



PROGRAM MATERIALS

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Settled Expectation at the PTAB: When Is It Too Late To Seek Review

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Settled Expectations at the PTAB:

When Is It Too Late to Seek Review?

July 23, 2026

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The Discretionary Denial Framework

Fintiv Factors, Stewart's 2025 Memo. and
Squires' 2026 Memo.

The Settled Expectations Doctrine

Statistical Outcomes by Patent Age

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No humans were hurt in making this presentation, but AI assisted in its preparation.

About Presenter



Charles R. Macedo is a seasoned intellectual property attorney with deep expertise at the intersection of emerging technologies, data-driven businesses, and commercialization. He is recognized as an author, thought leader and frequent lecturer in intellectual property, blockchain, artificial intelligence/software, and data monetization. With a technical background in physics and decades of experience guiding Unicorns, startups, financial services firms, and technology innovators, he has developed IP strategies as they launch and monetize new product lines resulting in collections of hundreds of millions of dollars of royalty revenue.

J.D. 1989, Columbia Law School; B.S./M.S., Physics, 1986; former Law Clerk to Hon. Daniel M. Friedman at U.S. Court of Appeals for the Federal Circuit.

Joshua Jacobson is a Law Clerk at Amster, Rothstein & Ebenstein LLP, where he practices all facets of intellectual property. He is also the co-chair of the NYIPLA PTAB & Reexamination Committee, where he makes regular CLE presentations on PTAB practice.

Learning Objectives

Evaluate the Settled Expectations Doctrine and its thresholds

Analyze the statistical cutoff for discretionary denials

Apply statistical insights regarding patent age to filing timelines

Formulate patent owner reliance arguments against late-stage challenges

Assess risk profiles when challenging older patent portfolios

Agenda

01

The Discretionary Denial Framework

A brief introduction to current PTAB panel guidance

02

Fintiv Factors, Stewart's 2025 Memo. and Squires' 2026 Memo.

Discussion of the underlying foundation for Settled Expectations

03

Settled Expectations Doctrine

Analysis of patent owner reliance and longevity

04

Statistical Outcomes by Patent Age

Data on how old patents fare at institution

The Discretionary Denial Doctrine

The March 2025 Stewart Memo: Expanded Director Guidance

Acting Director Coke Morgan Stewart issued a memorandum in March 2025 expanding the discretionary factors that the Board must consider — layering additional policy guidance on top of the existing NHK-Fintiv framework, evaluated in the Board's institution decision.

Discretionary Analysis

Board applies Board Precedent (see *Fintiv*, *General Plastic*, *Advanced Bionics*), as well as Director guidance factors as part of the institution decision

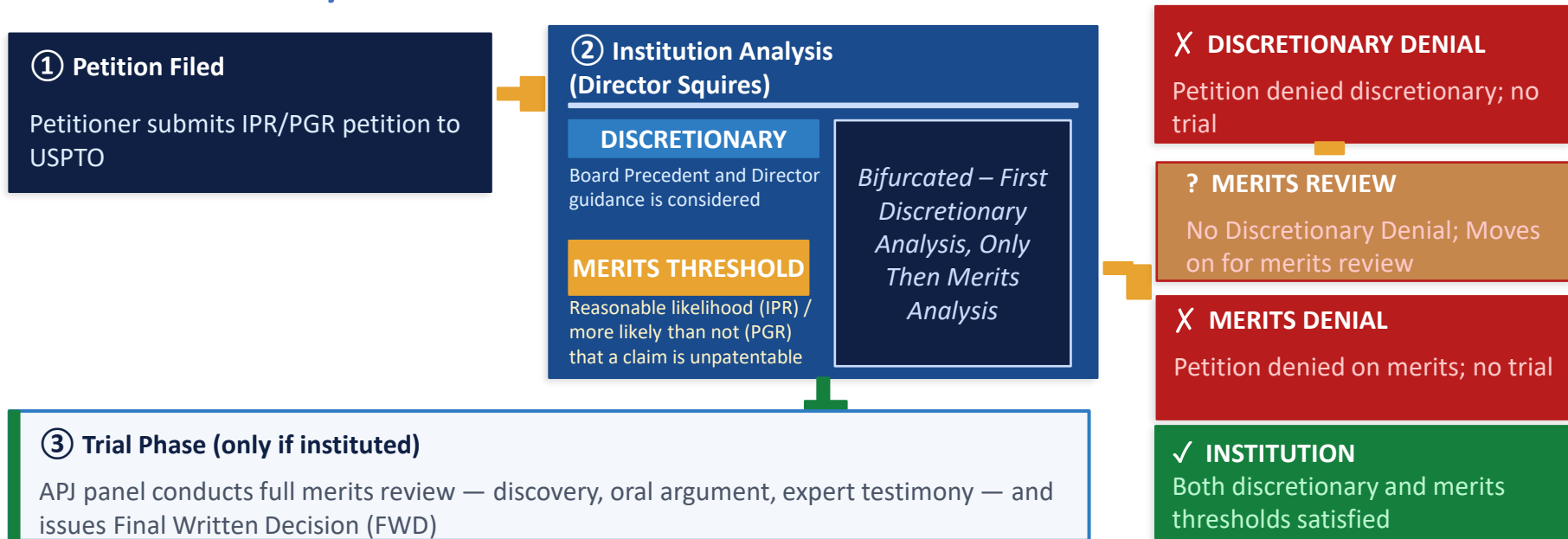
Merit Threshold

Board evaluates whether petitioner shows reasonable likelihood (IPR) or more likely than not (PGR) that a claim is unpatentable

