WINSTON & STRAWN LLP

CLIENT ALERT

PTAB Holds Informative Discussion With Stakeholders Answering Questions About the New Discretionary Denial Briefing Process

APRIL 21, 2025

The Patent Trial and Appeal Board (PTAB) presented a "Boardside Chat" Thursday (April 18) focusing on the PTAB's new discretionary denial briefing process (announced on March 26) and answering questions from the reported 500+ interested persons who dialed in. Michelle Ankenbrand (Acting USPTO Senior Advisor) and Kalyan Deshpande (Vice Chief Administrative Patent Judge) presented and answered questions; Janet Gongola (Acting Chief Communications Office) moderated.

Three important takeaways:

1. The panel indicated that *inter partes* review (IPR) petitioners no longer need to present arguments against a discretionary denial in the initial petition. Petitioners can instead wait to present those arguments in response to a patent owner's request for discretionary denial (if filed).
2. The panel indicated (twice) that if IPR petitioners are going to offer a *Sotera*- or *Sand Revolution*–type stipulation (for example, stating that the petitioner will not assert prior-art defenses in a related litigation that were raised or reasonably could have been raised in the IPR), the time to offer that stipulation is sufficiently ***before*** the deadline for the patent owner to file its discretionary denial challenge so that the patent owner can address any stipulation in its discretionary denial request. The panel clarified that a *Sotera*- or *Sand Revolution*–type stipulation should be offered no later than one month after the PTAB notices the filing date of a petition.
3. The panel also indicated that *Sotera*- or *Sand Revolution*–type stipulations are potentially going to be given less weight depending on the type of system art and other prior-art challenges in a related litigation. This statement appears to mirror the Acting Director's "true alternative" language in the recent *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, IPR2024-01206, IPR2024-01207, & IPR2024-01208 (Acting Director Stewart), Director Review opinion. In *Motorola*, the Acting Director vacated an institution decision despite the offer of a *Sotera*-type stipulation, while observing that "Petitioner's invalidity arguments in the district court are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner's stipulation is not likely to moot," and thus the stipulation did "not ensure that these IPR proceedings would be a 'true alternative' to the district court proceedings."

The panel also discussed the general timing and logistics for the new discretionary denial briefing schedule and advised parties to email Director_Discretionary_Decision@USPTO.gov to request additional briefing if appropriate.

The timing for the new discretionary briefing process is as follows: (1) a patent owner may file a brief (limited to 14,000 words) arguing for a discretionary denial of a petition within two months of the date on which the PTAB enters a Notice of Filing Date Accorded; and (2) the petitioner may file an opposition (also limited to 14,000 words) within one month thereafter. Reply briefing may be permitted for good cause and must be limited to 5,600 words.

The discretionary denial briefing will be decided by the Director and a panel of senior PTAB judges different from those on the merits panel. The Director will issue a decision on a discretionary denial request within one month of the petitioner's response. The panel indicated that the PTAB has already received approximately 40 requests for discretionary denial under the new process.

The panel stressed the nonexclusive factors recently identified by the Acting Director that could weigh in favor of a discretionary denial, namely:

- Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims;
- Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability;
- The strength of the unpatentability challenge;
- The extent of the petition's reliance on expert testimony;
- Settled expectations of the parties, such as the length of time the claims have been in force;
- Compelling economic, public health, or national security interests; and
- Any other considerations bearing on the Director's discretion, such as the ability of the PTAB to comply with pendency goals for *ex parte* appeals, its statutory deadlines for AIA proceedings, and other workload needs.

The panel also discussed the inclusion of potential merits-based arguments in the discretionary denial briefing in terms of a brief discussion of the strengths and weaknesses of the challenge(s) with reference to a few discrete examples and a statement that additional merits arguments will be made in the separate merits briefing. The panel clarified that any merits arguments made in discretionary denial briefing will not be passed on to the merits panel.

Lastly, the panel indicated that there will be a notice and comment rulemaking process regarding the new interim discretionary denial process. Certain aspects of the process (e.g., the word limit for briefs) may be revisited based on

pending briefs and public feedback.

As we previously reported here, this has been a busy month for USPTO announcements, with the recission of the June 21, 2022 memorandum titled "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation," the PTAB's guidance regarding the rescission (see here), the announcement of a new briefing schedule for discretionary denial arguments (see here), the designation of "informative" status for a PTAB opinion denying institution when different claim constructions were used in related district court actions (see here), the announcement of the PTAB's requirement that judges return to in-person work (see here), and the announcement that the PTAB is expecting involuntary staff reductions (after the voluntary separation programs expire on April 17, 2025).

4 Min Read

Authors

Mike Rueckheim

Scott Border

Chaoxuan Charles Liu

Related Topics

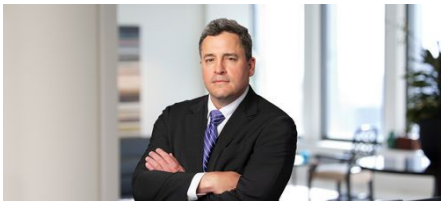
USPTO | Patent Trial and Appeal Board (PTAB)

Related Capabilities

Intellectual Property | Patent Litigation

Related Professionals

Mike Rueckheim



Scott Border

Chaoxuan Charles Liu