

# Data Undermines USPTO's 'Settled Expectations' Doctrine

By **Jonathan DeFosse, Samuel Smith and Kenzo Kasai** (August 29, 2025)

The acting director of the U.S. Patent and Trademark Office, Coke Morgan Stewart, has issued a series of decisions discretionarily denying institution of inter partes review based, at least in part, on the assertion that IPR is unwarranted because a patent owner develops so-called settled expectations once a patent has been in force for six or more years.

To test the premise of the settled expectations doctrine empirically, we collected data from IPR petitions filed since 2012 to determine the age of patents challenged in those proceedings.

Our research indicates that a substantial volume of IPR proceedings — more than 8,000 petitions, representing more than 46% of IPR petitions filed since 2012 — challenged patents that were in force for six or more years.

Those petitions resulted in cancellation of at least one claim in over 80% of the proceedings that reached final written decisions. This data appears to refute the assertion that patent owners develop a strong settled expectation that their patents will not be challenged or invalidated once the patents are in force for six years.

## The Doctrine

On March 26, Stewart **issued** a memorandum to all Patent Trial and Appeal Board judges announcing that decisions on whether to institute inter partes review would be bifurcated into two phases: (1) discretionary considerations; and (2) merits and other nondiscretionary statutory considerations.

In the same memorandum, Stewart listed relevant discretionary considerations, including "[s]ettled expectations of the parties, such as the length of time the claims have been in force."

The memorandum did not provide any precedential basis for the settled expectations doctrine. The memorandum also did not elaborate on the nature of the settled expectations.

For example, it is unclear whether Stewart was referring to a settled expectation in the underlying validity of a patent or, alternatively, a settled expectation that the validity of the patent will not be challenged.

In June and July, Stewart and the acting deputy chief administrative patent judge, Kalyan Deshpande, issued 113 decisions referencing the settled expectations of the patent owners.

On June 18, Stewart stated in *Dabico Airport Solutions Inc. v. AXA Power Aps* that "there is no bright-line rule on when expectations become settled," but, in general, "the longer the patent has been in force, the more settled expectations should be." [1]



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Despite the absence of a bright-line rule, Stewart has consistently found that patent owners developed strong settled expectations once their patents have been in force for six years.

Out of 113 discretionary denial decisions, 71 decisions addressed patents that had been in force for six or more years. In 90% of those cases — 64 out of 71 — Stewart discretionarily denied the petitions based, at least in part, on the patent owner's strong settled expectations.

She appears to have derived the de facto six-year period for developing strong settled expectations by way of analogy to the six-year statutory damages period.[2]

The de facto presumption of settled expectations after six years has been overcome in a few cases. Those cases offer several reasons why a patent owner may not have settled expectations.

- In *Embody Inc. v. Lifenet Health*, decided June 26, the patent is part of a family and there is a related patent that is less than 6 years old.[3]
- In *Globus Medical Inc. v. Spinelogik Inc.*, decided June 12, the patent expired for nonpayment of maintenance fees.[4]
- In *Eusung Global Corp. v. Hydrafacial LLC*, decided July 10, the patent was issued after a material error during examination.[5]
- In *Shenzen Tuozhu Technology Co. Ltd. v. Stratasys Inc.*, decided July 17, the patent owner did not invest in or seek to commercialize the patent.[6]

## **Empirical Analysis**

To provide an empirical analysis for Stewart's reliance on a patent owner's strong settled expectations, we used *Lex Machina* to collect data from IPR petitions filed since 2012 to see whether those proceedings provide evidence of the settled expectations of patent owners.

Data collected from IPR proceedings indicates that it would have been unreasonable for patent owners to develop an expectation that their patents would not be challenged after six years.

