United States Patent and Trademark Office

MEMORANDUM

To: Judges of the Patent Trial and Appeal Board

From: John A. Squires
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office

John F. Duffy Concur:
United States Patent and Trademark Office General Counsel and Supervisory Solicitor

Subject: Returning Merits-Based Considerations to PTAB

Date: November 10, 2026

I. Background and Introduction

Last year on October 17, 2025, I published an open letter explaining my orders centralizing decisional authority in my office concerning the institution of *inter partes* reviews (IPRs) and post-grant reviews (PGRs) under 35 U.S.C. §§ 314 and 324. Today, I write to you as Administrative Patent Judges (judges) of the Patent Trial and Appeal Board (PTAB) to inform you that effective Monday, November 16, 2026, I am returning certain merits-based considerations for the PTAB to evaluate in the course of making institution decisions. Thus, while I may initially deny the institution of an IPR or PGR based on various factors, including discretionary factors, I will send any petition for IPR or PGR passing my review to a PTAB panel to complete the institution decision through applying the merits-based considerations detailed below.

As I explained last year, via the America Invents Act (AIA), Congress expressly vested the authority to institute IPRs and PGRs in the USPTO Director. While Congress also permitted delegation of that authority, it is solely the Director who, by statute, is vested with full and concurrent authority over whether to institute an IPR or PGR. Similarly, the

decision to delegate that vested authority, in whole or in part, lies exclusively with the Director.

When the IPR and PGR provisions of the AIA took effect in 2012, the operational choice to delegate institution decisions to the PTAB was a practical one. But in the many years that followed, implementation data and experience surfaced structural, perceptual, and procedural issues seemingly inherent in the delegated-institution model. Due to concern about those issues, I centralized the decision to institute review as set forth in the statutory language. Specifically, my stated goals were to:

- **Re-align the duties and responsibilities** of the Director, as a Presidentially appointed and Senate-confirmed officer, to be accountable for the threshold institution determination and properly effectuate the clear language of the AIA, thereby satisfying Congress's intent that IPRs and PGRs serve as an alternative to litigation and focus on correcting material errors in examination;
- **Remove a perceived referral-signal bias** by centralizing the institution decision point;
- **Enhance transparency and public trust** through a single line of authority; and
- **Eliminate the unfounded perception of self-interest** by separating the power to institute from the body that conducts the trial.

Further, my decision to centralize institution decisions flowed from the Interim Processes for PTAB Workload Management the Office implemented in March 2025, which bifurcated decisions on whether to institute an IPR or PGR between discretionary considerations and merits-based considerations.

The bifurcated process in turn allowed me to set policy for the USPTO, the rubric for which the exercise of my discretion I set forth in the *Magnolia Medical Technologies, Inc. v. Kurin, Inc.*, IPR2026-00097, Paper 17 (Director May 14, 2026) precedential decision. Indeed, data collected over the past eighteen months clearly demonstrates that parties have

adapted to be more in-line with the AIA and are following the *Magnolia* framework. For example, in June 2025, about 60% of petitions were discretionarily denied and about 40% of petitions were referred for a review of the merits. In contrast, in September 2026, I discretionarily denied 15% of petitions and referred 85% of petitions for a review of the merits.

Additionally, over the past year, with the help of the PTAB judges, we have not only met, but surpassed, my goals in centralizing institution. I have made more than 325 institution decisions involving merits-based considerations. Where I could provide guidance to the public and involved parties, I issued written decisions highlighting the persuasive arguments and facts of each case. Importantly, I worked closely with the judges in making each decision. The judges broke the cases down, reviewed the technology, researched the case law, determined any related court, International Trade Commission, or other forum filings, and made thoughtful and considered recommendations. In short, their attention to detail and technical and legal acumen has been nothing short of remarkable. After a year of working with them, I have no doubt that our judges are strong and judicious stewards for merits-based considerations involved in institution decisions. Indeed, as I signaled in my letter, any perception of self-interest has no basis in fact or reality.

