
In the
United States Court of Appeals
for the
Federal Circuit

In re: VOLKSWAGEN GROUP OF AMERICA, INC.,

Petitioner.

2026-123

On Petition for Writ of Mandamus to the
United States Patent and Trademark Office, Patent Trial and Appeal Board, Case
No. IPR2025-00925

**RESPONDENT'S OPPOSITION TO PETITIONER'S
PETITION FOR WRIT OF MANDAMUS**

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CERTIFICATE OF INTEREST

Counsel Longhorn Automotive Group LLC certifies the following:

1. Provide the full names of all entities represented by undersigned counsel in this case:

Longhorn Automotive Group LLC

2. Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities:

None

3. Provide the full names of all parent corporations for the entities and all publicly held companies that own 10 percent or more of the stock in the entities:

None

4. List the names of all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency or (b) are expected to appear in this court for the entities. Do not include those who have already entered an appearance in this court. Fed. Cir. R. 47.4(a)(4):

RUBINO IP, 51 J.F.K Parkway, Short Hills, New Jersey 07078: John A. Rubino

5. Provide the case titles and numbers of any case known to be pending in this court or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. Do not include the originating case number(s) for this case. Fed. Cir. R. 47.4(a)(5). *See also* Fed. Cir. R. 47.5(b).

Longhorn Automotive Group LLC v. Volkswagen AG, 2:24-cv-00933 (E.D. Tex.)

6. Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). Fed. Cir. R. 47.4(a)(6).

None/Not Applicable

Dated: February 4, 2026

By: */s/Vincent J. Rubino, III*
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SUMMARY OF THE ARGUMENT

Respondent, Longhorn Automotive Group LLC (“LAG” or Respondent”), respectfully requests that the Court decline to issue a writ of mandamus directing the United States Patent and Trademark Office (“USPTO”) to vacate the discretionary denial of institution and remand to consider institution under the framework proposed by Volkswagen Group of America, Inc. (“VW” or “Petitioner”).

The Petition should be denied because it seeks to circumvent the recent case law from this Court rejecting the statutory and constitutional arguments under the Administrative Procedure Act (“APA”) and Due Process that the Petitioner raised at the agency but abandons here. The Petition’s new argument, not raised below, that the USPTO’s use of the “settled expectations” factor in denying institution of *inter partes* review violates separation of powers has already been rejected by this Court on mandamus in *In re Cambridge Indus. USA Inc.*, No. 2026-101, 2025 WL 3526129 (Fed. Cir. Dec. 9, 2025), and *In re Sandisk Techs., Inc.*, No. 2025-152, 2025 WL 3526507 (Fed. Cir. Dec. 9, 2025), as this Court recently confirmed in *In re Google LLC*, No. 26-111, 2026 WL 204945 (Fed. Cir. Jan. 27, 2026).

The Petition’s argument that the Director’s discretion to deny institution of IPR is an unconstitutional delegation of Congressional authority that violates the separation of powers is based on the false premise that the Director’s only stated reason for denying institution was settled expectations, but the Decision states that

the Director considered all the evidence and arguments. Nevertheless, Petitioner's new arguments fail for multiple reasons.

First, Petitioner fails to meet any of the requirements of the issuance of a writ. Petitioner cannot establish it has a "clear and indisputable right" to the issuance of a writ of mandamus. Petitioner's allegedly "novel" constitutional challenge based on the nondelegation doctrine which has not been invoked by the Supreme Court since 1935 is not clear and indisputable, particularly in light of this Court's recent decisions rejecting the separation of powers argument. As others have tried, Petitioner couches its challenge as "constitutional" because the Supreme Court has determined the Director's discretionary decisions are "final and nonappealable" except where "colorable constitutional claims" are raised. In fact, the Petition challenges the Director's authority to maintain and promote administrative efficiency, which is not a constitutional issue.

The Petition further fails to demonstrate that Petitioner has no alternative means for relief. Instead, it merely states, without support, that Petitioner cannot pursue its claims through an independent action in an Article III court. The likely reason is that Petitioner wants an expedited challenge to the Decision rather than fully litigate the merits of its constitutional claims. Indeed, this Court has found Petitioner's arguments raised before the agency – including violations of the APA – could be presented to an Article III court.

The Petition also does not show why mandamus relief is appropriate under the circumstances where (1) the Court is being presented with an untested legal theory in a truncated proceeding, (2) the Supreme Court and this Court have recognized the Director’s discretionary authority multiple times, and (3) the requested relief of revising the statutory framework is an extreme remedy in a mandamus proceeding arising from an agency decision.

Second, Petitioner failed to raise its separation of powers argument before the agency and therefore waived its right to raise it before this Court.

Third, even assuming the Petitioner raises a legitimate constitutional claim, the Petition does not establish that the Director’s exercise of discretion is equivalent to “legislative authority” rather than proper maintenance of administrative efficiency.

COUNTERSTATEMENT OF THE ISSUES

The Director’s exercise of his discretionary authority to deny institution in IPR2025-00925 pursuant to 35 U.S.C. 314(d) does not violate the separation of powers through the non-delegation doctrine.

COUNTERSTATEMENT OF THE FACTS

On April 24, 2025, Petitioner filed a petition for *inter partes* review of U.S. Patent No. 8,085,192 (the “’192 Patent”), challenging all 22 claims of the ’192 Patent. *See* Appx8-120. In response, Respondent filed a request for discretionary

denial of institution on July 23, 2025. *See* Appx121-138. The request for discretionary denial argued the Director should deny Petitioner’s request for *inter partes* review of the ’192 Patent under 35 U.S.C. § 314(a) because the *NHK-Fintiv* factors favored discretionary denial. *See* Appx126-134. Respondent also argued that the Director should deny Petitioner’s request because Respondent had strong settled expectations. *See* Appx134-135.

