No. 26-73

In the

Supreme Court of the United States

INTEL CORPORATION, ET AL.,

Petitioners,

v.

JOHN A. SQUIRES, UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE,

Respondent.

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

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QUESTION PRESENTED

1. Whether 35 U.S.C. § 314(d), which bars judicial review of "[t]he determination . . . whether to institute an inter partes review," applies even when no institution decision is challenged to preclude review of USPTO rules that set standards governing institution decisions, particularly when those rules are based on a misinterpretation of § 314(a) to supposedly confer unlimited discretion on the Director to deny institution for any reason.

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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 lawyers and stakeholders 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

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[1] Under Rule 37.2, on August 5, 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.

advocate on behalf of particular parties. The Association's interest here is institutional: the proper functioning, integrity, and lawful operation of the *inter partes* review ("IPR") system. Consistent with that institutional 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 (2020), 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. 48,335 (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

No court, in any posture, may now review the rules, practices, and policies by which the USPTO governs institution of *inter partes* review. Direct appeal is barred by § 314(d). Mandamus is unavailable. And under the decision below, a district-court challenge under the Administrative Procedure Act to those practices themselves—not challenging any institution decision—is also barred. The result is a body of law, issued through procedures no law defines and answerable to no court, yet binding every participant in the patent system. That result contradicts the strong presumption favoring judicial review, and exceeds this Court's guidance in *Cuozzo* and *Thryv*.

Since the AIA's earliest days, the USPTO has asserted unreviewable authority over IPR institution. For nearly a decade, the courts rejected that assertion, enforcing § 314(d) against challenges to individual institution decisions while entertaining challenges to the governing policies. After *Thryv*, the Federal Circuit abandoned that distinction, and the agency has since reshaped institution practice through a dizzying succession of memoranda and notices—each reversing the last, none tested in any court.

The agency's actions rest on the same power: "discretionary denial." Invoking § 314(a), the agency claims authority to deny any petition—however meritorious or timely—for reasons appearing nowhere in the statute. Under the *Fintiv* framework, the PTAB denied institution based on predicted trial dates in co-pending litigation. Guidance in 2022 curtailed that practice, but the agency reversed course in 2025. It rescinded the guidance, assigned every institution determination to the Director personally, and proposed rules that would make such denials categorical.

The consequences of allowing the agency such unchecked power are severe. The institution rate plummeted from 68% in fiscal year 2024[2] to 38% through the third quarter of fiscal year 2026,[3] and monthly IPR and PGR petition filings collapsed from 132 (August 2024) to 20 (April 2026), 22 (May 2026), and 28 (June 2026)—fewer than the pre-AIA reexamination system Congress replaced precisely because too few parties used it. Nearly 40% of this fiscal year's institution decisions are discretionary denials.

Agency policy may lawfully evolve, but whether a change is reasoned and lawful is a question for courts. Because the decision below forecloses every avenue of review for agency policy, no matter how arbitrary or inconsistent with the statute, the petition should be granted.

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[2] *PTAB Trial Statistics FY24 End of Year Outcome Roundup IPR, PGR* 5, 6 (Sept. 30, 2024). https://www.uspto. gov/ sites/default/files/documents/ptab_aia_fy2024__roundup.pdf.

[3] *PTAB Trial Statistics: June 2026* 5-7 (June 30, 2026) [hereinafter *June 2026 Statistics*]. https://www.uspto.gov/ sites/default/files/ documents/Trial_Stats_June_2026.pdf.

REASONS FOR GRANTING THE WRIT

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

The presumption that executive officers must answer to the courts predates the modern administrative state by at least a century. Chief Justice Marshall thought it "would excite some surprise if, in a government of laws," an executive officer "might, at his discretion," act against a citizen while "leaving [him] no remedy, no appeal to the laws of his country." *United States v. Nourse*, 34 U.S. (9 Pet.) 8, 28-29 (1835). Applying this principle, this Court has consistently "beg[u]n with the strong presumption that Congress intends judicial review of administrative action." *Bowen v. Mich. Acad. of Family Physicians*, 476 U.S. 667, 670 (1986). Yet under the Federal Circuit's decisions, the USPTO's rules, practices, and policies governing institution of IPR now answer to no court.