Our judges have measurably made the USPTO stronger, more connected and function better as the AIA intended as "one office." Being "one office" was the basis of our LOOP program, which is one of the most successful pieces of infrastructure the Office has ever had in connecting the PTAB learnings from the back end to the examining corps at the front end to improve quality in initial examinations.

Proudly, through LOOP—Learning from Outcomes to Optimize Patents—we created an internal information super-highway connecting our judges and examining corps – two extraordinary reservoirs of professional expertise – so that lessons from adversarial post-issuance review proceedings can inform future *ex parte* examinations. The result is a more informed, more capable, continuously improving institution. Indeed, it is now an institution designed to learn from its mistakes. More than 4,200 hours of live training have thus far been provided, with 86% of participants reporting that what they've learned helps them in their daily work.

As America's Innovation Agency, it is of the utmost importance to ensure that we are all on the same page as "one office." Examiners, judges, advocates in the Solicitor's Office, all our other officers and employees, including even the Director, must share a common vision and learn from the experiences of others in the agency. Indeed, for the Office to be able to review cases with consistent metrics, I designed and implemented the PTAB STRONG program. "STRONG" is an acronym for "**S**upport, **T**raining, **R**esources, **O**pportunities, **N**etworking, and **G**uidance." The program was born from my deep belief that the PTAB is an essential part of the American patent system, playing a central role in innovation policy, investment certainty, patent quality, and confidence in the overall system.

The inaugural PTAB STRONG session took us back to the time when the AIA was enacted and the then existing state of U.S. patent law. We heard perspectives from academia, the judiciary, and practitioners as to why Congress passed the AIA. PTAB STRONG then hosted a second session centered on the "reasonable likelihood" standard for instituting an IPR and how I was then approaching merits-based considerations in determining whether to institute review. For the second PTAB STRONG installment, John F. Duffy, world renowned patent and administrative law scholar and the John S. Shannon

Distinguished Professor of Law and Class of 1966 Research Professor of Law of the University of Virginia School of Law, as well as a then member of the USPTO's Patent Public Advisory Committee, played an integral part in the curriculum and session itself. John, as you may know, knows a thing or two about the Administrative Procedure Act, the exercise of agency discretion, and the separation of powers. In 2007, Professor Duffy published a short essay on Patently-O's website entitled "Are Administrative Patent Judges Unconstitutional?," arguing that 35 U.S.C § 6 (as amended in 1999) unconstitutionally vested Administrative Patent Judges' appointment in the Director, rather than in the President, the courts, or the head of a department. Later termed by legal scholars the "Duffy Defect," Congress immediately responded to restore appointment authority in the Secretary of Commerce. Thanks to John and his scholarship, our PTAB work remains constitutionally sound, and he brought his keen insights and vast experience to PTAB STRONG. As a result of the resounding success of PTAB STRONG, following adjournment, I announced my intent to return merits institution decisions to the PTAB. I am now formalizing that decision to delegate merits-based considerations to the PTAB, and I make this delegation with the full concurrence of now-USPTO General Counsel Duffy.

Today, based on the progress of that work and dedication and commitment of our judges, I am making good on that promise. Accountability and institutional development should reinforce one another.

To wit – I am herewith issuing the below guidance to the judges, explaining that after the Director's office issues a notice referring an IPR or PGR petition for review of merits-based considerations, a panel of the PTAB will, on my behalf, determine whether or not to institute the IPR or PGR based on certain merits-based considerations. I will continue

to review non-merits considerations so that I can set overarching policy for the USPTO while the judges do what they do best—resolving the legal and technological issues with time and care. To ensure that the USPTO's administration of IPRs and PGRs remains aligned with the spirit and intent of 35 U.S.C. §§ 314(a) and 324(a), once the PTAB has instituted review in a case, a new panel of judges will be assigned to conduct the trial.

It is the mission of America's Innovation Agency to lead the world in intellectual property protection. We can do so and serve the public interest only by maintaining a patent system that is fair, predictable, and respected. I am confident that returning to the PTAB the merits-based considerations involved in institution decisions not only bolsters our mission but makes the product of American ingenuity that much stronger, that much more valuable globally.

