

Expert Q&A on 2025 USPTO Interim Process for IPR and PGR Discretionary Denials

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An expert Q&A with Baldassare ("Baldo") Vinti of the Proskauer law firm on the US Patent and Trademark Office's (USPTO) 2025 guidance memorandums regarding the Patent Trial and Appeal Board's (PTAB) approach to discretionary denials of *inter partes* review (IPR) and post-grant review (PGR) petitions under 35 U.S.C. §§ 314(a) and 324(a), its interim process and PTAB precedent, including its precedential *Apple Inc. v. Fintiv, Inc.* decision. This Q&A discusses the PTAB's approach to discretionary denials and practical considerations for both petitioners and patent owners navigating IPR and PGR proceedings.

On February 28, 2025, the USPTO published a [bulletin](#) rescinding its June 21, 2022 memorandum "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation" (see [Legal Update, USPTO Rescinds June 2022 Guidance on Discretionary Denials in PTAB Post-Grant Proceedings](#)). The 2022 guidance explained that the Patent Trial and Appeal Board (PTAB or Board) would not deny institution of an IPR or PGR under its precedential *Apple Inc. v. Fintiv, Inc.* decision, 2020 WL 2126495, IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) ("*Fintiv*"), when any of:

- A petition presents compelling evidence of unpatentability.
- A request for denial under *Fintiv* is based on a parallel International Trade Commission (ITC) Section 337 proceeding.
- A petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have reasonably been raised in the petition, known as a *Sotera* stipulation (see *Sotera Wireless, Inc. v. Masimo Corp.*, 2020 WL 7049373, IPR2020-01019, Paper 12 (P.T.A.B. Dec. 1, 2020) ("*Sotera*").

The 2022 memorandum therefore restricted the PTAB's application of the *Fintiv* six-factor test when assessing whether to deny institution in view of parallel district court litigation or ITC proceedings

(see What is a *Fintiv* denial), and discretionary denials decreased.

However, the USPTO recently shifted its approach to *Fintiv* denials, as set out in two guidance memoranda issued this spring. First, on March 24, 2025, the USPTO issued a [memorandum](#) stating that:

- The 2022 interim procedure's rescission applies to any case in which the Board has not issued an institution decision and, absent extraordinary circumstances, will not revisit a decision on institution after the time for seeking Director review or rehearing has passed.
- The PTAB will apply the *Fintiv* factors when assessing discretionary denials in view of parallel ITC Section 337 proceedings.
- A timely filed *Sotera* stipulation is highly relevant, though not dispositive, and the Board will consider the stipulation as part of a holistic analysis under *Fintiv*.
- When applying *Fintiv*, the Board may consider evidence regarding a district court trial date (or ITC final determination date) and district court time-to-trial statistics.

Second, on March 26, 2025, the USPTO announced in a [memorandum](#) an interim procedure for addressing discretionary denial decisions under 35 U.S.C. §§ 314(a) and 324(a). Under this "Process

Memorandum,” the PTAB will bifurcate decisions on whether to institute IPR and PGR between:

- Discretionary considerations.
- Merits and other non-discretionary considerations.

The USPTO’s stated purpose with this guidance is to manage the PTAB’s ex parte appeal and *inter partes* trial workload. (See [Legal Update, USPTO Announces Interim Process for Discretionary Denials in AIA Trials](#); see also [FAQs](#) for Interim Processes for PTAB Workload Management.)

Practical Law asked Baldo, who chairs Proskauer’s Intellectual Property Litigation Group, for his insights. Baldo is a first-chair trial lawyer known for navigating complex, bet-the-company intellectual property disputes across industry verticals and next-generation technologies. Baldo’s practice focuses on litigating patent, trade secret, and technology-related cases before federal and state courts, the PTAB, the ITC, and arbitral tribunals. He also regularly handles intellectual property transactional work, including IP licensing and advising boards and executive teams on aligning IP strategy with business objectives, mitigating risk, and maximizing the value of innovation assets.

For a collection of resources and model documents to use in IPR and PGR proceedings, see Practical Law’s [PTAB Proceedings Toolkit](#).

To start, what is a *Fintiv* denial and what factors does the PTAB consider when assessing whether to deny a petition under *Fintiv*?

35 U.S.C. § 314(a) provides the PTAB discretionary authority to deny institution of an IPR petition that meets substantive requirements based on a pending, related district court litigation. A *Fintiv* denial refers to the PTAB’s discretionary decision to deny institution of an IPR when there is parallel litigation in district court involving the same patent. The PTAB weighs six *Fintiv* factors, which were originally articulated in *Fintiv*.