The decision below holds that 35 U.S.C. § 314(d) bars an APA challenge to the standards and policies governing institution even where, as here, no individual institution decision is challenged. *Apple Inc. v. Vidal*, 63 F.4th 1, 14-15 (Fed. Cir. 2023). The Federal Circuit further held that those same standards may issue without notice and comment because they are mere "general statements of policy" describing how the Director "proposes to exercise a discretionary power." *Apple Inc. v. Squires*, 166 F.4th 1349, 1359-60 (Fed. Cir. 2026). Section 314(d) forecloses direct appeal, and the Federal Circuit has held that mandamus is categorically unavailable absent a "colorable constitutional claim." *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382-83 (Fed. Cir. 2021).[4] 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

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[4] Over the past year, the Federal Circuit denied approximately a dozen mandamus petitions challenging the USPTO's discretionary-denial practices. Lauren A. Degnan & Chris W. Dryer, *Federal Circuit Denies All Mandamus Petitions Challenging Discretionary Denial Policies*, Fish & Richardson: Insights (Mar. 24, 2026). https://www.fr.com/insights/thought-leadership/blogs/federal-circuit-denies-all-mandamus-petitions-challenging-discretionary-denial-policies/.

a prospective challenge to imposing extra-statutory requirements upon institution.[5]

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, No. 18-916 (2020). 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. v. Iancu*, 584 U.S. 357, 370 (2018) (rejecting the argument that § 314(d) forecloses review of "any legal question bearing on the institution of inter partes review").

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

[5] 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.

the Petition here demonstrates. The party seeking review changes with each shift in the Director's policies; the need for review does not. 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 AGENCY HAS CLAIMED UNREVIEWABLE AUTHORITY OVER INSTITUTION SINCE THE AIA'S EARLIEST DAYS—A CLAIM THIS COURT LONG REJECTED, BUT WHICH THE DECISION BELOW ACCEPTS

A. Unreviewable Institution Standards Have Led to Erratic Shifts in Policy

The USPTO's institution policies have shifted dramatically from one administration to the next. The *Fintiv* framework that the Federal Circuit deemed unreviewable below took hold when the USPTO designated *Apple Inc. v. Fintiv, Inc.*, No. IPR2020-00019, 2020 WL 2126495 (PTAB Mar. 20, 2020) precedential on May 5, 2020, formalizing a discretionary-denial rationale previously introduced in *NHK Spring Co. v. Intri-Plex Techs., Inc.*, No. IPR2018-00752, 2018 WL 4373643, at *4 (PTAB Sept. 12, 2018). The *Fintiv* factors required the PTAB to predict when a district court trial would occur and tilt towards denial when that predicted date preceded the Board's deadline for a final written decision. *Fintiv*, 2020 WL 2126495, at *4.

Those predictions consistently proved unreliable. Then-Director Katherine Vidal acknowledged in a June 2022 Interim Memorandum that "scheduled trial dates are unreliable and often change," and "[a] court's scheduled trial date . . . is not by itself a good indicator of whether the district court trial will occur before the statutory deadline for a final written decision."[6]

Yet three years later, the agency proposed to entrench the very predictor it had disparaged. In October 2025, the USPTO published a proposed rule under which an IPR "shall not be instituted or maintained" if it is "more likely than not" that a district court trial "will occur . . . before the due date for the final written decision." 90 Fed. Reg. 48,335, 48,341. Within five years, the agency declared the anticipated-trial-date factor important, cautioned against outsized reliance on it, and then proposed making it a categorical bar. Each shift was made in the agency's sole discretion, and under the Federal Circuit's jurisprudence, none can be tested in court.