II. Return of the Merits-Based Considerations

Effective November 16, 2026, in determining whether or not to institute an IPR or PGR, I will continue to review considerations that do not involve the merits of the challenges to the patents. For any proceeding in which I do not deny institution based on those considerations, a panel of the PTAB will, on my behalf, determine whether or not to institute the proceeding based on merits-based considerations, as outlined below.[1] This change in procedure will apply to all

[1] Prior agency documents have referred to this set of considerations as "merits and non-discretionary considerations." It is important to make clear what is included in that set of considerations. The "non-discretionary considerations" include the circumstances under which the AIA bars institution of IPR and PGR proceedings based on the merits of the petition. *See* 35 U.S.C. §§ 314(a), 324(a). Thus, for example, if a petition fails to demonstrate at least one claim "is more likely than not" unpatentable, the petition must be denied and discretion has no role in such a denial. The "merits-based" considerations include discretionary factors related to the merits of the entirety of the challenges raised in the petition. For example, if a petitioner fails to make the requisite showing for a substantial majority of the challenged claims, prior PTAB decisions have denied institution. *See* Interim Director Discretionary Process,

IPRs and PGRs for which a notice identifying the proceeding as having been referred for consideration of the merits-based issues has not yet been entered.[2]

This updated process will promote consistent application of the non-merits-based discretionary considerations (which will remain centralized with the Director) while leveraging PTAB judges' technical expertise and experience in analyzing the merits of patentability challenges. Such an approach to institution is an evolution and an updating of the processes outlined in: (i) the March 26, 2025 memorandum entitled "Interim Processes for PTAB Workload Management" ("Interim Processes Memorandum"),[3] under which the Director determines whether or not to deny a petition based on discretionary considerations; and (ii) the October 17, 2025 memorandum entitled "Director Institution of AIA Trial Proceedings," under which the Director determines whether or not to deny a petition based on all considerations ("Director Institution Memorandum").[4] This Memorandum supersedes the Director Institution Memorandum to the extent that any IPR or PGR petition that passes an initial review by the Director will again be referred to a three-member panel of the PTAB to apply the merits-based considerations as discussed below. After examining those considerations, the PTAB panel will decide whether to institute the IPR or PGR. The process for briefing discretionary considerations,

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www.uspto.gov/patents/ptab/interim-director-discretionary-process. Such denials can be fairly described as discretionary because the statute does not demands only that at least one challenged claim meets the reasonable likelihood or more likely than not standards. Nevertheless, such considerations are related to the merits of the case and thus fall within the category of merits-based considerations being delegated to the PTAB pursuant to this memorandum. The specific categories of decisional authority delegated to the PTAB are set forth in detail later in this memorandum.

[2] As set forth in the Interim Director Discretionary Process webpage (in Section I.H.), if a patent owner does not file a discretionary denial brief, then the Office will enter a notice indicating that the IPR or PGR is referred to a PTAB panel to consider the merits-based considerations and non-discretionary issues. *See* www.uspto.gov/patents/ptab/interim-director-discretionary-process.

[3] Available at www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf.

[4] Available at www.uspto.gov/sites/default/files/documents/Director_Institution_of_AIA_Trial_Proceedings.pdf.

as outlined in the Interim Processes Memorandum and the Interim Director Discretionary Process webpage, and the process for briefing the merits and non-discretionary considerations will remain the same.

Over the past year, I have considered the merits in over 325 IPR and PGR proceedings. I have issued several decisions memorializing my approach to analyzing whether a petitioner has met its burden as set forth in 35 U.S.C. §§ 314(a) and 324(a). To ensure that the PTAB continues to review merits-based and non-discretionary considerations consistently, the PTAB will apply the following guidelines when analyzing merits-based and non-discretionary considerations on my behalf:

