

Latest PTAB Moves Suggest A Subtle Recalibration

By **Yousef AlMesad, Manita Rawat and Dion Bregman** (October 15, 2025, 5:57 PM EDT)

Recent decisions from the Patent Trial and Appeal Board continue to offer strategic advantages for patent owners.

The board has effectively expanded assignor estoppel to inter partes review proceedings, and U.S. Patent and Trademark Office Director John Squires has provided clear avenues for applicants to patent artificial intelligence-related technologies.

Cautioning Against IPRs Filed by Inventor-Affiliated Petitioners

In *Tessell Inc. v. Nutanix Inc.* (IPR2025-00298 and IPR2025-00322) in August, then-acting Director Coke Morgan Stewart denied institution of two inter partes reviews in which the inventors of the challenged patents had later founded the petitioner entity. Stewart decided it was not an efficient use of USPTO resources to institute an IPR in which the very individuals who secured patent rights argue for their invalidity.[1]

Assignor estoppel is banned in the IPR context under Title 35 of the U.S. Code, Section 311(a),[2] but Stewart exercised discretionary authority under Section 314(a) to deny institution based on equitable and policy considerations, including concerns that the inventor-petitioners would unfairly profit twice from the patented subject matter, i.e., unfair dealings.[3]

In IPR2025-00298, Stewart vacated the PTAB's decision to institute trial for similar reasons to IPR2025-00322, and because the "[p]etitioner [did] not provide a sufficient analysis demonstrating that the scope of the challenged claims is broader than the originally-filed specification [sic]," likely intending to write "originally-filed claims." [4]

These discretionary denials reflect a growing recognition of fairness and efficiency concerns when assignors challenge patents they previously assigned, even in the absence of formal assignor-estoppel applicability in the IPR context.

Patent owners and petitioners should engage in an assignor estoppel analysis with respect to challenged claims when one or more individuals working with or in control of the petitioner are inventors of the challenged patents.

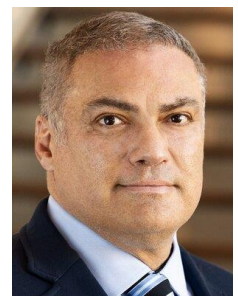
Patent owners will likely be able to request discretionary denial on the basis of unfair dealings when the



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inventors are in control or heavily affiliated with the petitioner — petitioners may counter this by demonstrating that the challenged patent's claims are materially broader than those in the broadest applications executed by the petitioner-inventors.[5]

Rejecting a Machine Learning Patent

In a notable move, on Sept. 26, Squires vacated a PTAB decision in *Ex parte Desjardins*, wherein patent claims covering methods for training machine learning models had been rejected under Title 35 of the U.S. Code, Section 101.[6] Despite an initial rejection and denial of rehearing, Squires found that the application's specification sufficiently articulated a technical improvement — namely, reducing storage space by maintaining a single-instance model with shared parameters while preserving performance.[7]

With the single-instance model, there was no need for separate models for each task, thereby reducing storage requirements and computational complexity while also maintaining acceptable performance. Squires emphasized that when issuing Section 101 rejections, examiners should consider whether "the claims are directed to an improvement to computer functionality versus being directed to an abstract idea." [8]

This intervention provides clearer guidance for applicants seeking to demonstrate Section 101 eligibility in machine learning applications by emphasizing concrete, technical improvements, consistent with USPTO Deputy Commissioner Charles Kim's Aug. 4 memorandum. It also aligns with recent jurisprudence on Section 101 from the U.S. Court of Appeals for the Federal Circuit in *Reventive Analytics Inc. v. Fox Corp.* in April.[9]

Applicants seeking protection for machine learning innovations should explicitly tie claimed methods to measurable technical improvements, for instance, enhanced performance, storage efficiency or processing capability.

Applicants should also consider describing the state of the art in the relevant technology to contextualize the claimed advancements. Squires' decision could signal a gradual recalibration of how Section 101 is applied within the USPTO, and potentially influence judicial interpretations going forward.

By reinforcing the principle that patent eligibility turns on technological improvements rather than the mere presence of abstract concepts, the decision may help narrow the scope of abstract-idea exclusions.