The six *Fintiv* factors are:

- Whether a stay was or may be granted in the related district court litigation.
- Proximity of the district court’s trial date to the PTAB’s projected deadline for a final written decision.

- Investment by the court and parties in the parallel proceeding.
- Overlap between issues raised in the petition and those in the district court litigation.
- Whether the parties are the same in both proceedings.
- Other circumstances, including the merits of the petition.

The new guidance focuses on *Fintiv*-type denials in view of co-pending district court or ITC proceedings. Does it also affect the PTAB’s approach to, for example, serial and parallel petitions?

The new guidance focuses primarily on *Fintiv*-type discretionary denials in the context of co-pending district court or ITC proceedings. However, it has further implications, including the PTAB’s treatment of serial and parallel petitions.

While the March 2025 memoranda do not explicitly address serial or parallel petitions, the PTAB’s approach to such petitions will nonetheless be impacted. Under the new interim process, all institution decisions under 35 U.S.C. §§ 314(a) and 324(a) are now subject to a bifurcated review process. This process separates discretionary considerations from the merits-based analysis, with the Director, in consultation with at least three PTAB judges, assessing whether discretionary denial is appropriate at the threshold stage.

Importantly, the Process Memorandum expressly authorizes parties to brief “discretionary considerations enumerated in existing Board precedent (including *Fintiv*, *General Plastic*, and *Advanced Bionics*, and the Consolidated Trial Practice Guide (Nov. 2019).” By referencing *General Plastic*, which governs the Board’s framework for analyzing serial and parallel petitions, the guidance reaffirms the continuing relevance — and potentially increased emphasis — on that line of precedent. (See *Gen. Plastic Indus. Co. v. Kaisha*, 2017 WL 3917706 (P.T.A.B. Sept. 6, 2017) and *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH* (2020 WL 740292 (P.T.A.B. Feb. 13, 2020).)

In short, although the new guidance is framed around *Fintiv*-type denials, it implicitly expands to encompass

all discretionary denial doctrines, including those that apply to repeat filings and strategically staggered petitions. Practitioners should therefore expect heightened scrutiny of serial and parallel petitions under the renewed procedural regime.

The guidance memorandums distinguish between “discretionary considerations” and “merits and other non-discretionary considerations.” What are the differences?

The March 2025 guidance memoranda draw a clear distinction between “discretionary considerations” and “merits and other non-discretionary considerations” in the context of institution decisions under 35 U.S.C. §§ 314(a) and 324(a).

Discretionary Considerations

Discretionary considerations refer to factors the Director or the PTAB may evaluate in deciding whether to deny institution, even where the statutory thresholds for institution are otherwise met. These considerations are grounded in Board precedent, including decisions such as *Fintiv*, *General Plastic*, and *Advanced Bionics*, and are intended to promote procedural fairness, efficiency, and systemic integrity.

The Process Memorandum expands on this body of precedent by identifying additional discretionary factors, including:

- Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged claim.
- Whether there have been relevant changes in the law or new judicial precedent since the claims issued.
- The strength of the petitioner’s unpatentability challenge.
- The extent to which the petition relies on expert testimony.
- The settled expectations of the parties, including how long the claims have been in force.
- Compelling economic, public health, or national security interests.
- Any other factors bearing on the exercise of the Director’s discretion.

These discretionary factors are assessed during the initial threshold review conducted by the Director and a panel of judges under the bifurcated procedure described in the March 26, 2025, memorandum.

Merits and Other Non-Discretionary Considerations

By contrast, merits considerations involve the statutory requirement that a petition demonstrate a “reasonable likelihood” that the petitioner will prevail on at least one challenged claim, as required under 35 U.S.C. §§ 314(a) (for IPRs) or 324(a) (for PGRs). This is a substantive inquiry into the legal and factual sufficiency of the petition.

Non-discretionary considerations also include threshold statutory requirements that are not subject to the Director’s discretion. These involve compliance with provisions such as:

- Filing requirements under 35 U.S.C. §§ 311 and 312 (for example, real party-in-interest, timeliness, and grounds for challenge).
- Statutory bars and estoppel provisions under 35 U.S.C. §§ 315(a), (b), and (e) (for example, prior civil actions or PTAB final written decisions).
- Similar limitations for PGRs under 35 U.S.C. §§ 321, 322, and 325(a), (e).

In sum, discretionary considerations relate to institutional policy and procedural efficiency, whereas merits and non-discretionary considerations pertain to the legal sufficiency and statutory compliance of the petition itself. Both sets of considerations now operate within a bifurcated framework that enhances transparency and workload management at the PTAB.

Last year, the USPTO proffered a rules package regarding discretionary denials and settlement. Are there any key differences in the USPTO’s approach as between the proposed rules and the 2025 memorandums?