Director Review

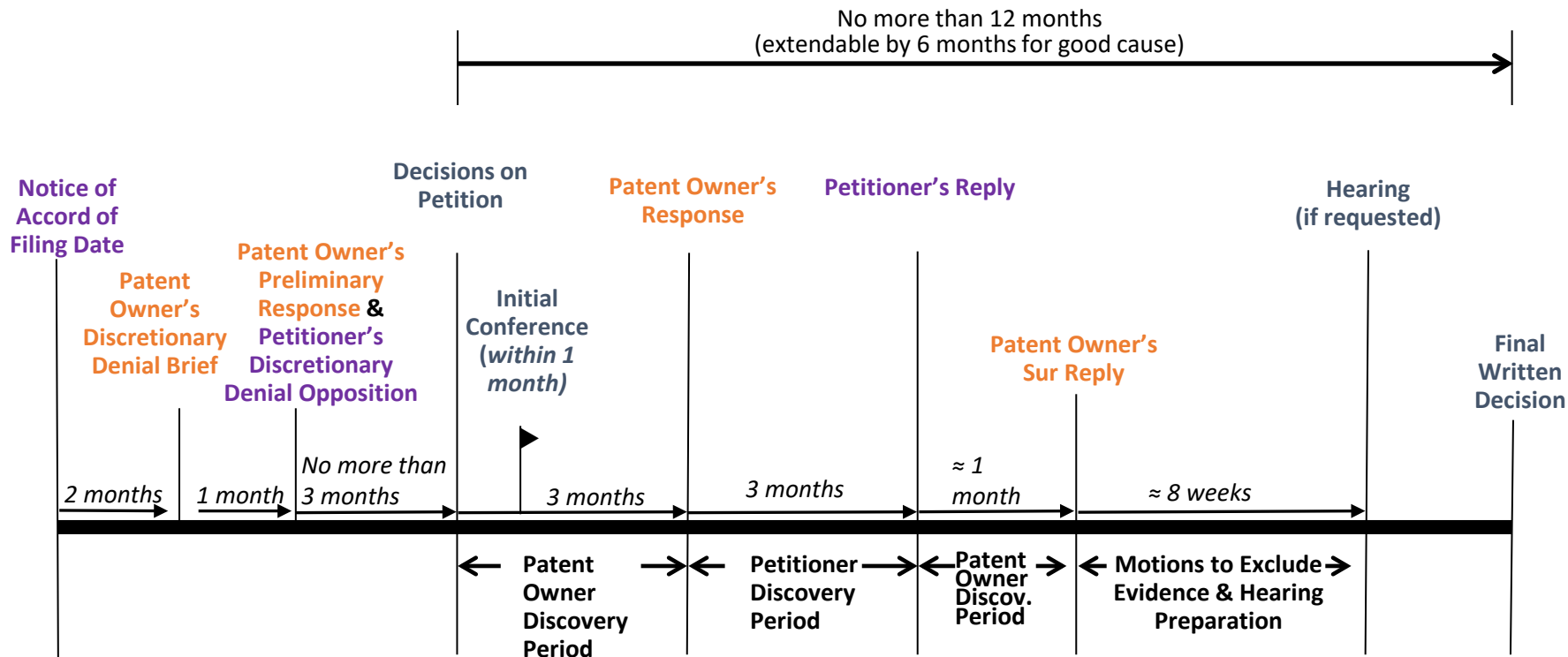
Director retains authority to intervene, grant review, or issue guidance that shapes Board analysis

PTAB Institution Decision: Discretionary and Merits Review



Key Point: Institution decisions are now bifurcated. Discretionary denial factors and merits threshold are evaluated in a first decision. Only after institution does a three-judge APJ panel receive the case to conduct the trial.