B. The Federal Circuit's Application of Section 314(d) Is Unmoored from this Court's Decisions

Despite this whiplash, one USPTO position has remained the same: the agency's authority over institution (including every applicable rule, policy,

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[6] Memorandum from Katherine K. Vidal, Under Sec'y of Com. For Intell. Prop. & Dir., U.S. Pat. & Trademark Off., to PTAB, *Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation* 8 (June 21, 2022) [hereinafter June 2022 Guidance].

and practice) is unlimited in scope and subject to no court's review.

Initially, courts refused that claim. When parties sought review of individual institution decisions, courts enforced § 314(d) as written: no appeal, *St. Jude Med., Cardiology Div., Inc. v. Volcano Corp.*, 749 F.3d 1373 (Fed. Cir. 2014); and no mandamus, *In re Dominion Dealer Sols., LLC*, 749 F.3d 1379 (Fed. Cir. 2014). But where the challenges addressed the practices and limits governing institution, courts adjudicated them, entertaining (for example) challenges to regulations delegating institution to the PTAB, *Ethicon Endo-Surgery, Inc. v. Covidien LP*, 812 F.3d 1023 (Fed. Cir. 2016), and governing institution itself, *Synopsys, Inc. v. Mentor Graphics Corp.*, 814 F.3d 1309 (Fed. Cir. 2016).

The Federal Circuit's *Versata* decision is instructive. *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306 (Fed. Cir. 2015). The PTAB there had invalidated a patent in a covered-business-method proceeding—a transitional AIA program governed by a review bar materially identical to § 314(d). *See* 35 U.S.C. § 324(e). Congress had limited that program in terms structurally similar to § 314(a): "The Director may institute a transitional proceeding ***only for*** a patent that is a covered business method patent." AIA § 18(a)(1)(E) (emphasis added). The agency argued that § 324(e) placed its statutory compliance beyond judicial review because the limit applied at institution. The Federal Circuit rejected that position, holding that the review bar reaches the institution determination itself but does not foreclose review of "PTAB compliance with any requirement that involves the ultimate authority of the PTAB to invalidate a patent." *Versata*, 793 F.3d at 1319-23. The Federal Circuit likewise dismissed the same party's district-court APA attack on the institution decision in its own case. *Versata Dev. Grp., Inc. v. Lee*, 793 F.3d 1352 (Fed. Cir. 2015). Taken together, these decisions established that individual institution determinations were ordinarily final, but a statutory limit does not become unreviewable merely because the agency administers it at the time of institution.

This Court's previous opinions similarly distinguished unreviewable decisions from reviewable rules. In *Cuozzo*, this Court turned away a challenge to an individual decision because it was "closely tied to the application and interpretation of statutes related to" institution, but preserved review of agency action "outside its statutory limits." *Cuozzo*, 579 U.S. at 275. This Court then proceeded, in the same opinion, to review and sustain on the merits a USPTO regulation governing the conduct of the IPR before it. *Id.* at 280-84. *SAS* rejected the government's argument that § 314(d) forecloses "any legal question bearing on the institution" of IPR and invalidated a USPTO regulation codifying its partial-institution practice, 37 C.F.R. § 42.108(a) (2017), as inconsistent with the statute. *SAS*, 584 U.S. at 370. These decisions illustrate that USPTO rules are reviewable, but decisions applying institution-specific provisions to particular cases are not.[7]

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[7] *E.g.*, Oliver Richards, *Challenging PTO Institution Policies (If Not Institution Decisions)*, Patently-O (Jan. 29, 2017). https://patentlyo.com/patent/2017/01/ipr-regulatory-review.html.