Specifically, Respondent argued that the ’192 Patent was granted over thirteen (13) years before Petitioner filed its request, and the ’192 Patent claimed priority to an application filed nineteen (19) years before Petitioner’s request. *See* Appx134. Respondent further argued that the ’192 Patent would expire before the deadline for an institution decision. *See* Appx134-135. Based on these facts, Respondent argued it has strong settled expectations, and Petitioner’s request should be denied. *See* Appx135.

On August 25, 2025, Petitioner filed a response in opposition to Respondent’s request for discretionary denial. *See* Appx139-204. Petitioner addressed the *NHK-Fintiv* factors and further argued that review of the ’192 Patent was an appropriate use of the agency’s resource given certain economic considerations. *See id.*

On September 12, 2025, the Director issued the Decision denying Petitioner’s request for *inter partes* review. *See* Appx1-4. The Decision denied Petitioner’s request “[a]fter considering the parties’ arguments and the record, and in view of all

relevant considerations,” and “based on the totality of the evidence and arguments the parties [] presented.” *See* Appx2. Through consideration of the totality of the evidence and arguments, the Director determined that certain considerations favored discretionary denial. *See id.* One such consideration was Respondent’s strong settled expectations in the ’192 Patent, which had been in force for thirteen years. *See id.* The Director further found unconvincing Petitioner’s argument that the examiner erred and found that Petitioner’s characterization of the examiner’s purported error did not accurately reflect the prosecution history. *See id.* While the Decision highlighted these two arguments, the Director noted that “the determination to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented.” *See* Appx3.

On October 14, 2025, Petitioner filed a request for Director review of the decision. *See* Appx205-217. The request for Director review raised three arguments: (1) “the Decision erred when relying on an interview summary, not the stated reasons for allowance, to determine whether the ’192 patent was allowed in error;” (2) “the prior art in the petition overcomes the Decision’s understanding of the examiner’s reasons for allowance;” and (3) “the Decision failed to consider key arguments in favor of institution, contrary to the APA and Due Process.” *See* Appx208-215.

On November 12, 2025, the Director entered an order denying Petitioner’s request for Director review. *See* Appx5-6.

Petitioner filed the Petition on January 6, 2026.

REASONS WHY THIS WRIT SHOULD NOT ISSUE¹

Petitioner is not entitled to a writ of mandamus because the Director’s authority under 35 U.S.C. § 314 does not violate the separation of powers as an improper delegation of Congressional authority.

I. Legal Standard for Issuance of a Writ of Mandamus

Issuing a writ of mandamus is a “drastic one, to be invoked only in extraordinary situations.” *Allied Chem. Corp. v. Daiflon, Inc.*, 449 U.S. 33, 34 (1980) (citing *Will v. United States*, 389 U.S. 90, 95 (1967); *Bankers Life & Cas. Co. v. Holland*, 346 U.S. 379, 382–385 (1953); *Ex parte Fahey*, 332 U.S. 258, 259 (1947)).

To be eligible for issue of a writ of mandamus, the Petitioner must satisfy three conditions: “(1) the petitioner must demonstrate a clear and indisputable right to issuance of the writ; (2) the petitioner must have no other adequate method of attaining the desired relief; and (3) the court must be satisfied that the writ is appropriate under the circumstances.” *In re Apple Inc.*, 979 F.3d 1332, 1336 (Fed. Cir. 2020) (citing *Cheney v. U.S. Dist. Ct. for D.C.*, 542 U.S. 367, 380-81 (2004)).

¹ The arguments presented in the amicus brief are substantially similar, if not identical, to those raised by the same parties in *In re Cambridge* and *In re Sandisk*. Because this Court rejected these arguments in those matters, it should similarly reject them in this matter.

In the context of the relief sought in the Petition, the standard is even more exacting. “When a mandamus petition challenges a decision denying institution, the mandamus standard will be especially difficult to satisfy.” *Mylan Lab’ys Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021). The scope of a “review of a mandamus petition over a denial of institution is very narrow.” *Id.* The only exception to this narrow review is for “colorable constitutional claims.” *Id.* (citation omitted). In *Mylan*, this Court expressly stated that “[w]hile we need not explore the outer contours of possibility, it is difficult to imagine a mandamus petition that challenges a denial of institution and identifies a clear and indisputable right to relief.” *Id.* However, “[a] writ of mandamus is not intended to be simply an alternative means of obtaining appellate relief, particularly where relief by appeal has been specifically prohibited by Congress.” *In re Power Integrations, Inc.*, 899 F.3d 1316, 1319 (Fed. Cir. 2018) (citations omitted).

II. Petitioner Cannot Demonstrate that it Has a “Clear and Indisputable Right to Mandamus Relief

Petitioner fails to demonstrate that it satisfies the threshold requirement of a “clear and indisputable right to issuance of a writ.” The Petition mischaracterizes the Director’s decision denying institution, falsely asserting that “[t]he Director’s only stated reason for denying institution was that the age of the patent created ‘strong settled expectations’ for Longhorn.” Pet. at 5 (citing Appx2). In fact, the Decision expressly stated that the Director based its determination “on the totality of the

evidence and arguments the parties have presented.” Appx2. The Director specifically considered and rejected Petitioner’s argument that the examiner committed an error in issuing the ’192 Patent. *See id.* (“Further, Petitioner’s argument that the Examiner erred is unconvincing as it does not accurately characterize the prosecution history.”). The Director concluded that “[a]lthough certain arguments are highlighted above, the determination to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petition is denied under 35 U.S.C. § 314(a).” Appx3. Based on his “holistic” view of the record, including consideration of the merits of the Petition, the Director properly exercised his discretion to deny Petitioner’s institution request. *See* Appx3.