New IPR/PGR Standard Time Timeline



Apple v. Squires, 166 F.4th 1349 (Fed. Cir. Feb. 13, 2026)

Court UPHOLDS Director Icanu's *NHK-Fintiv* instructions — no notice-and-comment required

- The NHK-Fintiv instructions constitute a 'general statement of policy' **exempt** from APA notice-and-comment rulemaking under 5 U.S.C. § 553(b)
- Congress did not provide a legal right to institution of an IPR — the decision is within the Director's **unreviewable discretion** under 35 U.S.C. § 314(a)
- The instructions do not bind the Director, who **retains full authority** to make or reverse institution decisions even after an initial Board decision
- The court's use of 'regulation' in the Patent Act does **not** itself **trigger notice-and-comment requirements**
- Instructions **merely guide the Board** in exercising **delegated discretion** and do **not** create **enforceable rights** for petitioners

Practical Impact: *The legal foundation for centralized discretionary review is now settled. Petitioners cannot challenge the framework itself.*

Squires Overall Statistics

As of July 7, 2026

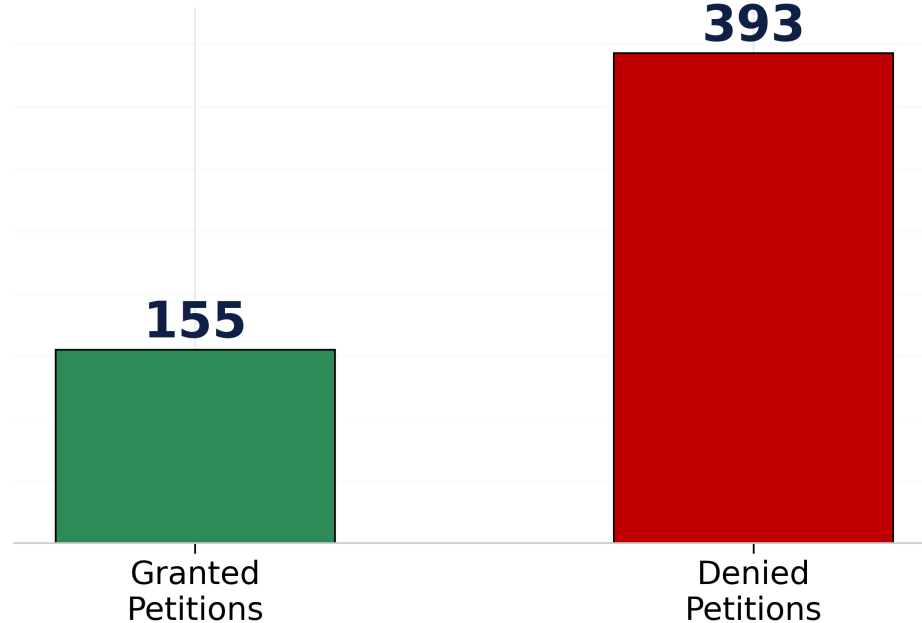
30

Bulk Orders
Delivered

Institution Rate

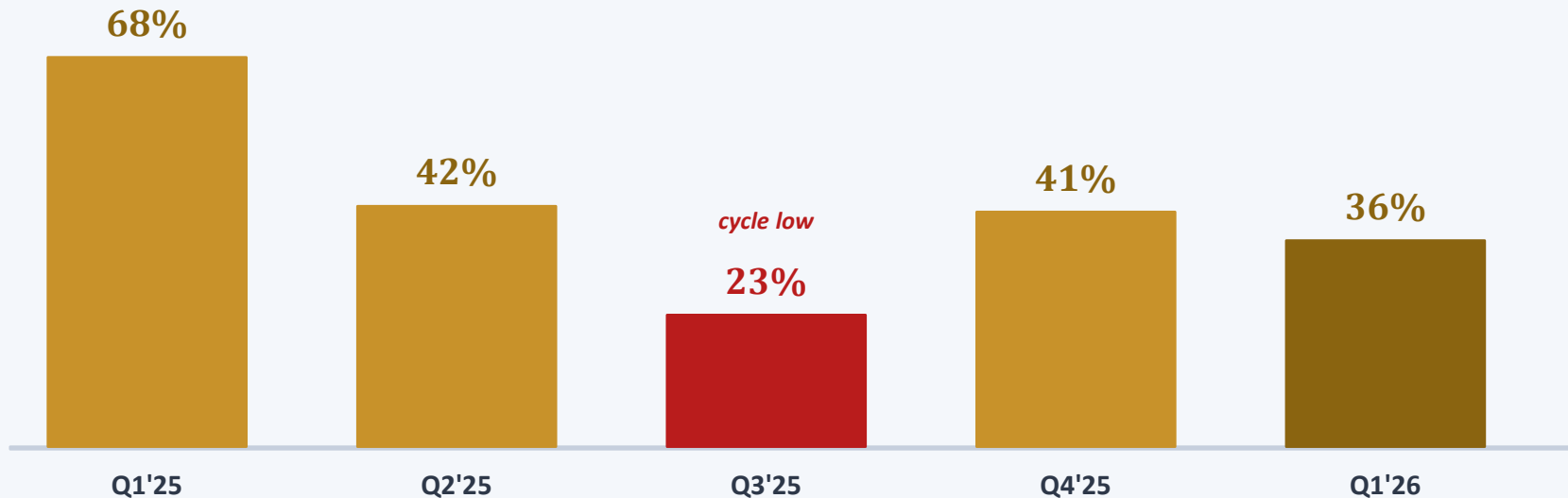
28.3%

Institution Decisions



Institution Rate: From Free-Fall to a New Normal

After 2025's collapse, institution has settled into the mid-30s — and is projected to fall further across 2026 as discretionary denials become routine.