(1) For any ground based on prior art, regardless of the technology, a petitioner is required to point out how the prior art discloses or renders obvious each limitation of each challenged claim. *See Crüzr Saddles LLC v. Tethrd LLC*, IPR2025-01407, Paper 26 (Director Feb. 24, 2026). A petition must provide an understandable explanation of the element-by-element specifics of the patentability challenges, including an identification of particular portions of prior art on which the petitioner is relying. *See Apple Inc. v. Ginko LLC*, IPR2025-01388, Paper 14 (Director Mar. 2, 2026). Merely pointing to a USPTO examiner's findings is insufficient to satisfy a petitioner's requirement to explain where each element of the claim is found in the prior art under 37 C.F.R. §§ 42.104(b)(4) and 42.204(b)(4). *See LiftWerx USA Inc. v. Liftra IP ApS*, IPR2026-00102, Paper 18 (Director July 28, 2026).

(2) If a petitioner fails to make the requisite showing for a substantial majority of the challenged claims, the PTAB will deny institution. *See CyberSecure IPS, LLC v. Network Integrity Sys., Inc.*, IPR2025-01441, Paper 18 (Director May 26, 2026) (insufficient number of proposed challenges to claims meet reasonable likelihood standard); *Chevron Oronite Co. LLC v. Infineum USA L.P.*, IPR2018-00923, Paper 9

(Nov. 7, 2018) (informative) (same); *Deeper, UAB v. Vexilar, Inc.*, IPR2018-01310, Paper 7 (Jan. 24, 2019) (informative) (same).

(3) If a patent owner's preliminary response raises a reasonable argument, well-supported with reliable, credible evidence, that the petitioner fails to meet the institution standard for a substantial majority of the challenged claims, the PTAB will deny institution.

(4) If the PTAB itself determines that a reasonable argument, well-supported with reliable, credible evidence, shows that the petitioner fails to meet the institution standard for a substantial majority of the challenged claims, the PTAB will deny institution.

(5) In making any institution determination under (2), (3), or (4) above, if the arguments for and against unpatentability of a particular challenged claim are both reasonably supported when considering all of the evidence (i.e., the evidence and arguments are in equipoise), then, with respect to that particular challenged claim, the PTAB will not view the petitioner as having met the reasonable likelihood IPR standard, or the more likely than not PGR standard.

The foregoing guidelines, which are illustrative and not exhaustive, arise out of the statutory framework outlining a minimum threshold for institution, coupled with the rule in *SAS Institute v. Iancu*, 584 U.S. 357 (2018), that the USPTO must make an all-or-nothing decision on the whole of a petition for institution. 35 U.S.C. § 314(a) provides that the Director may not authorize institution of an IPR unless the Director determines that the information in a petition and any response thereto shows that there is a "reasonable likelihood" that the petitioner would prevail with respect to at least one of the claims challenged in the petition. 35 U.S.C. § 324(a) provides that the Director may not authorize institution of a PGR unless the Director determines that the information in a petition, if not rebutted, would demonstrate that it is "more likely than

not" that at least one of the claims challenged in the petition is unpatentable. During the debate on the AIA, one of the bill's co-sponsors, Senator Jon Kyl, stated the following regarding these minimum institution thresholds:[5]

- "Among the most important protections for patent owners added by the bill are its elevated thresholds for instituting inter partes and post-grant reviews. The present bill dispenses with the test of 'substantial new question of patentability,' a standard that currently allows 95% of all requests to be granted. It instead imposes thresholds that require petitioners to present information that creates serious doubts about the patent's validity."
- "The 'reasonable likelihood' test is currently used in evaluating whether a party is entitled to a preliminary injunction, and effectively requires the petitioner to present a prima facie case justifying a rejection of the claims in the patent."
- "Post-grant review uses the 'more likely than not invalid' test. This slightly higher threshold is used because some of the issues that can be raised in post-grant review, such as enablement and section 101 invention issues, may require development through discovery. The Office wants to ensure that petitioners raising such issues present a complete case at the outset, and are not relying on obtaining information in discovery in the post-grant review in order to satisfy their ultimate burden of showing invalidity by a preponderance of the evidence."

As Senator Kyl noted, courts apply the "reasonable likelihood" standard to adjudicate preliminary injunctions. In that context, the reasonable likelihood standard requires the movant to show that it "will likely prove" its case "in light of the presumptions and burdens that will inhere at trial on the merits." *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239 F.3d 1343,

[5] 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011).

