

No. 26-198

In the
Supreme Court of the United States

KAHOOT! AS,

Petitioner,

v.

INTERSTELLAR INC., ET AL.,

Respondents.

On Petition for Writ of Certiorari to the
U.S. Court of Appeals for the Federal Circuit

**BRIEF OF THE PTAB BAR ASSOCIATION
AS AMICUS CURIAE IN SUPPORT OF
GRANTING OF CERTIORARI**

Brenton R. Babcock
COUNSEL OF RECORD
Yang Wang
PTAB Bar Association
1660 International Drive
Suite 600
McLean, VA 22102
(703) 570-8192
amicusbrief@ptabbar.org

QUESTIONS PRESENTED

1. Whether the PTO lacks statutory authority to deny inter partes review institution based on “settled expectations” premised on a patent’s age where Congress prescribed express timing limits for inter partes review based on a patent’s *minimum* age (which is tied to the expiration of the statutory period for seeking post-grant review, a separate type of patent validity challenge) but imposed no *maximum* patent age bar.

2. Whether 35 U.S.C. § 314(d) bars judicial review, even by way of mandamus, of whether the PTO exceeded its statutory authority when denying inter partes review institution on grounds that are contrary to the statute.

TABLE OF CONTENTS

QUESTIONS PRESENTED	i
TABLE OF CONTENTS	ii
TABLE OF AUTHORITIES	iv
IDENTITY AND INTEREST OF AMICUS CURIAE	1
SUMMARY OF ARGUMENT.....	3
REASONS FOR GRANTING THE WRIT	6
I. THE FEDERAL CIRCUIT HAS WRONGLY CLOSED OFF ALL JUDICIAL REVIEW OF THE USPTO’S EXTRA-STATUTORY RULES, PRACTICES, AND POLICIES GOVERNING INSTITUTION.....	6
II. THE USPTO LACKS POWER TO ENACT THE “SETTLED EXPECTATIONS” DOCTRINE	8
III. THE “SETTLED EXPECTATIONS” DOCTRINE INFLECTS SEVERE, DOCUMENTED HARM ON INNOVATION, COMPETITION, AND AMERICAN COMMERCE.....	13
IV. COMMENTATORS HAVE WIDELY CRITICIZED THE “SETTLED EXPECTATIONS” DOCTRINE AS HARMFUL TO AMERICAN COMMERCE.....	17

V.	THE USPTO’S “SETTLED EXPECTATIONS” DOCTRINE FOCUSES ON THE PATENT HOLDER’S PURPORTED EXPECTATIONS WHILE LARGELY IGNORING THE ACCUSED INFRINGEMENT’S EXPECTATIONS.....	21
VI.	THE STATUTE DOES NOT IMBUE THE DIRECTOR WITH UNBOUNDED, UNREVIEWABLE DISCRETION TO SET INSTITUTION STANDARDS DEPARTING FROM THOSE CONGRESS ESTABLISHED	24
	CONCLUSION.....	28

TABLE OF AUTHORITIES

Cases	Page(s)
<i>Almendarez-Torres v. United States</i> , 523 U.S. 224 (1998).....	26
<i>Apple Inc. v. Gesture Tech. Partners, LLC</i> , 129 F.4th 1367 (Fed. Cir. 2025)	10
<i>Apple Inc. v. Gesture Tech. Partners, LLC</i> , No. IPR2021-00922, Paper 10 (PTAB Nov. 29, 2021)	10
<i>Apple Inc. v. Squires</i> , 166 F.4th 1349 (Fed. Cir. 2026)	6
<i>Corner Post, Inc. v. Bd. of Governors of Fed. Res.</i> <i>Sys.</i> , 603 U.S. 799 (2024).....	11
<i>Cuozzo Speed Techs., LLC v. Lee</i> , 579 U.S. 261 (2016).....	5, 6, 7
<i>Dalton v. Specter</i> , 511 U.S. 462 (1994).....	24
<i>FDA v. Brown & Williamson Tobacco Corp.</i> , 529 U.S. 120 (2000).....	27
<i>Loper Bright Enters. v. Raimondo</i> , 603 U.S. 369 (2024).....	5
<i>Magnolia Med. Techs. Inc. v. Kurin, Inc.</i> , No. IPR2026-00097, Paper 17 (PTAB May 14, 2026)	26

<i>Mercoid Corp. v. Mid-Continent Inv. Co.</i> , 320 U.S. 661 (1944).....	11
<i>Mylan Labs. Ltd. v. Janssen Pharmaceutica</i> , N.V., 989 F.3d 1375 (Fed. Cir. 2021)	6
<i>Oil States Energy Servs., LLC v. Greene’s</i> <i>Energy Group, LLC</i> , 584 U.S. 325 (2018)	23
<i>Petrella v. Metro-Goldwyn-Mayer, Inc.</i> , 572 U.S. 663 (2014).....	11
<i>Provisur Techs., Inc. v. Weber, Inc.</i> , 119 F.4th 948 (Fed. Cir. 2024)	22
<i>SAS Inst., Inc. v. Iancu</i> , 584 U.S. 357 (2018).....	5, 7
<i>SCA Hygiene Prods. Aktiebolag v.</i> <i>First Quality Baby Prods., LLC</i> , 580 U.S. 328 (2017).....	11
<i>In re Tesla, Inc.</i> , No. 2026-116, 2026 WL 555080 (Fed. Cir. Feb. 27, 2026)	24
<i>Thryv, Inc. v. Click-To-Call Techs., LP</i> , 590 U.S. 45 (2020).....	2, 6, 7, 8, 11
<i>United States v. Masonite Corp.</i> , 316 U.S. 265 (1942).....	12
<i>Wasica Fin. GmbH v. Cont’l Auto. Sys., Inc.</i> , 853 F.3d 1272 (Fed. Cir. 2017)	10