Feb 2026 overall institution rate $\approx$ 37% — a 43% drop from Oct 2024. Full-year 2026 projected at just 30–32%.

Sources: [RPX](#) (2025 quarters); [GreyB](#); [GreyB](#) (2026 projection).

Key Takeaways

1

Centralized review is settled law — the Federal Circuit confirmed in *Apple v. Squires* and *In Re Volkswagen* that neither the NHK-Fintiv framework nor discretionary denial itself is subject to constitutional or APA challenge.

2

Institution decisions are now bifurcated. Discretionary denial factors and merits threshold are evaluated in a first decision. Only after institution does a three-judge APJ panel receive the case to conduct the trial.

3

Volume is high and timelines are compressed — Squires issues batch decisions weekly. Petitioners must anticipate rapid initial disposition on discretionary grounds.

Fintiv Factors, Stewart's 2025 Memo. and Squires' 2026 Memo.

Apple v. Fintiv: The Six-Factor Holistic Test

Court Stays

F1 *Potential for, or existence of, a stay in the parallel district court litigation*

Trial Proximity

F2 *Closeness of the trial date to the PTAB's final written decision deadline*

Parallel Proceeding Investment

F3 *Resources already invested by the court and parties in the parallel proceeding*

Issue Overlap

F4 *The degree to which the invalidity issues overlap between the two proceedings*

Parties' Identity

F5 *Whether the parties in both forums are the same or substantially the same*

Other Circumstances

F6 *General equity considerations, including the strength of the petition's merits as a safety valve*

Stewart Memo: The Expanded Discretionary Factors

The **March 2025 Stewart Memo** expanded the discretionary factors the Board weighs as part of its integrated institution decision. The Director evaluates whether institution is 'an appropriate use of agency resources' by reference to these additional considerations, on top of the existing NHK-Fintiv framework:

A

Prior Adjudications

Whether challenged claims have already been adjudicated valid or invalid in another forum (ITC, district court, or prior PTAB proceeding)

B

Changes in Law or Judicial Precedent

Whether a significant change in governing law renders earlier examination or litigation conclusions unreliable or outdated

C

Strength of Unpatentability Challenge

Whether there are strong or compelling merits

D

Expert Testimony Reliance

Whether the petition rests substantially on expert declarations rather than direct prior art teachings — signal of weakness

E

Settled Expectations

Whether there is reasonable reliance on a patent's continued validity

F

Compelling Economic, Public Health, or National Security Interests

Whether the challenged patent implicates broad societal interests

Squires Memo: Discretionary Denial & U.S. Manufacturing Interests

The March 2026 Squires Memo brings a new focus to U.S. Manufacturing Interests.

Squires reframes discretionary institution as a public-interest inquiry tied to U.S. manufacturing, economic integrity, and who benefits from AIA reviews.

A

Efficiency and Economic Impact on the Office

AIA institution decisions must consider economic impact, patent-system integrity, and efficient use of USPTO resources

B

Domestic Industry Considerations

Director expresses concern that IPRs/PGRs may disproportionately benefit large, offshore manufacturers, not domestic industry

C

Factors Directors Will Weigh:

- U.S. manufacturing or domestic investment tied to accused products
- Patent owner's competing U.S.-based manufacturing or licensing activity
- Whether petitioner is a small business sued for infringement

D

Focus on Facts

Parties are encouraged to develop factual records on manufacturing location, supply chains, and business status

Settled Expectations

- **Core Rule:** A petitioner that sat on its invalidity challenge while the patent aged may face discretionary denial — the patent owner's reasonable reliance on the patent's continued validity can outweigh the benefit of PTAB review.
- Procedurally, the patent owner files a discretionary-denial brief, and that briefing can raise Fintiv factors and any other circumstance bearing on the Director's discretion — including Settled Expectations
- Under the expanded balancing test, the factors are weighed holistically at the same gate

The 'Settled Expectations' Doctrine

Origins of the Settled Expectations Doctrine at the PTAB

- The settled expectations doctrine derives from the foundational principle that patents function as property rights — once a patent has been in force for substantial time and the market has built reliance around it, the cost of disruption weighs against PTAB review
- Acting Director Stewart applied the doctrine explicitly in early 2025 informative decisions, leading to the landmark *Amgen v. Bristol-Myers Squibb* informative designation: patents in force 6–7 years carry 'strong settled expectations' supporting discretionary denial
- *Dabico Airport Solutions v. AXA Power* (Squires — Informative): patent in force nearly 8 years; Director denied institution finding that 'actual notice of a patent or of possible infringement is not necessary to create settled expectations'
- *In Re Kahoot! AS* (Fed. Cir. Feb. 25, 2026): Federal Circuit declined to grant mandamus to vacate a settled-expectations-based denial — ultra vires challenge to the doctrine unavailable; institution decisions are non-reviewable
- The doctrine is now confirmed as within the Director's unreviewable discretion — petitioners cannot challenge the settled expectations factor on APA or constitutional grounds after *Kahoot!* and *Apple v. Squires*

