is likely for PGRs
- Institution is likely if the Examiner made procedural oversights or inconsistent findings
- Denial is likely if the patent issued more than 6 years ago
- Denial is likely if another forum will more likely than not adjudicate the patent first
- Denial is likely if anyone else has ever challenged the patent

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## Mandamus Petitions Challenging DSCO

- Many parties have sought rehearing and director review
- Multiple parties have filed mandamus petitions challenging the new considerations, such as settled expectations
- Multiple organizations and academics have filed amicus briefs
- USPTO and DOJ recommend resolving invalidity in District Courts or EPRs
- The CAFC has denied all decided mandamus petitions, with a few still pending

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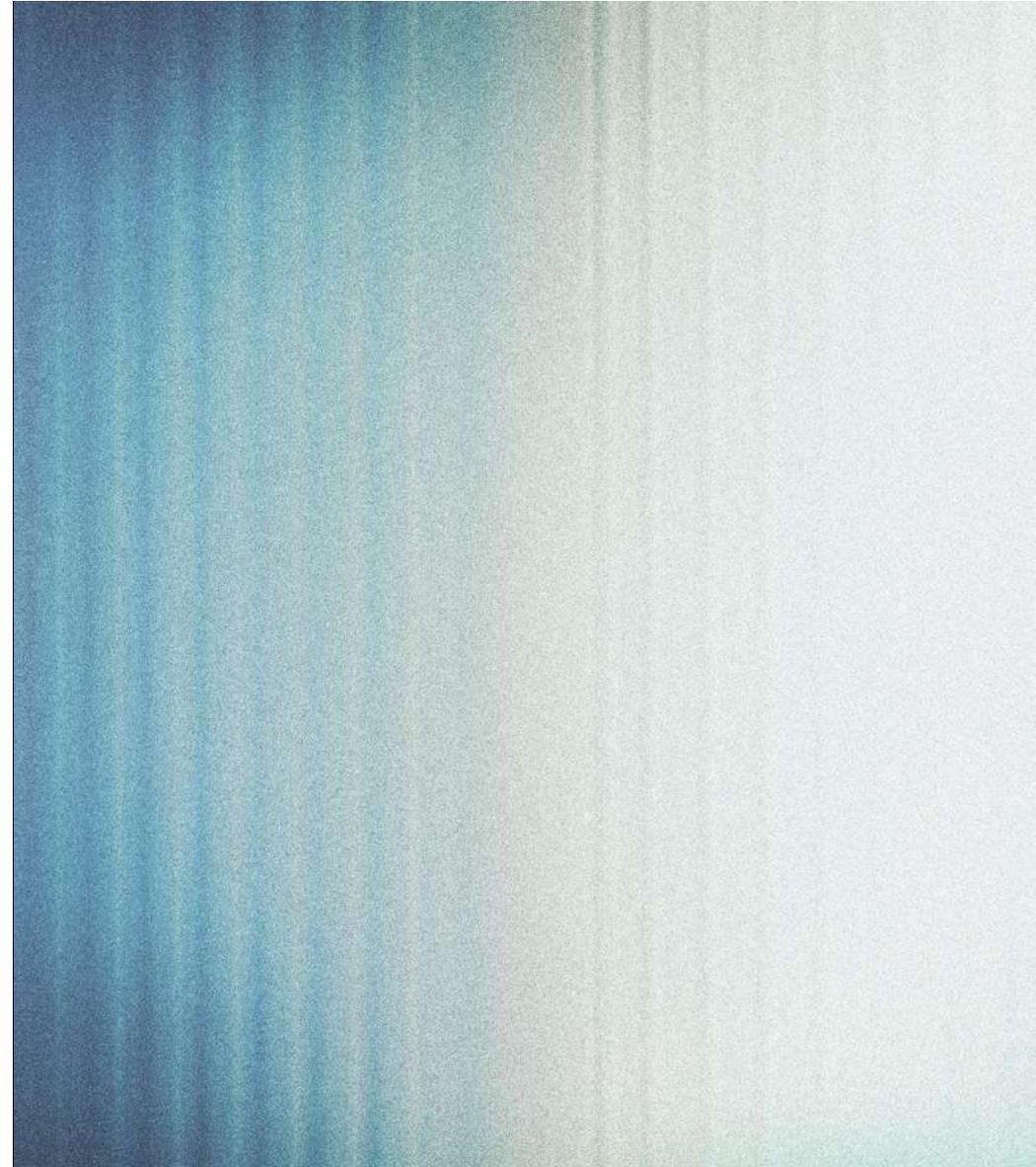
## Pending APA Challenge on Appeal

- APA compliance of *Fintiv* is expected to be decided in the next few months
- Federal Circuit will decide whether rulemaking was required for *Fintiv*
- Decision may inform whether other new policies also require rulemaking

Source: *Apple Inc. v. Squires*, No. 24-1864 (Fed. Cir.)