As this Court and other courts have recognized, and as Petitioner admits, under the America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284 (2011), “Congress has committed the decision to institute inter partes review to the Director’s unreviewable discretion.” *United States v. Arthrex, Inc.*, 594 U.S. 1, 8–9 (2021) (citing *Thryv, Inc v. Click-To-Call Techs., LP*, 590 U.S. 45, 52 (2020)). Some jurists have found sound reasoning for Congress’ decision. *See Thryv, Inc.*, 590 U.S. at 66 (Ginsburg, J., dissenting) (“And it is easy to see why Congress might make a preliminary merits assessment like that exempt from further view: If the Director

institutes a meritless petition, the Board can summarily affirm the patent’s validity.”) (citing § 318(a); 37 CFR §§ 42.71–42.73).

A. Petitioner’s Claims Are Not Constitutional Claims but a Challenge to the Director’s Discretionary Authority that this Court Has Already Rejected

The Petition does not present a true constitutional challenge; the Petition merely challenges the Director’s policy to deny institution based on “settled expectations” as exceeding the Director’s authority under § 314. The Petition admits as much. *See* Pet. at 22 (“Thus, the Court should construe § 314 to permit the Director to deny institution only when a statute permits such discretionary denial. Denying institution for nonstatutory reasons (e.g., ‘settled expectations’) is otherwise prohibited.”). Petitioner pursues claims under the nondelegation doctrine because its theories challenging the Director’s exercise of discretion under Section 314 as violating the APA and Due Process—both of which were raised below and not discussed in the Petition—have been recently rejected by this Court several times. *See, e.g., In re Motorola Sols., Inc.*, 159 F.4th 30, 33 (Fed. Cir. 2025) (denying a petition for writ of mandamus under claims that the then Acting Director “violated certain procedural protections guaranteed by the Administrative Procedure Act (APA) and the Due Process Clause of the Fifth Amendment to the Constitution . . .”); *In re SAP Am., Inc.*, No. 2025-132, 2025 WL 3096788, at *2 (Fed. Cir. Nov. 6, 2025) (nonprecedential) (holding that the petitioner’s purportedly

“colorable constitutional claims” were foreclosed based on the *In re Motorola* decision); *In re Google LLC*, No. 2025-144, 2025 WL 3096849, at *2 (Fed. Cir. Nov. 6, 2025) (nonprecedential) (holding same); *In re Cambridge*, 2025 WL 3526129, at *2 (nonprecedential) (rejecting APA and Due Process claims); *In re HighLevel, Inc.*, No. 2025-148, 2025 WL 3527144, at *1 (Fed. Cir. Dec. 9, 2025) (nonprecedential) (holding same); *In re Sandisk*, 2025 WL 3526507 (arriving at the same conclusion as the *In re Cambridge* decision) (nonprecedential). Indeed, this Court explained in *In re Cambridge* that a separation of powers challenge based on the USPTO’s use of settled expectations as a factor in denying institution of an IPR is not a proper constitutional claim, but merely one directed to whether the Director exceeded his statutory authority. *In re Cambridge*, 2025 WL 3526129, at *2 n.1 (quoting *Dalton v. Specter*, 511 U.S. 462, 473-74 (1994)). These decisions are conspicuously absent from the Petition because they foreclose the same or similar APA and constitutional claims raised by Petitioner before the agency.

The Petition further fails to establish a “clear and indisputable right” to mandamus relief because the arguments presented “are about what factors the Director may consider when deciding whether to institute IPR.” *Id.*, at *3. Such arguments “‘focus directly and expressly on institution standards[]’ and turn on ‘the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review,’ which are not generally reviewable.” *Id.* (internal

citations omitted) (quoting *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 274-75 (2016)).

B. Even if the Court Treats Petitioner’s Claims as Constitutional Arguments, they Fail to Demonstrate and Clear and Indisputable Right the Mandamus Relief

Even if this Court were to accept the Petition as presenting legitimate constitutional arguments, Petitioner cannot establish a “clear and indisputable right” to relief.

Considering settled expectations as a factor in discretionarily denying institution of *inter partes* review does not violate separation of powers and does not support mandamus. This Court has repeatedly denied mandamus challenges based on separation-of-powers arguments. *In re Google*, No. 26-111, 2026 WL 204945 (Fed. Cir. Jan. 27, 2026) (citing *In re Cambridge*, 2025 WL 3526129; *In re Sandisk*, 2025 WL 3526507). This Petition was filed after this Court’s decisions in *In re Cambridge* and *In re Sandisk* and yet fails to address or distinguish their holdings from the circumstances of this case. No relevant distinction exists.

The Petition’s attempt to invoke a violation of the nondelegation doctrine, which the Supreme Court has found only twice in its history, is unavailing. *See Clinton v. City of New York*, 524 U.S. 417, 485-86 (1998) (Breyer, J., dissenting) (“Indeed, the Court has only twice in its history found that a congressional delegation of power violated the ‘nondelegation’ doctrine.”); *see also Loving v. United States*,

517 U.S. 748, 771 (1996) (“Though in 1935 we struck down two delegations for lack of an intelligible principle . . . we have since upheld, without exception, delegations under standards phrased in sweeping terms.”). The Petition cites both instances where the Supreme Court found a violation of the nondelegation doctrine because no other binding precedent exists. Petitioner can find no support in either case, however.

In *Panama Refining Co. v. Ryan*, 293 U.S. 388, 416 (1935), the Supreme Court found the Petroleum Code under the National Industrial Recovery Act of 1933 violated the Constitution on several grounds. One reason was that it gave “the President an unlimited authority to determine the policy and to lay down the prohibition, or not to lay it down, as he may see fit. And disobedience to his order is made a crime punishable by fine and imprisonment.” *Id.* Importantly, the Supreme Court held that the relevant statute did not “require the President to make any determination as to any facts or circumstances[.]” when to forbid the transportation of hot oil. *Id.* at 418. The law was also prohibitory in nature. *Id.* at 414. Institution decisions are not comparable to statutory violations that constitute crimes punishable by fines and imprisonment.

