

Motorola Ruling Solidifies Discretionary Authority Of USPTO

By **Dion Bregman and Theodore Rand** (November 25, 2025, 4:27 PM EST)

On Nov. 6, the U.S. Court of Appeals for the Federal Circuit's latest ruling in *In re: Motorola Solutions Inc.* solidifies the discretionary authority of the U.S. Patent and Trademark Office director over inter partes review institution decisions, underscores the limited scope of judicial review, and clarifies the boundaries of due process and Administrative Procedure Act claims in the context of shifting USPTO guidance.

The case arises from a series of inter partes review, or IPR, proceedings initiated by Motorola against patents owned by Stellar LLC, which were also at issue in a parallel district court litigation.[1]

Following the Patent Trial and Appeal Board's initial decision to institute review on several patents, the acting director of the USPTO exercised discretionary authority to deinstitution Motorola's IPRs, citing the application of the Fintiv factors in light of evolving agency guidance.[2]

Motorola sought a writ of mandamus from the Federal Circuit, challenging both the procedural and substantive grounds of the USPTO's actions.

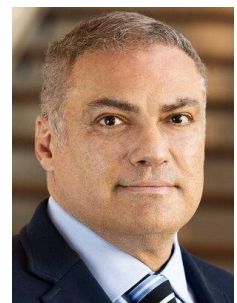
The Fintiv Factors and Vidal Memorandum

Central to this dispute are the Fintiv factors, developed in 2020 in *Apple Inc. v. Fintiv Inc.*, which allow the USPTO to discretionarily deny IPR institution where parallel district court proceedings exist.[3]

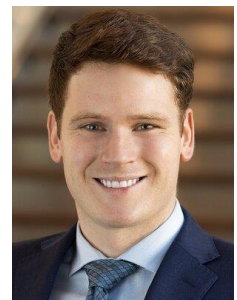
The factors include the existence of a stay, proximity of trial dates, investment in the parallel proceeding, overlap of issues, identity of parties and other circumstances affecting the PTAB's discretion to deny petitions.

Former USPTO Director Kathi Vidal's June 2022 memorandum provided interim guidance instructing the PTAB not to discretionarily deny institution where the petitioner provided a Sotera stipulation — that is, a binding commitment not to pursue in district court any ground that could have been raised in the IPR.[4]

However, this guidance was rescinded in February, and the importance of a Sotera stipulation was reduced to a "highly relevant" but not dispositive consideration.[5]



Dion Bregman



Theodore Rand

Mandamus Standard and the Finality of IPR Institution Decisions

The Federal Circuit began its analysis by emphasizing the extraordinary nature of mandamus relief, stating that such a writ requires a "clear and indisputable" right to relief, a lack of adequate alternative remedies, and a finding that the writ is appropriate under the circumstances, as articulated in 2004 in *Cheney v. U.S. District Court for the District of Columbia*, decided by the U.S. Supreme Court.[6]

Critically, Congress committed the decision to institute IPRs to the USPTO director's discretion and rendered such determinations "final and nonappealable" under Title 35 of the U.S. Code, Section 314(d), substantially limiting the scope of judicial review, including by mandamus, except for colorable constitutional or certain statutory claims.[7]

Due Process Claims and the Absence of a Protected Property Interest

Motorola argued that the rescission of the Vidal memorandum and the subsequent denial of IPR institution violated its due process rights, contending that the memorandum created a constitutionally protected property interest in having its petitions considered without regard to the Fintiv factors.

The Federal Circuit rejected this argument, holding that "when a statute leaves a benefit to the discretion of a government official, no protected property interest in that benefit can arise." [8]

The Vidal memorandum was characterized as interim guidance, subject to change, and did not mandate any particular outcome. Furthermore, the court held that reliance on interim guidance is insufficient to establish a constitutional violation, citing the 1994 Supreme Court case *U.S. v. Carlton*. [9]

Administrative Procedure Act Claims and Alternative Remedies

Motorola's APA-based challenge asserted that rescission of the Vidal memorandum should have undergone notice-and-comment rulemaking, and that its retroactive application was arbitrary and capricious.