Since *Thryv*, however, the Federal Circuit treats agency rules and practices as unreviewable. In 2022, when the Director revised the *Fintiv* framework by memorandum, without Federal Register publication, the agency invoked "the Director's authority to issue ***binding*** agency guidance to govern the PTAB's implementation of various statutory provisions." *Apple Inc. v. Vidal*, 63 F.4th at 9 (quoting the memorandum) (emphasis added). When Petitioners challenged the rule under the APA, the government argued that institution policy is "committed to agency discretion by law," 5 U.S.C. § 701(a)(2), and reviewable by no one. *Apple Inc. v. Vidal*, 63 F.4th at 13. When the notice-and-comment question reached the Federal Circuit, the government prevailed by recharacterizing the Director's "***binding*** agency guidance" as ***non-binding*** "general statements of policy." *Apple Inc. v. Squires*, 166 F.4th at 1359-60.

The agency has pressed its maximalist assertion of unreviewable authority further still. In February 2025, the agency rescinded its June 2022 guidance.[8] In March, another memorandum bifurcated institution, routing every petition through a discretionary phase decided by the Director personally before any PTAB panel considers the merits.[9] In October, the Director announced that he

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[8] *USPTO Rescinds Memorandum Addressing Discretionary Denial Procedures* (Feb. 28, 2025). https://www.uspto.gov/about-us/news-updates/uspto-rescinds-memorandum-addressing-discretionary-denial-procedures (last visited Aug. 7, 2026).

[9] Memorandum from Coke Morgan Stewart to PTAB, *Interim Processes for PTAB Workload Management* (Mar. 26, 2025), https://www.uspto.gov/sites/default/files/documents/InterimProc

would thereafter decide every institution determination himself through "summary notices" devoid of explanation (notwithstanding § 314(c)'s directive that the parties be notified "in writing" of "the Director's determination under subsection (a)").[10] Whatever standards drove these denials—the *Fintiv* factors, some modification, or none at all—neither the petitioners, patent owners, nor any reviewing court can know because the agency no longer says. A regime of unreviewable standards has thus given way to unreviewable decisions applying unstated standards.

That same day, the agency proposed codifying categorical bars to institution while asserting that such rules "do not require notice-and-comment rulemaking" under § 553 "or any other law." Revision to Rules of Practice Before the Patent Trial and Appeal Board, 90 Fed. Reg. 48,335, 48,337-41. Finally, in March 2026, the Director announced by memorandum, effective immediately, that institution would thereafter turn in part on the parties' domestic-manufacturing operations and the petitioner's status

esses-PTABWorkloadMgmt-20250326.pdf [hereinafter *Interim Process Memorandum*].

[10] Memorandum from John A. Squires to PTAB, *Director Institution of AIA Trial Proceedings* (Oct. 17, 2025). https://www.uspto.gov/sites/default/files/documents/Director_Institution_of_AIA_Trial_Proceedings.pdf. On October 31, 2025, the Director issued his first set of institution decisions, denying thirteen petitions in a single document without explanation. *Notice of Decisions on Institution,* No. IPR2025-01139, Paper 10 (PTAB Oct. 31, 2025).

as a small business—considerations appearing nowhere in the statute.[11]

The result is that the agency's institution rules bind all participants in the patent system, emerge from procedures no law defines, and escape review by any court. Yet even where Congress commits a matter to an agency's judgment, "courts retain a role, and an important one, in ensuring that agencies have engaged in reasoned decisionmaking." *Judulang v. Holder*, 565 U.S. 42, 53 (2011). Because the decision below forecloses that role, leaving the agency free to act on whim alone, this Court's review is required.

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

The text and structure of the AIA confirm that the Director does not have unconstrained authority to implement unreviewable standards for institution. The USPTO and the Federal Circuit invoke Section 314(a), which describes what the agency "may ***not***" do, to conclude that the USPTO ***may*** do whatever it wants:

> The Director ***may not*** authorize an inter partes review to be instituted unless the Director determines . . . that there is a

[11] Memorandum from John A. Squires to PTAB, *Additional Discretionary Institution Considerations* 1-3 (Mar. 11, 2026). https://www.uspto.gov/sites/default/files/documents/Additional_Discretionary_Institution_Considerations_US_Manufacturing_and_Small_Business_Use_of_AIA_Proceedings.pdf.

> 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) (emphasis added).

