

NYIPLA
PTAB Committee
March 18, 2025

Discretionary Denials at the PTAB Under the Trump Administration

PRESENTING:

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Co-Chairs of PTAB Committee



PTAB Committee
Meeting: USPTO Rescinds
Fintiv Rules From Prior
Administration



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- Serial Petitions (from Iancu Era)
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Statistics

Coke (Trump Era) -- Recission Memo

Summary Timeline of Discretionary Denials

Discretionary Denials

- Statutory Authority

35 U.S.C. §§ 314 (a), (b)

35 U.S. Code § 314 - Institution of inter partes review

(a) Threshold.—The Director **may** not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

35 U.S.C. 314(a)

(b) Timing.—The Director shall determine **whether** to institute an inter partes review under this chapter pursuant to a petition filed under section 311 within 3 months after— (1) receiving a preliminary response to the petition under section 313; or (2) if no such preliminary response is filed, the last date on which such response may be filed.

35 U.S.C. §§ 324 (a), (c)

35 U.S. Code § 324 - Institution of post-grant review

(a) Threshold.—The Director *may* not authorize a post-grant review to be instituted unless the Director determines that the information presented in the petition filed under section 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.

...

(c) Timing.—The Director shall determine *whether* to institute a post-grant review under this chapter pursuant to a petition filed under section 321 within 3 months after—(1) receiving a preliminary response to the petition under section 323; or (2) if no such preliminary response is filed, the last date on which such response may be filed.

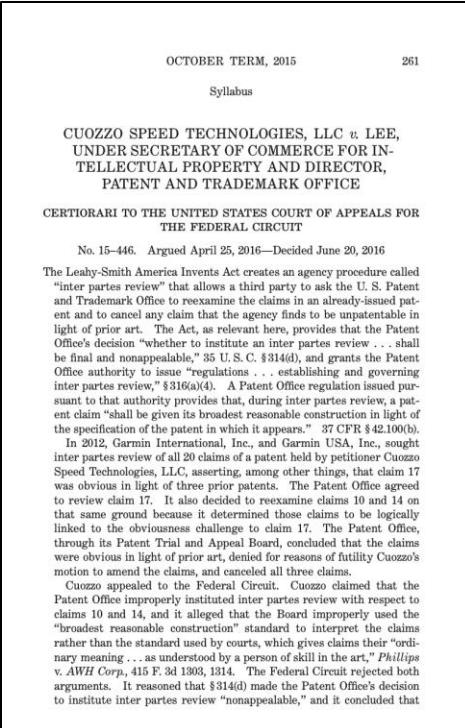
35 U.S.C. § 325(d)

Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of any post-grant review under this chapter, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the post-grant review or other proceeding or matter may proceed, including providing for the stay, transfer, consolidation, or termination of any such matter or proceeding. **In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.**

Discretionary Denials

- Supreme Court Guidance

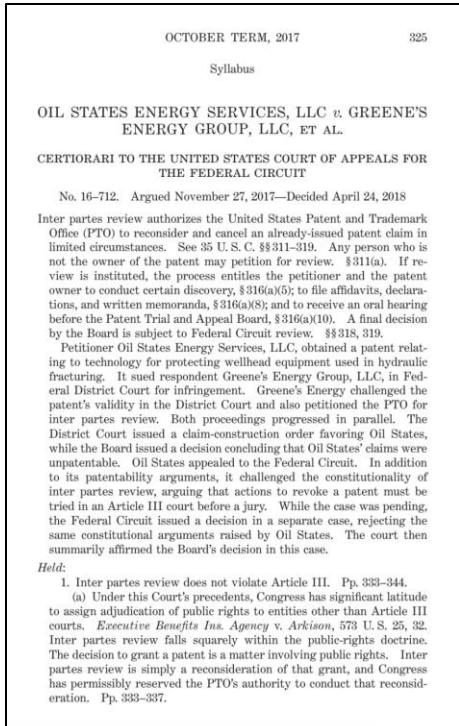
Cuozzo Speed Technologies, LLC v. Lee, 579 U.S. 261, 273 (2016)



review to final agency decisions. 5 U.S.C. § 704. The Patent Office's decision to initiate inter partes review is "preliminary," not "final." *Ibid.* And the agency's decision to deny a petition is a matter committed to the Patent Office's discretion. See § 701(a)(2); 35 U.S.C. § 314(a) (no mandate to institute review); see also *post*, at 294, and n. 6. So, read as limited

Cuozzo addressed the finality and constitutionality of PTAB Decisions

Oil States Energy v. Greene's Energy Group, 584 U.S. 325, 331 (2018)



Before he can institute inter partes review, the Director must determine “that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged.” § 314(a). The decision whether to institute inter partes review is committed to the Director’s discretion. See *Cuozzo Speed Technologies, LLC v. Lee*, 579 U. S. 261, 273 (2016). The Director’s decision is “final and nonappealable.” § 314(d).¹

Oil States addressed constitutionality of PTAB Decisions with respect to jury trial issue

