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PTAB Ramps Up Fintiv Denials After Withdrawal Of Memo

By **Ryan Davis**

Law360 (May 13, 2025, 10:46 PM EDT) -- Weeks after the U.S. Patent and Trademark Office withdrew a memo that limited when patent challenges could be rejected based on parallel litigation, the Patent Trial and Appeal Board has denied dozens of petitions by citing upcoming trials, mostly in the Eastern District of Texas.

The **2022 memo** by former USPTO Director Kathi Vidal on so-called Fintiv denials was **withdrawn** by acting director Coke Morgan Stewart in February, and the board issued **revised guidance** to judges on discretionary denials in late March.

Since then, the new guidance has been applied retroactively to cases that were pending before the memo's withdrawal. The PTAB has used its discretion to deny more than 30 petitions based on upcoming district court trials that are scheduled to end before the board's decision is due, turning away challenges by companies including Samsung, Apple and Lenovo.

The shift has reduced the rate at which the board agrees to review patents. According to data presented at a webinar Tuesday by attorneys from Sterne Kessler Goldstein & Fox PLLC, the board instituted review in 44% of cases in which it reached a decision in April, down from 64% in March and 63% in February.

USPTO data shows that the institution rate was 68% during the 2024 fiscal year, and was nearly the same in 2023 and 2022. In 2021, prior to Vidal's memo, the institution rate was 58%.

Most of the parallel cases that have led to recent discretionary denials are in the Eastern District of Texas, which is known for scheduling trials quickly. The board has often found that other factors do not outweigh the fact that a related case has been set for trial before the date the PTAB's review would have to be completed.

For instance, in one **decision** last month, the board denied Samsung's petition for review of a Collision Communications Inc. patent on increasing telecommunications channel capacity. The PTAB noted that a trial is scheduled for September in the Eastern District of Texas, about seven months before the board would have to make a final decision in April 2026.

The board said Samsung's pledge not to make the same invalidity arguments in court that it could have made at the board "weighs strongly against" denying review. Nevertheless, it said that was outweighed by the trial date and the fact that the parties have "expended significant resources" in the related case.

"We, therefore, are persuaded that the interests of the efficiency and integrity of the system would be best served by invoking the authority … to deny institution," the board concluded.

The Fintiv Factors

The PTAB's discretion to deny review for efficiency reasons when a related trial would end first was established in the precedential **2020 ruling** in Apple Inc. v. Fintiv Inc. , which set a six-factor test including such considerations as the trial date, the investment of resources in the litigation and the overlap between the issues at the board and in court.

Google Exhibit 1097
Google v. Mullen

The policy has long been controversial among patent challengers, who claim it cuts off access to the board for companies sued in courts that rapidly schedule trials, like those in Texas. The early trial dates are one reason why the Eastern District of Texas attracts a sizable percentage of all U.S. patent litigation, much of it filed by nonpracticing entities.

Vidal's 2022 memo cut down on discretionary denials by saying the board would not deny review based on related infringement litigation in some situations, such as when the challenger makes a so-called Sotera stipulation that it won't make the same arguments at the board and in court, when the invalidity challenge has "compelling merits," and when the related case is at the U.S. International Trade Commission.

Those policies ended with the memo's withdrawal. Instead, Chief Administrative Patent Judge Scott Boalick told the board a Sotera stipulation is "highly relevant, but will not be dispositive by itself," that the strength of the petition will be considered but compelling merits alone are not enough to warrant review, and that review can be denied based on an ITC case.

In the weeks that have followed, early trial dates, particularly in the Eastern District of Texas, have been a consistent focal point of the board's discretionary denial decisions, and the board has only rarely instituted review when a trial is scheduled before the PTAB's decision is due.

Trial Dates and Stipulations

According to federal court records last year, the median time to trial in the Eastern District of Texas is 21.9 months. Accused infringers have one year to file a PTAB petition after being sued, the board has six months to decide whether to institute review, and its decisions are due one year after that, so many cases in the district are set for trial before the PTAB would have to make a decision.

For instance, in an April **decision** denying Google and Samsung's petition for review of a Cerence Operating Co. voice command patent, the board noted that its decision would be due in April 2026, but the Eastern District of Texas trial in a suit against Samsung has been scheduled for October.

While the challengers argued that Judge Rodney Gilstrap has scheduled 12 trials to start the same day, and they cannot all take place as planned, the PTAB pointed to the trial date the judge set and said "nothing in the record indicates" that the trial would not take place months before the board's decision is due.

