

PTAB Year in Review: A Tumultuous 2025

As a result of major changes over the past year at the Patent Trial and Appeal Board (PTAB), it is now materially harder to institute inter partes review (IPR) and post grant review (PGR). The following summarizes a tumultuous year at the PTAB and the USPTO.

I. Bifurcating Institution and Elevating Discretionary Gatekeeping

Acting Director Coke Morgan Stewart reset PTAB practice early in 2025. On February 28, she rescinded the Biden-era 2022 memorandum that had constrained *NHK-Fintiv* denials and elevated “compelling merits” and *Sotera* stipulations as practical safe harbors. By March 26, the Office formalized a new, bifurcated institution regime: the Director would resolve discretionary factors first, and only if discretion favored institution would a PTAB panel address the merits.

These changes mattered in practice. Patent owners were given a dedicated, substantial brief to press discretionary denial, while petitioners were shunted to a separate opposition track. In effect, discretion was both centralized and expanded, with the Interim Director making the pivotal first call regarding discretion, and the PTAB panel relegated to a second-stage review that would occur only if the petition cleared the first, discretionary hurdle. Unsurprisingly, discretionary denial increased, and IPR/PGR institution significantly dipped.

II. *Sotera* No Longer Dispositive

The rescission of the 2022 guidance restored early *Fintiv* dynamics. The Office confirmed that trial date scheduling, investment in the parallel case, and overlapping analyses were back in full force. Critically, the *Sotera* stipulation moved from dispositive to “highly relevant but not dispositive,” allowing discretionary denial even where the petitioner promised to forego in court any invalidity ground that was or could be raised in IPR.

The shift was not merely semantic. Director-level decisions emphasized that where a petitioner pursued broader invalidity in district court—such as contentions based on product art—the stipulation did not ensure an IPR would function as a true alternative forum. Discretion decisions began to weigh litigation posture and timing more heavily, leading to a marked uptick in *Fintiv*-based denials despite *Sotera* commitments that would have avoided denial under the 2022 framework.

III. “Settled Expectations”

The most controversial addition to the discretionary denial factors was the “settled expectations” factor, where the Office would deny institution based on the age of the patent. The memorandum offered no express age threshold, but over time it became clear that patents in force for more than six years face heightened denial risk. Some practitioners guessed that this arbitrary six-year threshold stemmed from the “incontestability doctrine” of trademark law, but it is unclear how this trademark rule applies to patent validity based on prior art that does not change in substance over time. Although supposedly one of many factors considered, a patent owner’s “settled expectations” was the driving factor in many of Interim Director Stewart’s decisions. For petitioners, this new factor injected uncertainty not contemplated by the AIA’s text.

“Settled expectations” was celebrated by patent assertion entities and non-practicing patent holders. Many practitioners speculate that so-called “patent trolls” will use these new rules to their advantage by waiting until a patent is sufficiently “old” to begin asserting it.

IV. Consolidation of Authority: A Confirmed Director Takes Personal Control

New Director, John Squires, was confirmed on September 18, 2025, and promptly asserted personal control over all IPR and PGR institution decisions. In an October 17 memorandum and open letter, he anchored the move in the text of 35 U.S.C. §§ 314 and 324, expressed concern over perceived Board incentives to “fill its own docket,” and announced that he would decide both discretionary and merits issues for institution, issuing summary notices after consulting with at least three PTAB judges. Whether and how Director Squires consults with PTAB judges is unclear.

Early experience under this approach points to a dramatically lower, even near-zero, institution rate. Commentators documented an initial wave of summary denials with no explanatory reasoning and, over subsequent weeks, dozens more. Comprehensive statistics are still developing, and the Office has not published a definitive rate. However, the directional change is unmistakable: personal control has coincided with far fewer institutions and with reasons for denial that are either extremely terse or entirely absent, making calibration of future petition strategies difficult.

The lack of reasoning for denial further complicates things for petitioners, as now there is essentially no hook for filing a Request for Rehearing. While it is true that Requests for Rehearing historically had a low chance of success, now they are essentially impossible because it is unclear what factors motivated the decision to deny institution, and which factors or facts may have been misunderstood or improperly applied. For those brave enough to file an IPR petition, the petition appears to be the one and only shot to survive Director denial.