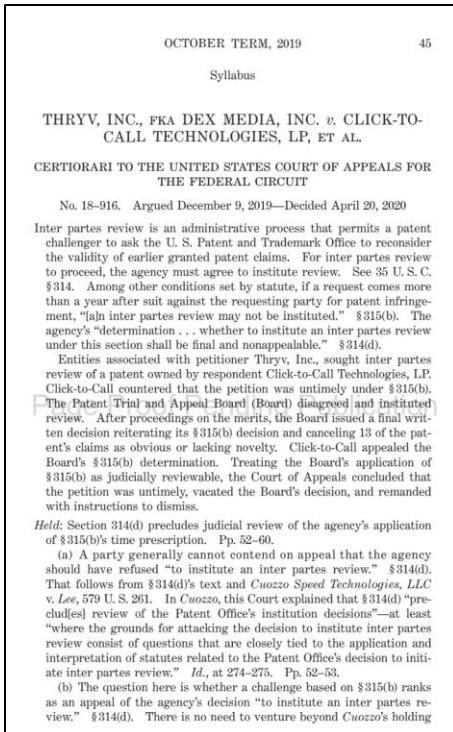
SAS Institute Inc. v. Iancu, 584 U.S. 357, 366 (2018)



Faced with this difficulty, the Director tries another tack. He points to the fact that § 314(a) doesn't *require* him to institute an inter partes review even after he finds the "reasonable likelihood" threshold met with respect to one claim. Whether to institute proceedings upon such a finding, he says, remains a matter left to his discretion. See *Cuozzo*, 579 U.S., at 273. But while § 314(a) invests the Director with discretion on the question *whether* to institute review, it doesn't follow that the statute affords him discretion regarding *what* claims that review will encompass. The text says only that the Director can decide "whether" to institute the requested review—not "whether *and to what extent*" review should proceed. § 314(b).

SAS required the Director to institute on all or none of the challenged claims

Thryv, Inc. v. Click-to-Call Technologies, LP, 590 U.S. 45, 49 (2020)



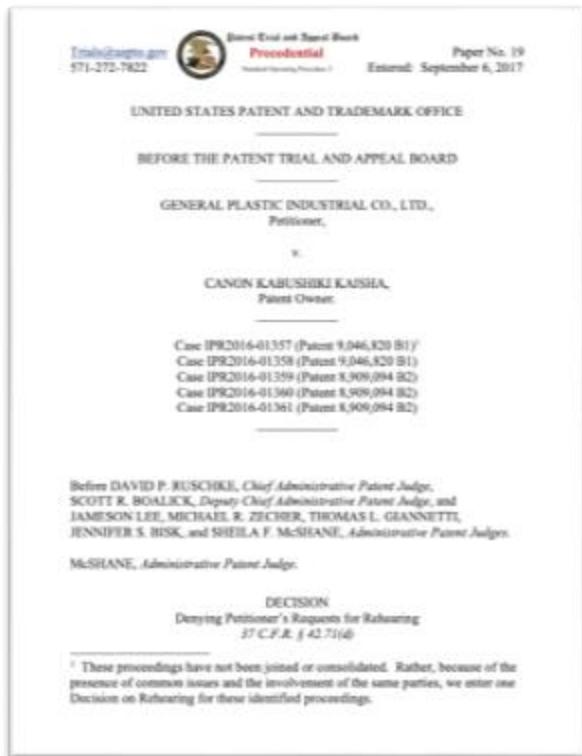
After receiving the petition and any response, the PTO “Director shall determine whether to institute an inter partes review under this chapter.” § 314(b). The Director has delegated institution authority to the Patent Trial and Appeal Board (Board). 37 CFR § 42.4(a) (2019). As just noted, the federal agency’s “determination . . . whether to institute an inter partes review under this section” is “final and nonappealable.” 35 U.S.C. § 314(d).

Thryv confirmed the institution decision is non-appealable

Precedential Decisions at the PTAB

- Serial Petitions (from Iancu era)

“General Plastic” factors (for exercising discretion re: multiple petitions under 35 U.S.C. §§314(a) and 324(a))



1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
3. whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition;
4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

NHK Spring Co. v. Intri-Plex Techs. (denying petition under 314(a) based on inefficient use of PTAB resources)



Second, Patent Owner argues that instituting an *inter partes* review “**ultimately would be inefficient**,” given the status of the district court proceeding between the parties. Prelim. Resp. 38–39. *** Thus, Patent Owner argues, the district court proceeding will **analyze the same issues and will be resolved before any trial on the Petition concludes**. *Id.* at 39. Patent Owner asserts that **such inefficiency supports denying the Petition**.

