

## The PTAB's Institution Grant Rate Has Dropped After Announcement of the New PTAB Discretionary Denial Guidance and Briefing Procedure

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Acting Patent Trial and Appeal Board (PTAB) Director Coke Stewart was sworn in on January 20, 2025, rescinded the prior Director's discretionary denial guidance on February 28, 2025, and implemented new guidance and a new discretionary denial briefing schedule between March 24 and 26, 2025. See [here](#). Decisions on requests submitted under the new process are anticipated to start rolling out soon. The Patent Office reported receiving more than 40 requests for discretionary denial under the new process as of April 17. The process gives petitioners one month to respond to the requests and the PTAB another month to provide a decision.

Discretionary denial refers to the PTAB's authority to exercise its discretion to deny IPR/PGR petitions even if the petitioner meets the legal threshold for challenging a patent's validity. The PTAB's prior (now rescinded) guidance identified that the PTAB would not exercise its discretion to deny a petition simply because a related matter involving the challenged patent had an earlier ITC or district court decision/trial date, particularly when the petitioner stipulated that it would not present prior art challenges in the ITC/district court that were raised or reasonably could have been raised in the IPR/PGR. The PTAB's new guidance states that this type of stipulation is "highly relevant, but will not be dispositive by itself."

Many are anticipating an increase in discretionary denials under the new discretionary denial briefing process, particularly in light of the PTAB's recent announcement that it is anticipating involuntary staff reductions.

To help gauge that expectation, our team analyzed each institution decision that issued since Stewart was sworn in. The data shows that the PTAB's overall grant rate has decreased marginally, but denials on discretionary grounds are significantly increasing.

The PTAB has issued 332 institution decisions under Stewart. Those decisions granted institution of trial 202 times and denied institution 130 times. This equates to a 61% institution grant rate, which is marginally less than the 68% grant rate the PTAB reported for its FY2024.

Examining the numbers closer, however, shows the significant increase in discretionary denials since the prior guidance was rescinded.

Between January 21 and March 23, 2025, the PTAB made 214 institution decisions, granting institution 148 times and denying institution 66 times. Fifty-six of the denials included opinions evaluating the merits of the substantive

arguments; ten of the denials were on discretionary grounds and only three of those involved considerations of a related litigation being set for trial before the PTAB's anticipated resolution date (and a limited prior art stipulation being offered). The other discretionary denials involved considerations of multiple petitions being filed and, under 35 U.S.C. § 325(d), whether the Patent Office had previously considered substantially similar arguments.

Between March 24 (when the new guidance was announced) to April 30, 2025, by contrast, the PTAB made 118 institution decisions, granting institution only 54 times and denying institution 64 times. Twenty-six of the denials included opinions evaluating the merits of the substantive arguments; 38 of the denials were on discretionary grounds, including 30 denials that involved considerations of a related matter (predominantly located in the Western or Eastern District of Texas or the ITC) being set for trial/decision before the PTAB's anticipated resolution date.

Therefore, while the PTAB has only a marginally lower overall institution grant rate (61%) since Acting Director Stewart took over, the grant rate has plummeted to only 46% since the new discretionary denial guidance was announced. We anticipate, however, that the grant rate will normalize as petitioners adjust to the more stringent institution requirements; for example, by avoiding IPR/PGR practice and considering alternative routes to the Patent Office, including through use of *ex parte* reexamination challenges (see, e.g., [here](#)) if a related matter is anticipated to have an earlier decision/trial date.

Our team continues to monitor all significant PTAB decisions and inform clients on PTAB trends and Director Review opinions. We reported recently on Director Review trends (see [here](#)) and short summaries of all 2025 Director Review opinions appear below:

#### SUMMARY OF DIRECTOR REVIEWS IN 2025:

1. *Semiconductor Components Industries, LLC, d/b/a OnSemi v. Greenthread, LLC*, IPR2023-01242, IPR2023-01243 & IPR2023-01244, Stewart granted patent owner's (PO's) request for Director Review; the opinion found that the Board improperly denied a (pre-institution) motion for real party in interest (RPI) discovery and failed to consider district court claim construction information and a sur-reply argument; **vacated the final written decision** and remanded for further analysis – notably, PO requested Director Review of the denial of pre-institution discovery after institution, but was denied, and PO never requested discovery again during the trial phase.
2. *Hulu, LLC v. Piranha Media Distribution, LLC*, IPR2024-01252 & IPR2024-01253: Stewart granted PO's request for Director Review; the opinion found that the Board's discretionary denial analysis did not give enough weight to the fact that the challenged claims were already found invalid (under 35 U.S.C. § 101) in district court; **vacated institution**.
3. *Motorola Solutions, Inc. v. Stellar, LLC*: Stewart granted PO's request for Director Review; the opinion found that the Board's discretionary denial analysis did not give enough weight to the late stage of related litigation and the fact that there was some overlapping prior art (combined with system art) at issue in related litigation; **vacated institution**.
4. *Tesla, Inc. v. Autonomous Devices, LLC*: Stewart granted PO's request for Director Review; the opinion found that the Board did not make sufficient factual findings for claim 12 and regarding a proposed claim amendment; **remanded** for further analysis.
5. *Mercedes-Benz USA, LLC v. Daedalus Prime LLC*: Stewart granted Petitioner's request for Director Review; **delegated to a panel** to determine if there was a claim construction error.
6. *Cisco Systems, Inc. v. Portsmouth Network Corp.*: Stewart granted Petitioner's request for Director Review; **delegated to a panel** to determine whether there was an error in claim construction or in considering the prior art arguments.
7. *Crusoe Energy Systems, LLC v. Upstream Data Inc.*: Stewart issued Director Review opinion *sua sponte*; **delegated to a panel** to determine whether error in the panel's invalidity finding under 35 U.S.C. § 101.
8. *Siemens Mobility, Inc. v. Metrom Rail, LLC*: Stewart granted Petitioner's request for Director Review; **delegated to a panel** to determine 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 presented a substantially similar obviousness argument as to a prior art combination considered during prosecution.

9. *Samsung Display Co., Ltd. v. Pictiva Displays International Ltd.*, Brent issued Director Review opinion *sua sponte*; opinion 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”; **affirmed** the no-institution decision.

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