Throughout the challenges to its "discretionary" denial framework, the USPTO has identified no other statutory support for its approach. Yet, this Court has never interpreted the word "may" as granting the discretion that the USPTO has claimed, let alone the phrase "may not."

The statutory framework demonstrates, furthermore, that Congress never envisioned that § 314(a) would be read to grant unlimited discretion to modify the statutory requirements for IPR and deny timely, meritorious petitions. The USPTO's reading of the statute 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). Section 325(d) enumerates specific instances where the USPTO may deny otherwise meritorious petitions based on certain, sufficiently related USPTO proceedings. If Section 314(a) confers unlimited discretion to deny meritorious petitions for ***any*** reason, then Section 325(d) is pointless.

In fact, Congress has already spoken to the subjects of many of the USPTO's "discretionary policies." Congress set a one-year deadline for filing IPRs, 35 U.S.C. § 315(b); the USPTO set a "faster-than-time-to-trial" deadline under *Fintiv*, blaming petitioners for parallel litigation even though they have no control over whether a parallel litigation is stayed. *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), *id.* at 8, even though Congress specified that any "person who is not the owner of a patent" may seek review, 35 U.S.C. § 311. Congress specified the scope of estoppel that shall arise from IPRs, 35 U.S.C. § 315(e); the USPTO has proposed requiring certain petitioners to stipulate to ***broader*** estoppel as a condition of institution. 90 Fed. Reg. 48,335, 48,338, 48,341.

The AIA's structure thus does not support the USPTO's position that a statutory limitation on its power in a section entitled "Threshold" confers unlimited authority to rewrite these statutory provisions. *Almendarez-Torres v. United States*, 523 U.S. 224, 234 (1998). If Congress wanted to give the USPTO such broad power, it knew how to do so. *Whitman v. Am. Trucking Ass'ns*, 531 U.S. 457, 468 (2001) ("[Congress] does not . . . hide elephants in mouseholes.").

The USPTO's discretionary-denial practices have far-reaching economic and political impacts despite no clear statement from Congress that the USPTO had the authority to make such rules in the first place. 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). Reading 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 AIA proceedings flouts this rule. By divorcing the Director's discretion from any intelligible principle, the Federal Circuit has created an anti-delegation problem where one otherwise would not exist. *Whitman*, 531 U.S. at 472 ("[W]hen Congress confers decisionmaking authority upon agencies ***Congress*** must lay down by legislative act an intelligible principle to which the person or body authorized to act is directed to conform.") (original emphasis, cleaned up).

USPTO shenanigans should not escape judicial review based on a blanket assertion of "discretion."

IV. THE AGENCY'S RECENT APPROACHES TO DISCRETIONARY DENIAL FRUSTRATE THE FUNDAMENTAL CONGRESSIONAL INTENT FOR IPR

The absence of judicial review, coupled with the Director's claims of unbounded discretion, has undermined, not furthered, Congress's goals in enacting the AIA.

Congress recognized the importance to the U.S. economy of correctly answering the patent validity questions and avoiding expensive and resource-consumptive district court litigation, where lay juries must assess complex technologies. *See, e.g.*, 153 Cong. Rec. H10,271 (daily ed. Sept. 7, 2007) ("[W]eak patents and 'seat-of-the-pants' litigation has hurt the economy."); *id.* at H10,284 (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 lay jury).

A fundamental purpose of IPR is to "weed out bad patent claims efficiently." *Thryv*, 590 U.S. at 54. Congress designed IPRs with practical realities in mind—the timelines of co-pending litigation, the limitations of pre-AIA reexaminations, and the burden on the USPTO's workload.

Congress expected IPRs to co-exist with co-pending litigation. Section 315(a) preserves access to IPR for a defendant actively litigating invalidity, for example, where it did not initiate the civil action challenging the patent. Section 315(b) provides that an IPR may not be instituted more than one year after an infringement case is filed, similarly contemplating institution alongside co-pending litigation. This "section 315(b) deadline afford[s] defendants a reasonable opportunity to identify and understand the patent claims that are relevant to the litigation." 157 Cong. Rec. S5429 (daily ed. Sept. 8, 2011) (Sen. Kyl). Thus, Congress struck a balance between a defendant's access to IPR early in litigation while protecting patent owners from inordinately delayed challenges. *See* H.R. Rep. No. 112-98, at 47-48.

