April 2, 2025

# PTAB: Initial Fallout from the New Director Guidance on Discretionary Denial of Institution

by John C. Alemanni

---

Last week, my partner Justin Krieger published an alert regarding Acting Director Stewart's new guidance on discretionary denial. Shortly thereafter, Acting Director Stewart issued a decision vacating institution of several previously-instituted IPR's. *Motorola Solutions, Inc. v. Stellar, LLC.*, IPR2024-01205, -01206, -01207, -01208. As Justin suggested, the guidance will likely lead to more discretionary denials, and that result was confirmed by this decision.

Originally, the panel evaluated discretionary denial under the previous guidance, finding first that the time and effort already expended in the district court and the trial schedule favored denial. *See, e.g.,* IPR2024-01205, Paper 11 at 10. The panel then noted that the "infringement case alone, involving over 850 claim charts, could present a substantial, if not overwhelming, burden on the district court's resources. Trying invalidity issues adds to that burden." *Id.* at 12. Further, the Petitioner offered a *Sotera* stipulation. *Id*. at 12. Based on these findings evaluated under the *Fintiv* factors, the Panel elected not to exercise its discretion to deny institution. *Id.*

Patent Owner filed a request for Director Review of the Decisions granting institution. Director Stewart's Order, Paper 19 at 2. She found that the panel's findings regarding the burden on the district court "could apply in most, if not all, cases and misapprehend the relevant inquiry." *Id.* at 3. She further found that the court and parties had expended significant resources, including the completion of claim construction and expert reports, and that the trial was scheduled almost a year before the deadline for a final written decision. *Id.* at 3. She also noted that the invalidity contentions in district court were more expansive and included system art that would not be subject to the *Sotera* stipulation. *Id.* at 4. Taken together, Director Stewart determined that the institution decisions should be vacated, and institution discretionarily denied. *Id.*

This case suggests that discretionary denials are more likely under the new guidance. It also reinforces the need to file IPR petitions as soon as is practicable to limit the amount of effort expended in the district court prior to the deadlines for the institution and final written decision.