Amgen v. Bristol-Myers Squibb: The Settled Expectations Benchmark

Informative Decision — the benchmark case establishing age creates 'strong settled expectations'

Three Petitions, Three Outcomes — Patent Age as Significant Factor:

DENIED

IPR2025-00601 (6 years): Strong settled expectations; 6 years sufficient; merits did not overcome

DENIED

IPR2025-00602 (7 years): Even stronger settled expectations at 7 years; holistic balance favored denial

REFERRED TO BOARD

IPR2025-00603 (3 years): ~3 years in force; settled expectations did not independently support denial

Home Depot v. H2 Intellect: Rebutting Settled Expectations

12+ YEAR PATENT — Institution ALLOWED. This case shows how petitioners can overcome the settled expectations presumption.

- Facts: Challenged patent had been in force for over 12 years and a parallel district court trial was likely to overlap
- Director acknowledged all factors pointing toward denial: patent age (12+ years), trial date proximity, and strong 'settled expectations' from being in force
- Exception: Home Depot successfully argued the patent had not been commercialized in Home Depot's technology space — the patent owner had not developed or licensed products practicing the patent in the relevant market
- Director found that Home Depot's arguments about the patent's lack of commercialization and non-assertion in petitioner's technology space weighed against denial — settling of expectations is linked to actual marketplace reliance, not just legal longevity
- Critical Lesson for Petitioners: Evidence of non-commercialization, non-licensing, and non-assertion in the petitioner's specific market can rebut even a very old patent's settled expectations argument

Drafting Tip: Include a section in every petition assessing the patent's commercialization history and market presence. Even if the patent is old, evidence of non-assertion in your specific technology area provides a meaningful rebuttal.

Apple v. Ferid Allani: Reasonable Expectation of Non-Enforcement

- Declined discretionary denial and referred Apple's IPR petitions to the Board — despite the patent's long-in-force status
- Key circumstance: Patent owner had not asserted the patent against Apple for over a decade, and only asserted it after the patent had expired — creating Apple's reasonable expectation of non-enforcement
- Director found that Apple's reasonable expectation that it did not need a license — because the patent had never been enforced against Apple during its entire term — weighed against denial
- The doctrine of settled expectations applies to the patent owner's reliance interest but may also include those of the Petitioner. Where the petitioner had a legitimate, longstanding expectation of non-enforcement, the scale tips toward institution
- This creates a mirror-image exception to the standard settled expectations analysis — petitioner's own reliance history becomes relevant
- Practical Application: Document the history of non-assertion. If the patent owner has had opportunities to assert the patent against your client and chose not to, this evidence can rebut settled expectations

PGR Exception: Early-Life Patents Disfavor Settled Expectations

Multi-Color Corp. v. Brook & Whittle (Precedential): PGRs 'occur before expectations in the patent rights are strongly settled.'

PGR (Post-Grant Review)

- Filed within 9 months of grant — by definition, early-life patent
- Settled expectations have not yet crystallized at the time of filing
- Director's policy: Timely filed PGRs generally should not be discretionarily denied based on parallel litigation alone
- Multi-Color: arguments against denial outweighed those in favor; petition referred to Board

IPR (Inter Partes Review)

- Can be filed at any time beyond the PGR window (up to § 315(b) time bar)
- Settled expectations analysis fully applies as patent ages
- Amgen, Dabico, Alliance Laundry all demonstrate heightened scrutiny

Formulating Settled Expectations Arguments: Patent Owner Guide

01

Establish Age & Duration:

Document the exact date of grant and calculate years in force as of petition filing. Emphasize any time spent in reexamination or continuation prosecution that extended practical market uncertainty.

02

Demonstrate Market Reliance:

Provide evidence of products embodying the claims, industry licensing, revenue streams tied to patent rights, and investments made in reliance on patent validity.

03

Catalog Prior Enforcement:

Summarize all prior litigation, ITC proceedings, licensing negotiations, and cease-and-desist activity that put the market on notice of the patent and its enforcement.

04

Address Non-Notice Proactively:

Per *Dabico*, actual prior notice by the petitioner is not required. Argue that constructive notice through registration is sufficient. Preempt the petitioner's non-assertion exception by distinguishing *Apple v. Allani*.

05

Tie to 'Office Resources' Standard:

Frame the argument in terms of USPTO resource allocation — review after 6+ years of market integration disrupts settled commercial expectations without proportionate benefit, given the petitioner's alternative remedies in district court.