We agree. First, we note that there is no “intent to limit discretion under § 314(a), such that it is . . . encompassed by § 325(d).” *Gen. Plastic*, Paper 19, 18–19. Thus, **simply because we exercise our discretion to deny the Petition under § 325(d) does not mean that we cannot consider and weigh additional factors that favor denying institution under § 314(a).**

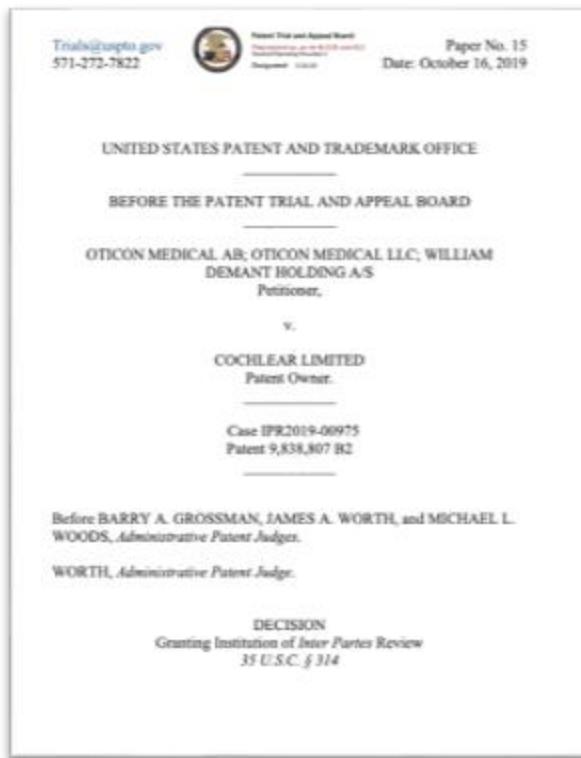
Second, Patent Owner argues persuasively that **instituting a trial under the facts and circumstances here would be an inefficient use of Board resources**. The district court proceeding, in which Petitioner asserts **the same prior art and arguments, is nearing its final stages**, with expert discovery ending on November 1, 2018, and a 5-day jury trial set to begin on March 25, 2019. Ex. 2004, 1. **A trial before us on the same asserted prior art will not conclude until** September 2019. Institution of an *inter partes* review under these circumstances **would not be consistent with “an objective of the AIA . . . to provide an effective and efficient alternative to district court litigation.”** *Gen. Plastic*, Paper 19, 16–17. Accordingly, **we find that the advanced state of the district court proceeding is an additional factor that weighs in favor of denying the Petition under § 314(a).**

Valve I (different petitioner) and Valve II (joined petitioner) (denying petitions under 314(a) – General Plastic factors apply to different and joined petitioners

Valve I: “Under the first General Plastic factor, we consider “whether the same petitioner previously filed a petition directed to the same claims of the same patent.” *General Plastic*, slip op. at 16. However, our application of the *General Plastic* factors is not limited solely to instances when multiple petitions are filed by the same petitioner. Rather, **when different petitioners challenge the same patent, we consider any relationship between those petitioners when weighing the General Plastic factors.**”

Valve II: “Valve had an instituted proceeding (i.e., the 1032 DI) as a roadmap to follow in preparing these follow-on petitions. As a result, it would have gained a substantial advantage in waiting for the preliminary response and institution decision in that proceeding before preparing these follow-on petitions. Accordingly, **Valve’s use of the Board’s institution decision in the 1032 IPR as a roadmap for the Petition in this case implicates the fairness concerns discussed in *General Plastic* and favors denying institution.”**

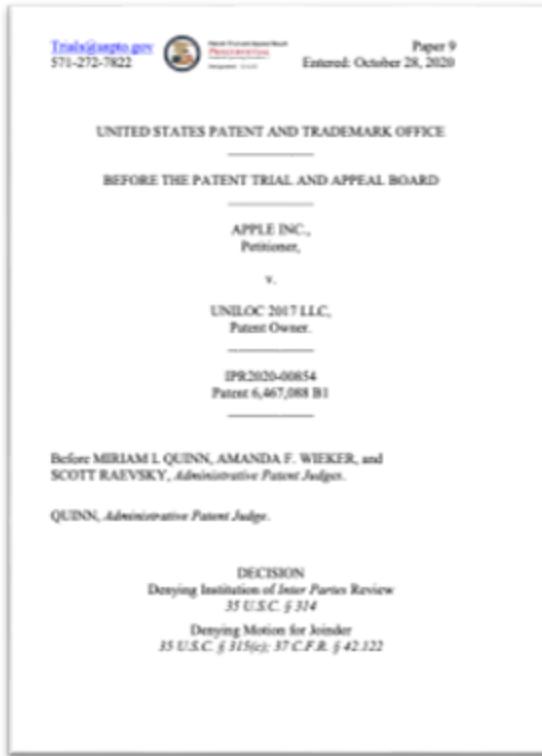
Octicon Medical v. Cochlear Ltd. (distinguishing NHK based on prosecution activity – not cumulative)



Patent Owner argues that **similar arguments were considered by the Examiner because the Examiner had rejected claim 29 of the '083 Application as anticipated by the Westerkull '794 Publication.** Prelim. Resp. 21. Even though Westerkull '794, Westerkull '222, and Håkansson had been considered by the Examiner (at least in terms of the Westerkull '794 Application and the Westerkull '222 Application), **Choi was not considered.** As we discuss in the preceding section, the **teachings of Choi are not cumulative over Härle, contrary to Patent Owner's arguments.** Petitioner is relying on Choi for the circumferential grooves. Accordingly, even if Westerkull '794, Westerkull '222, and Håkansson had been considered by the Examiner, **the teaching of Choi regarding circumferential grooves was not considered by the Examiner.**