Yes, there are key differences between the USPTO’s 2024 proposed rules package on discretionary denials and the 2025 guidance memoranda issued in March.

(For more on the rules package, see [Expert Q&A on 2024 Proposed PTAB Trial Rules on Discretionary Denials and Settlement](#) and [Legal Update, USPTO Issues Notice of Proposed Rulemaking for Modified PTAB Rules in IPR and PGR Proceedings](#)).

Both frameworks share a common goal: to bring greater transparency and procedural clarity to the PTAB's exercise of discretion under 35 U.S.C. §§ 314(a) and 324(a), particularly in the context of parallel proceedings and settlement scenarios. Notably, both the proposed rules and the 2025 memoranda contemplate a separate briefing process dedicated to discretionary denial issues.

However, the 2025 guidance memoranda introduce at least two significant distinctions:

- Expanded discretionary considerations.
- A bifurcated decision-making structure.

Expanded Discretionary Considerations

The new guidance enumerates several additional discretionary factors not included in the 2024 proposed rulemaking. These include:

- Prior adjudications of patent validity or patentability.
- Changes in the law or intervening judicial precedent.
- The strength of the petitioner's unpatentability challenge.
- The extent of expert reliance.
- The parties' settled expectations, such as the age of the patent (see *iRhythm Technologies, Inc. v. Welch Allyn, Inc.*, 2025 WL 1606488, IPR2025-00377, Paper 10 (P.T.A.B. June 6, 2025)).
- Compelling public interest considerations (economic, public health, national security).
- Other case-specific factors bearing on Director discretion.

These additions broaden the discretionary framework beyond what was contemplated in the earlier rules package, signaling a more nuanced and policy-responsive approach.

Bifurcated Decision-Making Structure

The Process Memorandum establishes a new bifurcated process for institution decisions. Under

this structure, the Director — after consulting with at least three PTAB judges — makes a threshold determination as to whether institution should be denied on discretionary grounds alone. If discretionary denial is not warranted, the petition is then referred to a merits panel to evaluate the merits and other non-discretionary statutory requirements.

This centralization of discretionary decision-making authority in the Director's office represents a marked procedural shift from the rules package, which did not contemplate such bifurcation or explicit Director-level review at the threshold stage.

In summary, while the 2024 rules package and the 2025 memoranda share thematic continuity, the new guidance goes further in both substance and structure. It not only expands the list of discretionary factors but also transforms how those considerations are procedurally assessed within the institution framework.

What is the new process for litigating discretionary denials under the Process Memorandum?

Under the Process Memorandum, the USPTO has implemented a bifurcated process for evaluating petitions for IPR and PGR, separating the assessment of discretionary considerations from the analysis of merits and other non-discretionary statutory requirements.

The process unfolds in the following steps:

Discretionary Denial Briefing

The new briefing process includes:

- **Patent Owner Brief.** Within two months of the PTAB's issuance of the "Notice of Filing Date Accorded to Petition," the patent owner may file a brief limited exclusively to discretionary considerations — for example, *Fintiv*, *General Plastic*, and other precedent-based arguments.
- **Petitioner Opposition.** The petitioner may file an opposition brief within one month of the patent owner's submission.
- Further briefing, such as a reply, only for good cause.

Director-Level Discretionary Decision

Before addressing the merits of the petition, the Director of the USPTO, in consultation with a panel of at least three PTAB judges, will evaluate whether institution should be denied solely on discretionary grounds.

If the Director determines that discretionary denial is appropriate, a final decision denying institution will be issued at that stage.

Merits-Based Review (if Petition Survives)

If the petition survives the discretionary phase, the matter is referred to a three-judge PTAB panel to evaluate the petition under traditional merits-based and statutory criteria such as the reasonable likelihood of prevailing on at least one claim under Section 314(a) or 324(a), and compliance with Sections 311 to 315 or 322 to 325.

The panel then issues an institution decision based on the merits and proceeds in the normal course.

What are some practical and strategic tips for patent owners seeking discretionary denial under the new approach, and how will this affect the patent owner's preliminary response to the petition?

The new bifurcated process for evaluating discretionary denials, as outlined in the Process Memorandum, presents a strategic opportunity for patent owners to shape the PTAB's institution decision before the merits of a petition are ever considered. Below are several practical and strategic tips for patent owners seeking discretionary denial under the new approach.