<i>West Virginia v. EPA</i> , 597 U.S. 697 (2022).....	27
<i>Whitman v. Am. Trucking Ass'ns, Inc.</i> , 531 U.S. 457 (2001).....	26
<i>Yates v. United States</i> , 574 U.S. 528 (2015).....	25

Statutes

5 U.S.C. § 701(a)(2)	5
35 U.S.C. § 298.....	22
35 U.S.C. § 311	8, 26
35 U.S.C. § 311(c)	9
35 U.S.C. § 314(a).....	25, 27
35 U.S.C. § 314(d)	2, 5, 6, 7, 8
35 U.S.C. § 315(b).....	7, 9
35 U.S.C. § 315(e).....	26
35 U.S.C. § 321	9
35 U.S.C. § 321(c)	10
35 U.S.C. § 325(d)	25
America Invents Act	3, 4, 9, 13, 15, 18, 23, 25, 26

Other Authorities

153 Cong. Rec. H10271 (daily ed. Sep. 7, 2007).....	13
153 Cong. Rec. H10282 (daily ed. Sep. 7, 2007).....	14
153 Cong. Rec. H10284 (daily ed. Sep. 7, 2007).....	14
157 Cong. Rec. S1352 (daily ed. Mar. 8, 2011).....	14
Changes to Implement <i>Inter Partes</i> Review Proceedings, 77 Fed. Reg. 7041 (Feb. 10, 2012)	25
Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings, 83 Fed. Reg. 51341 (Oct. 11, 2018).....	10
Christopher T. Zirpoli & Kevin J. Hickey, Cong. Rsch. Serv., R48016, <i>The Patent Trial and Appeal Board and Inter Partes Review</i> (2024).....	9
Dennis Crouch, <i>Patent Grant Total 2023</i> , Patently-O (Dec. 29, 2023)	22
Dennis Crouch, <i>Patent Grants for 2024</i> , Patently-O (Dec. 31, 2024)	22
Dennis Crouch, <i>The Surprising Headline of 2025: USPTO Stability?</i> , Patently-O (Dec. 30, 2025)	22

Finestone Insurance, IP – AIPLA Survey, https://finestoneinsurance.com/ intellectual_property/aipia-survey/ (last visited Sep. 9, 2026)	13
Hearing Before the Subcomm. on Cts., Intell. Prop., A.I. & the Internet of the H. Comm. on the Judiciary, 119 Cong. (2026)	16, 17
H.R. Rep. No. 112-98 (2011)	9
Jennifer Gallagher, <i>The Public Has Spoken – Again: For a Second Time, Stakeholders Overwhelmingly Oppose Agency Proposals that Would Restrict Access to Inter Partes Review, Unified Patents</i> (Dec. 18, 2025)	18, 19
PTAB Bar Association, <i>Comments on Notice of Proposed Rulemaking: Revision to Rules of Practice Before the Patent Trial and Appeal Board</i> (Docket No. PTO–P–2025–0025) (Dec. 2, 2025)	17, 18
Revision to Rules of Practice Before the Patent Trial and Appeal Board, 90 Fed. Reg. 48335 (Oct. 17, 2025)	2
Sean Tu, Arti Rai & Aaron Kesselheim, <i>Congress Must Repair USPTO's Inter Partes Review Process</i> , Law360 (May 1, 2026)	20, 21

Transcript of The House Judiciary Subcommittee on Courts, Intellectual Property, Artificial Intelligence, and the Internet, <i>Oversight of the U.S. Patent and Trademark Office</i> (Mar. 25, 2026)	27
Unified Patents, <i>Patent Dispute Report: 2025 in Review</i> (Jan. 13, 2026).....	19
U.S. Pat. & Trademark Off., <i>PTAB Trial Statistics FY24 End of Year Outcome Roundup IPR, PGR</i> (Sep. 30, 2024)	12
World Intell. Prop. Org., WIPO IP Facts & Figures 2025 (2025)	12

IDENTITY AND INTEREST OF AMICUS CURIAE

Under Supreme Court Rule 37, the PTAB Bar Association respectfully submits this brief *amicus curiae*, supporting granting the Petition for Writ of Certiorari.¹

The PTAB Bar Association is a voluntary association of over 700 members dedicated to promoting the highest professional and ethical standards among those appearing before the Patent Trial and Appeal Board (“PTAB”) of the United States Patent and Trademark Office (“USPTO”). The Association is the only professional organization exclusively devoted to legal practice before the PTAB.

The Association’s membership represents a broad, balanced spectrum of participants in the patent system, including counsel for petitioners challenging patents, counsel for patent owners defending patents, in-house practitioners, and independent practitioners advising clients regarding PTAB and other patent proceedings. The Association takes no position on the merits of any particular patent dispute, nor does it advocate on behalf of particular parties. The

¹ Under Rule 37.2, on September 4, 2026, all parties with counsel listed on the docket received notice of the Amicus Curiae’s intention to file this brief.

Under Rule 37.6, Amicus Curiae affirms that no counsel for any party authored this brief in whole or in part or made a monetary contribution intended to fund this brief’s preparation or submission. No person other than Amicus Curiae, its members, or its counsel monetarily contributed to this brief’s preparation or submission.

Association's interest here is institutional: the proper functioning, integrity, and lawful operation of the *inter partes* review ("IPR") system. Consistent with that role, the Association previously appeared before this Court in support of neither party in *Thryv, Inc. v. Click-To-Call Techs., LP*, No. 18-916, which likewise concerned the scope of § 314(d).

The Association is uniquely positioned to inform this Court about the practical consequences of the Federal Circuit's unreviewability holdings. Association members have witnessed firsthand the changes in IPR practice since its inception, including the practice's dramatic transformation since early 2025. The Association's members' observations reflect the full impact of the USPTO's policy shifts on all participants from different technology sectors, not merely petitioners.

