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November 7, 2025 • Updates

## Federal Circuit Denies Challenges to USPTO Director's Discretionary Denial Decisions

### Key Takeaways

- The Federal Circuit upheld the USPTO director's discretion to deny IPRs, rejecting due process and APA challenges to the agency's evolving policy framework.
- The court held that petitioners generally cannot challenge discretionary denials, even after the agency retroactively applied its new discretionary denial procedures to IPRs filed under the prior framework.
- Parties seeking review of issued patents at the USPTO should consider alternate strategies, including Post Grant Reviews and *ex parte* reexaminations, which are not currently subject to discretionary denials.

On Nov. 6, 2025, the Federal Circuit issued three highly anticipated opinions addressing the USPTO director's discretionary denial decisions in several IPRs. In all three opinions, the Federal Circuit denied the parties' petitions for a writ of mandamus and upheld the director's decision to discretionarily deny institution of the IPRs.

### Motorola Decision Leads the Way

*In re Motorola*, which was designated precedential, arose after Motorola filed several IPRs under former director Vidal's interim guidance on discretionary denial issues. Those IPRs were instituted by the Board, but that guidance was rescinded earlier this year; director Stewart de-instituted Motorola's IPRs.

Motorola petitioned the Federal Circuit for a writ of mandamus to overturn the director's decisions, arguing that the recission and retroactive application of the new discretionary denial policies violated the APA requirements and Motorola's due process rights.

The Federal Circuit disagreed on all fronts:

- **No due process violation:** The court held that director Vidal's interim guidance did not mandate a particular outcome and that Motorola did not show that it had a protected property right under the Due Process Clause.
- **No unfair surprise:** With respect to the retroactive application of director Stewart's

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new discretionary denial policies, the court held that "Motorola did not experience anything close to the kind of unfair surprise that might raise a due process violation."

- **No APA claim:** The court rejected Motorola's APA arguments, holding that it was "nothing but an attempted end run around § 314(d)'s bar on review" of discretionary denial decisions.

## *Google* and *SAP* Decisions Echo *Motorola*

The Federal Circuit also issued nonprecedential opinions in *In re Google* and *In re SAP*, both of which raised similar arguments and issues as. *Motorola*. In both cases, the Federal Circuit echoed its holdings in *Motorola* and noted that the *Motorola* decision "forecloses relief on those issues" in *SAP*. Together, the opinions underscore the Federal Circuit's view that the USPTO director has broad authority to discretionarily deny IPRs, and petitioners do not have a right to challenge those decisions in these situations.

That said, the Federal Circuit noted in *Motorola* that "possible exceptions for colorable constitutional claims and certain statutory challenges" are still possible. It remains to be seen whether the Federal Circuit will find any of the still-pending challenges to director Stewart's and director Squires's discretionary denial decisions, including challenges to the "settled expectations" policy, to fall within those exceptions.

## Consider Alternative Post-Grant Strategies

Regardless, it is now clear that the new discretionary denial policies and procedures in post-grant proceedings are here for the long haul. While that may be disappointing news to parties accustomed to IPR practice, other avenues such as Post Grant Reviews and *ex parte* reexaminations remain a viable option.

Unlike proceedings before the PTAB, *ex parte* reexaminations are not currently subject to discretionary denial issues. As a result, and given our extensive experience with *ex parte* reexaminations pre-AIA, we are seeing a meaningful uptick in *ex parte* reexamination requests and expect that trend to continue moving forward.

For practitioners not familiar with *ex parte* reexamination practice, it will be critically important to have full integration between patent prosecution, post grant, and litigation counsel, as claim amendments, petition practice and examiner interviews are important parts of *ex parte* reexaminations proceedings in a way that is much different than AIA proceedings.

If your business needs strategic guidance or anticipates potential impacts resulting from the Federal Circuit's decisions on discretionary denial issues in post-grant proceedings, or if you are interested in learning more about our experience with *ex parte* reexamination requests, please reach out to Suni Sukduang, James Murphy or Chris Jones.