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PTO Creates New Expectations Regarding Discretionary Denials

The Patent Playbook on **July 18, 2025**

On the heels of the U.S. Patent and Trademark Office Acting Director's recent decision to deny institution of iRhythm Technologies' *inter partes* review petition, the PTO has now issued additional decisions clarifying the role of parties' "expectations" in IPR proceedings. Along with the Acting Director's guidance regarding discretionary denials of institution, decisions on two recent petitions further illuminate the PTO's view of which factors should be given weight in deciding whether to deny an IPR petition.

As we previously discussed, in denying institution of iRhythm's IPR petition, the Acting Director explained that iRhythm's disclosure of the challenged patent 12 years prior in an information disclosure statement (IDS) indicated it had long been aware of the patent and failed to seek early review. The Acting Director concluded that this factor weighed heavily in favor of denial—even more so than traditionally Fintiv-style factors, such as time-to-trial, investment in the parallel proceeding, and merits of the petition. This factor—including whether a patentee should expect to defend an IPR petition or whether a challenger should expect to be sued—marks a notable expansion of the factors considered in the PTO's discretionary denial analysis.

In *Dabico Airport Solutions Inc.*, the PTO denied Dabico's IPR petition because "the challenged patent had been in force almost eight years, creating settled expectations." The decision did not shed light on how long a patent must be in force to give rise to a settled expectation that there will not be a PTO challenge, but did explain that "the longer the patent has been in force, the more settled expectations should be." Indeed, the decision went further to note that patents are publicly available so actual notice is not required to create a patentee's settled expectation that it will not face a challenge.

One week later, the PTO denied several other petitions, including Intel's IPR petition in *Intel Corp. v. Proxense LLC*. Citing the *Dabico* decision, the PTO noted that the challenged patents were in force for over nine years which "create[ed] settled expectations" for the patentee. In the decision, however, the PTO recognized two situations where a late challenge may be considered appropriate, including: (1) a significant change in law; or (2) the patent may not have been commercialized, marked, asserted, or licensed within the petitioner's technology space.

In the evolving landscape of discretionary denials, these decisions add a new dimension to the IPR strategy playbook. Patent challengers should certainly consider filing IPR petitions early—prior to an assertion of infringement—once aware of a patent within the challenger's technological space. Of course, this approach does not come without risk as IPR petitions may be costly and may trigger an infringement action from the patentee. On the other hand, patentees can create settled expectations once their patents have been in force for years and safely assert them against potential infringers with a certain level of confidence that any IPR petitions are likely to be denied if the challenger failed to previously challenge the known patent. These decisions strengthen the ability to assert older patents with greater confidence, particularly if potential challengers were or should have been aware of the patent and declined to act earlier.

We are continuing to monitor the USPTO's evolving guidance on discretionary denials and decisions. We are happy to discuss any questions you may have regarding how these developments may affect your IPR strategy.

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