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USPTO Returns Merits-Based Institution Decisions to PTAB—But the Real Story Is the Merits Framework

Key Updates

Effective November 16, 2026, three-judge PTAB panels will resume deciding merits-based institution issues in IPR and PGR proceedings, while the Director retains authority over non-merits discretionary considerations.

Why It Matters

The return of merits-based institution decisions to PTAB panels does not mean a return to prior institution practices. The Director is instructing panels to apply a framework under which weaknesses affecting a substantial majority of challenged claims can support denial of an entire petition.

Next Steps

As always, petitioners should evaluate the strength of every challenged claim before filing, while patent owners should continue the practice of presenting credible technical arguments addressing deficiencies across the petition as a whole.

The USPTO's November 10, 2026 memorandum is framed as a return of merits-based institution decisions to the Patent Trial and Appeal Board (PTAB). But the more consequential development is the Director's express instruction that PTAB panels apply the merits-based institution framework developed during his period of centralized review.

Effective November 16, 2026, three-judge PTAB panels will again decide merits-based institution issues in inter partes review (IPR) and post-grant review (PGR) proceedings, while the Director retains authority over non-merits discretionary considerations. The memorandum does more than reassign responsibility: it establishes how PTAB panels are expected to evaluate petitions going forward.

The Real Story: Formalizing the Director's Merits Framework

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Under 35 U.S.C. § 314(a), the statutory threshold for IPR institution requires a reasonable likelihood that the petitioner would prevail on at least one challenged claim. The corresponding PGR threshold under § 324(a) generally requires a showing that at least one challenged claim is more likely than not unpatentable.

The Director's guidance recognizes these statutory minimums but instructs PTAB panels to deny institution when a petitioner fails to make the requisite showing for a **substantial majority of challenged claims**.

The distinction matters. A petition may satisfy the statutory minimum for institution yet still be denied because the challenges to too many other claims are insufficiently supported.

The memorandum also directs panels to find that the petitioner has not met its institution burden for a particular claim when the competing arguments and evidence are equally persuasive. A patent owner's reasonable argument, supported by credible evidence, can therefore provide a basis for denying institution when it establishes deficiencies affecting a substantial majority of challenged claims.

These principles are not entirely new. The memorandum cites earlier PTAB decisions and recent Director decisions applying similar reasoning. **What is significant is that the Director is now expressly directing PTAB panels to apply these principles consistently when exercising delegated institution authority.**

Part of a Broader Policy Shift

This development continues the USPTO's broader shift since 2025 toward greater Director oversight of institution and a more selective approach to post-grant review.

Returning merits decisions to PTAB judges should not be mistaken for a return to earlier institution practices. The Director retains centralized control over non-merits discretionary denial while directing panels to apply his established merits-based approach.

The result is a two-stage institution process: discretionary review by the Director, followed by a petition-wide merits assessment by the PTAB.

Rather than announcing a new statutory standard, the memorandum formalizes how the Director expects PTAB panels to exercise institution authority. Whether that produces a measurable change in institution rates remains to be seen.

Practical Implications

For petitioners:

- **Reconsider petition breadth.** Challenging additional claims without sufficiently strong supporting grounds may jeopardize institution of the entire petition.
- **Strengthen every challenged claim.** Complete limitation-by-limitation analysis and well-supported obviousness theories remain critical.
- **Anticipate competing evidence.** If the patent owner presents credible evidence that is equally persuasive as the petitioner's evidence, the PTAB will treat the institution threshold as unmet for the affected claim.

For patent owners:

- **Challenge the petition as a whole.** Demonstrating weaknesses across a substantial majority of challenged claims may support denial of the entire petition.
- **Make the preliminary response count.** Credible technical evidence and reasonable

competing interpretations can be particularly effective at institution.
- **Pursue both avenues for denial.** Non-merits discretionary arguments and merits-based preliminary-response arguments should be developed as complementary strategies.

Open Questions for PTAB Institution Decisions

The key question is how consistently PTAB panels will apply the Director's framework, particularly the undefined "substantial majority" requirement and the treatment of equally persuasive evidence.

The memorandum does not change the statutory institution thresholds. Nor does it create the substantial-majority principle from scratch. **Its significance lies in making the Director's merits-based approach an express instruction to PTAB panels as institution authority returns to the Board.**

For patent owners and petitioners alike, the practical message is clear: the change in decision-maker does not signal a change in the Director's institution philosophy.

Source: USPTO, "Returning Merits-Based Considerations to PTAB," Memorandum (Nov. 10, 2026).