Octicon Medical AB v. Cochlear Limited (§ II.B and II.C), Case IPR2019-00975, Paper 15 (October 16, 2019) (designated: March 24, 2020) [AIA §§ 314(a), 325(d) – declining to exercise § 325(d) discretion based on prosecution activity, or § 314(a) discretion, distinguishing NHK]

Apple Inc. v. Uniloc (Applying General Plastic to follow-on copycat petition)



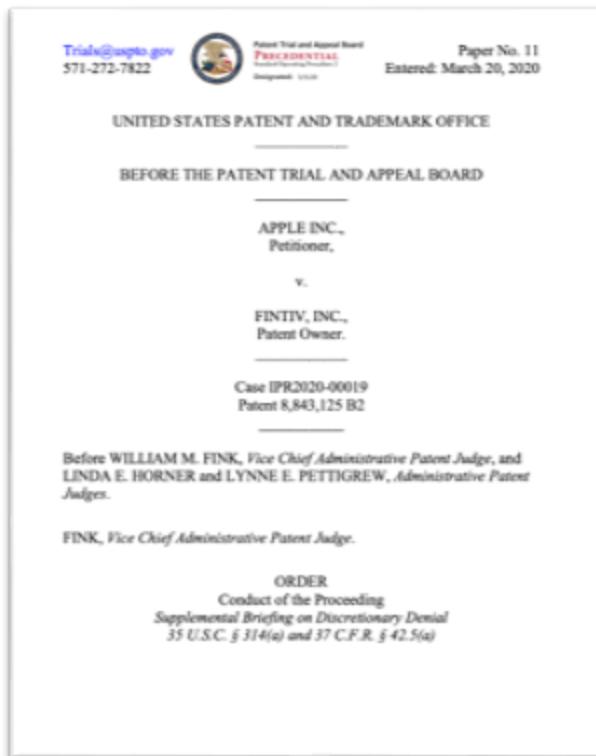
Notwithstanding the merits, however, Patent Owner argues that we should exercise **our discretion to deny institution under 35 U.S.C. § 314(a)** and, accordingly, **deny joinder**, citing and discussing the *Fintiv* and *General Plastic* factors. Opp. 2–9 (citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv Order*”) and *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i)). Petitioner argues that neither the *Fintiv Order* nor the *General Plastic* factors applies here, where Petitioner seeks to join as a party to the 023 IPR and **take an inactive or understudy role**. Reply 1–2, 4. As explained in further detail below, **Petitioner’s understudy argument is not persuasive here where the copied petition is Petitioner’s second challenge to the patent, and should Microsoft settle, Petitioner would stand in to continue a proceeding that would otherwise be terminated**. In effect, **it would be as if Apple had brought the second challenge to the patent in the first instance**. This is the kind of serial attack that *General Plastic* was intended to address. *General Plastic*, Paper 19 at 17 (“Multiple, staggered petitions challenging the same patent and same claims raise the potential for abuse.”).

Apple Inc. v. Uniloc 2017 LLC, IPR2020-00854, Paper 9 (October 28, 2020) – [AIA §§ 314(a), 315(c), denying institution and joinder motion – analysis of General Plastic factors based on follow-on copycat petition]

Precedential Decisions at the PTAB

- Parallel Proceedings (from lancu era)

“Fintiv” Factors – for co-pending parallel proceedings



As with other non-dispositive factors considered for institution under 35 U.S.C. § 314(a), **an early trial date should be weighed as part of a “balanced assessment of all relevant circumstances of the case, including the merits.”** Indeed, the Board’s cases addressing earlier trial dates as a basis for denial under *NHK* have sought to **balance considerations such as system efficiency, fairness, and patent quality.** When the patent owner raises an argument for **discretionary denial under *NHK* due to an earlier trial date**, the Board’s decisions have balanced the following factors:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

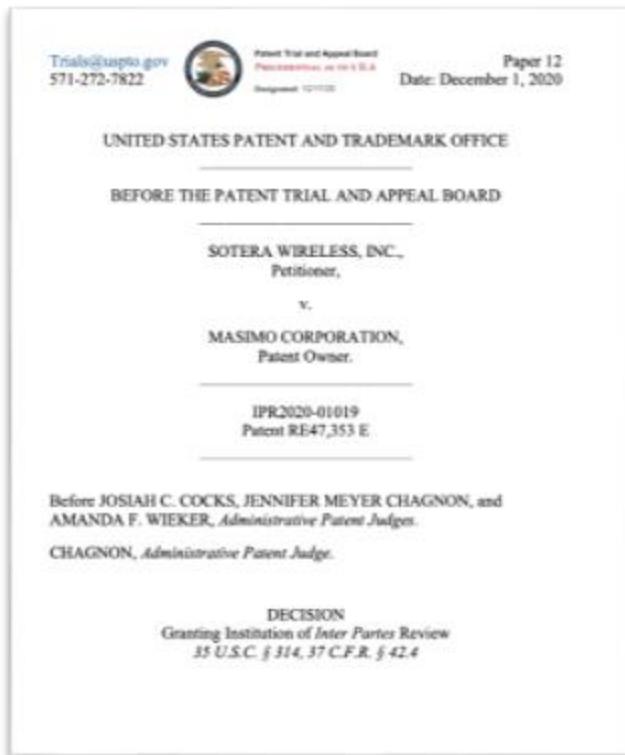
*Snap v. SRK (Applying *Fintiv* to stayed district court proceeding)*



