



A Step Too Far? Why Stewart's Approach Is Dividing Opinion

World IP Review

Sarah Speight

June 20, 2025

[\[Link\]](#)

Coke Morgan Stewart has issued a raft of decisions under new guidance intended to improve the US patent appeals board process. But it's a divisive issue, finds Sarah Speight.

Since she was [sworn in](#) under President Trump's new government in January this year, the acting director of the [US Patent and Trademark Office](#) (USPTO) is certainly making her mark.

[Coke Morgan Stewart](#) issued her [latest Fintiv decision](#) this week, granting a patent owner's request for discretionary denial and denying institution of *inter partes* review (IPR) at the agency's appeals board, the Patent Trial and Appeal Board (PTAB).

Dabico v Axa expands upon the recent 'settled expectations' approach taken by Stewart in *iRythm v Welch Allyn*, (June 6), which holds that a petitioner cannot seek to challenge a patent if they've known about it for a certain length of time—even if they face recent infringement proceedings related to that IP.

It follows a raft of decisions since March, either denying or granting IPR, which are coming thick and fast. Stewart's decisions, and the new process guiding them, is generating strong opinions, with critics arguing that it is unfair and unpredictable.

Former USPTO director [Kathi Vidal](#) described *iRythm v Welch Allyn* as "illogical" in a [strongly worded critique](#). And just today, she said *Dabico v Axa* "underscores the USPTO's recent unconstitutional overreach in the area of *inter partes* reviews", she told *WIPIR*. But more on that [here](#).

The '*Fintiv* factor'

It all began four months ago, in February 2025, when the USPTO [rescinded a memo](#) that former director [Kathi Vidal](#) had implemented in 2022.

Parties to post-grant proceedings should now refer to PTAB precedent for guidance, in particular the 2020 precedential decisions in [Apple v Fintiv](#), and [Sotera Wireless v Masimo](#).

In other words, it's a return to using the '*NHK-Fintiv* factor' in deciding whether to institute IPR or post-grant review (PGR) of patentability challenges before the [Patent Trial and Appeal Board](#) (PTAB).

That first memo was followed swiftly by another, detailing a [new interim process for PTAB workload management](#), which bifurcates the discretionary denial and the decision on the merits.

Stewart wasted no time, kicking off the new process just two days later with a [decision](#) in *Motorola Solutions v Stellar*.

Turbulent times

Since then, with each new decision there is a new swell of chatter among the IP community, with some claiming Stewart's actions are injecting unwelcome uncertainty into the system.

Vidal, now a partner at [Winston & Strawn](#), told *WIPR* recently of the reasoning behind the guidance when she was director and why Stewart's approach is changing things for the worse.

"One of the reasons we put the policy in place is because we felt like litigants and parties deserve certainty," she said. "We believe that just weighing a bunch of factors and letting each individual panel of judges come out however they wanted did not create a good system.

"I do think withdrawing it took away that certainty."

She added: "I do see the office trying, [with FAQs](#) and otherwise, to impart more certainty in the process. But anytime you're balancing factors and there aren't clear rules, you're going to have uncertainty.

"I know companies are struggling with how to deal with that."

She added: "From my perspective, this policy favours more of the patent trolls—and by patent trolls, I mean the ones that are just [in it] for money."

Fintiv: An 'unfair framework'

Another vocal critic of the policy is [Brent Babcock](#), a partner in the Patent Litigation and PTAB practice at Sterlington.

"I'm not a big fan of *Fintiv*," he told *WIPR*. "I think it's a pretty unfair framework. My view is that the patent office shouldn't be trying to predict what's happening in district court.

"They should be looking at what they can do, what they have control over. They have no control over what some judge is going to do in some remote district."

He added: “When *Fintiv* came out, it wasn’t really intended to be a case that defines how the patent office works, but other panels picked up on it, and then the patent office, under Iancu, made it precedential. So it became this rule that everybody had to follow.

“I was actually pleased when Iancu left and Vidal came in. Now we're back to *Fintiv*, and all of us practitioners are scratching our heads, going, ‘now what?’