The Association also participated in the comment process surrounding the USPTO's October 2025 Notice of Proposed Rulemaking (90 Fed. Reg. 48335 (proposed Oct. 17, 2025) (to be codified at 37 C.F.R. pt. 42)) and has monitored the administrative and judicial proceedings that frame the questions presented here. The Association respectfully submits this brief to provide the Court with the perspective of the legal community routinely appearing before the PTAB, a perspective that neither party's brief can fully supply.

SUMMARY OF ARGUMENT

This case presents an opportunity for the Court to address an issue it has previously left open: what, if any, is the scope of mandamus relief when the USPTO violates the America Invents Act (“AIA”)? The Federal Circuit has answered that only “colorable constitutional claims” are entitled to relief and that it could not imagine that mandamus would ever be appropriate. Here, the Court can clarify that such relief is appropriate: i) when an agency’s actions violate its statutory authority, and ii) when an agency’s assumption of legislative power becomes a constitutional issue.

The USPTO has contravened the AIA and imposed a heretofore unannounced “settled expectations” requirement. Under this doctrine, the USPTO denies IPR petitions for patents older than six years without analysis on the merits. However, this denial is not a proper exercise of administrative “discretion.” Instead, the agency’s new quasi-statute of limitations is an unauthorized rewriting of the AIA, which contradicts the statute’s text, subverts its purpose, violates the Constitution, inflicts documented harm on American innovation and commerce, and, under the Federal Circuit’s unreviewability ruling, escapes all judicial review.

Congress enacted the AIA in part because of evidence that invalid patents—disproportionately older patents held by non-practicing entities (“NPEs”)—were imposing billions of dollars in catastrophic costs on innovative American companies and stifling competition across technology markets.

Congress deliberately designed IPRs to provide efficient patent validity review for the very category of patents the USPTO now insulates from challenge. The “settled expectations” doctrine dismantles the AIA’s solution at its foundations.

The USPTO lacks statutory authority to impose this doctrine. Congress created *inter partes* review under the AIA as a condition of the patent grant, available throughout the patent’s entire term, with no age-based cutoff. Congress knew precisely how to create a patent-age cutoff, and did so for other types of patent reviews, yet expressly omitted any such limit for IPRs. An agency shall not override Congress’ considered policy judgment; age confers no valid expectation of immunity from administrative review of patent validity.

By substituting its own policy judgments for Congress’, the USPTO’s new, extra-statutory doctrine has usurped Congress’ legislative role, violating the separation of powers inherent in the Constitution. The USPTO’s actions, which have major economic and political impact, are unconstitutional because this Court presumes such actions are not authorized absent clear Congressional authorization, which is plainly lacking here.

The real-world consequences of the USPTO’s unauthorized doctrine are severe and well-documented. Invalid patents shielded from IPR challenges function as permanent tollbooths on technology that belongs to the public domain. NPEs now have a roadmap for shielding bad patents from administrative review: wait six years from issuance

before asserting dubious patents, then force settlements from innovative companies that can no longer efficiently challenge validity. Businesses across technology-intensive industries face dramatically elevated costs and uncertainty. The United States' competitive position in global technology markets is materially weakened.

The Federal Circuit's holding that these harms are entirely unreviewable is equally untenable. This Court made clear in *Loper Bright* that courts retain the obligation to "police the outer statutory boundaries" of delegated agency authority. *Loper Bright Enters. v. Raimondo*, 603 U.S. 369, 404 (2024). Neither 5 U.S.C. § 701(a)(2) nor 35 U.S.C. § 314(d) strips courts of power to determine whether the USPTO has exceeded the statutory limits on its discretion. This Court's own language in *Cuozzo* and *SAS Institute* preserved judicial review for precisely the kind of statutory overreach at issue here. *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261 (2016); *SAS Inst. Inc. v. Iancu*, 584 U.S. 357 (2018).

This Court's review is urgently warranted. The IPR process that Congress designed is being systematically dismantled through administrative fiat that, under the Federal Circuit's view, is effectively beyond judicial correction. The harm to innovation, competition, and American commerce is immediate, substantial, and growing. The Court should grant certiorari and reverse.

REASONS FOR GRANTING THE WRIT

I. THE FEDERAL CIRCUIT HAS WRONGLY CLOSED OFF ALL JUDICIAL REVIEW OF THE USPTO’S EXTRA-STATUTORY RULES, PRACTICES, AND POLICIES GOVERNING INSTITUTION

This Court has repeatedly recognized that no agency operates beyond judicial review when it encroaches power Congress withheld. Yet the Federal Circuit has held precisely the opposite for the USPTO. It has held that mandamus is categorically unavailable to review denial-of-institution decisions absent a “colorable constitutional claim,” *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382-83 (Fed. Cir. 2021); that review of the USPTO’s discretionary-denial regime is unavailable because the regime is not a “rule,” *Apple Inc. v. Squires*, 166 F.4th 1349, 1359-60 (Fed. Cir. 2026); and that direct appeal is foreclosed by 35 U.S.C. § 314(d). The combined effect is that no avenue exists—before, during, or after any proceeding—by which any party may test whether the Director’s institution practices comport with the statute.

That is not what this Court held in *Cuozzo* or *Thryv*, both of which address the reviewability of decisions relating to IPR institution. *Cuozzo* interprets § 314(d) against the “strong presumption” favoring judicial review and takes care to preserve review where the agency “act[s] outside its statutory limits” or engages in “shenanigans.” *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273, 275 (2016).