2. Conclusion

We have considered the circumstances and facts before us in view of the *Fintiv* factors. Because our analysis is fact-driven and we take a holistic view of the factors, no single factor is determinative of whether we exercise our discretion to deny institution under § 314(a). Based on the facts before us, the stay in the parallel District Court proceeding, the early stages of that parallel proceeding prior to the stay, and the lack of overlap between the invalidity contentions in the District Court proceeding and the challenges raised in the Petition allay any concerns regarding inefficiency, duplication of efforts, and the possibility of conflicting decisions. Of the remaining factors, we find only that Petitioner is the same as the defendant in the parallel proceeding to be neutral or to weigh slightly in favor of discretionary denial. Balancing all of the *Fintiv* factors, on this record, we determine that the circumstances presented here weigh against exercising discretion under § 314(a) to deny institution of *inter partes* review.

Sotera Stipulations (limiting availability of invalidity defenses before district court)



Petitioner's stipulation here mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions. *See Sand Revolution* 12. Importantly, Petitioner broadly stipulates to not pursue "any ground raised or that could have been reasonably raised." Reply 6. As noted in *Sand Revolution*, such a broad stipulation better addresses concerns of duplicative efforts and potentially conflicting decisions in a much more substantial way. *Sand Revolution* 12 n.5. Accordingly, Petitioner's broad stipulation ensures that an *inter partes* review is a "true alternative" to the district court proceeding. *Id.*

Vidal

- Vidal Memo virtually eliminates discretionary denials

The Vidal Memo (June 21, 2022)



As explained below, to benefit the patent system and the public good, **the PTAB will not rely on the Fintiv factors to discretionarily deny institution in view of parallel district court litigation where a petition presents compelling evidence of unpatentability**. This memorandum also confirms that **the precedential import of Fintiv is limited to facts of that case**. Namely, Fintiv involved institution of an AIA proceeding with a parallel district court litigation. The plain language of **the Fintiv factors is directed to district court litigation and does not apply to parallel U.S. International Trade Commission (ITC) proceedings**, as the ITC lacks authority to invalidate a patent and the ITC's invalidity rulings are not binding on the Office or on district courts.

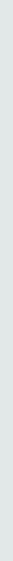
Consistent with Sotera Wireless, Inc., **the PTAB will not discretionarily deny institution in view of parallel district court litigation where a petitioner presents a stipulation not to pursue in a parallel proceeding the same grounds or any grounds that could have reasonably been raised before the PTAB**. Additionally, when considering the proximity of the district court's trial date to the date when the PTAB final written decision will be due, the PTAB will consider **the median time from filing to disposition of the civil trial for the district in which the parallel litigation resides**. This memorandum clarifies those practices.

Vidal's Commscope Technologies clarification on “compelling merits”



In this case, the Board assessed compelling merits without first determining that the other *Fintiv* factors favor discretionary denial. My Guidance Memo (Guidance Memo at 5) states that “the PTAB will not deny institution based on *Fintiv* if there is compelling evidence of unpatentability.” Although I now recognize that this instruction could be read to allow for a compelling merits determination as a substitute for a *Fintiv* analysis, that was not my intent. By that instruction, I intended for PTAB panels to only consider compelling merits if they first determined that *Fintiv* factors 1–5 favored a discretionary denial. Thus, in circumstances where the Board determines that the other *Fintiv* factors 1–5 do not favor discretionary denial, the Board shall decline to discretionarily deny under *Fintiv* without reaching the compelling merits analysis. In circumstances where, however, the Board’s analysis of *Fintiv* factors 1–5 favors denial of institution, the Board shall then assess compelling merits. In doing so, the Board must provide reasoning sufficient to allow the parties to challenge that finding and sufficient to allow for review of the Board’s decision.