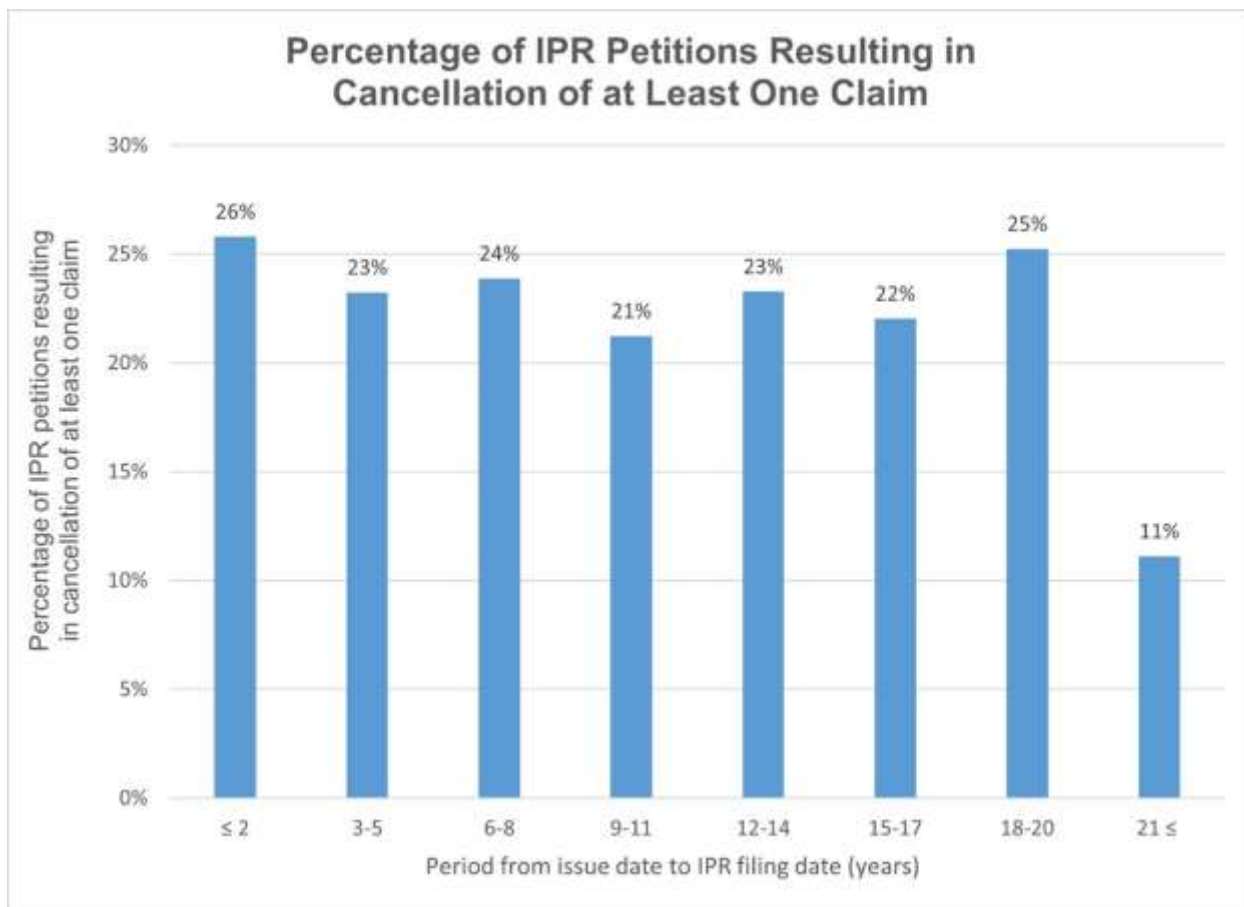
Out of 17,515 IPR petitions filed since 2012, 8,166 of those petitions challenged patents that had been in force for six or more years.[7] The age of the patents challenged is reflected in the following chart.



As reflected above, 46.6% of patents challenged in IPR proceedings since 2012 have been in force for six or more years. Indeed, the average age of patents challenged in IPR proceedings is greater than 6.7 years.

The data also indicates that claims that were in force for more than six years were routinely invalidated. Out of 8,166 petitions challenging patents in force for more than six years, 2,269 petitions reached a final written decision.[8]

Out of the 2,269 final written decisions, 1,861 — or 82% — resulted in cancellation of at least one claim. The percentage of petitions resulting in the cancellation of at least one claim was also steady regardless of the age of the challenged patent, as shown in the following chart.



Thus, based on the history of IPR proceedings, patent owners would not appear to have any reasonable settled expectations either (1) that that patents will not be challenged after six years; or (2) that, if challenged, the claims will be found valid based on "the length of time the claims have been in force."

To the contrary, patent owners could reasonably expect their patents to be challenged, and the claims invalidated regardless of the age of the patents.

Under these circumstances — where the empirical data confirms that, historically, patents of all ages have been challenged and invalidated in IPR proceedings — a patent owner's hypothetical strong settled expectations counsel against discretionarily denying IPR petitions.

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[1] Dabico Airport Solutions Inc. v. AXA Power Aps, IPR2025-00408, Paper 21 at 3 (Acting Dir. Stewart June 18, 2025).

[2] See Dabico, IPR2025-00408 at 3 ("The approach aligns with other approaches to settled expectations and incentives, for example, for filing infringement lawsuits. Cf. 35 U.S.C. § 286 ('Except as otherwise provided by law, no recovery shall be had for any infringement committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action.').").

[3] See Embody, Inc. v. Lifenet Health, IPR2025-00248, Paper 13 at 3 (Acting Dir. Stewart June 26, 2025).

[4] Globus Medical, Inc. v. Spinelogik, Inc., IPR2025-00225, Paper 8 at 2 (Acting Dir. Stewart June 12, 2025).

[5] See e.g., Eusung Global Corp. v. Hydrafacial LLC, IPR2025-00445, Paper 14 at 2 (Acting Dir. Stewart July 10, 2025).

[6] Shenzen Tuozhu Tech. Co., LTD v. Stratasys Inc., IPR2025-00531, Paper 10 at 3 (Acting Dir. Stewart July 17, 2025).

[7] We have collected data for IPRs filed between September 16, 2012 and July 23, 2025.

[8] Additionally, the data indicates that, historically, institution decisions have shown no bias against patents that have been in force for more than six years. Since 2012, 20.1% of petitions challenging patents that had been in force for less than six years were denied institution. In comparison, only 17.9% of petitions challenging patents that had been in force for more than six years were denied institution.