V. Rulemaking Agenda: A “Super Stipulation” and Codified Bars to Institution

Alongside the Director’s assumption of institution authority, the USPTO advanced a Notice of Proposed Rulemaking (NPRM) aimed at codifying categorical institution limits. The centerpiece is a requirement that any IPR petitioner stipulate not to pursue *any* invalidity challenge under 35 U.S.C. §§ 102 or 103 in any other forum during the pendency of the IPR—expanding far beyond *Sotera’s* “raised or reasonably could have raised” construct to encompass product and system prior art typically outside IPR scope. The proposal would also bar institution where another forum is likely to adjudicate §§ 102/103 earlier, or where validity/patentability has already been adjudicated, subject only to “extraordinary circumstances,” a term undefined but specifically does not include new prior art, new arguments, changes in the law, or new expert testimony.

For challengers, the proposed “super stipulation” raises existential strategic questions. It would compel abandonment of invalidity defenses outside the PTAB *just to access IPR*—going well beyond the AIA’s estoppel scheme. For patent owners, it would materially weaken the parallel-attack leverage that petitioners have long used to press early case resolution.

Former Senator Patrick Leahy, a principal author of the Leahy-Smith America Invents Act passed in 2012 that created post-grant proceedings, criticized the USPTO’s proposed new rules. Former Senator Leahy filed comments with 13 other former lawmakers urging the USPTO to

withdraw its October 2025 PTAB rulemaking, arguing it exceeds the AIA by imposing nonstatutory barriers to IPR and effectively forcing petitioners to waive invalidity defenses beyond the statute’s “raised or reasonably could have raised” estoppel. He and former House Judiciary Chair Bob Goodlatte also wrote to the Office of Management and Budget criticizing the proposal as flouting administrative law and calling for a mandatory regulatory review. While the letter targets the Notice of Proposed Rulemaking’s categorical institution limits, it reflects broader concern with the Office’s new discretionary denial framework—into which the controversial “settled expectations” doctrine.

VI. The Federal Circuit’s First Word: Mandamus Denied, For Now

As a result of such sweeping changes, petitioners swiftly sought mandamus to block the bifurcated process, the rollback of *Sotera*’s dispositive effect, and the new discretionary factors (“settled expectations”). The Federal Circuit denied the first tranche of petitions in early November, rejecting due process theories premised on reliance on prior guidance and holding that most Administrative Procedure Act challenges to institution practices cannot be shoehorned into mandamus given § 314(d)’s review bar. Follow-on petitions fared no better in December, with the court reiterating that the proper vehicle for procedural APA challenges is an action in district court, not a writ aimed at forcing institution.

The court has left open a narrow space for colorable constitutional or specific statutory claims, and several petitions challenging “settled expectations” remain pending. Hence, the Federal Circuit may be hinting at its disagreement with recent USPTO rulemaking and policy, if brought via the proper channels.

But the practical import for 2026 is clear. Mandamus has not halted the new regime, and the path to relief—if any—runs through APA suits that target rulemaking process or *ultra vires* codification. In the meantime, the PTAB will continue to apply the Director’s expanding list of discretionary considerations, and the Director will continue to issue institution decisions personally.

VII. Reconsider *Ex Parte* Reexamination

On the brighter side, none of these shifts in PTAB practice touch *ex parte* reexamination. *Ex parte* reexam remains a purely examiner-driven proceeding, with no *Fintiv*-style gatekeeping, no “settled expectations” factor, and no Director-level discretionary overlay. For defendants facing district court litigation, a well-supported reexam request might neutralize or narrow asserted claims and create settlement leverage, without the expanding estoppel and stipulation burdens now associated with IPR. The tradeoff is real, however: once the request is filed, the accused infringer has essentially no further role, aside from a limited reply. Therefore, *ex parte* reexamination may be attractive in avoiding all the new rules associated with IPR and PGR, but accused infringers will have no participation in the outcome of the reexamination after the initial filing.

VIII. Conclusion

The PTAB landscape for IPRs and PGRs changed fundamentally in 2025. The Acting Director centralized discretionary decision-making, withdrew petitioner-friendly safe harbors, and introduced novel factors like settled expectations. The new Director consolidated authority further

by taking personal control of all institution decisions and proposing rules that would force petitioners to abandon all §§ 102/103 defenses elsewhere as the price of entry to IPR. The Federal Circuit has, to date, denied mandamus challenges to these shifts, signaling that near-term relief must come, if at all, from APA litigation in district court or from the USPTO's own rulemaking choices.

For corporate general counsel and IP professionals, the near-term implications are concrete. Petitioners should expect more denials, thinner reasoning, and higher odds that even strong merits showings will not overcome discretion. They should reassess whether to file IPRs at all given the current discretionary climate and consider alternatives, such as *ex parte* reexamination. Patent owners, by contrast, can reasonably expect fewer PTAB trials and greater leverage to keep validity disputes in their chosen forum. All stakeholders should plan for the prospect that the PTAB will remain a less accessible, more Director-driven venue in 2026.