Rebutting Settled Expectations: Petitioner's Toolkit

NC

Non-Commercialization

Home Depot model: Demonstrate the patent has not been commercialized or practiced in products relevant to petitioner's technology field

NA

Non-Assertion History

Apple v. Allani model: Document the patent's full enforcement history — if petitioner has never been threatened, this constitutes reasonable expectation of non-enforcement

LC

Legal Change

Top Glory / LKQ: If a significant post-issuance change in applicable law would alter the validity analysis, argue this disrupts settled expectations

PE

Prosecution Error

Padagis model: Evidence of material error that is material and well-supported in examination — e.g., incorrect priority date assumption — can justify institution even for patents with established market presence

PF

Portfolio Context

Tesla model: Where the challenged patent is one of many in complex litigation, argue that the PTAB's specialized review capacity benefits the system as a whole

YP

Young Patent

For patents under 4 years in force, settled expectations have not crystallized — rely on Multi-Color and Padagis to rebut the doctrine's application

In Re Kahoot!: Court Confirms Mandamus Unavailable to Challenge Settled Expectations

Fed. Cir. Feb. 25, 2026 (Per Curiam) — Mandamus petition to vacate settled-expectations-based denial DENIED. Ultra vires challenges unavailable.

- The Director denied Kahoot!'s IPR petition in part because the challenged patent had been in force for six years, creating 'strong settled expectations' for the patent owner
- Kahoot! argued the Director exceeded statutory authority by relying on settled expectations — the Federal Circuit held this 'ultra vires argument cannot be a basis for granting mandamus' (citing Mylan Lab'ys v. Janssen)
- The standard for mandamus is demanding: Kahoot! failed to show a 'clear and indisputable right' to institution
- In the absence of colorable constitutional claims, mandamus is ordinarily unavailable for review of institution decisions
- The court distinguished this from cases involving § 314(d)'s prohibition — the bar extends to challenges that 'focus directly and expressly on institution standards,' which the ultra vires theory does
- Practical Impact: Patent owners relying on settled expectations can do so with confidence that challenges are practically foreclosed

When Legal Change Can Overcome Settled Expectations

Top Glory Trading v. Cole Haan (Informative): Specific, targeted legal developments may create a valid basis for review of long-in-force patents.

May NOT Override

Mere re-weighting of obviousness factors that would have been available to a prior art searcher does not constitute a new legal development that undermines prior examination

May Override

A Federal Circuit decision that directly holds a specific legal test used during prosecution was incorrect (e.g., wrong claim construction standard applied) creates a stronger case

May Override

Where a post-issuance case expressly invalidates a prior art classification or carves out prior art categories that were improperly considered, this can support institution of an older patent

Strategic Use

Petitioners invoking the legal change exception must show: (1) the specific change, (2) its direct applicability to the challenged claims, and (3) why it undermines prior examination or litigation conclusions

Key Takeaways

1

As patent age increases, settled expectations typically carries significant weight in the discretionary analysis and can independently support denial. Structure petition timing and filing strategy accordingly.

2

Non-commercialization and non-assertion are the most effective rebuttals — Home Depot and Apple v. Allani demonstrate that petitioners' own reliance history and the patent's commercial footprint can overcome the doctrine.

3

Settled expectations are unreviewable on mandamus — after Kahoot! and Apple v. Squires, mandamus is unavailable for ultra vires and statutory challenges, and § 314(d) bars direct appeal of institution decisions absent a colorable constitutional claim. Advocate on the merits, not on jurisdictional grounds.

Statistical Outcomes by Patent Age

Anatomy of a Denial: What Drives It

64%

of petitions Director Squires reviewed
were
discretionarily denied
through Feb 2026.

Factors favoring denial (among 377 Interim-Era denials)

Settled expectations



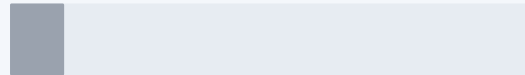
60% (225/377)

Fintiv (parallel proceedings)



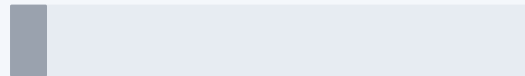
58% (218/377)

No material prosecution error



6% (21/377)