## **Proposed Rulemaking**

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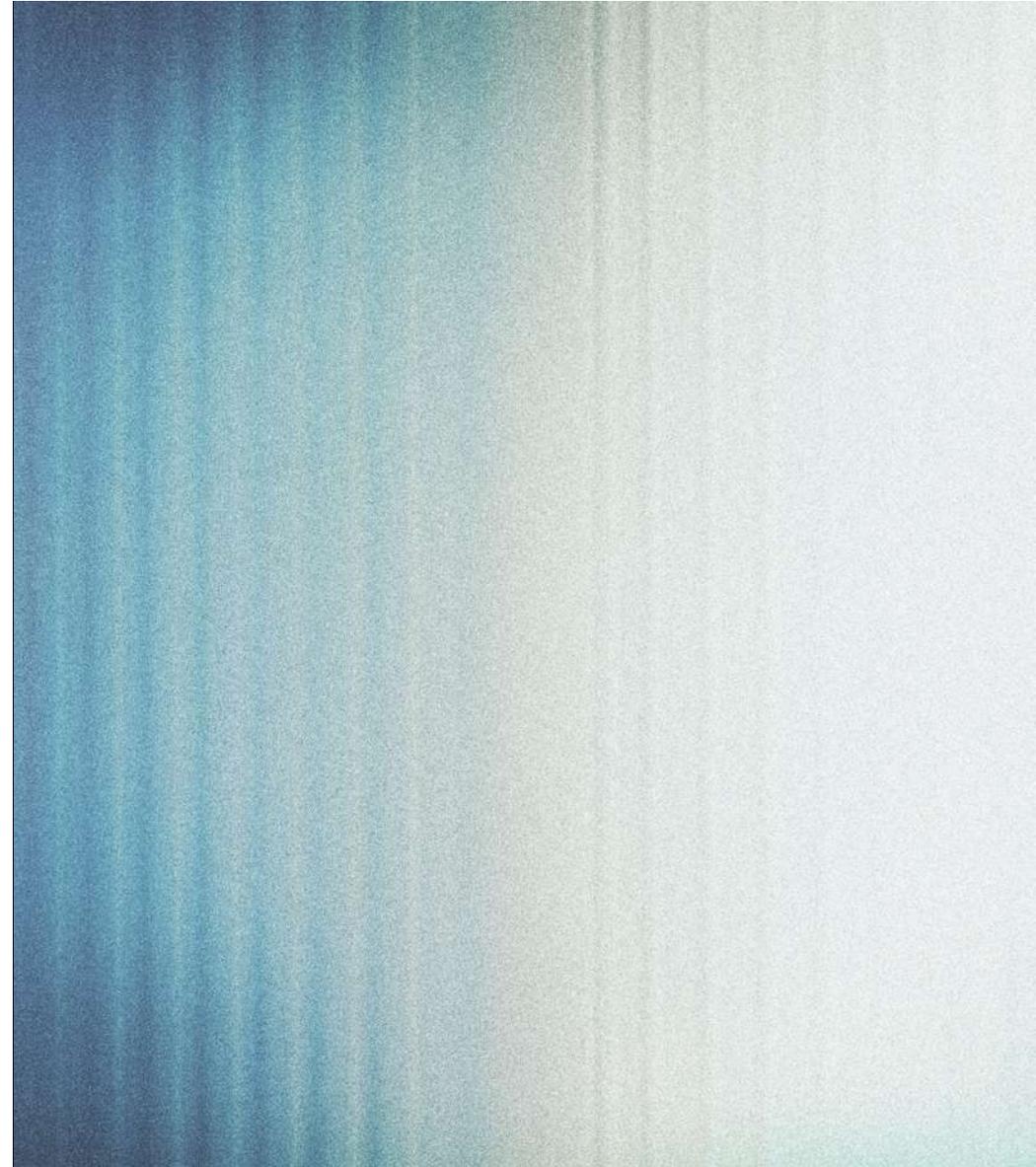
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## USPTO's Notice of Proposed Rulemaking (NPRM)

