

IP Litigator, Can a Discretionary IPR Denial Also Shut the Door on Ex Parte Reexamination?, (Sept. 1, 2026)

IP Litigator

PTO Practice

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Discretionary factors, including "settled expectations," have done a lot of work at the PTAB over the past year. They have become a powerful basis for denying inter partes review (IPR), particularly when patents have been in force for years, and challengers waited to act. Ex parte reexamination is different. It is not subject to the IPR discretionary denial framework and is ordered when a reexamination request raises a substantial new question (SNQ) of patentability. But that distinction may not fully insulate reexamination from what happens first at the PTAB. After denying institution of an IPR based on settled expectations and other discretionary considerations, the Office has now denied a follow-on ex parte reexamination without reviewing whether the request raised an SNQ. Instead, the PTO denied the request because it relied on the same or substantially the same prior art or arguments previously presented to the Office, even though the Office never evaluated that art on the merits in the IPR. This result reflects a potential broader shift: Once discretionary denial applies at the IPR stage, regardless of the reasons, it may continue to limit access to an ex parte reexamination as well.

A Discretionary IPR Denial Without Reaching the Merits

Geotab filed IPR petitions challenging patents owned by Fractus. The then-Acting Director denied institution under Section 314(a) based on discretionary considerations. [\[1\]](#) The decision emphasized that the challenged patents had been in force for more than 11 years, creating "strong settled expectations" for the patent owner. The then-Acting Director also noted evidence that the petitioner had notice of the patents years earlier and had been in discussions with the patent owner before the patents were asserted.

The Office never reached the merits in the IPR. In reality, discretionary denial has become a key feature of modern PTAB practice, where an institution decision increasingly turns on threshold considerations such as timing, patent age, prior notice, and parallel activity rather than the strength of the prior art. The result is a growing category of denials based on these considerations without an evaluation of the art presented in the IPR.

Why Ex Parte Reexamination Seemed Like the Logical Next Step

After the IPR denial, Geotab turned to ex parte reexamination. This move makes sense in the current environment,

given institution of an IPR has become more discretionary and less predictable, and the statute that governs reexaminations indicates the Office will determine whether an SNQ is raised by the request. Thus, reexamination has become a more attractive alternative for challengers seeking Office review of prior art.

However, Geotab's reexamination request was also denied because the Office concluded that the same or substantially the same prior art or arguments had already been presented. [\[2\]](#) This left the challenger without a merits determination in both proceedings, even though it had twice presented prior art that had not been reviewed during the initial examination.

How the Prior IPR Petition Became a Section 325(d) Problem

In its decision, the Office cited the statutory mechanism found in Section 325(d). This provision allows the Director to reject a request for ex parte reexamination, an IPR, or a PGR when the same or substantially the same prior art or arguments were previously presented to the Office. Notwithstanding that the prior IPR ended at the institution stage and did not address the merits of the petition, the Office treated the prior art and arguments in the reexamination as previously presented, and denied Geotab's request for reexamination. This result suggests a discretionary denial at the IPR stage can carry forward and limit access to a separate proceeding when a reexamination would otherwise provide a path to merits review.

This decision is especially notable because the statutory provisions that govern ex parte reexaminations do not have the same statutory language as the provisions governing IPRs and PGRs, which confer discretionary denial authority. Rather, Section 303(a) states that "the Director will determine" whether the request satisfies the statutory threshold for ordering reexamination. But when Section 325(d) is applied to a reexamination request after a discretionary IPR denial, the practical effect is similar. Thus, even if an earlier IPR never reaches the merits, a challenger may be denied access to a reexamination because the petition in the denied IPR included at least some of the same prior art or arguments.

The same theme appears in recent mandamus decisions. The USPTO has taken the position, and the Federal Circuit has agreed, that IPR institution is a discretionary benefit, not a protected right. Within that framework, challengers are not entitled to a merits determination, and ex parte reexamination serves as an alternative path. This decision suggests that the two are more connected than they may appear, particularly when the same prior art is used.

Strategic Takeaways for Practitioners

For challengers, ex parte reexamination should not be viewed as a clean second opportunity after a discretionary IPR denial. Decisions made at the petition stage, including timing and prior art selection, can carry consequences across proceedings. That is true whether the discretionary denial rests on settled expectations, parallel litigation, prior notice, resource considerations, or another threshold ground.

Another important point here is sequencing. Geotab did not start with reexamination in challenging the patents. Rather, it went to the PTAB first, received a discretionary denial, and then returned to the Office through a different procedural path asserting the same prior art. Had Geotab started with reexamination, the results likely would have been different, as the Office would not have had the opportunity to supply the mechanism in Section 325(d).

For patent owners, where a reexamination request follows a denied IPR and relies on overlapping art, Section 325(d) offers a strong basis to argue that the Office should decline to proceed.

More broadly, this decision underscores that reexaminations are no longer as siloed as challengers have assumed. IPR institution decisions remain discretionary, final, and unappealable, while ex parte reexamination is not governed

by the same discretionary denial framework. But when the same prior art returns to the Office after a discretionary IPR denial, the earlier proceeding may matter. Proceedings that once operated independently are becoming more connected. And the first attempt to bring prior art to the Office may now matter more than any that follow.

Footnotes

- ¹ *Geotab Inc. v. Fractus, S.A.*, IPR2025-00928, Paper No. 11 (P.T.A.B. Sep. 15, 2025); *Geotab Inc. v. Fractus, S.A.*, IPR2025-00929, Paper No. 11 (P.T.A.B. Sep. 15, 2025).
- ² Reexamination of U.S. Patent No. 8,810,458, No. 90/015,984 (decision May 22, 2026).

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