

## USPTO Director Review Insights and PTAB Policy Shifts: Early 2025

APRIL 4, 2025

The U.S. Patent and Trademark Office (USPTO) granted seven requests for Director Review in the first quarter of 2025 and reported denying fifty-three requests during this same period. By comparison, the USPTO granted four requests for Director review in the last quarter of 2024 and reported denying 38 requests. The reported denials include dismissals, for example, when the requester missed the shortened 14-day window for requesting Director Review of institution decisions.

Most of the granted Director Reviews were delegated to a “Delegated Rehearing Panel” under the June 24, 2023 Delegated Rehearing Process (see [here](#)). The Rehearing Process was updated in March 2025 to specify, among other things, that the rehearing panel will be selected from the following: the USPTO Chief Judge, the Deputy Chief Judge, and the Vice Chief Judges. Updated Rehearing Process §2a. The following persons are serving on Designated Rehearing Panels in 2025: (i) Chief Administrative Patent Judge Scott R. Boalick, (ii) Deputy Chief Administrative Patent Judge Jacqueline Wright Bonilla and (iii) either Vice Chief Administrative Patent Judge Michael W. Kim or Vice Chief Administrative Patent Judge Michael P. Tierney.

The latest Director Review opinion may indicate a policy shift towards increasing denials of IPR petitions on discretionary grounds. The opinion vacated an institution decision based on timing of a related district court matter—despite the offer of a *Sotera* stipulation (agreement to not present invalidity theories in district court that were raised or could have reasonably been raised in the IPR). The PTAB’s prior June 21, 2022 memorandum, recently rescinded (see below), indicated that the PTAB would not exercise its discretion to deny IPR petitions when a *Sotera* stipulation was offered.

March was a particularly busy month for USPTO announcements, with the rescission of the June 21, 2022 memorandum titled “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation,” the PTAB’s guidance regarding the rescission (see [here](#)), the announcement of a new briefing schedule for discretionary denial arguments (see [here](#)), the designation of “informative” status for a PTAB opinion denying institution when different claim constructions were used in related district court actions (see [here](#)), the announcement of the PTAB’s return to in-person work requirement (see [here](#)), and the announcement that the PTAB is expecting involuntary staff reductions (after the voluntary separation programs expire on April 17, 2025).

A summary of the granted Director Review decisions in 2025 Q1 follows in reverse chronological order:

**1. *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, IPR2024-01206, IPR2024-01207 & IPR2024-01208 (Acting Director Stewart)**

The Board had instituted IPR trials against four patents asserted by the Patent Owner in district court against the Petitioner. The Patent Owner requested Director Review of the Board's analysis in the institution decisions concerning application of the *Fintiv* discretionary denial factors. Director Review was granted, and in the decision, the Director vacated the Board's decisions instituting IPR trials and ordered that trial be denied. In so doing, the Director held that the Board "did not give enough weight to the investment in the parallel proceeding and gave too much weight to Petitioner's *Sotera* stipulation."

As to the former, the Director held that the late stage of the parallel district court case favored denial. The parties had served infringement and invalidity contentions, served opening and rebuttal expert reports, filed claim construction briefs, and conducted several depositions. The district court also had held a claim construction hearing. As to the latter, the Director held that the *Sotera* stipulation did not "ensure that these IPR proceedings would be a 'true alternative' to the district court proceeding.... Petitioner's invalidity arguments in the district court are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner's stipulation is not likely to moot."

(Director Review requested on March 3, 2025; authorized response filed on March 10, 2025; granted on March 28, 2025.)

**2. *Mercedes-Benz USA, LLC v. Daedalus Prime LLC*, IPR2023-01343 (Acting Director Stewart)**

The Petitioner requested Director Review of the Final Written Decision, alleging the Board erred in construing the claim limitation "workload." Director Review was granted and delegated to a Delegated Rehearing Panel to issue a decision in thirty (30) days as to whether the Board erred in construing the claim term and/or not finding the limitation in the prior art.

(Director Review requested on February 7, 2025; authorized response filed on February 14, 2025; granted on March 25, 2025.)