The Supreme Court’s decision in *A.L.A. Schechter Poultry Corp. v. United States*, 295 U.S. 495 (1935), is similarly unavailing. There, again facing the constitutionality of a provision of the National Industrial Recovery Act, the Supreme

Court held that the relevant statutory delegation did not “prescrib[e] rules of conduct” but instead “authorize[d] the making of codes to prescribe them.” *Id.*, at 541. The Supreme Court also held the statutory language unconstitutional because it conferred “power on private parties to promulgate rules applying that standard to virtually all of American industry[.]” *Clinton*, 524 U.S. at 486 (Breyer, J., dissenting) (citing *Schechter Poultry*, 295 U.S. at 521-25).

The historical backdrop against which Congress passed the National Industrial Recovery Act is significant. As noted in *Schechter Poultry*, the government advocated for the National Industrial Recovery Act as a Congressional attempt to address the Great Depression through New Deal legislation. *See Schechter Poultry*, 295 U.S. at 528 (“We are told that the provision of the statute authorizing the adoption of codes must be viewed in the light of the grave national crisis with which Congress was confronted.”). Neither of these decisions compare to the duly recognized authority of the Director under the AIA.

The only other case the Petition looks to is *Jarkesy v. Sec. & Exch. Comm’n*, 34 F.4th 446 (5th Cir. 2022), *aff’d on other grounds and remanded*, 603 U.S. 109 (2024), *and adhered to*, 132 F.4th 745 (5th Cir. 2024). In that case, the Fifth Circuit found unconstitutional the “exclusive authority and absolute discretion” vested in the SEC by Congress “to decide whether to bring securities fraud enforcement actions within the agency instead of in an Article III court.” *Jarkesy*, 34 F.4th at 462.

The Fifth Circuit reasoned Congress' grant of authority "gave the SEC the power to decide which defendants should receive *certain legal processes* (those accompanying Article III proceedings) and which should not." *Id.* at 462. The case presented in *Jarkesy* is not analogous to the Director's exercise of his discretion whether to institute *inter partes* reviews.

As the Petitioner and this Court are aware, *inter partes* review is an optional opportunity to seek reconsideration of the USPTO's prior grant of a patent, and it does not deprive a petitioner of seeking relief in an Article III court. *See Return Mail, Inc. v. U.S. Postal Serv.*, 868 F.3d 1350, 1354 (Fed. Cir. 2017), *rev'd on other grounds*, 587 U.S. 618 (2019) ("Ultimately, Congress intended CBM review, like the programs for IPR and PGR, to provide [a] quick and cost effective alternative[] to litigation in the courts.") (quoting *PPC Broadband, Inc. v. Corning Optical Commc'ns RF, LLC*, 815 F.3d 734, 741 (Fed. Cir. 2016) (internal quotations omitted and alterations in original); *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 584 U.S. 325, 335 (2018) ("Inter partes review is simply a reconsideration of that grant, and Congress has permissibly reserved the PTO's authority to conduct that reconsideration. Thus, the PTO can do so without violating Article III.")). Therefore, *Jarkesy* provides no basis to find the Director's discretion unconstitutional because there is no deprivation of a right to an Article III adjudication.

Petitioner’s reliance on *In re BigCommerce, Inc.*, and the authorities cited therein, for the proposition that mandamus is appropriate to decide “basic” and “undecided questions” is misplaced. 890 F.3d 978, 981 (Fed. Cir. 2018) (quoting *Schlagenhauf v. Holder*, 379 U.S. 104, 110 (1964), and *In re Queen’s Univ. at Kingston*, 820 F.3d 1287, 1291 (Fed. Cir. 2016)). In *BigCommerce*, this Court addressed the issue of whether a corporation “resides” under § 1400(b) “in every judicial district within its state of incorporation when the state has more than one judicial district.” *Id.* Importantly, “different district courts ha[d] come to different conclusions” on the issue, which warranted the Court’s attention to prevent further disagreement amongst lower courts. *Id.* In *Schlagenhauf*, the Supreme Court recognized that the Court of Appeals “had the power to review on a petition for mandamus the basic, undecided question of whether a district court could order the mental or physical examination of a defendant[]” under Fed. R. Civ. P. 35, prior to subsequent amendments. 379 U.S. at 110. And, in *Queen’s Univ.*, this Court again endeavored to resolve a split among district courts regarding whether a “a patent-agent privilege exists.” 820 F.3d at 1292. None of these decisions compare to the issues raised in the Petition, which purports to present an issue no court has yet addressed. *See* Pet. at 27.

Accordingly, Petitioner fails to present this Court with a colorable constitutional claim for consideration.

III. Petitioner Is Not Entitled to Mandamus Relief Because it Cannot Satisfy the Remaining Mandamus Factors

A. Petitioner Has Alternative Methods to Obtain the Desired Relief

At bottom, Petitioner’s desired relief is for the USPTO to reconsider the invalidity arguments it raised below before the agency. *See* Pet. at 2 (asking this Court to “vacate the discretionary denial of institution in IPR2025-00925 and remand to consider institution under a statutory framework that does not violate the nondelegation doctrine.”). Putting aside the unsubstantiated constitutional complaints, the Petitioner can have the USPTO reconsider its invalidity arguments through *ex parte* reexamination. Because a final written decision was never entered, Petitioner is not estopped from seeking this alternative challenge to the ’192 Patent. *See* 35 U.S.C. § 315(e)(1) (“The petitioner in an inter partes review of a claim in a patent under this chapter ***that results in a final written decision under section 318(a)***, or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.”) (emphasis added).