Similarly, Section 315(e)'s estoppel provision contemplates but places guardrails around co-pending litigation to avoid serial, identical challenges to patents. Congress added these provisions to remedy the prior "[l]engthy and duplicative proceedings." 154 Cong. Rec. S9988 (daily ed. Sept. 27, 2008) (Sen. Kyl).

Congress's careful design is undermined by the agency's using unstayed, co-pending litigation as a reason to deny institution. Indeed, Congress envisioned a USPTO that "ma[de] every effort to complete its [post-grant] review expeditiously," particularly when working alongside unstayed district court litigation. 157 Cong. Rec. S1364 (daily ed. Mar. 8, 2011) (Sen. Schumer, concerning CBM proceedings).

Congress acknowledged the limitations of pre-AIA reexaminations, which disincentivized their use. *See* H.R. Rep. No. 112-98, at 46. Congress designed IPR to be different—to "establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs." *Thryv*, 590 U.S. at 54. For example, finding the typical 3- to 5-year timeline of pre-AIA *inter partes* reexamination too slow, Congress required the USPTO, in Section 316(a)(11), to render an IPR final determination within one year. Reexaminations' institution threshold—a "substantial new question of patentability"—admitted too many "challenges that were unlikely to win in any event." 157 Cong. Rec. S1326 (daily ed. Mar. 7, 2011) (Sen. Sessions); H.R. Rep. No. 112-98, at 46-47. Therefore, Congress provided the "reasonable likelihood of success" standard to force challengers to "front load their case." 157 Cong. Rec. S1376 (daily ed. Mar. 8, 2011) (Sen. Kyl). The rules for limited discovery require the same: a petitioner raising fact-intensive issues in IPR must "present a complete case at the outset" rather than rely on protracted and laborious discovery. 157 Cong. Rec. S1375 (daily ed.

Mar. 8, 2011) (Sen. Kyl); H.R. Rep. No. 112-98, at 46-47.

The goal of IPR is efficiency, and Congress gave the Director limited institution discretion to further that goal. 157 Cong. Rec. S1377 (daily ed. Mar. 8, 2011) (Sen. Kyl). Specifically, Congress expected the Director "to decline to institute further proceedings if a high volume of pending proceedings threatens the USPTO's ability to timely complete all proceedings." *Id.* In Section 316(b), Congress empowered the Director to prescribe regulations for IPRs, considering the effect of legislatively mandated priorities, including those reflecting "a legislative judgment that it is better that the Office turn away some petitions that otherwise satisfy the threshold for instituting an inter partes or post-grant review than it is to allow the USPTO to develop a backlog of instituted reviews." *Id.* This explanation would have been unnecessary if Section 314(a) granted plenary discretion to deny meritorious petitions based on the Director's whims. Congress "intend[ed] for the USPTO to address potential abuses and current inefficiencies under its expanded procedural authority"—not to hinder access to the carefully designed "quick and cost[-]effective alternatives to litigation." H.R. Rep. No. 112-98, at 48.

V. THE AGENCY'S UNBOUNDED, UNREVIEWABLE DISCRETIONARY DENIAL HAS INFLICTED SEVERE, DOCUMENTED HARM ON INNOVATION, COMPETITION, AND AMERICAN COMMERCE

The United States's 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. Affording the agency unbounded, unreviewable discretion to gatekeep the system that Congress designed systematically degrades that function.