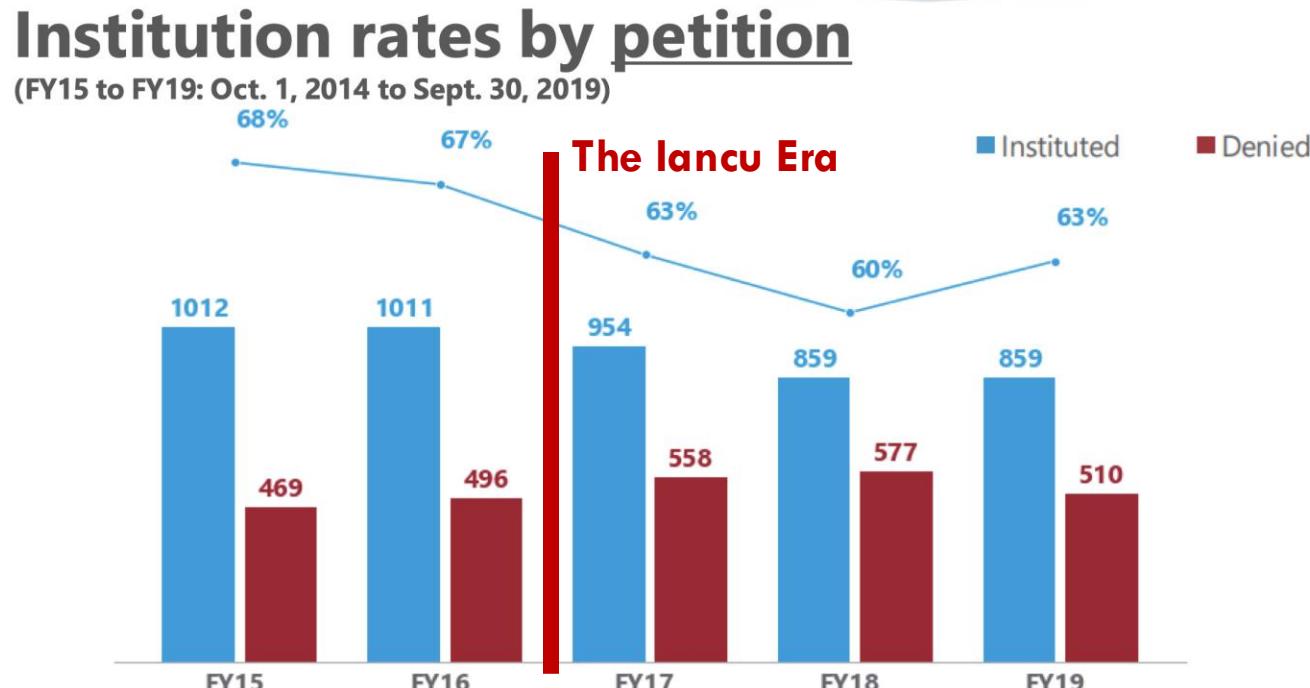
CommScope Techs. LLC. v. Dali Wireless, Inc., IPR2022-01242, Paper 23 (February 27, 2023) [AIA – ordering rehearing, vacating decision granting institution, and remanding proceeding to the Board; the Board must first address *Fintiv* factors 1–5, and should engage the compelling merits question only if that analysis favors discretionary denial; when addressing compelling merits, the Board must provide reasoning, beyond pointing to its analysis under the lower institution standard, to explain and support its determination, sufficient to allow for review of that decision] (*sua sponte* Director Review decision)



CLE Code

Statistics

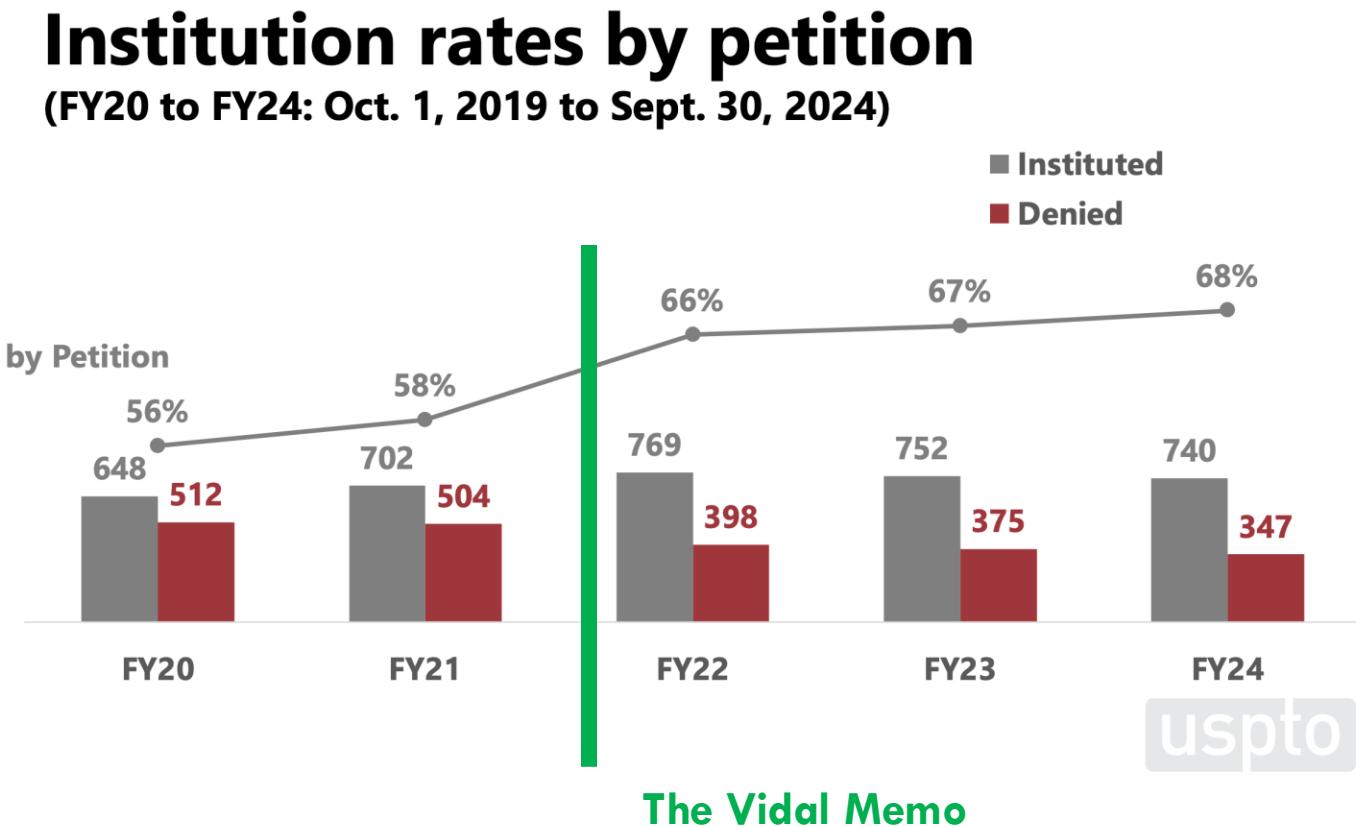
Institution rates by petition (FY15 to FY19: Oct. 1, 2014 to Sept. 30, 2019)