Thryv bars appeal of a time-bar ruling precisely because § 315(b) is “integral to, indeed a condition on, institution,” and entertaining appeal after a final written decision might unwind a completed proceeding. *Thryv, Inc. v. Click-To-Call Techs., LP*, 590 U.S. 45, 53-55 (2020). Neither rationale reaches a prospective challenge to imposing extra-statutory requirements upon institution.²

In *Thryv*, the PTAB Bar Association cautioned that, because § 314(d) questions arise in many postures, the Court’s reasoning would govern cases far removed from the facts before it. Brief for PTAB Bar Ass’n as Amicus Curiae Supporting Neither Party at 10-13, *Thryv, Inc. v. Click-To-Call Techs., LP*, 590 U.S. 45 (2020) (No. 18-916). The Association observed that, on one reading, the agency could insulate its determinations from review through its own procedural choices. *Id.* at 13 n.3. What followed exceeded anything any participant in *Thryv* urged: the Federal Circuit has read *Cuozzo* and *Thryv* to place the standards governing institution beyond all judicial review, converting a provision ensuring the finality of individual institution decisions into an immunity covering every aspect of institution—an immunity this Court expressly declined to confer. *See SAS Inst., Inc.*, 584 U.S. at 370 (rejecting the argument that § 314(d) forecloses review of “any legal question bearing on the institution of inter partes review”).

² Both *Cuozzo* and *Thryv* involved challenges to instituted proceedings, but their reasoning—applying § 314(d) to the agency’s case-specific “initial determination”—is instructive here. *E.g.*, *Cuozzo*, 579 U.S. at 273.

When the Association addressed § 314(d) in *Thryv*, it told this Court that “[p]atent owners generally favor reviewability while patent challengers generally do not.” Brief for PTAB Bar Ass’n as Amicus Curiae at 2. That was 2019, when § 314(d) barred a *patent owner’s* challenge. Today the poles have reversed, as the Petition here demonstrates. The party seeking review changes with each shift in the Director’s policies; the need for review does not. *See also* Brief for PTAB Bar Ass’n as Amicus Curiae in Support of Granting Certiorari in *Intel Corp. v. Squires*, No. 26-73 (filed Aug. 17, 2026) (providing additional information regarding the need for review).

The Association does not contend that individual institution determinations should generally be appealable—Congress chose finality for those decisions, and the efficiency of the IPR system depends on it. Rather, the Association urges this Court to grant the Petition and address the reviewability of the agency’s institution criteria.

II. THE USPTO LACKS POWER TO ENACT THE “SETTLED EXPECTATIONS” DOCTRINE

Congress designed *inter partes* review as a patent validity challenge mechanism available to any person at any time from nine months after issuance throughout a patent’s term, and even after the patent expires. *See* 35 U.S.C. § 311. This broad availability is not merely a procedural footnote. To the contrary, it reflects a deliberate legislative choice to permit validity challenges regardless of a patent’s age or expired status. The USPTO’s “settled expectations” doctrine directly contradicts Congress’ design of the

AIA and frustrates the core purpose of *inter partes* review.

From the very first draft bills in 2005 through the enacted AIA, Congress imposed only two time restrictions on IPR petitions: (1) Under 35 U.S.C. § 311(c), the petitioner must wait at least nine months after the patent issues, *i.e.*, when a post-grant review (“PGR”) under 35 U.S.C. § 321 is no longer available, before filing an IPR; and (2) if the petitioner was served with an infringement complaint, the petitioner must file within one year of that service under 35 U.S.C. § 315(b). Neither imposes any restriction based on a patent being “too old.” Furthermore, House Report 112-98 on June 1, 2011, repeatedly distinguishes the narrow 9-month window of PGR from the open-ended availability of IPR thereafter. There is no mention of any maximum patent age for IPR because Congress imposed none.

The Congressional Research Service (CRS) summarized the timing restrictions to file an IPR: “[a]n IPR petition, by contrast, may be filed only after the window for filing PGR ends; that is, an IPR must be filed more than nine months after the patent issues (and after any PGR regarding the patent concludes).”³

The PTAB itself confirmed this principle when holding that it has jurisdiction over expired patents. *Apple Inc. v. Gesture Tech. Partners, LLC*,

³ Christopher T. Zirpoli & Kevin J. Hickey, Cong. Rsch. Serv., R48016, *The Patent Trial and Appeal Board and Inter Partes Review* (2024).

No. IPR2021-00922, Paper 10 at 18 (PTAB Nov. 29, 2021) (“[T]he statutes governing *inter partes* review do not limit them to non-expired patents.”). The Federal Circuit subsequently affirmed that “the Board has jurisdiction over IPRs concerning expired patents.” *Apple Inc. v. Gesture Tech. Partners, LLC*, 129 F.4th 1367, 1381 (Fed. Cir. 2025).

Similarly, when adopting a rule changing the claim construction standard in IPR proceedings to mirror that used by federal courts, the PTAB reasoned that this rule was “consistent with the same standard that the Office has applied in interpreting claims of expired patents and soon-to-be expired patents.” Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings, 83 Fed. Reg. 51341 (Oct. 11, 2018) (citing *Wasica Fin. GmbH v. Cont’l Auto. Sys., Inc.*, 853 F.3d 1272, 1279 (Fed. Cir. 2017)). Therefore, the USPTO’s “settled expectations” doctrine imposing an effective six-year statute of limitations on IPR petitions directly conflicts with Congressional design and consistent Federal Circuit and PTAB jurisprudence, all of which confirm that even a patent’s expiration (*i.e.*, *twenty* years from the earliest effective filing date) does not close the door to *inter partes* review.

Congress knew how to create a maximum-age-based bar if it wanted to. For PGR, Congress imposed a strict 9-month limit from the patent’s issuance after which PGR is unavailable. 35 U.S.C. § 321(c). The deliberate absence of any analogous maximum-age-based bar for IPR reflects a considered Congressional

judgment to impose no such bar—not a gap to be filled by agency discretion. *Corner Post, Inc. v. Bd. of Governors of Fed. Res. Sys.*, 603 U.S. 799, 812 (2024). Administrative agencies, like courts, cannot enforce time limits that Congress declined to enact. *See SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 580 U.S. 328, 334-35 (2017); *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 572 U.S. 663 (2014).

