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USPTO Implements Interim Procedures Bifurcating Decisions to Institute AIA Trials

Decisions to institute an AIA trial will be split between discretionary considerations and the merits under new USPTO procedures to manage the PTAB's workload.

Key Points:

- Pre-institution briefing is bifurcated: discretionary arguments come first, followed by the merits.
- The Director, in consultation with at least three PTAB judges, will decide whether to discretionarily deny institution. If the Director decides not to discretionarily deny institution, the petition will be referred to a typical three-member panel of the PTAB.
- With the Director exercising discretion, and with goals of increasing efficiency and addressing ex parte appeal pendency, the rates of discretionary denial may rise in the short term.

On March 26, 2025, Acting Director of the United States Patent and Trademark Office (USPTO) Coke Morgan Stewart issued a memorandum¹ (the Workload Memorandum) to all Administrative Patent Judges (APJs) of the Patent Trial and Appeal Board (PTAB or the Board). The Workload Memorandum marks major changes to discretionary denial of institution of post-grant proceedings under the America Invents Act (AIA), namely inter partes review (IPR) and post-grant review (PGR).

The Workload Memorandum empowers the Director to take the primary role in exercising discretion to deny institution of AIA trials and also increases the factors to consider in exercising discretion.

This Alert outlines the main features of the Workload Memorandum and offers key takeaways for parties to AIA trials.

The Workload Memorandum

The Workload Memorandum describes its goals as improving PTAB efficiency, maintaining PTAB's capacity to conduct AIA proceedings, reducing pendency in ex parte appeals, and promoting consistent application of discretionary considerations in the institution of AIA proceedings. To achieve these goals, the Memorandum implements three new aspects of the pre-institution procedures.

First, the Workload Memorandum **bifurcates decisions to institute an AIA trial** between "(i) discretionary considerations and (ii) merits and other non-discretionary statutory considerations." The discretionary denial decision now rests with the Director, in consultation with at least three PTAB judges,

who will determine first whether discretionary denial is appropriate. If the Director finds discretionary denial is appropriate, the Director will deny institution. If the Director finds discretionary denial is inappropriate, the Director will “issue a decision regarding that determination” and refer the petition to a three-member PTAB panel assigned according to the PTAB’s Standard Operating Procedure 1; thereafter, the panel will handle the case in the normal course.

Second, the Workload Memorandum outlines the **new timeline and briefing procedures** for discretionary denial arguments. The Workload Memorandum permits separate briefing on requests for discretionary denial. Within two months of the date on which the PTAB enters a Notice of Filing Date Accorded to a petition, a Patent Owner may file a brief arguing any applicable bases for discretionary denial. No later than one month after the Patent Owner files its brief, the Petitioner may file an opposition brief. Further briefing (e.g., a reply) may be permitted for good cause. Discretionary denial briefing will be limited to 14,000 words, equal to the length of a Petition or Patent Owner Response. Any reply briefs, if permitted, will be limited to 5,600 words. The Workload Memorandum clarifies that this discretionary denial briefing schedule does not impact the schedules for merits briefing or for requesting rehearing or Director Review as to a decision on institution.

Third, the Workload Memorandum lists **additional considerations relevant to the Director’s exercise of discretion**. The grounds on which the PTAB has historically exercised discretion largely came from the PTAB’s precedential decisions, three of which the Workload Memorandum identifies as detailing grounds for discretion—*Fintiv*,² *General Plastic*,³ and *Advanced Bionics*.⁴ The Workload Memorandum also authorizes parties to “address all relevant considerations,” including the following seven additional considerations:

- 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.

The Workload Memorandum also expressly notes that the Director will consider the PTAB’s workload in deciding whether to discretionarily deny institution.

Finally, these new procedures apply to IPR and PGR proceedings “where the deadline for the patent owner to file a preliminary response has not yet passed.” And in proceedings in which the new two-month deadline for discretionary denial briefing has also passed, the patent owner may submit discretionary denial briefing within one month of the date of the Memorandum, i.e., one month from March 26, 2025. The final sentence of the Memorandum suggests that the new processes are “temporary in nature” only.

Takeaways

First and foremost, in proceedings with filed IPR or PGR petitions, parties must be prepared to comply with the new discretionary denial briefing schedule if they intend to raise or oppose discretionary denial arguments. Patent Owners should pay particular attention to any proceedings filed against their patents in which the Notice of Filing Date Accorded issued more than two months ago—these Patent Owners have a month from March 25, 2025, to file their discretionary denial brief.

Another important takeaway is the renewed emphasis not only on discretionary factors themselves, but also on the Director. The Workload Memorandum's procedures bring the Director to the forefront of institution decisions by maintaining with the Director, in consultation with at least three APJs, the choice to discretionarily deny institution. Also, the Workload Memorandum's enlarged list of non-exhaustive factual considerations suggest that the Director may be willing to consider new bases for discretionary denial, opening the door for more creative arguments to sway the Director to exercise discretion.

Along the same lines, the stated motive of the Workload Memorandum suggests substantial changes to the Board's docket. With the goals of efficiency and workload management at the PTAB, the Workload Memorandum seeks to enable the Director to ensure that the Board is able to continue to meet its statutory obligations and deadlines, potentially by reducing the number of AIA trial proceedings instituted.

Finally, given the recent trend of significant changes at the USPTO and the PTAB, and the interim nature of the new discretionary denial procedures, it's more important than ever to keep a watchful eye on news from the USPTO. Refer to Latham's Client Alerts for continued coverage to stay up to date. And as always, the Latham PTAB team is available to discuss these developments.

If you have questions about this Client Alert, please contact one of the authors listed below or the Latham lawyer with whom you normally consult:

Raghav Bajaj

raghav.bajaj@lw.com
+1.737.910.7370
Austin

Inge A. Osman

inge.osman@lw.com
+1.202.637.3308
Washington, D.C.

Andrew Kerrick

andrew.kerrick@lw.com
+1.202.637.2123
Washington, D.C.

Steven W. Peters

steven.peters@lw.com
+1.202.637.2200
Washington, D.C.

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Endnotes

- ¹ Coke Morgan Stewart, *Interim Processes for PTAB Workload Management*, USPTO (Mar. 25, 2025), available at https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf?utm_campaign=subscriptioncenter&utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=.
- ² *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential).
- ³ *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2027) (precedential as to § II.B.4.i)
- ⁴ *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (PTAB Feb. 13, 2020) (precedential).