**3. *Cisco Systems, Inc. v. Portsmouth Network Corp.*, IPR2024-00954 (Acting Director Stewart)**

The Petitioner requested Director Review of the Final Written Decision, alleging the Board erred in its improper implicit claim construction, ignoring legal principle that a single instance of prior art reading on claims is sufficient, and misapprehending the proposed prior art combination. Director Review was granted and delegated to a Delegated Rehearing Panel to issue a decision in thirty (30) days as to whether the Board erred in implicitly construing the claims and in considering the Petitioner's prior art arguments.

(Director Review requested on January 7, 2025; granted on March 13, 2025.)

**4. *Tesla, Inc. v. Autonomous Devices, LLC*, IPR2023-01055 (Acting Director Stewart)**

The Patent Owner requested Director Review of the Final Written Decision, alleging the Board erred in focusing its analysis on claim 11 while failing to make sufficient findings for claim 12's differing limitations and failing to sufficiently explain why the Board changed its determination from its preliminary guidance on the Patent Owner's motion to amend. Director Review was granted, with the Director agreeing that the Board did not make sufficient factual findings for claim 12 and remanding for the Board to explain its findings more fully for claim 12 and regarding the proposed claim amendment.

(Director Review requested on January 13, 2025; granted on March 13, 2025.)

**5. *Crusoe Energy Systems, LLC v. Upstream Data Inc.*, PGR2023-00039 (Acting Director Stewart)**

A Director Review opinion issued sua sponte after a January 21, 2025 PGR Final Written Decision found that U.S. Patent No. 11,574,372 claims 1-4, 7-12, 15-30, 34-37, and 40 (related generally to a blockchain mining device connected to a gas generator) (i) are directed to an abstract idea of "[c]ertain methods of organizing human activity"

set forth in the USPTO’s January 7, 2019 Revised Patent Subject Matter Eligibility Guidance (84 Fed. Reg. 50), (ii) fail to integrate the abstract idea into a practical application, and (iii) as a whole, do not amount to significantly more than the abstract idea. The Director Review opinion stated that “an opinion will issue in due course” and shortly thereafter the review was ordered transferred to a Delegated Review Panel to issue a decision within 30 days.

(Sua sponte Director Review opinion issued on March 7, 2025; delegation ordered on March 13, 2025.)

#### **6. *Siemens Mobility, Inc. v. Metrom Rail, LLC*, IPR2024-00947 (Acting Director Stewart)**

The Petitioners requested Director Review of discretionary denial of institution under 35 U.S.C. § 325(d). The Petitioners alleged the Board erred in determining that the “mere inclusion of a patent number in an examiner’s search history, with no other mention of the patent in the entire prosecution history, is sufficient to classify the patent as ‘previously presented art’ under the first prong of *Advanced Bionics*” and erred in its factual determination that the proposed combination of prior art is substantially the same as a prior art combination that was considered during prosecution. Director Review was granted and delegated to a Delegated Rehearing Panel to issue a decision in thirty (30) days as to whether “a reference appearing only in an Examiner’s search history is deemed previously presented art under 35 U.S.C. § 325(d)” and whether the proposed combination presents a substantially similar obviousness argument as to a prior art combination considered during prosecution.

(Director Review requested on December 19, 2024; granted on March 6, 2025.)

#### **7. *Samsung Display Co., Ltd. v. Pictiva Displays International Ltd.*, IPR2024-00855 (Acting Director Brent)**

A Director Review opinion issued sua sponte after a discretionary denial of institution under 35 U.S.C. § 314(a). The no-institution decision issued on November 19, 2024, with the Board exercising discretionary denial when a trial in related district court actions was scheduled to take place more than three (3) months before the projected PTAB final written decision would issue. Director Review affirmed the no-institution decision but modified the analysis to correct the Board’s (i) suggestion that “pre-AIA § 102(b) and pre-AIA § 363 are somehow unclear” and (ii) reasoning that the challenged issues regarding priority of invention were “better suited for the district court” because the Board “has allowed live testimony in AIA trials where witness credibility is crucial, as the Board suggested was needed here.”

(Sua sponte Director Review opinion issued on January 10, 2025.)

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