Prioritize Jurisdictions with Early Trial Dates

Patent owners should consider initiating litigation in jurisdictions with aggressive trial schedules (such as the Western District of Texas, Eastern District of Virginia, or ITC). Under *Fintiv*, the proximity of a district court's trial date to the PTAB's projected final written

decision (typically 16 to 18 months from petition filing) is a key factor. Even if the trial date is unlikely to hold, the mere existence of an early scheduled date can weigh heavily in favor of discretionary denial. (See [Legal Update, Recent USPTO Director Decisions Highlight Increased Prevalence of Discretionary Denial.](#))

File a Strong, Focused Discretionary Denial Brief Early

The new process permits patent owners to file a dedicated brief limited solely to discretionary considerations within two months of the Notice of Filing Date Accorded to the petition. Patent owners should:

- Treat this as an advocacy opportunity distinct from the preliminary response.
- Tailor arguments to key *Fintiv*, *General Plastic*, and *Advanced Bionics* factors.
- Highlight duplicative litigation burdens, prior adjudications, expectations, or public interest factors that weigh against institution.

Leverage the Director's Gatekeeping Role

Because the Director now makes the initial discretionary determination (with input from a panel of PTAB judges), patent owners should:

- Frame arguments in terms of systemic fairness, efficiency, and Board integrity, in addition to case-specific equities.
- Emphasize how denial would serve USPTO policy goals (avoiding duplication, conserving resources, and protecting expectations of patent holders).
- Consider the role of *Sotera* stipulations. Be prepared to argue why a petitioner's *Sotera*-style stipulation — agreeing not to raise in district court any grounds that were or could have been raised in the IPR — should not outweigh other discretionary factors.

Highlight Public Interest and Equity Concerns

When applicable, counsel should make use of the new discretionary factors introduced in the Process Memorandum, such as:

- National security implications.
- Public health impacts.
- The length of time the patent has been in force and relied upon commercially.
- Prior litigation or adjudication history of the claims.

What are some tips for petitioners responding to a discretionary denial brief?

Patent challengers must now clear an early procedural hurdle just to get a PTAB panel of judges to consider the merits of their case. With no guarantee that even a strong petition will be considered on the merits, the new process presents a steeper uphill battle for patent challengers. Some considerations for patent challengers include:

- Accelerating the completion and filing of IPR petitions, potentially even before the service of a district court complaint if possible.
- Evaluating whether to file at all. The likelihood of a discretionary denial should be part of any early-stage risk-reward calculus. If the case is in a fast-moving jurisdiction or if the patent has previously survived validity challenges, petitioners may want to consider whether resources are better spent on district court defense or alternative invalidation strategies.
- Preemptively offering a broad stipulation such as agreeing not to raise in district court any grounds that were or could have been raised in the IPR (*Sotera*-style stipulations).
- Emphasizing the petition's merits as a way to weigh against discretionary denial.

How might the memorandum's directive affect parties' approach to *Sotera* stipulations?

A *Sotera* stipulation refers to a commitment by the petitioner to forgo pursuing in district court (or the ITC) any invalidity grounds that were raised or reasonably could have been raised in an IPR. This stipulation is intended to reduce redundancy between PTAB and parallel litigation proceedings.

Under prior USPTO guidance — particularly the June 2022 memorandum from the former Director — a broad *Sotera* stipulation was treated as a form of “safe harbor” against discretionary denial under *Fintiv*. In other words, if the petitioner provided a clear and comprehensive stipulation, the PTAB would generally not discretionarily deny institution based on parallel litigation alone.

However, the March 24, 2025, guidance memorandum marks a shift in this approach. Under the new directive, a *Sotera* stipulation is described as “highly relevant, but not dispositive by itself.” This means that while the stipulation will still weigh in favor of institution, it will now be evaluated holistically alongside other discretionary factors, such as trial timing, investment in the parallel proceeding, and public interest considerations.

The USPTO notes in the Process Memorandum that the new approach is temporary due in part to the USPTO's current workload. How long do you expect this approach to last and what, if anything, can practitioners anticipate on this issue from the USPTO in the future?

The March 2025 Process Memorandum expressly characterizes the new bifurcated discretionary denial procedure as “temporary in nature due, in part, to the current workload needs of the PTAB.” However, the memorandum does not specify a duration or sunset provision, leaving open important questions about the longevity of this framework.

In practice, “temporary” measures at the USPTO can remain in place for years, especially when they address institutional capacity constraints. The PTAB is currently facing a well-documented shortage of administrative patent judges — a result of federal workforce caps, budgetary pressures, and attrition. In this environment, the new process serves both to triage discretionary denial decisions at the Director

Expert Q&A on 2025 USPTO Interim Process for IPR and PGR Discretionary Denials

level and to preserve judicial bandwidth for cases that clear the discretionary threshold.

Given these structural realities, it would not be unreasonable to expect the current process to remain

in place for the foreseeable future, absent significant changes in PTAB staffing levels or a major policy shift from new USPTO leadership.

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