

# 2025

## THE YEAR IN REVIEW

### PATENT AND TRADEMARK LAW

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Since inter partes review (IPR) proceedings began in 2012, procedural changes from the U.S. Patent and Trademark Office (USPTO) have periodically shifted the balance of power in favor of patent owners or petitioners, and that tradition continued this year.

During the previous administration, most rule changes were viewed as favorable to patent challengers. That dynamic took a sharp turn in 2025 with the new administration, as updated policies from the Patent Trial and Appeal Board (PTAB) and the USPTO largely favored patent owners in IPR proceedings, providing a more level playing field for patent portfolio enforcement.

First, on March 26, 2025, the PTAB implemented a bifurcated institution process where (1) discretionary denial and (2) merits briefing are separated.<sup>1</sup> Under the new framework, a patent owner has two months to file a brief seeking discretionary denial. The petitioner then has one month to file a response. Replies and sur-replies require a showing of good cause, which are usually granted. After briefing, the director, in consultation with at least three PTAB judges, determines whether institution should be discretionarily denied. Importantly, the panel that considers

the discretionary denial briefing is separate from the panel that ultimately considers the merits briefing.

The second major change came on February 28, 2025, when the USPTO rescinded limitations on *Fintiv* discretionary denial analysis put in place under the prior administration.

The *Fintiv* factors (which originated in a precedential PTAB decision in *Apple Inc. v. Fintiv Inc.*<sup>2</sup> in March 2020) set forth a framework for the PTAB to consider when determining whether to deny institution on a discretionary basis when the same validity issues would be addressed in a parallel district court proceeding.

Several limitations were placed on the application of the *Fintiv* factors in June 2022. For example, under previous guidance, the PTAB would not deny institution on discretionary grounds if the petitioner submitted a *Sotera Wireless, Inc. v. Masimo Corp.*<sup>3</sup> stipulation agreeing to limit the scope of its validity challenges in the parallel district court litigation. The February 28, 2025, rescission removed that bright line rule; now the analysis undertaken is the same as it was prior to the limitations.

The third change, and arguably the most significant, also comes from a March 26, 2025, PTAB memorandum,<sup>4</sup> and introduces the concept of “settled expectations of the parties,” such as the length of time the claims have been in force.

The underlying rationale is that patent challengers should act diligently when seeking a post-grant review. Today, the PTAB regularly cites “settled expectations” as a basis for denying institution of challenges to patents that have been in force for several years or for patents that the petitioner has known about for years.

Finally, as of September 1, 2025, the PTAB no longer permits IPR petitioners to rely on applicant admitted prior art (AAPA), expert testimony, or common sense to disclose particular claim limitations.<sup>5</sup> Instead, petitioners must cite a printed publication for each limitation of a challenged claim. This has always been the law; 37 C.F.R. § 42.104(b) (4) requires that “[t]he petition must specify where each element of the claim is found in the prior art patents or printed publications relied upon.” However, the PTAB never fully enforced this rule, and the USPTO had never rescinded memoranda issued that were inconsistent with developing Federal Circuit jurisprudence.

The practical effect is that petitioners must lay the proper predicate to show challenged claims would have been obvious based on teachings in the art, rather than through experts. Previously, a petitioner could “fill in the gaps” of a prior art reference or references using general knowledge or common sense provided in a declaration from its technical expert. Not anymore. Under the current framework, petitioners must identify where each claim element is found in a prior art patent or printed publication.

Collectively, these changes have decreased the institution rate on petitions filed over the past six months. Rather than revisiting the patentability of every patent that it issued, the USPTO is focusing efforts on addressing more recently issued patents that have significant patentability issues.

5. *USPTO issues memorandum clarifying enforcement of Rule 104(b)(4) in proceedings*, United States Patent and Trademark Office (July 31, 2025), <https://www.uspto.gov/subscription-center/2025/uspto-issues-memorandum-clarifying-enforcement-rule-104b4-ipr-proceedings>; see also [https://www.uspto.gov/sites/default/files/documents/aapa\\_memo\\_final\\_signed.pdf?utm\\_campaign=subscriptioncenter&utm\\_content=&utm\\_medium=email&utm\\_name=&utm\\_source=govdelivery&utm\\_term=](https://www.uspto.gov/sites/default/files/documents/aapa_memo_final_signed.pdf?utm_campaign=subscriptioncenter&utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=).



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## NOTES

1. FAQs for Interim Processes for PTAB Workload Management, United States Patent and Trademark Office, <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management>; see also <https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf>.
2. See *USPTO rescinds memorandum addressing discretionary denial procedures*, United States Patent and Trademark Office (February 28, 2025), <https://www.uspto.gov/about-us/news-updates/uspto-rescinds-memorandum-addressing-discretionary-denial-procedures>; see also Scott R. Boalick, *Guidance on USPTO's rescission of "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation,"* Memorandum to Members of the Patent Trial and Appeal Board, United States Patent and Trademark Office, Patent and Trial Appeal Board (March 24, 2025), [https://www.uspto.gov/sites/default/files/documents/guidance\\_memo\\_on\\_interim\\_procedure\\_rescission\\_20250324.pdf](https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_rescission_20250324.pdf); see also *Apple Inc. v. Fintiv, Inc.*, Case IPR2020-00019, Patent 8,843,125 B2, Patent Trial and Appeal Board (March 20, 2020), [https://www.uspto.gov/sites/default/files/documents/IPR2020-00019,%20Apple%20v.%20Fintiv,%20Paper%2011%20\(3.20.20\).pdf](https://www.uspto.gov/sites/default/files/documents/IPR2020-00019,%20Apple%20v.%20Fintiv,%20Paper%2011%20(3.20.20).pdf).
3. See *USPTO rescinds memorandum addressing discretionary denial procedures*, United States Patent and Trademark Office (February 28, 2025), <https://www.uspto.gov/about-us/news-updates/uspto-rescinds-memorandum-addressing-discretionary-denial-procedures>; see also *Soterav Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Patent RE47,353 E, Patent Trial and Appeal Board (December 1, 2020), <https://www.uspto.gov/sites/default/files/documents/SoteravMasimoWirelessIPR2020-01019Paper12.pdf>.
4. Coke Morgan Stewart, *Memorandum: Interim Processes for PTAB Workload Management*, Patent Trial and Appeal Board (March 26, 2025), <https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf>.