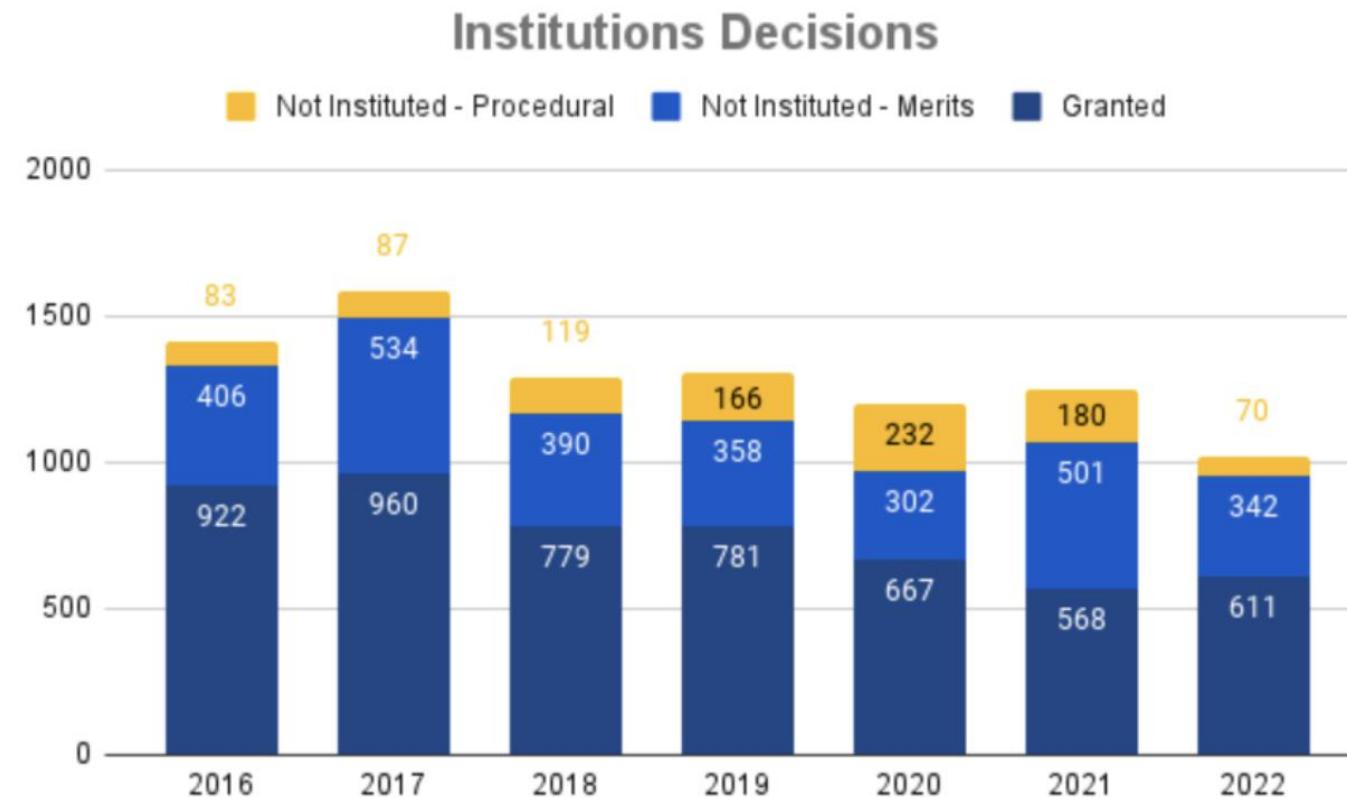
Institution rate is calculated by dividing petitions instituted by decisions on institution (i.e., petitions instituted plus petitions denied). The outcomes of decisions on institution responsive to requests for rehearing are excluded.