1350 (Fed. Cir. 2001), *abrogated on other grounds by Socket Sols., LLC v. Import Global, LLC*, No. 2025-1121, 2026 WL 2234259 (Fed. Cir. Aug. 4, 2026). If the party opposing the injunction "raises a 'substantial question' concerning validity, enforceability, or infringement (i.e., asserts a defense that [the movant] cannot show 'lacks substantial merit') the preliminary injunction should not issue." *Altana Pharma AG v. Teva Pharms. USA, Inc.*, 566 F.3d 999, 1006 (Fed. Cir. 2009) (alteration in original); *see also Metalcraft of Mayville, Inc. v. The Toro Co.*, 848 F.3d 1358, 1364 (Fed. Cir. 2017) ("A preliminary injunction should not issue if the accused infringer raises a substantial question concerning either infringement or validity.") (internal quotation marks omitted). A party opposing a preliminary injunction need not establish that it would actually prevail at trial; a substantial question is enough to prevent a reasonable likelihood of prevailing. *See FMC Corp. v. Sharda USA, LLC*, 145 F.4th 1326, 1334 (Fed. Cir. 2025) ("An accused infringer need not make out a case of actual invalidity to avoid a preliminary injunction but need only show a substantial question of invalidity.") (internal quotations omitted). Similarly, in deciding whether to issue a preliminary injunction, courts are not making a final substantive determination. Rather, they are making an initial determination in the early stages of a lawsuit, as the term "preliminary" indicates.

With this context for the minimum institution thresholds, the above guidelines set forth examples where a petitioner does not meet its institution burden. Other scenarios may also indicate that a petitioner fails to meet its institution burden, such as a prior adjudication that claims of the challenged patent or a related patent are not invalid or not unpatentable. *See, e.g.*, *Hulu, LLC v. Piranha Media Distrib., LLC*, IPR2024-01252, Paper 27 (Director Apr. 17, 2025).

In applying this institution process, if I determine that institution is not appropriate upon review of non-merits considerations, I will issue a written opinion denying institution or simply a summary notice. If I determine that such a discretionary denial is not appropriate, I will issue a summary notice or written decision regarding that determination and refer the petition to a three-

member panel of the PTAB assigned according to Standard Operating Procedure (SOP) 1 (Rev. 17).[6] Such summary dispositions, either denying or granting review, are entirely appropriate given that the Supreme Court has described the post-issuance procedures as constituting merely a discretionary form of administrative "reconsideration" of a prior agency decision. *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 584 U.S. 325, 335 (2018). Adjudicative bodies, including even federal courts, often deny or grant reconsiderations or rehearings without any comment or opinion. Indeed, the Supreme Court typically grants or denies certiorari without any opinion or comment.

For any decision on institution that a PTAB panel issues, the panel will briefly address the merits-based considerations that the panel found important. The decision should set forth sufficient information showing that the petitioner has or has not met the appropriate standard at least as to one claim and one ground asserted in the petition but need not address every ground or argument. In some cases, the PTAB panel decision may be more detailed than in others, depending on the facts and circumstances presented. I have issued decisions for the Board to review and use as examples in drafting their decisions on institution. *See, e.g.*, *Merck Sharp & Dohme LLC v. Pogona, LLC*, IPR2026-00374, Paper 18 (Director Oct. 26, 2026); *Samsung Elecs. Co. v. Whirlpool Corp.*, IPR2026-00336, Paper 16 (Director Oct. 23, 2026).

If a PTAB panel institutes review in a case, a different PTAB panel will be assigned to the case, according to SOP 1 (Rev. 17), to conduct the trial. The new panel will not include any judges assigned to the institution decision panel.

Finally, this delegation of authority to the PTAB does not divest from the Director the power to make institutions under the original statutory framework, which vests the Director with the power to grant or deny institution.

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[6] Available at www.uspto.gov/sites/default/files/documents/SOP_1_R17.pdf.