This Court has long recognized that the patent system exists to serve the public, not the patentee. As this Court declared in *Mercoïd*, “it is the public interest which is dominant in the patent system,” and it is precisely “the protection of the public in a system of free enterprise which alike nullifies a patent where any part of it is invalid.” *Mercoïd Corp. v. Mid-Continent Inv. Co.*, 320 U.S. 661, 665 (1944). That principle is not merely a background norm, but an affirmative judicial duty. A court that declines to scrutinize a patent’s validity based on its age does not preserve stability. Instead, as in *Mercoïd*, such a patent “would be diverted from its statutory purpose and become a ready instrument for economic control in domains where the anti-trust acts or other laws not the patent statutes define the public policy.” *Id.* at 666. Congress carefully designed *inter partes* review to serve this public interest in “weed[ing] out bad patent claims efficiently.” *Thryv*, 590 U.S. at 54. Patent owners thus have no reasonable expectation that the age of a patent will immunize its claims from public scrutiny.

The duty of scrutiny is reinforced by this Court’s instruction that “since patents are privileges restrictive of a free economy, the rights which

Congress has attached to them must be strictly construed so as not to derogate from the general law beyond the necessary requirements of the patent statute.” *United States v. Masonite Corp.*, 316 U.S. 265, 280 (1942). A doctrine placing older patents beyond challenge subverts this command entirely. Neither the statutes nor the courts have held that the passage of time transforms an invalid patent into a valid one, nor that judicial reluctance to disturb settled arrangements may override the public’s interest in a free and competitive economy. Where a patent is invalid, its nullification is not an affront to stability, but the fulfillment of the system’s purpose.

The claim that IPR proceedings against old patents upset “settled expectations” collapses under the weight of its own arithmetic. According to WIPO’s IP Facts and Figures 2025, the United States had approximately 3.5 million patents in force as of 2024.⁴ Against that vast stock, the PTAB’s own official FY2024 End of Year Roundup reports that a total of just 1,288 petitions were filed in FY2024, the year before Director Squires assumed the office and implemented systematic, wholesale discretionary denial changes to these more-than-decade-old proceedings.⁵ Thus, far less than 0.1% of all patents in force were challenged at the PTAB in 2024. Nearly all

⁴ World Intell. Prop. Org., WIPO IP Facts & Figures 2025 (2025), <https://www.wipo.int/edocs/pubdocs/en/wipo-pub-943-2025-en-wipo-ip-facts-and-figures-2025.pdf>.

⁵ U.S. Pat. & Trademark Off., *PTAB Trial Statistics FY24 End of Year Outcome Roundup IPR, PGR* (Sep. 30, 2024), https://www.uspto.gov/sites/default/files/documents/ptab_aia_fy2024__roundup.pdf.

U.S. patents in force, including those that never should have issued, were not being challenged in any post-grant PTAB challenge at all.

III. THE “SETTLED EXPECTATIONS” DOCTRINE INFLECTS SEVERE, DOCUMENTED HARM ON INNOVATION, COMPETITION, AND AMERICAN COMMERCE

When the “settled expectations” doctrine immunizes an invalid patent from IPR six years after issuance, it functions as an indefinite toll on technology that belongs in the public domain. Companies operating in the relevant technological space are forced to make the untenable choice between seeking a license of invalid patents (paying a royalty on technology they should be able to use freely), endeavoring to design around them (diverting R&D resources from genuine innovation into legally motivated workarounds), or litigating the challenge in district court at a cost approaching \$6 million per case.⁶ Congress enacted the AIA solution *because* it recognized the importance to the U.S. economy of getting the answer to the patent validity question correct and avoiding hugely expensive and resource-consumptive district court litigation, in which lay juries are required to digest complex technologies and murky patent law. 153 Cong. Rec. H10271 (daily ed. Sep. 7, 2007) (estimating that the value of intellectual property in the US “amounts to \$5 trillion, and much

⁶ IP – AIPLA Survey, FINESTONE INS., https://finestoneinsurance.com/intellectual_property/aipia-survey (last visited Sep. 9, 2026).

of that is in the value of the patents that come from the legislation produced by this bill”); *id.* (“weak patents and ‘seat-of-the-patents’ litigation has hurt the economy”); *id.* at H10282 (observing that patent licensing “contributes approximately \$150 billion to our annual economy” and opining that the reform was “the most important economic legislation that this House will pass”); *id.* at H10284 (lamenting “baseless claims of infringement ... sapping billions from economic growth”); 157 Cong. Rec. S1352 (daily ed. Mar. 8, 2011) (PTAB judges “more likely to reach the correct decision on a technical question compared to a jury composed of laypeople”).

The Constitutional and statutory basis for the patent monopoly rests on a basic *quid pro quo*: the disclosure of a novel and nonobvious invention in exchange for temporary and limited exclusivity. An invalid patent, however, never satisfies its side of the bargain. Allowing an invalid patent’s enforcement under an age-based immunity does not protect a legitimate innovation incentive; it privatizes public knowledge and taxes those who use it, without any corresponding public benefit.

The USPTO’s “settled expectations” doctrine disproportionately benefits two categories of actors: (1) NPEs who aggregate old patents without providing the public with any valuable products or services, and (2) large incumbent companies with aged patent portfolios, both at the expense of innovative competitors, new market entrants, and smaller companies.

Large companies with extensive aged patent portfolios now hold those portfolios as strategic weapons largely immune from efficient administrative challenge, while their newer competitors' patents remain fully exposed to challenge. This administrative favoritism creates an asymmetric competitive landscape that entrenches incumbents and raises barriers to entry, which is contrary to the spirit of market competition and encourages unfair monopoly. The outcomes are directly contrary to the competitive purposes the AIA was designed to serve.