Petitioner may also seek relief through the courts on its APA and Due Process claims properly raised before the agency. Indeed, Petitioner readily concedes in the Petition through citation of the appellee’s brief in *Apple Inc. v. Squires*, No. 24-1864,

Dkt. 49 (Fed. Cir. Oct. 16, 2024), that it may generally challenge the Director’s rule governing how the agency considers the petition for *inter partes* review in district court. *See* Pet. at 20. The *Apple v. Squires* matter came before this Court by way of an appeal of a district court action challenging another rule adopted by the Director as allegedly violating the AIA. *See Apple Inc. v. Andrei Iancu*, No. 5:20-cv-6128, Dkt. 1 (N.D.C.A. August 31, 2020) (seeking relief under the AIA to invalidate the *NHK-Fintiv* rule). Petitioner further does not explain why it cannot bring its newly raised structural constitutional challenges before an Article III court.

Accordingly, Petitioner has alternative means of seeking its desired relief that preclude issuance of a writ of mandamus.

B. The Issuance of a Writ Is Not Appropriate Under the Circumstances

Even if this Court were to decide that the Petition meets the first two requirements for mandamus relief, the issuance of a writ is not appropriate under the circumstances. “[E]ven if the first two prerequisites have been met, the issuing court, in the exercise of its discretion, must be satisfied that the writ is appropriate under the circumstances.” *Cheney*, 542 U.S. at 381 (citations omitted). Indeed, the Petition provides no grounds demonstrating that the issuance of a writ is appropriate under the circumstances for several reasons.

First, the relief requested is extreme. Petitioner asks this Court to limit the Director’s discretionary authority unless it is expressly permitted by statute. *See* Pet.

at 22 (“Thus, the Court should construe § 314 to permit the Director to deny institution only when a statute permits such discretionary denial.”). Petitioner does not and cannot explain why the Director’s decision to deny institution of its request for *inter partes* review of a single patent justifies upending the *inter partes* review paradigm currently in place. Petitioner’s request for this Court to nullify the current statutory scheme conferring discretion on the Director to institute *inter partes* review is inappropriate in a request for mandamus relief.

The Supreme Court and this Court have not disturbed the Director’s discretion and non-appealability of its exercise. *See, e.g., Cuozzo*, 579 U.S. at 274; *Oil States Energy*, 584 U.S. at 331 (“The Director’s decision is final and nonappealable.”) (internal quotations and citations omitted); *Thryv*, 590 U.S. at 48 (“The question before us: Does § 314(d)’s bar on judicial review of the agency’s decision to institute *inter partes* review preclude Click-to-Call’s appeal? Our answer is yes.”); *SAS Inst., Inc. v. Iancu*, 584 U.S. 357, 358 (2018) (“Finally, notwithstanding § 314(d)—which makes the Director’s determination whether to institute an *inter partes* review ‘final and nonappealable’—judicial review remains available consistent with the Administrative Procedure Act to ensure that the Patent Office does not exceed its statutory bounds.”); *St. Jude Med., Cardiology Div., Inc. v. Volcano Corp.*, 749 F.3d 1373, 1376 (Fed. Cir. 2014). The Petition fails to explain why the Director’s discretion has been consistently upheld, other than to blame the courts. *See* Pet. at

22 (“Here, the nondelegation problem stems from how courts have interpreted § 314 to give the Director unfettered power to deny institution.”). Disturbing this deference is not appropriate in a mandamus proceeding.

Second, the Supreme Court has only accepted a constitutional challenge under the nondelegation doctrine twice. Petitioner cannot reasonably argue that the extraordinary remedy of mandamus relief is appropriate under precedent not entertained by the Supreme Court for over ninety (90) years. The Supreme Court has not invoked the nondelegation doctrine since 1935 because it has “almost never felt qualified to second-guess Congress regarding the permissible degree of policy judgment that can be left to those executing or applying the law.” *Whitman v. Am. Trucking Ass’ns*, 531 U.S. 457, 474-75 (2001) (quoting *Mistretta v. United States*, 488 U.S. 361, 416 (1989) (Scalia, J., dissenting)). And, the Petition has not identified a case where a Court has upheld a nondelegation challenge in the context of mandamus review. Nor should the Court do so here when the Petition reframes statutory claims as constitutional ones. This Court has routinely held that “the statutory prohibition on appeals from decisions not to institute inter partes review cannot be sidestepped simply by styling the request for review as a petition for mandamus.” *In re Power Integrations, Inc.*, 899 F.3d 1316, 1319 (Fed. Cir. 2018) (collecting cases). Significantly, Petitioner has not argued that it cannot bring its constitutional challenge in a full Article III challenge rather than by way of petition

for mandamus, which is a “drastic and extraordinary” remedy that is “reserved for really extraordinary causes.” *Cheney*, 542 U.S. at 380 (quoting *Ex parte Fahey*, 332 U.S. 259-60).

Third, as discussed *infra* (see Sec.IV.D.), Petitioner waived its nondelegation arguments by not raising them before the agency.

Accordingly, the issuance of a writ is not appropriate under the circumstances.

IV. Petitioner Forfeited its Separation of Powers Arguments by Failing to Raise them Before the Agency

“It is well-established that a party generally may not challenge an agency decision on a basis that was not presented to the agency.” *In re DBC*, 545 F.3d 1373, 1378 (Fed. Cir. 2008) (citing *Woodford v. Ngo*, 548 U.S. 81, 90 (2006); see also *United States v. L.A. Tucker Truck Lines*, 344 U.S. 33, 37 (1952)). This principle applies equally to constitutional claims. See *In re DBC*, 545 F.3d at 1378-79 (“If DBC had raised this issue in its appeal before the Board, the Board would have had an opportunity to consider and cure the alleged constitutional infirmity.”); see also *United States v. Olano*, 507 U.S. 725, 731 (1993) (“No procedural principle is more familiar to this Court than that a constitutional right . . . may be forfeited . . . by the failure to make timely assertion of the right.”) (quoting *Yakus v. United States*, 321 U.S. 414, 444 (1944)); *Curtis Publ’g Co. v. Butts*, 388 U.S. 130, 143 (1967) (“Of course it is equally clear that even constitutional objections may be waived by a failure to raise them at a proper time.”).

