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USPTO Returns Merits-Based Institution Decisions to the PTAB and Adds Heightened Guardrails and Split Trial Panels

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On November 10, 2026, USPTO Director John A. Squires and General Counsel John F. Duffy issued a joint memorandum returning merits-based institution decisions in inter partes review (IPR) and post-grant review (PGR) proceedings to Patent Trial and Appeal Board (PTAB) panels. Effective November 16, 2026, the policy applies to all pending and future petitions without a merits-referral notice. Rather than reverting to pre-2025 practice, the Office has created a hybrid framework combining centralized Director gatekeeping, stricter merits standards, and an unprecedented structural wall between institution and trial panels.

Background

The memorandum marks the Office's third major shift in institution procedures in under two years. After introducing bifurcated discretionary screening in March 2025, Director Squires centralized all discretionary and merits-based institution decisions under his sole authority in October 2025 to reinforce statutory accountability and separate institution from trial adjudication. Following a year in which PTAB judges advised the Director on over 325 merits decisions, the Office concluded it can safely delegate merits determinations back to panels—while preserving the Director's underlying statutory authority to grant or deny institution directly.

Key Procedural Changes

- **Director Retains Non-Merits Gatekeeping:** Director Squires remains the sole decisionmaker for non-merits discretionary issues (such as parallel litigation and settled expectations), resolving them via a summary notice or, on rare occasions, a written opinion. Separate pre-institution briefing for discretionary denial and the merits remains unchanged.
- **PTAB Panels Decide Merits-Based Institution:** Petitions that clear non-merits screening are referred to a three-judge PTAB panel to decide statutory thresholds and merits-based discretionary factors on the Director's behalf.
- **Zero-Overlap Split Trial Panels:** If review is instituted, an entirely different three-judge panel will conduct the trial and issue the Final Written Decision, eliminating any appearance of confirmation bias.
- **Streamlined Institution Decisions:** Panels are directed to issue brief written decisions focused only on the merits issues they deem important (citing four- and eight-page Director decisions as

models), without addressing every challenged claim, ground, or argument.

Five Guidelines for Merits Screening

Emphasizing that 35 U.S.C. §§ 314(a) and 324(a) establish statutory floors rather than entitlements and citing the all-or-nothing mandate of *SAS Institute v. Iancu*, 584 U.S. 357 (2018), the memorandum sets out five non-exhaustive guidelines for evaluating the merits:

1. **Strict Element-by-Element Mapping:** Petitioners must clearly explain how the prior art discloses or renders obvious each limitation of every challenged claim, pinpointing the exact portions relied upon.
2. **The "Substantial Majority" Requirement:** Even if a petitioner clears the statutory threshold on one or a few claims, the PTAB will deny institution unless the petitioner makes the requisite showing for a "substantial majority" of challenged claims.
3. **Credible Patent Owner Rebuttal:** Institution will be denied if the Patent Owner Preliminary Response (POPR) presents a reasonable, well-supported argument backed by credible evidence showing the petitioner fails the standard across a substantial majority of claims.
4. **Independent PTAB Assessment:** Even without a compelling POPR argument, the panel will deny institution if it independently identifies a reasonable, well-supported basis showing the petitioner falls short on a substantial majority of claims.
5. **Ties Go to the Patent Owner ("Equipoise"):** Where competing arguments and evidence on a claim are both reasonably supported, the record is in "equipoise" and the petitioner fails its burden —analogizing IPR's "reasonable likelihood" standard to a preliminary injunction, where raising a "substantial question" defeats relief.
6. **Prior adjudications can weigh toward denial:** The memorandum also notes that a prior adjudication finding claims of the challenged or a related patent not invalid or not unpatentable may weigh against institution.

Practice Pointers

For Petitioners

- **Trim Marginal Claims:** Under the "substantial majority" rule, padding a petition with weakly supported dependent or unasserted claims can sink the entire filing. Focus tightly on asserted claims that can be rigorously mapped.
- **Front-Load Evidence to Beat Equipoise:** Because factual ties now favor the Patent Owner, anticipate claim construction and motivation-to-combine disputes in the petition with detailed, non-conclusory expert declarations and pinpoint citations.
- **Address Prior Validity Wins Directly:** Proactively distinguish new art or arguments if the patent or

a family member previously survived a validity challenge in district court, the ITC, or the USPTO.

For Patent Owners

- **Run a Two-Track Defense:** Continue leading with strong non-merits discretionary denial briefing for Director Squires while developing a focused merits defense in the POPR.
- **Force Equipoise Across a Substantial Majority:** Patent Owners do not need to prove validity outright. They only need to raise reasonable, evidence-backed arguments creating equipoise across a substantial majority of challenged claims. Targeting shared independent-claim limitations or common obviousness rationales offers the most leverage.
- **Exploit Mapping Gaps and Prior Adjudications:** Highlight conclusory limitation mapping, missing citations, and prior favorable validity rulings on the challenged or related patents.

For Post-Institution Trial Strategy (Both Parties)

- **Treat the Trial Panel as a Blank Slate:** With zero judicial overlap and shorter institution decisions leaving many arguments unaddressed, neither side should assume the trial panel shares the institution panel's preliminary views. Self-contained trial briefing and clean deposition records will carry more weight than ever.