Upcoming trial dates outside of Texas have also **led to denials**, including in Apple's **challenge** to a Haptic Inc. patent where a trial is set for September in the Northern District of California, months before the board's due date.

Although Sotera stipulations, named for a 2020 **precedential opinion**, very often prevented petitions from being denied under Fintiv when Vidal's memo was in place, pledging not to make the same arguments in court has not been found to overcome early trial dates in most cases since the withdrawal. Most of the stipulations were made by challengers when the memo was still in effect.

In a **decision** last month, the board denied a challenge to an SK nexilis battery component patent due to a November trial in the Eastern District of Texas, despite saying a Sotera stipulation by petitioner Solus Advanced Materials "weighs strongly against" denying review.

In finding that the stipulation weighed against denial, the board rejected an argument by SK nexilis that the pledge by Solus not to make the same arguments in court was "essentially meaningless."

The patent owner said Solus has made invalidity arguments in court involving related system art, or products tied to the patents and publications it cited at the board. The stipulation therefore doesn't reduce the overlap in the invalidity issues in the two proceedings and shouldn't weigh in favor of denial, SK nexilis argued.

The PTAB noted that acting Director Stewart **held in March** in another case that the board gave too much weight to a Sotera stipulation when the challenger relied on related system art in court. But the board held that while that decision means stipulations may not outweigh other factors if they don't reduce all the overlapping invalidity issues, they still weigh strongly against denial.

Still, the board denied Solus' petition, holding that the strong weight for the stipulation was outweighed by the trial date and the fact that the merits of the challenge were "at best, a close call."

Merits Considerations

Yet in a separate **decision**, the board instituted review of an SK nexilis patent in the same infringement case, saying the invalidity arguments by Solus were "particularly strong," outweighing the other factors. SK nexilis has asked Stewart to review that decision, saying the merits are not strong, and it would be more efficient to deny review, since petitions on other patents in the case have been denied.

In other cases, the board has cited the perceived lack of strength in the challenger's arguments in issuing discretionary denials.

Challenges by Lenovo, HP and Dell to Universal Connectivity Technologies' power delivery patents, which all three companies have been accused of infringing in the Eastern District of Texas, **were denied** based on a November trial date in the Lenovo case. While saying Sotera stipulations in the cases strongly weighed against denial, the board **declined** to review the patents, citing the trial and a finding that the merits of the invalidity arguments were "not particularly strong."

The board also **rejected** Catalyst OrthoScience's post-grant review challenge to a Shoulder Innovations shoulder replacement patent, saying the date of a trial in Delaware is uncertain, but it will likely occur before the PTAB decision. Even if the challenger showed some claims are likely invalid, the board said, that doesn't weigh against denial because the patent owner identified "credible weaknesses" in the invalidity arguments.

On Monday, though, the board **instituted review** of Mullen Industries' cellphone locating patents challenged by Google and Samsung, saying a November date for an Eastern District of Texas trial against Samsung weighs in favor of denial, but was outweighed by a Sotera stipulation and the strong merits of the petitions. The board noted that it had previously agreed to review the same patents when Apple challenged them making similar arguments, but then reached a **settlement** that ended the reviews.

ITC Cases

Under the 2022 memo, the board would not deny review when the related infringement case was at the ITC, which does not have the authority to invalidate patents. Since the withdrawal, the board has denied review in some ITC cases, but instituted in others.

The board **denied** review of a GoPro photo cropping patent challenged by Arashi Vision, noting that the ITC's decision is due in September, months before the board's due date. While Arashi said it would be "manifestly unfair" to deny review because it relied on the now-withdrawn memo that cases at the commission would not be discretionarily denied, the board said it followed the guidance that the withdrawal applies to any case where a decision had not yet been reached.

Yet the board **agreed to review** a SiOnyx semiconductor patent challenged by Samsung, although the related ITC case is slated to end before the board would make a decision, saying that the petition presented strong merits and the commission will not resolve all the invalidity issues.

The withdrawal of the Fintiv memo is just one part of the USPTO's shifting policies on discretionary denials. At the end of March, Stewart announced a **new process** where she, along with senior PTAB judges, will make decisions on whether a petition should be discretionarily denied before the merits are considered by a regular panel of the board.

The process introduced potential new reasons to deny review beyond trial dates, including how much the petition relies on expert testimony, whether another forum has ruled on the patent's validity, and how long the patent has been in force.

No decisions have yet been issued applying that process, under which patent owners who had not yet responded to a petition could begin making arguments in March.

--Editing by Kelly Duncan and Emily Kokoll.

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