In his March 2026 testimony before the House Judiciary Subcommittee, Director Squires defended recent changes as promoting 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."[12] He added 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

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[12] 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.

whether or not to challenge a patent at the PTAB."[13]

In practice, these changes have destabilized the economy by shielding invalid patents from review, enabling patent holders to weaponize them against innovators or extract nuisance settlements, suppressing competition, and disproportionately harming smaller and newer companies that depend on accessible patent challenges to innovate. The USPTO's own statistics record that shift.

Discretionary denial leaves patent claims unexamined without any validity assessment.[14] In fiscal year 2025, the USPTO denied 304 petitions on discretionary considerations, leaving 3,794 patent claims unreviewed.[15] In fiscal year 2026 through the third quarter, the Director resolved 681 petitions on discretionary considerations, denying 407 and referring only 274 for merits review.[16] Discretionary denials have risen to

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[13] *Id.*

[14] *Interim Process Memorandum.*

[15] *PTAB Trial Statistics: 2025 End of Year Outcome Roundup* 6, 14 (rev. Nov. 2025). https://www.uspto.gov/sites/default/files/documents/Trial_StatsFY25_Q4.pdf. Because the bifurcated process took effect in March 2025, *see Interim Process Memorandum*, the fiscal year 2025 figures reflect roughly half of a year of that practice. Weaker petitions do not explain the decline. Petitions receiving a decision on the merits were instituted 74.5% of the time in fiscal year 2024 and 77.2% in fiscal year 2025, while denials on the merits fell from 263 to 187 and denials on other grounds rose from 67 to 426. *See* Unified Patents, PTAB database (data as of Aug. 6, 2026).

[16] *June 2026 Statistics* at 6.

account for nearly half of institution decisions.[17] The institution rate cratered from 68% in fiscal year 2024 to 50% in fiscal year 2025, and to 38% through the third quarter of fiscal year 2026.

Denials on non-merit grounds have risen and fallen with changes in the USPTO's leadership rather than with any criterion Congress enacted. By Unified Patents' count, there were 209 non-merits denials in 2020, the year *Fintiv* issued; 62 in 2023, under the June 2022 Guidance; and 605 in 2025, more than the four preceding years combined.[18] None was subject to judicial review.

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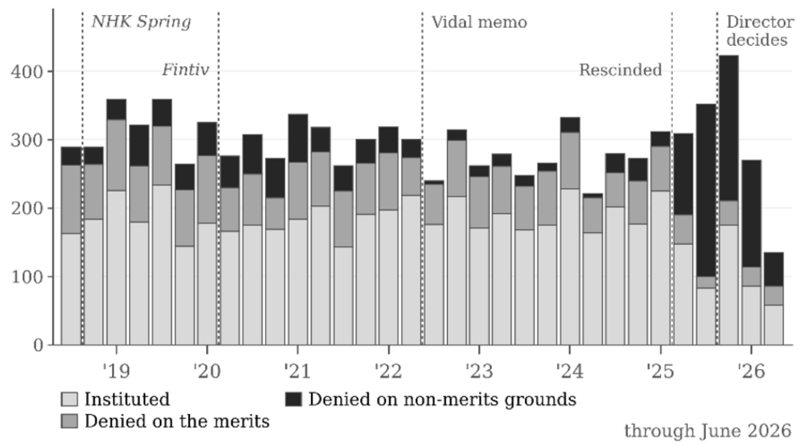
[17] Of 823 institution decisions entered in fiscal year 2026 through the third quarter (314 instituted and 509 denied), 407 were discretionary denials. *June 2026 Statistics* at 6-7.

[18] Unified Patents, PTAB database (data as of Aug. 6, 2026). Decisions on institution coded "Denied on non-merits grounds," by calendar year: 165 in 2019; 209 in 2020; 177 in 2021; 84 in 2022; 62 in 2023; 88 in 2024; and 605 in 2025. This category comprises all denials resting on grounds other than the merits and is broader than the USPTO's "discretionary considerations" figures cited *supra* notes 14-15, which count only decisions taken through the process adopted in March 2025. Figure 1 draws on the same Unified Patents data on institution decision, aggregated by calendar quarter rather than by year.