The Federal Circuit concluded that an APA action in federal district court was available to Motorola as an alternative remedy, and that mandamus was not appropriate for challenging the process by which the acting director rescinded the guidance.

Precedent, including the Federal Circuit's 2023 decision in *Apple Inc. v. Vidal*, supported the court's decision to foreclose mandamus relief for such challenges. [10]

USPTO Director Discretion and the Role of Interim Guidance

The Federal Circuit reaffirmed the USPTO director's broad discretion in instituting IPR proceedings, with the authority to weigh and apply various factors, including those outlined in Fintiv and any interim guidance such as the Vidal memorandum.

The court made clear that such guidance does not create substantive entitlements and is subject to change at the agency's discretion. [11] The decision also highlighted the fluidity of USPTO internal policy in this area, with the director having authority to rescind or amend guidance without formal rulemaking.

Implications for Practitioners and Future Challenges

The Federal Circuit's order in *In re: Motorola* reinforces the limited avenues for judicial review of IPR institution decisions, especially when based on the director's exercise of discretion under statutory authority. Practitioners seeking to challenge such decisions on due process or APA grounds face significant hurdles, as neither reliance on interim guidance nor arguments regarding arbitrary and capricious action are likely to succeed in the mandamus context.

The practical result of this order with respect to the limited nature of mandamus challenges to changes in administrative procedure at the USPTO is that many arguably meritorious arguments may go unpursued, since the outcome of challenging agency action will not guarantee a changed result in an institution decision.

As Motorola noted in its mandamus petition, "an independent APA lawsuit untethered from the institution decision would not allow Motorola to obtain meaningful relief."^[12] This outcome substantially narrows the field of petitioners that will be motivated to raise such APA challenges.

While APA challenges may proceed in district court, the prospects for success remain uncertain, particularly in the absence of a clear statutory or constitutional violation.

Forward-Looking Considerations

The Federal Circuit's denial of Motorola's mandamus petition underscores the finality and discretionary nature of PTAB institution decisions, and clarifies that neither interim guidance nor shifting administrative policy creates substantive rights for petitioners.

Given the difficulty of raising such challenges, parties will likely seek out alternatives to challenging patents through IPRs. For example, petitioners may increasingly rely on *ex parte* reexaminations.

Additionally, critics of this outcome may argue that the nonappealable nature of Title 35 of the U.S. Code, Section 314(d), should be revisited by Congress to allow for narrow appellate review of the director's discretion, particularly in cases where abrupt changes in interim guidance resulted in procedural inconsistency within an active dispute.

The Federal Circuit's reasoning suggests that as long as Congress has committed an area to agency discretion, reliance interests — no matter how reasonable — carry little constitutional weight.

The order serves as a reminder that the USPTO retains significant authority to adapt its procedures in response to evolving legal and policy considerations, and that judicial review of such adaptations is tightly circumscribed. Going forward, parties involved in parallel litigation and IPR proceedings should closely monitor USPTO policy developments and be prepared for continued evolution in the application of discretionary denial factors.

Dion Bregman is a partner and co-leader of the PTAB group at Morgan Lewis & Bockius LLP.

Theodore Rand is an associate at the firm.

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[1] *In re Motorola Sol'ns*, Order on Mandamus Petition, No. 2025-134, at *5 (Fed. Cir. Nov. 6, 2025) (Linn, J.).

[2] *Id.* at 5 (including the acting director's rescission of previous director's guidance).

[3] *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (designated precedential May 5, 2020).

[4] USPTO Document: Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (June 21, 2022), https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf.

[5] USPTO Announcement: USPTO Rescinds Memorandum Addressing Discretionary Denial Procedures (Feb. 28, 2025), <https://content.govdelivery.com/accounts/USPTO/bulletins/3d4a99f>.

[6] Order at 6.

[7] *Id.* at 6-7.

[8] *Id.* at 7 (citing *Bloch v. Powell*, 348 F.3d 1060, 1069 (D.C. Cir. 2003)).

[9] *Id.* at 9-10.

[10] *Id.* at 10-11 (distinguishing from *Apple* on the basis that in that case the challenge related to notice-and-comment rulemaking requirements was "apart from the reviewability" of a specific institution decision).

[11] *Id.* at 7-8.

[12] *Id.* at 10.