The credible opportunity of IPR proceedings has provided critical leverage for innovators to resolve IP disputes. When an accused infringer can credibly address invalidity of an asserted patent with an IPR petition, the patent holder must factor in the risk of the patent's invalidation. Under the USPTO's "settled expectations" doctrine, the accused infringer's leverage evaporates for patents over six years old, enabling supra-competitive licensing demands that innovative companies must absorb or litigate at enormous expense.

The "settled expectations" doctrine imposes a systemic uncertainty premium on every company operating in patent-intensive industries. Businesses can no longer confidently assess their freedom to operate when potentially invalid patents over six years old cannot be efficiently challenged. Investment decisions, product development roadmaps, supply chain contracts, and licensing negotiations all carry elevated risk as a result.

The United States’ position as the world’s leading technology innovator depends on a patent system that rewards genuine invention while efficiently clearing invalid patents that obstruct the technology commons. The USPTO’s new “settled expectations” doctrine degrades that function for the most consequential category of patents.

In his March 25, 2026, testimony before the House Judiciary Subcommittee, Director Squires defended the “settled expectations” doctrine and related PTAB changes as measures that promote stability, certainty, and investment, asserting that “investors invest when the rules are clear, entrepreneurs take risks when the law affords predictable-outcomes and innovators get in the game when they know their ideas will be protected.”⁷ He also testified that the Director-alone institution process “has promoted the consistent application of the discretionary considerations for institution of IPRs and PGRs, which has allowed the public to make informed decisions about whether or not to challenge a patent at the PTAB.”⁸ Director Squires further testified that these changes result in “reinvigorating the reliability of patents from issuance increases certainty, thereby enhancing trust in the patent

⁷ Oversight of the U.S. Patent and Trademark Office: Hearing Before the Subcomm. on Cts., Intell. Prop., A.I. & the Internet of the H. Comm. on the Judiciary, 119 Cong. (2026) (statement of John A. Squires, Under Sec’y of Com. for Intell. Prop. & Dir., U.S. Pat. & Trademark Off.), <https://judiciary.house.gov/sites/evo-subsites/republicans-judiciary.house.gov/files/evo-media-document/squires-testimony.pdf>.

⁸ *Id.*

system which fosters investment, boosts U.S. competitiveness and supports economic stability.”⁹

However, contrary to the Director’s arguments, the “settled expectations” doctrine, which effectively bars challenges to patents older than approximately six years, has in practice destabilized rather than stabilized the U.S. economy by shielding invalid patents from review, enabling patent holders to weaponize them against innovators or extract nuisance settlements, suppressed competition, and disproportionately harmed smaller and newer companies that depend on accessible, cost-effective patent challenges to operate and innovate. As various organizations, scholars, and practitioners have explained in detail below, the doctrine inflicts documented, measurable harm on American innovation and commerce.

IV. COMMENTATORS HAVE WIDELY CRITICIZED THE “SETTLED EXPECTATIONS” DOCTRINE AS HARMFUL TO AMERICAN COMMERCE

As Amicus explained in its December 2, 2025, public comments to the USPTO’s Notice of Proposed Rulemaking (“NPRM”), the non-statutory “settled expectations” doctrine and the broader NPRM will impose severe harm on competition, market entry, and innovation by smaller companies.¹⁰ The

⁹ *Id.*

¹⁰ PTAB Bar Association, *Comments on Notice of Proposed Rulemaking: Revision to Rules of Practice Before the Patent*

Association warned that the proposed rules “will likely significantly restrict access to AIA proceedings, particularly IPRs, for companies with legitimate business concerns who seek to clear the way for future investment or who seek lower-cost alternatives to litigation.”¹¹ The Association explained that companies “that bring new products to market, including some life science companies with innovative solutions that save and improve lives, rely on IPRs as an economically reasonable alternative to costly litigation,” meaning that “[r]estricting access to IPRs, which were intended for that very purpose, will increase the economic barrier to market entry, deter investment in new products, or make products unnecessarily costly for consumers and patients.”¹²

Similarly, in its December 2025 analyses of the public comments on the USPTO’s NPRM, Unified Patents explained that Director Squires, “through the continuation of Acting Director Stewart’s ‘settled expectations’ doctrine, has made IPR virtually inaccessible to petitioners. This is in direct contradiction of the America Invents Act and is being implemented despite overwhelming evidence that the ability to efficiently challenge patents has enormous positive consequences for the American innovation economy.”¹³ Unified Patents further

Trial and Appeal Board (Docket No. PTO-P-2025-0025) (Dec. 2, 2025), https://www.ptabbar.org/docs/PTAB_Bar_Association_Response_to_NPRM_12-2-2025.pdf.

¹¹ *Id.*

¹² *Id.*

¹³ Jennifer Gallagher, *The Public Has Spoken – Again: For a Second Time, Stakeholders Overwhelmingly Oppose Agency*

explained that public opposition reflected deep concern that the doctrine benefits “patent trolls” and litigation investors at the expense of legitimate innovators and businesses; that it would have negative implications for cornerstone sectors of the economy, like auto and semiconductor manufacturing, and would blunt innovation in rapidly-growing areas, like AI and cryptocurrency; and that it would make small- and medium-sized businesses more vulnerable to abuse.¹⁴

Indeed, data recently reported by Unified Patents demonstrates that the USPTO’s sea change in its discretionary denial practice, including its “settled expectations” doctrine, has disproportionately benefited NPEs over true innovators.¹⁵ As of the end of 2025, patents held by NPEs had a 20% lower PTAB institution rate than patents owned by operating companies who innovate and sell products—undoubtedly because NPEs tend to assert much older patents (shielded by “settled expectations”) than innovator companies seeking to prevent competitors from releasing products that infringe their patented technology.

Proposals that Would Restrict Access to Inter Partes Review, Unified Patents (Dec. 18, 2025), <https://www.unifiedpatents.com/insights/2025/12/17/the-public-has-spoken-again>.