Petitioner waived its nondelegation challenge because it failed to raise it before the agency. Below, Petitioner raised three primary arguments: (1) “the Decision erred when relying on an interview summary, not the stated reasons for allowance, to determine whether the ’192 Patent was allowed in error” (Appx208-12); (2) “the prior art in the petition overcomes the Decision’s understanding of the Examiner’s reasons for allowance” (Appx212-23); and (3) “the decision failed to consider key arguments in favor of institution, contrary to the APA and Due Process.” Appx213-15. Not once did Petitioner raise – or even mention – a separation of powers violation based on the non-delegation doctrine. The Petition abandons the arguments raised below entirely and attempts to raise a purportedly novel issue regarding the interpretation of § 314 and the Director’s discretion to deny institution. *See* Pet. at 8. This argument was likely conceived based on this Court’s recent rejections of challenges to the Director’s discretion under the APA and Due Process.

Indeed, this Court recently highlighted a petitioner’s failure to raise potential “colorable constitution claims” before the agency. *See In re SAP Am., Inc.*, No. 2025-132, 2025 WL 3096788, at *2 (Fed. Cir. Nov. 6, 2025) (nonprecedential) (noting the exception to mandamus review of institution decisions based on colorable constitutional claims, “[b]ut SAP failed to raise its challenges before the agency.”)

(citing *In re DBC*, 545 F.3d at 1378). For this reason alone, the Court can and should deny the Petition.

While “courts of appeals may forgive waiver or forfeiture of claims that implicate structural constitutional concerns,” the Petition provides no reason why this should be one of those “rare” cases where the Court decides to do so. *Ciena Corp. v. Oyster Optics, LLC*, 958 F.3d 1157, 1160-61 (Fed. Cir. 2020) (quoting *Freytag v. C.I.R.*, 501 U.S. 868, 879 (1991)). This Court has previously exercised such discretion where it concluded “the Board could not have corrected” the asserted problem, but it has refused to overlook such forfeiture where the PTAB “could have corrected the Constitutional infirmity” had a litigant raised the issue. *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320, 1327 (Fed. Cir. 2019) (discussing *In re DBC*, 545 F.3d at 1380). Petitioner should have challenged the Director’s discretionary authority *before the Director*, who could have elected not to exercise his discretion.

The Court should not “encourage the practice of ‘sandbagging’” by allowing parties to hold “reversible error” arguments in reserve until they know if “the outcome is unfavorable” under the “course” already being followed by the agency. *Freytag*, 501 U.S. at 895 (Scalia, J., concurring); *see also Stern v. Marshall*, 564 U.S. 462, 481-82 (2011) (courts should not allow constitutional arguments to be used for “sandbagging”).

The Petition complains without merit that it would have been “futile” to raise its nondelegation claims below. *See* Pet. at 26. The Petition cites a single agency decision where a panel elected not to consider a constitutional challenge under the nondelegation doctrine. *See id.* (citing *Cirrus Logic, Inc. v. Greenthread, LLC*, No. IPR2024-00016, Paper 76 at 65-66 (P.T.A.B. Apr. 29, 2025)). The panel in *Cirrus*, however, did not state that it could not consider the constitutional argument; rather, it chose not to address it. *See id.* Importantly, the patent owner in *Cirrus* raised its nondelegation argument *after* the petition was instituted, which is not the case here. *See id.*, Paper 47 at 60-62 (P.T.A.B. Aug. 16, 2024).

Petitioner’s other cited authority is equally unavailing. In *Carr v. Saul*, the Supreme Court distinguished the matter there from *L.A. Tucker Truck Lines*, where “the aggrieved litigant had the opportunity to object to the relevant method of appointment before the full Interstate Commerce Commission itself.” 593 U.S. 83, 93 (2021) (citing *L.A. Tucker Truck Lines*, 344 U.S. at 37). Indeed, in *Carr*, “the [Social Security Administration’s] administrative review scheme at no point afforded petitioners ***access to the Commissioner, the one person who could remedy their Appointments Clause challenges.***” *Id.* at 94 (emphasis added). Here, Petitioner had the opportunity to challenge the Director’s authority *before the Director himself* yet elected not to do so. Had Petitioner raised its nondelegation arguments below, it would have further served to put the Director on notice of the alleged constitutional

issue in his exercise of discretion. *See L.A. Tucker Truck Lines*, 344 U.S. at 37 (“Repetition of the objection in them might lead to a change of policy, or, if it did not, the Commission would at least be put on notice of the accumulating risk of wholesale reversals being incurred by its persistence.”). Petitioner’s failure to raise its nondelegation arguments below violate “[s]imple fairness to those who are engaged in the tasks of administration, and to litigants,” which “requires as a general rule that courts should not topple over administrative decisions unless the administrative body not only has erred but has erred against objection made at the time appropriate under its practice.” *Id.* The Court should not countenance Petitioner’s failure to raise its nondelegation theory before the agency.

This Court’s decision to take up a constitutional issue not raised below in *Smith & Nephew*, 941 F.3d at 1326, *vacated and remanded sub nom. Arthrex*, 594 U.S. at 1, does not render the case here exceptional. There, the fundamental issue involved whether Administrative Patent Judges acted as principal officers in violation of the Appointments Clause, U.S. Const., art. II, § 2, cl. 2. *Smith & Nephew*, 941 F.3d at 1325. Interestingly, the Supreme Court resolved the Appointments Clause issue by expanding the authority of the Director, permitting him to “review final PTAB decisions” and, upon review, “issue decisions himself on behalf of the Board.” *Arthrex*, 594 U.S. at 1. This Court’s previous exercise of discretion to hear constitutional claims previously waived is incongruous with its recent decisions,

particularly the *In re SAP* decision, where the Court found constitutional arguments not raised below waived. *See* 2025 WL 3096788, at *2 (citing *In re DBC*, 545 F.3d at 1378).