§ 325(d) art/arguments

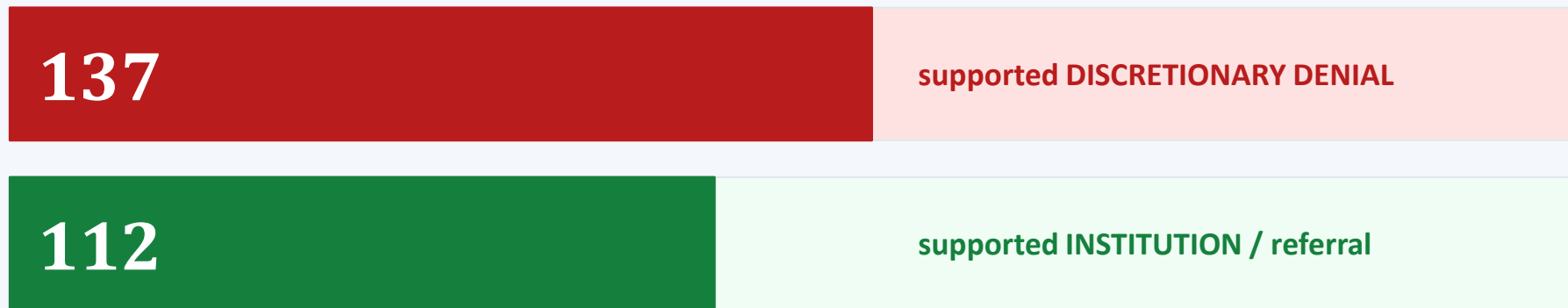


4% (15/377)

Settled Expectations: Now Binding Precedent

Patent age is large contributing factor for the death for IPR petitions.

The last detailed dataset (249 decisions, Jun–Aug 2025) shows how decisively age tips outcomes:



Why Six Years? The § 286 Anchor

The threshold tracks 35 U.S.C. § 286: damages reach back only six years, so once a patent has stood unchallenged that long, the Director treats the market's reliance as settled.

● Now binding precedent

January 2026's designations (Dabico ≈ 8 yrs; Amgen) make the age framework precedential — roughly six years in force generally creates “strong settled expectations.”

● Upheld repeatedly — and now at the Supreme Court

The Federal Circuit twice refused mandamus (Motorola, Nov 2025; Google/VirtaMove, Jan 2026, a 14-year patent). Google's cert petition calls the six-year rule an extra-statutory limitations period.

● A guidepost, not a safe harbor

Petitions under six years are still denied — a licensed 4-year patent in Alliance Laundry; sub-6-year patents in Yangtze Memory. Youth helps; it does not immunize.

The Six-Year Cliff: Outcomes by Patent Age

Age at filing remains a near-decisive predictor in 2026 — and the Director's new precedents entrench the six-year line.

≤ 4 YRS

REFERRED

Almost all petitions reach a merits decision — treated as timely “early challenges” before expectations crystallize.

5 YRS

SPLIT

The contested middle — outcomes turn on *Fintiv* timing, prosecution error, or a post-issuance change in law.

6+ YRS

USUALLY DENIED

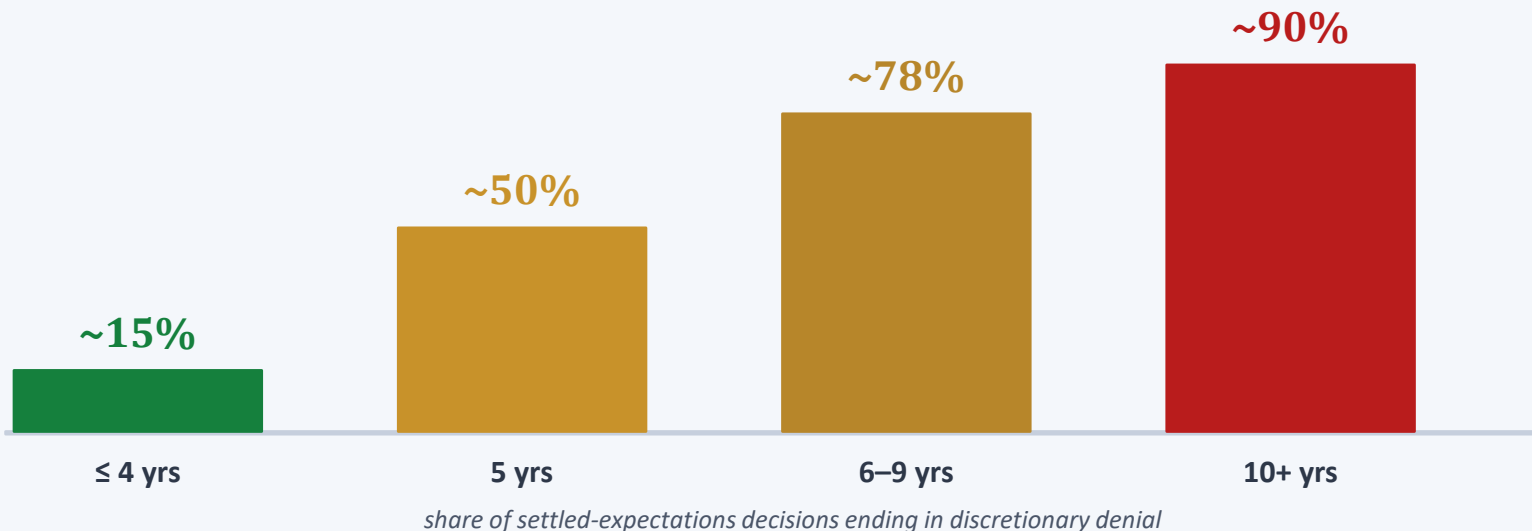
The vast majority are denied on settled expectations — and patents 10+ years old in licensing programs face the harshest scrutiny.