¹⁴ *Id.*

¹⁵ Unified Patents, *Patent Dispute Report: 2025 in Review* (Jan. 13, 2026), <https://www.unifiedpatents.com/insights/2026/1/13/patent-dispute-report-2025-in-review>.

In their May 2026 Law360 expert analysis, professors from the University of Alabama School of Law, Duke University School of Law, and Harvard Medical School examined a series of policy changes at the USPTO, concluding that “the cumulative effect is a system in which administrative review of patent validity is both far less accessible and far less predictable than Congress envisioned when it created the IPR process as a fast, expert and transparent mechanism for correcting erroneously granted patents.”¹⁶ The authors directly rebutted Director Squires’ claim that his reforms promote economic stability and innovation, documenting that “[a]llowing invalid patents to avoid post-grant review does more than harm consumers; it distorts entire markets,” as “[s]tartups and small businesses, which lack the resources for protracted litigation, may abandon promising projects rather than risk costly infringement suits,” while “[i]ncumbent firms, meanwhile, use expansive patent portfolios to deter competition and extract settlements, lowering their incentive to innovate,” so that “[t]he end result is a patent system that rewards strategic behavior over true innovation”—one that “protects incumbents and stifles challengers.”¹⁷ The authors concluded that “[i]f we allow that to happen, innovation will stagnate, protected by thickets of bad patents, while it

¹⁶ Sean Tu, Arti Rai & Aaron Kesselheim, *Congress Must Repair USPTO's Inter Partes Review Process*, Law360 (May 1, 2026), <https://www.law360.com/articles/2462484/congress-must-repair-uspto-s-inter-partes-review-process>.

¹⁷ *Id.*

flourishes in other countries with more appropriate systems for protecting intellectual property.”¹⁸

**V. THE USPTO’S “SETTLED EXPECTATIONS”
DOCTRINE FOCUSES ON THE PATENT
HOLDER’S PURPORTED EXPECTATIONS
WHILE LARGELY IGNORING THE ACCUSED
INFRINGEMENT’S EXPECTATIONS**

In promulgating the “settled expectations” doctrine via agency memorandum—without seeking any input from the relevant stakeholders or rulemaking—the USPTO focused solely on the purported expectations of the patent holder. But the USPTO ignored the expectations of the public who are engaged in commercial endeavors and would become patent challengers when accused of infringement. Those engaged in commerce in a certain industry for many years, without ever being put on notice of any allegation that their products infringe an old patent, certainly also have “settled expectations” that they are not going to be haled into court on decade-old (or older) technology. The USPTO only focuses on the expectations of patent holders while ignoring the settled expectations of market participants who have never been placed on notice of the alleged relevance of old technology to their products. The USPTO’s doctrine, therefore, expects companies to know about all potentially relevant patents without notice.

In the context of the competitive commercial environment, the USPTO issued ~325,800 patents in

¹⁸ *Id.*

2025;¹⁹ ~325,600 in 2024;²⁰ ~312,100 patents in 2023;²¹ and ~327,482 in 2022;²² with a 2019 “high point” at over 350,000.²³ The USPTO’s effective requirement that commercial enterprises actively monitor this continuous flood of new patents—over 25,000 per month—for early challenge is entirely untenable. The legal resources required for any company to continuously collect, consider, and speculatively challenge such a large volume of patents would be unfathomable.

In reality, for most patent disputes, the accused infringer is unaware of the asserted patent until it is brought to their attention by the patent holder.²⁴ In many instances, the asserted patent appears to be facially unrelated to the product(s) accused of infringement. In these circumstances, the accused infringer reasonably expected that it could invest in

¹⁹ Dennis Crouch, *The Surprising Headline of 2025: USPTO Stability?*, Patently-O (Dec. 30, 2025), <https://patentlyo.com/patent/2025/12/surprising-headline-stability.html>.

²⁰ *Id.*

²¹ Dennis Crouch, *Patent Grant Total 2023* (Dec. 29, 2023), Patently-O, <https://patentlyo.com/patent/2023/12/patent-grant-total.html>.

²² *Id.*

²³ Dennis Crouch, *Patent Grants for 2024* (Dec. 31, 2024), Patently-O, <https://patentlyo.com/patent/2024/12/patent-grants-2024.html>.

²⁴ A company has no affirmative duty to search for or investigate relevant patents before commercializing a product. *E.g.*, 35 U.S.C. § 298; *Provisur Techs., Inc. v. Weber, Inc.*, 119 F.4th 948, 956 (Fed. Cir. 2024).

its product development and market commercialization, with no expectation that a patent infringement allegation was waiting in the wings. If the USPTO considers any “settled expectations,” it should consider those of *both* parties.

Moreover, the USPTO’s new application of “settled expectations” based on the age of a patent mistakes whose expectations the AIA is intended to protect. Congress wrote no patent age limit into the IPR statute, and for good reason: parties accused of infringing an invalid patent (regardless of that patent’s age) expect the IPR framework will provide an opportunity to challenge that patent in an efficient and cost-effective administrative proceeding. This expectation is not a mere technicality, but a structural guarantee to ensure that the patent monopoly does not exceed what the public agreed to give in exchange for the patent’s public disclosure. As this Court confirmed in *Oil States*, patents are “the grant of a public franchise. *Inter partes* review is simply a reconsideration of that grant, and Congress has permissibly reserved the PTO’s authority to conduct that reconsideration.” *Oil States Energy Servs., LLC v. Greene’s Energy Group, LLC*, 584 U.S. 325, 335 (2018). A patentee who received a grant subject to that condition of reconsideration has never had, and cannot now reasonably claim, a settled expectation that the grant was permanent and unreviewable after an arbitrary six years.