As it did in *SAP*, the Court should reject Petitioner’s attempt at a second bite at the apple to challenge the constitutionality of the Director’s exercise of discretion to deny institution of the request for *inter partes* review.

V. Petitioner’s Constitutional Claims Are Meritless and Do Not Provide a Basis for Mandamus Relief

The Constitution permits Congress to “seek[] assistance from another branch” of Government, and “the extent and character of that assistance must be fixed according to common sense and the inherent necessities of the governmental co-ordination.” *J.W. Hampton, Jr., & Co. v. United States*, 276 U.S. 394, 406 (1928).

“In a delegation challenge, the constitutional question is whether the statute has delegated *legislative power* to the agency.” *Whitman*, 531 U.S. at 472 (emphasis added). Action by the Government is “legislative” if they have “the purpose and effect of altering the legal rights, duties and relations of persons . . . outside the legislative branch.” *INS v. Chadha*, 462 U.S. 919, 952 (1983). Moreover, the “degree of agency discretion that is acceptable varies according to the scope of the power congressionally conferred.” *Whitman*, 531 U.S. at 475 (citing *Loving*, 517 U.S. at 771-72 and *United States v. Mazurie*, 419 U.S. 544, 556-57 (1975)).

“When conferring decision making authority upon agencies, Congress must lay down an intelligible principle to which the person or body authorized to act is directed to conform.” *Id.* at 458 (citing *J.W. Hampton, Jr.*, 276 U.S. at 409). “The intelligible-principle rule seeks to enforce the understanding that Congress may not delegate the power to make laws and so may delegate no more than the authority to make policies and rules that implement its statutes.” *Loving*, 517 U.S. at 771-72. Significantly, “[s]tatutes need not provide a determinate criterion for saying how much of a regulated harm is too much to avoid delegating legislative power.” *Whitman*, 531 U.S. at 458.

Courts, including the Supreme Court, have “almost never felt qualified to second-guess Congress regarding the permissible degree of policy judgment that can be left to those executing or applying the law.” *Whitman*, 531 U.S. at 474-475 (quoting *Mistretta*, 488 U.S. at 416 (Scalia, J., dissenting)). Indeed, courts have recognized the necessity for Congress to delegate its authority, especially in an ever-evolving and complex society. *See, e.g., Opp Cotton Mills, Inc. v. Adm’r of Wage and Hour Div. of Dept. of Labor*, 312 U.S. 126, 145 (1941) (“In an increasingly complex society Congress obviously could not perform its functions” unless it delegated details of certain regulatory schemes to an executive agency); *Schechter Poultry*, 295 U.S. at 529–30 (“We have repeatedly recognized the necessity of

adapting legislation to complex conditions involving a host of details with which the national Legislature cannot deal directly.”).

Petitioner’s argument necessarily fails because the AIA provides an “intelligible principle” to which the Director must conform. Specifically, in the context of *inter partes* review,

The Director ***may not authorize an inter partes review to be instituted unless*** the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 ***shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.***

35 U.S.C. § 314(a) (emphasis added). Not only does this statute provide an intelligible principle – *i.e.*, reasonable likelihood that petitioner would prevail – it also restricts the Director’s discretion to institute an *inter partes* review until he has made a factual determination. Under no precedent can this be considered legislative authority.

The director *must* also promulgate regulations to institute *inter partes* review.

35 U.S.C. § 316(a) provides, in part:

- (a) Regulations.--The Director shall prescribe regulations-

* * *

(2) setting forth the standards for the showing of sufficient grounds to institute a review under section 314(a);

(3) establishing procedures for the submission of supplemental information after the petition is filed;

(4) establishing and governing inter partes review under this chapter and the relationship of such review to other proceedings under this title . . .

§ 316(a)(2)-(4) (emphasis added). The director may also deny institution in his discretion if “the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). These provisions clearly set forth an “intelligible principle” to guide the Director in the administration of his duties under the AIA. Additionally, these provisions, taken together, confirm that Congress intended institution to be a multi-factor, discretionary gatekeeping determination, not exclusively a mandatory merits adjudication. This framework, and the non-appealability of the Director’s discretion, has been affirmed by the Supreme Court multiple times. *See Cuozzo*, 579 U.S. at 285 (2016); *Arthrex*, 594 U.S. at 17.

The Director has also stated the procedure for and grounds upon which he and the APJ’s will consider requests for discretionary denial. *See* Memorandum from John A. Squires, Director , USPTO, to Members of the Patent Trial & Appeal Bd. (October 17, 2025), https://www.uspto.gov/sites/default/files/documents/Director_Institution_of_AIA_Trial_Proceedings.pdf?utm_campaign=subscriptioncenter&utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term= (“October 2025

Guidance”) (Internet materials as last visited February 3, 2026). In the October 2025 Guidance, the Director adopted the interim guidance of his predecessor, Deputy Under Secretary of Commerce Coke Morgan Stewart. *See id.* (“This approach to institution flows from the processes outlined in the March 26, 2025 memorandum entitled ‘Interim Processes for PTAB Workload Management’ (‘Interim Processes’), under which the Director determines whether or not to deny a petition based on discretionary considerations.”) .