Institution rates by Petition (FY20 to FY24: Oct. 1, 2019 to Sept. 30, 2024)



Discretionary Denials of Institution Decisions (per Unified Patents, Oct. 2022)



Q3 PTAB Discretionary Denial Report: Use of Fintiv Drops to Near-Zero (Unified Patents, Oct. 27, 2022) available at
<https://www.unifiedpatents.com/insights/2022/10/27/q3-ptab-discretionary-denial-report-use-of-fintiv-drops-to-near-zero>

Coke (Trump Era)

- Recission Memo

Coke (Trump Era) – Rescission Memo



The screenshot shows the official USPTO website with a dark header. The header includes the 'uspto' logo, the text 'UNITED STATES PATENT AND TRADEMARK OFFICE ®', and links for 'About Us', 'Jobs', 'Contact Us', and 'MyUSPTO'. A search bar with the placeholder 'Search uspto.gov' and a magnifying glass icon is also present. Below the header, a navigation bar offers links to 'Patents', 'Trademarks', 'IP Policy', 'Learning and Resources', and a 'Find It Fast' dropdown. The main content area features a blue header bar with the breadcrumb navigation: 'Home > About Us > News & Updates > USPTO rescinds memorandum addressing discretionary denial procedures'. The main title of the article is 'USPTO rescinds memorandum addressing discretionary denial procedures', dated February 28, 2025. The text of the article states that the USPTO rescinded a memorandum from June 21, 2022, regarding interim procedure for discretionary denials in AIA Post-Grant Proceedings with Parallel District Court Litigation. It directs parties to PTAB precedent, including [Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 \(PTAB Mar. 20, 2020\) \(precedential\)](#) and [Sotera Wireless, Inc. v. Masimo Corp., IPR2020-01019, Paper 12 \(PTAB Dec. 1, 2020\) \(precedential as to § II.A\)](#). It also notes that any PTAB or Director Review decisions relying on the rescinded memorandum should not be binding or persuasive.

<https://www.uspto.gov/about-us/news-updates/uspto-rescinds-memorandum-addressing-discretionary-denial-procedures>

Rescission of Discretionary Denial Memorandum

Return to the *Iancu* Era

PTAB litigants should now **refer to *Apple Inc. v. Fintiv, Inc. and Sotera Wireless, Inc. v. Masimo Corp.*** for guidance on the agency's approach to discretionary denials.

Discretionary Denials Following the Recission Memo

- *Savant Technologies LLC v. Feit Electric Company, Inc.*, IPR2024-01357 (PTAB Mar. 5, 2025)
 - First PTAB decision to address the recission
 - The panel considered the *Fintiv* factors and chose to institute the IPR
- *Mobileye Global, Inc. v. Facet Technology Corp.*, IPR2024-01110 (PTAB Mar. 5, 2025)
 - The panel considered the *Fintiv* factors and chose to institute the IPR

Discretionary Denials Following the Recission Memo

Since the Memo, the Board has issued the following decisions that mention *Fintiv*:

Proceeding #	Application #/Reexam Control #	Appellant/PO/Respondent	Board Decision	Decision Date	Proceeding Type	Decision Type
IPR2024-01357	13273212	Feit Electric Company, Inc.	Institution Granted	03-05-2025	AIA Trial	Decision
IPR2024-01252	17234498	Piranha Media Distribution, LLC	Institution Granted	03-04-2025	AIA Trial	Decision
IPR2024-01253	17234498	Piranha Media Distribution, LLC	Institution Granted	03-04-2025	AIA Trial	Decision
IPR2024-01222	10137163	Pictiva Displays International Ltd. et al.	Institution Granted	03-06-2025	AIA Trial	Decision
IPR2024-01110	14512735	Facet Technology Corp.	Institution Granted	03-05-2025	AIA Trial	Decision
IPR2024-01223	10137163	Pictiva Displays International Ltd. et al.	Institution Granted	03-06-2025	AIA Trial	Decision
IPR2024-01352	09626044	Jaffe, Jonathan	Institution Granted	03-07-2025	AIA Trial	Decision
IPR2024-01111	15148722	Facet Technology Corp.	Institution Granted	03-05-2025	AIA Trial	Decision
IPR2024-01421	16141535	Croga Innovations Ltd.	Institution Granted	03-14-2025	AIA Trial	Decision
IPR2024-01445	15619261	FBA Operating Co.	Institution Granted	02-28-2025	AIA Trial	Decision
IPR2025-00008	12137258	Aspen Networks, Inc.	Institution Denied	03-17-2025	AIA Trial	Decision
IPR2024-01336	12018370	COBBLESTONE WIRELESS, LLC,	Institution Granted	03-07-2025	AIA Trial	Decision

Summary Timeline of Discretionary Denials

Iancu (Trump)

- General Plastics/NHK/Valve I & Valve II
- Fintiv
- Sotera
- Discretionary Denials / Decreased Institution Rates

Vidal (Biden)

- June 21, 2022 - Vidal Memo
- Feb. 27, 2023 – CommScope “clarification”
- Discretionary Denials disappear/Institution Rates Rise

Coke (Trump)

- Feb. 2025 - Rescind Vidal Memo
- March 2025 - Savant & MobileEye -- discretionary denials

Questions



103rd NYIPLA Annual Judges Dinner, Friday, March 21, 2022

Amster Rothstein & Ebenstein LLP is gearing up for an unforgettable evening at the 103rd Annual Judge's Dinner to be held March 21st!

Join us in the **Nassau West suite** at the New York Hilton Midtown Hotel for an exclusive reception filled with great company, lively music, and delicious food. Don't miss this chance to connect, celebrate, and make lasting memories—we can't wait to welcome you!