**VI. THE STATUTE DOES NOT IMBUE THE DIRECTOR
WITH UNBOUNDED, UNREVIEWABLE
DISCRETION TO SET INSTITUTION STANDARDS
DEPARTING FROM THOSE CONGRESS
ESTABLISHED**

The next issue is when the assumption of unbounded, non-statutory “discretion” rises to a Constitutional issue. The Federal Circuit has indicated that violations of the separation of powers are not colorable constitutional claims because no one has a “right” to an IPR. In support, it expands this Court’s holding in *Dalton v. Specter*, 511 U.S. 462 (1994), to suggest that an agency’s violations of the separation of powers inherent in the Constitution are not colorable constitutional claims. *In re Tesla, Inc.*, No. 2026-116, 2026 WL 555080, at *1 (Fed. Cir. Feb. 27, 2026).

Here, the issue is not that the Director has exceeded discretionary authority expressly given by Congress. Rather, the issue is that the Director purports to claim discretionary power that Congress never gave. The USPTO accepted non-refundable IPR fees only to deny petitions based on the retroactive application of new extra-statutory “requirements” after years of trying and failing to promulgate such requirements as formal rules (which many commenters explained were beyond the USPTO’s statutory power to enact). The issue here, unlike *Dalton*, is not just the Director’s abuses of discretion (although there are those, too), but the *assumption* of legislative power where none exists.

Here, the statutory framework demonstrates Congress never envisioned that the USPTO would read 35 U.S.C. § 314(a) as a grant of unlimited discretion to modify the statutory requirements for *inter partes* review. This idea—that Section 314(a)’s lack of a mandate from its use of “may not” amounts to unlimited discretion to deny meritorious and timely petitions—cannot be correct because it “would render superfluous an entire provision,” Section 325(d), “passed in proximity as part of the same Act.” *Yates v. United States*, 574 U.S. 528, 543 (2015). In Section 325(d), Congress enumerated instances where the USPTO may, in its discretion, deny otherwise meritorious petitions based on certain related USPTO proceedings. If Section 314(a) were already embedded with unlimited discretion, then Section 325(d) would be pointless.

Similarly, if the Director had the authority that the USPTO now claims, Section 6(c)(2)(B) of the AIA (providing that the Director may impose a limit on the number of IPRs that may be instituted during the first four years of the AIA) would have been unnecessary. Changes to Implement *Inter Partes* Review Proceedings, 77 Fed. Reg. 7041, 7044 (Feb. 10, 2012).

In fact, Congress has already spoken on much of what the USPTO has identified for its dispositive “discretionary policies.” As mentioned, Congress set an upper age for challengeable patents for PGRs at nine months, but not for IPRs. Congress only set a lower age limit on IPRs. While Congress set a one-year litigation-related deadline for filing IPRs, the USPTO has effectively set a “faster-than-time-to-trial” deadline, finding that petitioners (who cannot

control whether or not a district court will stay a proceeding) “misuse” the AIA by simultaneously defending themselves while petitioning for IPR. *Magnolia Med. Techs. Inc. v. Kurin, Inc.*, No. IPR2026-00097, Paper 17 at 3 (PTAB May 14, 2026) (precedential). The USPTO has also indicated that it will bias its discretion against foreign-backed petitioners (but not necessarily foreign-backed patent owners) even though Section 311 confirms broadly that “a[ny] person who is not the owner of a patent” may seek review. *Id.* at 8. Although Congress already created an estoppel provision triggered by a final written decision in 35 U.S.C. § 315(e), the USPTO demanded more and began requiring certain petitioners to stipulate to a *higher* estoppel standard as a condition of institution. Now, some petitioners are meeting *all* of these new requirements and paying a nearly \$25,000 IPR filing fee for the privilege of hearing only of the Director’s discretionary denial, devoid of any explanation.

The structure of the AIA does not support the USPTO’s position that a statutory limitation on its power in a section entitled “Threshold” gave the USPTO unlimited authority to rewrite the statute’s requirements for who may file a petition, by when they have to file it, or under what conditions it could be considered. *Almendarez-Torres v. United States*, 523 U.S. 224, 234 (1998). If Congress wanted to give the USPTO broad discretion to consider the age of the patent or the pace of related district court proceedings, it knew how to do so. *Whitman v. Am. Trucking Ass’ns, Inc.*, 531 U.S. 457, 468 (2001). (“Congress ... does not hide elephants in mouseholes.”).

The USPTO’s recent rules will have (and have had) far-reaching economic and political impacts despite no clear statement from Congress that the USPTO had the authority to make the rules in the first place. *See* Tr. of The House Judiciary Subcommittee on Courts, Intellectual Property, Artificial Intelligence, and the Internet, *Oversight of the U.S. Patent and Trademark Office* (Mar. 25, 2026), at 17 (Rep. Hank Johnson, Ranking Member: “And you’re doing it, uh, based on executive authority, ***undermining legislative authority***.”) (emphasis added).²⁵ Under the “major questions” doctrine, courts presume that Congress does not delegate decisions of vast “economic and political significance to an agency” using vague, subtle, or cryptic terms. *West Virginia v. EPA*, 597 U.S. 697, 729-30 (2022) (citing, *e.g.*, *FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 160 (2000)); *see also id.* at 735 (Gorsuch, J., concurring and summarizing). Both the USPTO and Federal Circuit should, therefore, be reluctant to interpret Section 314(a)’s statutory *limit* on the Director’s authority as a legislative *delegation* of vast discretionary authority to rewrite the scope and availability of IPRs. The USPTO cannot shield its shenanigans from judicial review simply by labeling its unauthorized actions as the exercise of “discretion.”

²⁵ <https://patentlyo.com/media/2026/03/Squires-Hearing-Transcript.pdf>.

CONCLUSION

For the reasons stated above, the Petition for Writ of Certiorari should be granted and the Federal Circuit should be reversed.

DATED: September 16, 2026

Respectfully submitted,

Brenton R. Babcock
COUNSEL OF RECORD
Yang Wang
PTAB Bar Association
1660 International Drive
Suite 600
McLean, VA 22102
(703) 570-8192
amicusbrief@ptabbar.org