Over time, this could lead to greater harmonization between USPTO practice and Federal Circuit precedent, fostering a more predictable framework for assessing software- and AI-related inventions. It may also encourage applicants to develop a stronger evidentiary record of technical benefits during prosecution, making it easier to defend issued patents under judicial scrutiny.

Revisiting Real Party-in-Interest Designations

Finally, Squires has **de-designated** *SharkNinja v. iRobot* as precedential.

The PTAB, during former Director Andrei Iancu's tenure, designated *SharkNinja Operating LLC v. iRobot Corp.* as precedential for its holding that a real party-in-interest analysis is not required at the institution phase of a trial proceeding, absent an allegation from the patent owner that the petition would be time-barred, or the petitioner would be estopped based on an unnamed real party in interest.[10]

The de-designation reflects a broader policy concern: Full disclosure of real parties in interest supports transparency and administrative efficiency beyond formal bars to institution.

This signals that the PTAB may begin scrutinizing party relationships more closely, even at the early stages of proceedings.

Next Steps

Patent owners should consider discretionary denial as a strategic defense when inventors or insiders appear on the other side of an IPR. Petitioners, by contrast, should restrict challenged claims in IPR proceedings to those that are materially broader than those in the broadest applications executed by the petitioner-inventors.

For those pursuing patents on AI technologies, consider strengthening Section 101 eligibility by grounding claims in technical advancements described clearly in the specification. Applicants should be prepared to argue Section 101 eligibility on an element-by-element basis.

Finally, all PTAB stakeholders should ensure accuracy and completeness in real parties-in-interest disclosures, regardless of their immediate relevance to statutory bars.

These developments suggest a subtle recalibration at the PTAB, offering new procedural and substantive tools for patent owners both in procuring patent rights and enforcing them against would-be petitioners.

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[1] See *Tessell Inc. v. Nutanix Inc.*, IPR2025-00298; see also *Tessell Inc. v. Nutanix Inc.*, IPR2025-00322, Paper 14 at 2 (PTAB June 12, 2025).

[2] See *Athena Automation Ltd. v. Husky Injection Molding Sys. Ltd.*, IPR2013-00290, Paper 18 at 12-13 (PTAB Oct. 25, 2013) (precedential as to § II.A); see also *Arista Networks Inc. v. Cisco Sys. Inc.*, 908 F.3d 792, 803, 804 (Fed. Cir. 2018) (the statute establishing IPR — 35 USC § 311(a) — is "unambiguous" and "allows any person 'who is not the owner of a patent' to file an IPR"); see also *Minerva Surgical Inc. v. Hologic Inc.*, 141 S. Ct. 2298, 2302 (2021).

[3] See *Tessell Inc. v. Nutanix Inc.*, IPR2025-00322, Paper 14 at 2-3 (PTAB June 12, 2025).

[4] See *Tessell Inc. v. Nutanix Inc.*, IPR2025-00298, Paper 17 at 2-3 (PTAB Aug. 22, 2025) (likely intending

to write "originally-filed claims").

[5] See *Hologic Inc. v. Minerva Surgical Inc.*, 44 F.4th 1358, 1366-1369 (Fed. Cir. 2022) (holding that the challenged claim was not materially broader than a canceled claim in the ultimate parent application that the inventor had assigned to the defendant and therefore the district court did not abuse its discretion in applying assignor estoppel).

[6] See *Ex parte Desjardins*, Appeal 2024-000567, Application 16/319,040.

[7] *Id.* at 3; see also Application 16/319,040 ¶ 21.

[8] See *Ex parte Desjardins*, Appeal 2024-000567, Application 16/319,040 at 8 (citing *Enfish LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016)).

[9] See, e.g., *Recentive Analytics Inc. v. Fox Corp.*, 134 F.4th 1205 (Fed. Cir. 2025) ("In the context of software patents (which includes machine learning patents), the step-one inquiry determines whether the claims focus on the specific asserted improvement in computer capabilities ... or, instead, on a process that qualifies as an abstract idea for which computers are invoked merely as a tool." (citation and internal quotation marks omitted)).

[10] See *SharkNinja Operating LLC v. iRobot Corp.*, IPR2020-00734, Paper 11 at 16-20 (PTAB Oct. 6, 2020).