- Formalizes the grounds for many of the Director's recent decisions:
  - Deny petitions if claims previously found patentable
  - Deny petitions if early trial date
  - Deny petitions unless stipulation against raising any §§ 102 or 103 grounds
  - Limited exceptions to these grounds for denials
- The PTO has been silent since the public comment window closed in December 2025

## **Proposed Rulemaking**

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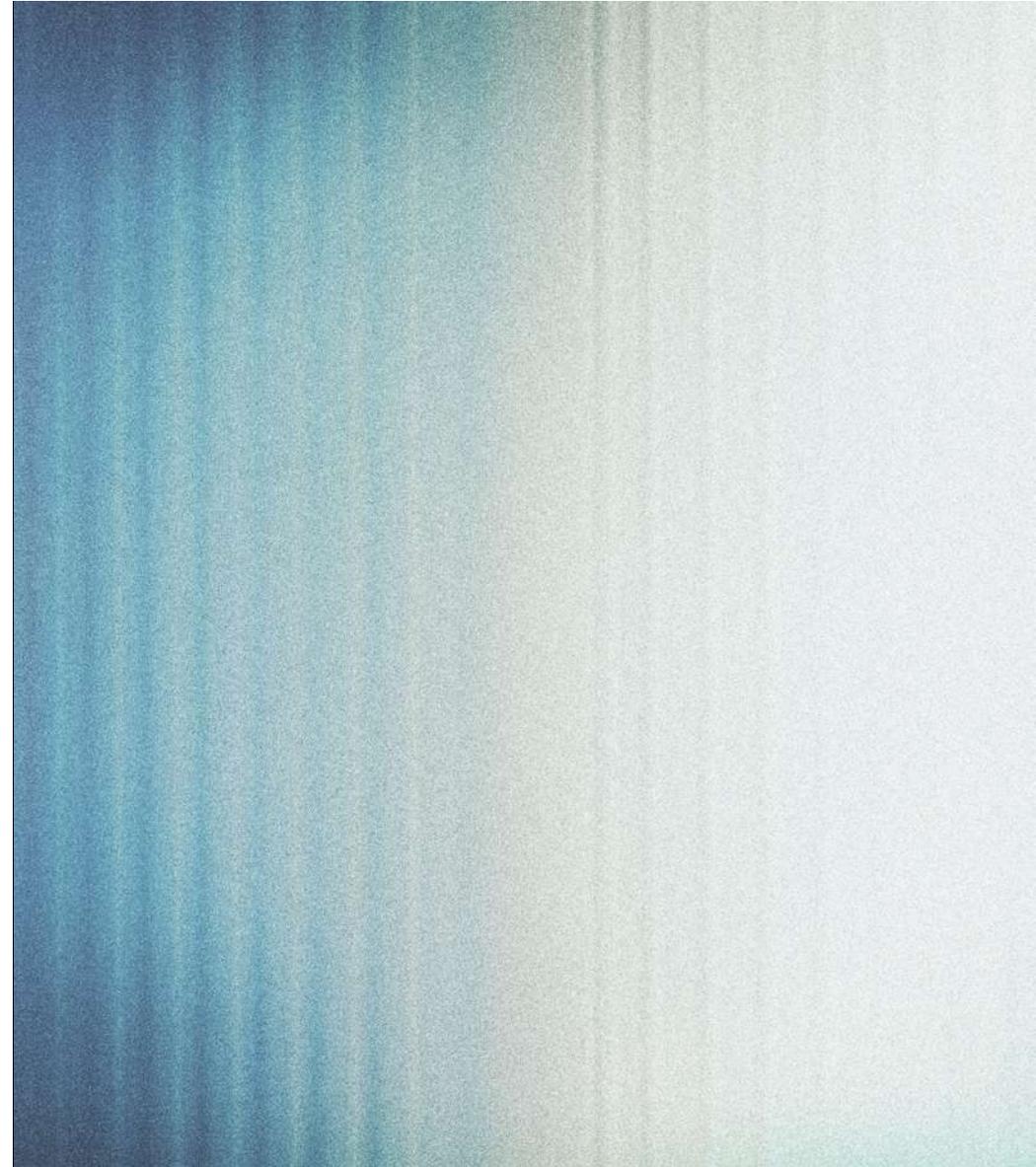
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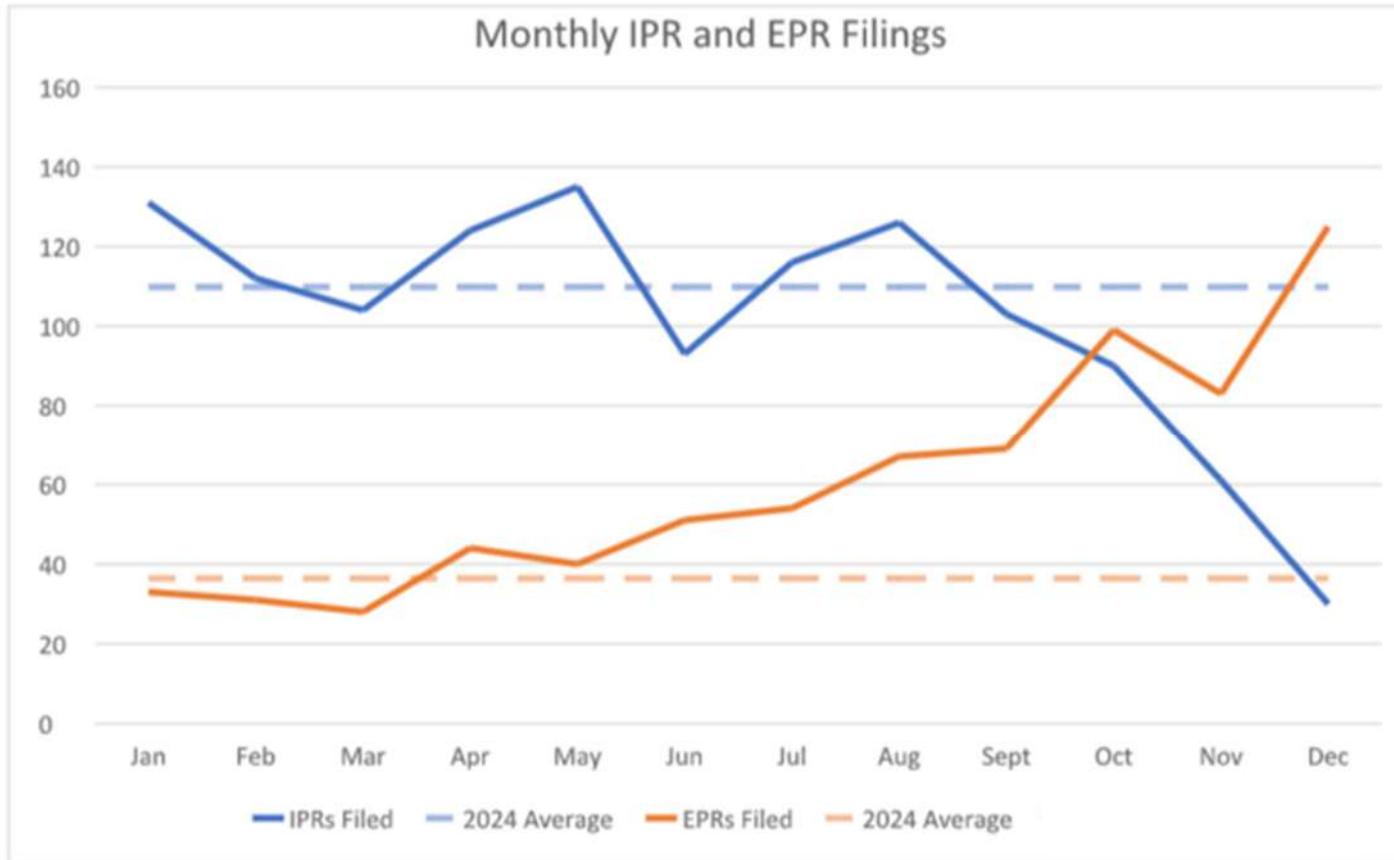
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## Takeaways

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## Impact of PTAB's New Direction



Source: Law360

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## Impact of PTAB's New Direction

- Rescission of the 2022 Memorandum and the October 2025 Memorandum – that the PTAB Director will determine whether to institute IPR and PGR proceedings – likely to both decrease PTAB proceedings and decrease likelihood of stays in District Courts pending IPR
- Industry believes the October 2025 Memorandum is aimed at discouraging patent challengers from relying on IPR petitions to avoid infringement liability
- Most Director's summary institution decisions have no reasoning
  - Challenging the new memorandum under the Administrative Procedures Act (APA) likely to be an uphill battle
- **End result: a likely increase in *ex parte* reexams (EPRs) and patent litigations**