2026 wrinkles: even young patents can be denied for “long-term knowledge,” and in life sciences, heavy investment can settle expectations as early as three years (Amgen).

Sources: [Finnegan](#); [Juristat](#) (2026); [Sterne Kessler](#) (Jan 2026).

The Age Gradient: Denial Climbs Year by Year

The odds of a discretionary denial rise steeply with each year a patent has been in force.



Indicative rates from the 249-decision dataset (55% denied overall) and 2026 precedent; summary notices limit exact public counts.

Sources: [IAM](#) / [Finnegan](#) (≤5 referred, ≥6 denied); [GreyB](#) (10+ harshest).

Patent Age in the Precedential Cases

January 2026's designated decisions trace a clear line — challenge young, or expect denial.

Padagis v. Neurelis		< 4 yrs	REFERRED	material exam error
Alliance Laundry v. PayRange		4 yrs	DENIED	licensed — the exception
Kahoot! v. Interstellar		6 yrs	DENIED	at the six-year line
Dabico v. AXA Power		~8 yrs	DENIED	no actual notice needed
iRhythm (settled-exp origin)		~10 yrs	DENIED	decade in force
Google / VirtaMove		14 yrs	DENIED	CAFC upheld twice

Sources: [USPTO](#) (designations); [Sterne Kessler](#); [IPWatchdog](#) (CAFC).

Overcoming Settled Expectations: What Works

Even an old patent can be challenged — but only a few arguments reliably overcome the age bar.

✓ WORKS (referred to merits)

▶ Material examination error

Padagis — examiner priority error referred patents under 4 years.

▶ Non-assertion / non-use

Apple v. Allani — patent never asserted in petitioner's space.

▶ Intervening change in law

Top Glory — LKQ shifted design-patent obviousness after issuance.

▶ Large multi-patent disputes

Tesla v. Intellectual Ventures — many patents, diverse families.

✗ FALLS SHORT (denied)

▶ Licensing / road-mapping

Alliance Laundry — a licensed 4-year patent still denied.

▶ Lack of notice, standing alone

Dabico — actual notice is not required for expectations to settle.

▶ Narrower court construction

Sun Pharma — petitioner's inconsistent claim scope undercut it.

▶ Patent age alone, unrebutted

Six-plus years in force is presumptively fatal without a rebuttal.

Sources: [USPTO](#) (precedential set); [Sterne Kessler](#); [Troutman](#).

Statistical Takeaways

1

Many arguments still fall short.

Licensing, road-mapping, or lack of notice alone won't overcome settled expectations — the age bar yields only to a narrow, well-chosen set of rebuttals.

2

Patent age an important variable — and now precedent.

Settled expectations, the most-cited denial factor, became binding precedent in January 2026. Outcomes still swing sharply around six years in force.

3

Age is destiny — but it can still be rebutted.

Denial odds climb from ~15% under four years to ~90% past ten — yet a change in law, exam error, or non-use can still overcome the age bar.

Conclusion & Strategic Takeaways

A consolidated practitioner's checklist, key case reference table, and practice tips for navigating the Squires-era PTAB landscape

Petitioner's Settled-Expectations Checklist

Six moves to clear — or overcome — the patent-age bar before you file.

KNOW THE CLOCK

- ✓ Calculate the target patent's years-in-force.
- ✓ Treat 6+ years as presumptively settled — 10+ as high-risk.

NON-USE REBUTTAL

- ✓ Show the patent was never applied in your technology space.
- ✓ Note: lack of notice alone won't overcome age (Dabico).

EXAM-ERROR REBUTTAL

- ✓ Show material Office error during examination (Padagis).
- ✓ A strong error showing can refer even a young patent.

NOTICE FACTORS

- ✓ Check commercialization, assertion, licensing, and marking.
- ✓ Weigh your own long-term knowledge of the patent.

CHANGE-IN-LAW REBUTTAL

- ✓ Find an intervening legal change after issuance (LKQ / Top Glory).
- ✓ Tie it directly to the challenged claims' patentability.

FILE EARLY & BY FAMILY

- ✓ File before the patent crosses about six years in force.
- ✓ Scope the whole family — the oldest member can bind all.

The New PTAB Landscape:

A Practitioner's Imperative

Assume the gate, not the merits, decides.

An AIA petition is now more likely denied than instituted — about 30–37% institute in 2026.

Discretionary Framework

Treat patent age carefully.

Settled expectations, now binding precedent, defeats most challenges to patents six or more years old.

Fintiv Factors, Stewart's 2025 Memo. and Squires' 2026 Memo.

Move early, or consider moving elsewhere.

File before the six-year window — or pivot to PGR, ex parte reexamination, or district court.

Settled Expectations

Manage the portfolio by the clock.

Audit every asset's age, mind family-grouping, and prune at each maintenance window.

Portfolio Strategy

Questions



Connect with Our Presenter



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