Figure 1. Decisions on institution by quarter, 2018–2026



As access has narrowed, the forum has emptied: monthly IPR filings fell from 126 in August 2025 to 22 in June 2026.[19] Between April and June 2026, petitions for IPR averaged 19 per month.[20] Recall that Congress replaced *inter partes* reexamination in part because too few parties used it.[21] By comparison, in fiscal year 2011 (the year the AIA was enacted), the USPTO received approximately 31 requests for *inter partes* reexamination per month.[22] *Inter partes* reexamination was available for only patents issuing from an original application

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19 *June 2026 Statistics* at 5.

20 *Id.*

21 H.R. Rep. No. 112-98, at 46; *see supra* Section IV.

22 Both monthly figures are averages: 374 requests over the twelve months of fiscal year 2011, and 57 IPR petitions over the three months from April through June 2026. *Inter Partes Reexamination Filing Data* 1 (Sept. 30, 2017). https://www.uspto.gov/sites/default/files/documents/inter_parte_historical_stats_roll_up.pdf.

filed on or after November 29, 1999,[23] whereas IPR is available against any patent. IPR now draws fewer filings per month than *inter partes* reexamination did, despite reaching a larger set of patents.

As the Association explained in its December 2, 2025 public comments to the USPTO's Notice of Proposed Rulemaking ("NPRM"), changes like those the Director has implemented will impose severe harm on competition, market entry, and innovation by smaller companies.[24] The 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."[25] 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

[23] American Inventors Protection Act of 1999, Pub. L. No. 106-113, § 4608, 113 Stat. 1501, 1501A-572; *see Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1331, 1341-43 (Fed. Cir. 2008) (upholding the agency's construction of "original application" to include continuations, divisionals, and continuations-in-part).

[24] PTAB Bar Association, *Comments on Notice of Proposed Rulemaking: Revision to Rules of Practice Before the Patent 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.

[25] *Id.*

products, or make products unnecessarily costly for consumers and patients."[26]

The availability of IPR proceedings has historically provided critical leverage for innovators to resolve IP disputes. When an accused infringer can credibly address invalidity arguments involving an asserted patent with an IPR petition, the patent holder must factor in the risk of the patent's invalidation. Restricting access to such proceedings—as allowed under the decision below—forces innovative companies[27] 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 at enormous expense.[28]

This Court has long recognized that the patent system exists to serve the public, not the patentee. As this Court declared in *Mercoid Corporation v.*

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[26] *Id.*

[27] Data reported by Unified Patents demonstrates the change in discretionary denial practice has disproportionately benefited non-practicing entities (NPEs) over true innovators. 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. Through the end of 2025, patents held by NPEs had an institution rate roughly 20 percentage points lower than that for patents owned by product-producing companies.

[28] *See* Finestone Insurance, IP – AIPLA Survey, https://finestoneinsurance.com/intellectual_property/aipla-survey/ (last visited Aug. 12, 2026).

Mid-Continent Investment Company, "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." 320 U.S. 661, 665 (1944). That principle is not merely a background norm, but an affirmative judicial duty. As warned by this Court in *Mercoid*, 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 IPR to serve this public interest in "weed[ing] out bad patent claims efficiently." *Thryv*, 590 U.S. at 54.

Whether the USPTO's recent changes to the policies driving discretionary denial are net positive or net negative is debatable. And Congress expects agency policy to evolve, including with changes in administration. *E.g.*, *Encino Motorcars, LLC v. Navarro*, 579 U.S. 211 (2016); *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502 (2009). That expectation does not mean, however, that an agency may disregard a statute's requirements or frustrate its purpose or that an agency's policy changes should not be reviewable by courts. Indeed, both *Encino* and *Fox* are cases testing whether an agency's explanation for a change sufficed.

Here, although the agency's various memoranda recite reasons, whether those recitals satisfy the law is a question the decision below places beyond review—in any forum. This Court should grant the

Petition for Writ of Certiorari so that courts may address that question.

CONCLUSION

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

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