New factors mean new-look petitions

Commenting on Stewart’s new bifurcated process, [Mauricio Uribe](#), a partner at Davies Wright Tremaine (who has [recently moved from Knobbe Martens](#)), told *WIPR* that it “appears to have introduced (at least more formally) new factors for consideration in discretionary denials”.

These include “the extent of the petition’s reliance on expert testimony”; “settled expectations of the parties, such as the length of time the claims have been in force”; and “compelling economic public health or national security interest”.

The bifurcated process and the additional factors “appear to be consistent with an approach for the USPTO to focus the PTAB’s existing resources by facilitating an increased number of discretionary denials of PTAB petitions”, he added.

“It seems essential now that the initial petition briefing will need to fully address discretionary denial criteria.”

Workforce crisis

There has been speculation that these moves have been made to protect the USPTO from its backlog and current workforce ‘crisis’.

[Speaking at a recent conference](#), Stewart said the office has “a lot” of vacancies, having seen its workforce drop from approximately 16,000 at the start of Trump’s second term to around 14,400 now.

On June 13, the agency posted job openings for patent examiner and trademark examining attorneys, but an earlier federal-wide hiring freeze and workforce reduction programmes may mean that not every position lost in the regime change is refilled.

Uribe noted that, “as stated in the March memo, the new policy does seem to be consistent with the overall goal that the ‘PTAB continues to meet its statutory obligations...while continuing to meet its capacity to conduct AIA proceedings.’

He added: “It appears that pendency/timing criteria remains a very important goal even in view of staffing changes. I would believe that changes in policy will continue, even with the announcement of new hiring initiatives at the USPTO.”

But Babcock believes that the USPTO is trying to figure out how to provide some disincentive for petitioners to not file petitions, so they can manage the workload.

“*Fintiv* is a ready-made tool in their toolshed. This is a way to get rid of cases, regardless of [whether] they're any good or not.

“I mean, *Fintiv* is really very little about the merits of the case. It's all about, ‘Is it going to be duplicative? Is the trial going to happen earlier? What is the district court going to do?’”

Influence of Ingenico case

[Scott Hejny](#), principal at McKool Smith, reasons that Stewart’s changes “seem to be directed at moving the IPR process back to what many feel was the original purpose of the AIA [America Invents Act]”, he told *WIPR*.

That is, “to create a PTAB process in which petitions for IPR can be filed as an alternative to invalidity proceedings in district courts”.

He added: “The [acting] director’s concern is likely heightened in view of the Federal Circuit decision in [Ingenico v IOENGINE](#) (May 7).

This, he explained, loosened the reigns of IPR estoppel and held that prior art references used in IPR proceedings can be re-used in district court proceedings as long as the statutory basis for the challenge in district court (eg, “known or used by others”) is different from the “described in a printed publication” basis for IPR challenges.

“Encouraging earlier challenges (through either third-party submitted prior art during prosecution, or PGR challenges within the first nine months of a patent’s issuance) can be seen as furthering this line of thinking,” explained Hejny.

Also, “creating a focus on the USPTO’s ongoing goal of only issuing high-quality patents that will not be subject to later invalidity proceedings, whether in district court or at the PTAB.”

But Babcock has reservations. “The *ex-parte* examination process is incomplete. My concern is that that process is, by definition, limited, so the PTAB process allows for better fact finding.”

The PTAB, he added, is “not perfect”. “I've won cases, I've lost cases. I've lost cases I think I should have won. But that's every lawyer, right?

“When you get the final written decisions from the patent office, there are always reasons, and they're thoughtful. The judges go through the technology, they go through the arguments. I've been pretty impressed with the quality of the jurisprudence there.”

He added that he was “I was kind of surprised” when Stewart implemented the new process, “because usually an interim director just stays the course”.

“But I think it was a response to the sweeping changes by DOGE and the Trump administration. I don't think they were targeting the USPTO. They were painting with a super broad brush, and I don't think it should apply to the PTO.”

Whether the PTAB's role will be subject to further change is unclear. And with the new USPTO director John Squires soon to be sworn in, this could all be academic.

As Vidal noted, "Over time, there'll be decisions by the acting director, by the PTAB, by the director when he comes in that hopefully will provide more certainty. But for now, until that's being shaped, there's a lot of uncertainty."