The Interim Processes outlined multiple considerations the Director takes into account when determining whether to exercise his discretion and deny institution. These considerations include: (1) “Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims;” (2) “Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability;” (3) “The strength of the unpatentability challenge;” (4) “The extent of the petition’s reliance on expert testimony;” (5) “Settled expectations of the parties, such as the length of time the claims have been in force;” (6) “Compelling economic, public health, or national security interests;” and (7) “Any other considerations bearing on the Director’s discretion.” *See* Memorandum from Coke Morgan Stewart, Acting Director²,

² The Decision denying institution was before Acting Director Coke Morgan Stewart. *See* Appx1-3. Director John Squires was confirmed as the Director of the

USPTO, to Members of the Patent Trial & Appeal Bd. (March 26, 2025) (“Interim Processes”), <https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf> (Internet materials as last visited February 3, 2026). These considerations were partially set forth in precedential decisions from the PTAB recognized by this Court. *See* Interim Processes (citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) (precedential); *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (P.T.A.B. Sept. 6, 2027) (precedential as to § 11.B.4.i); *Advanced Bionics, LLC v. MED-EL Elektromedizinische Gertite GmbH*, IPR2019-01469, Paper 6 (P.T.A.B. Feb. 13, 2020) (precedential)). The October 2025 Guidance further provides that for IPR and PRG proceedings, “[u]pon review of discretionary considerations, the merits, and non-discretionary considerations, if the Director determines that institution is appropriate on at least one ground for one challenged claim, the Director will issue a summary notice to the parties granting institution.” October 2025 Guidance at 1-2 (citing 35 U.S.C. §§ 314(c), 324(d)). The Director will similarly issue summary notices denying institution, as appropriate. *See id.* at 2. But these considerations swing both ways. The Director can evaluate these considerations favorably to the petitioner or patent owner given the circumstances. Petitioner only bemoans the

USPTO on September 18, 2025. The Order denying Director Review of the Decision was before Director Squires. *See* Appx5-6.

Director's discretion now because the Director, in his "holistic review of the circumstances," decided against instituting the Petition.

The Director's current paradigm for granting or denying *inter partes* review is not comparable to any previous Congressional delegation found to be unconstitutional. For example, in *Panama*, the Supreme Court took issue with the fact that the relevant statute did not "require any finding by the President as a condition of his action[]" for the prohibition of transporting petroleum. 293 U.S. at 418. Importantly, the Supreme Court noted that other exercises of Presidential authority predicated on factual findings. Previously, the Supreme Court held valid the Congressional delegated authority of the President under the Tariff Act of October 1, 1890, to suspend the importation of certain goods if "the suspension was absolutely required when the president ascertained the existence of a particular fact, it could not be said that in ascertaining that fact, and in issuing his proclamation, in obedience to the legislative will, he exercised the function of making laws." *Id.* at 425-26 (quoting *Marshall Field & Co. v. Clark*, 143 U.S. 649, 692-93 (1892)) (internal quotations omitted). Under the existing model, the Director considers various facts and circumstances in determining whether to institute an *inter partes* review. He does so in conformance with the statutory requirements of the AIA and under the intelligible principle set forth therein.

Indeed, the March 2025 Guidance provides that its purpose is “[t]o ensure that the PTAB continues to meet its statutory obligations as to *ex parte* appeals, while continuing to maintain its capacity to conduct AIA proceedings.” *See* Interim Processes at 1. In furtherance of this purpose, the Director stated that it would exercise “discretion on institution of AIA proceedings under 35 U.S.C. §§ 314(a) and 324(a),” as discussed *supra*. *See id.* Such an exercise of authority cannot be deemed “legislating;” rather, it is administration. This Court has expressly recognized the Director’s authority to exercise his authority in furtherance of administrative efficiency. *See Mylan*, 989 F.3d at 1382 (“The Director is permitted, but never compelled, to institute an IPR. And no petitioner has a right to such institution. For example, *the Director is free, as in this case, to determine that for reasons of administrative efficiency an IPR will not be instituted, as agencies generally are free, for similar reasons, to choose not to initiate enforcement proceedings.*”) (emphasis added); *see also Cuozzo*, 579 U.S. at 272. Petitioner expressly recognizes that this Court has found that the Director may deny review for “administrative efficiency.” *See* Pet. at 16 (citing *Saint Regis Mohawk Tribe v. Mylan Pharms. Inc.*, 896 F.3d 1322, 1327 (Fed. Cir. 2018)). In this way, Petitioner takes issue with how the Director is attempting to increase the agency’s efficiency, which does not raise a colorable constitutional issue. *See Heckler v. Chaney*, 470 U.S. 821, 831 (1985) (“This Court has recognized on several occasions over many

years that an agency’s decision not to prosecute or enforce, whether through civil or criminal process, is a decision generally committed to an agency’s absolute discretion.”) (collecting cases).

Accordingly, when viewed holistically, the AIA sets forth an “intelligible principle” to which the Director must conform in the exercise of his discretionary authority. Furthermore, the Director is within his rights to exercise his authority to deny institution of *inter partes* review in furtherance of administrative efficiency, which does not implicate constitutional claims. As such, the Court should find that the AIA does not violate the separation of powers and decline Petitioner’s revised statutory scheme limiting the Director’s discretionary authority.

CONCLUSION

For the foregoing reasons, the Court should deny the Petition.

Dated: February 4, 2026

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CERTIFICATE OF COMPLIANCE

I certify that RESPONDENT’S OPPOSITION TO VOLKSWAGEN GROUP of AMERICA, INC.’S PETITION FOR WRIT OF MANDAMUS complies with the type-volume limitation of Fed. R. App. P. 21(d)(1) because it contains 7,598 words, excluding the table of contents, table of authorities, and signature block, as measured by using Microsoft Word for Office 365 in 14-point Times New Roman font.

Dated: February 4, 2026

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CERTIFICATE OF SERVICE

In accordance with Fed. R. App. P. 25 and Fed. Cir. R. 25, I certify that I caused the foregoing brief to be filed with the Court electronically using the CM/ECF system, which will send a notification to all counsel of record.

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