2026-117

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

In re TESSELL, INC.,
Petitioner

On Petition for a Writ of Mandamus to the United States Patent and Trademark Office in Nos. IPR2025-00298, IPR2025-00322, IPR2025-00732, and IPR2025-00733.

NUTANIX, INC.'S RESPONSE TO PETITION FOR WRIT OF MANDAMUS

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UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

CERTIFICATE OF INTEREST

Case Number: 2026-117

Short Case Caption: In re: Tessell, Inc.

Filing Party/Entity: Nutanix, Inc.

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Nutanix, Inc.		

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I. INTRODUCTION

Tessell's Petition for Writ of Mandamus should be denied. Mandamus is a "drastic and extraordinary" remedy, available only when the petitioner demonstrates it has a clear and indisputable right to relief, that no alternative means for relief exist, and that the writ is appropriate under the circumstances. Against that standard, Tessell's challenge to the Director's discretionary denials under 35 U.S.C. § 314(a) falls far short.

Congress committed the decision to institute an IPR to the Director's discretion and did not require institution in any circumstance. The Supreme Court and this Court have repeatedly underscored the breadth of that discretion and the absence of any entitlement to institution. And Congress fortified that commitment by making "[t]he determination by the Director whether to institute . . . final and nonappealable." 35 U.S.C. § 314(d).

This case is routine, not extraordinary. The IPRs were denied institution after a holistic assessment of the record, including considerations of fairness, administrative efficiency, settled expectations, petitions asking the Office to revisit prior art already

considered during prosecution, and the use of expert testimony to supply a concededly missing claim element. These are precisely the kind of discretionary determinations Congress entrusted to the Director and barred from judicial review.

Tessell's attempt to recharacterize the Director's exercise of § 314 discretion as a violation of § 311(a) fails twice over: § 311(a) speaks only to who may file a petition, not to whether review must be instituted, and nothing in § 311(a) limits the Director's discretion under § 314(a) or renders institution decisions reviewable. Tessell's reliance on assignor estoppel does not change the analysis; the Director did not apply assignor estoppel to bar filing but permissibly considered fairness, administrative efficiency, and settled expectations among the discretionary factors bearing on institution.

Tessell also cannot satisfy the mandamus requirement that no alternative means for relief exist. The Patent Act provides alternative pathways to present prior-art challenges at the Office, including *ex parte* reexamination. The availability of those avenues—regardless of Tessell's preferences—defeats the necessity for the extraordinary relief Tessell seeks.

Because the Director's institution denials were a lawful exercise of broad statutory discretion, insulated from judicial review, and because Tessell has alternative means to pursue its invalidity theories, the Petition does not meet the demanding prerequisites for mandamus. The Petition should therefore be denied.

II. COUNTERSTATEMENT OF THE ISSUES

Whether § 314 permits the Director to exercise discretion to deny IPR petitions judged not to be an efficient use of Office resources after a holistic assessment of arguments including unfair dealing, previously-considered prior art, and settled expectations.

III. STATEMENT OF THE CASE

A. The patented Nutanix database provisioning system.

Patent Owner Nutanix is a leading provider of database technology that revolutionized the process of creating and provisioning databases. Traditionally, provisioning a database was a complex and time-consuming task, often requiring several days to complete. U.S. Patent No. 11,860,818 ("'818 patent"), 3:41–64. Nutanix's groundbreaking invention dramatically simplified this process, reducing provisioning time from days to just minutes. '818 patent, 4:8–16. This

innovation has been successfully commercialized since 2018 through Nutanix's Era and Nutanix Hyperconverged Infrastructure products.

Beginning in 2018, Nutanix filed patent applications to protect these innovations. These applications ultimately issued as the '818 patent, and U.S. Patent Nos. 11,010,336 ("'336 patent"), 10,817,157 ("'157 patent"), and 11,640,340 ("'340 patent"). The '818 patent is a continuation of the '336 patent, and both share a common specification with the '157 patent. The '340 patent is in a different family, but the four patents share several common inventors and have been treated collectively by the parties and the Patent Office.

The Nutanix employees who invented these claimed innovations—Balasubrahmanyam Kuchibhotla, Kamaldeep Khanuja, Sujit Menon, Maneesh Rawat, Bakul Banthia, and Sagar Sontakke—signed inventor declarations filed in the Patent Office. The inventors also assigned their rights in the inventions to Nutanix. After that, inventors Kuchibhotla and Khanuja left Nutanix and founded Petitioner Tessell, hiring away other Nutanix employees, including most of the other named inventors. Tessell then launched a competing product using technology the inventors developed while at Nutanix.

In March 2024, Nutanix filed suit against Tessell for infringing the '818, '336, '157, and '340 patents with its competing database provisioning platform.

B. The Tessell inventors' IPR challenges.

Nearly six years after first applying for patent protection for these inventions, the inventors returned to the Patent Office—this time through their new company, Tessell—to challenge the validity of the patents in IPR.

Tessell's IPR Petitions against the '818, '336, and '157 patents relied on prior art that had already been considered by the Patent Office during original examination. Exs. I–J ('818, '336, '157 DD briefs). Tessell admitted that prior art failed to disclose a key claimed feature—a "Service Level Agreement." But instead of identifying newly discovered prior art, Tessell relied solely on expert testimony to argue that, at the time the inventions were made, a person of ordinary skill in the art would have supplied the missing feature based on background knowledge.[1]

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[1] After these petitions were denied, the Patent Office issued an updated Trial Practice Guide, stating that expert testimony "cannot take the place of a disclosure in a prior art reference, when that disclosure is

Tessell also filed a Petition against the '340 patent. The '340 patent shares several common inventors with the '818, '336, and '157 patents, and the four patents have been treated collectively by the parties and the Patent Office.

C. Nutanix requested discretionary denial of the '818 patent IPR based on unfair dealing, previously considered prior art, and settled expectations.

In the first-filed IPR, involving the '818 patent, Nutanix filed its Preliminary Response requesting that the Board exercise its discretion to deny institution under 35 U.S.C. §§ 325(d) and 314(a). Ex. G ('818 POPR). Nutanix requested discretionary denial to ensure a "just, speedy, and inexpensive resolution" of the proceeding, as contemplated by 37 C.F.R. § 42.1(b). Ex. G ('818 POPR), at 19.

Under § 325(d), Nutanix asked the Board to deny institution because the Examiner had already considered the Petition's prior art during the original examination of the patent. Ex. G ('818 POPR), at 20. Nutanix argued that denial was proper under *Advanced Bionics*

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required as part of the unpatentability analysis." USPTO, Trial Practice Guide (Dec. 12, 2025), https://www.uspto.gov/patents/ptab/trial-practice-guide (last visited Jan. 11, 2026).

because Tessell failed to demonstrate any material error in the Examiner's consideration of the prior art. Ex. G ('818 POPR), at 21 (citing *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, 2020 WL 740292, at *4 (P.T.A.B. Feb. 13, 2020) (precedential)).

Under § 314(a), Nutanix argued that it would be unfair to allow the inventors of the '818 patent—who had previously assigned their rights to Nutanix—to challenge the patent they applied for and were granted. Nutanix expressly acknowledged that assignor estoppel does not apply under 35 U.S.C. § 311(a), Ex. G ('818 POPR), at 18 n.2, and instead urged the Board to exercise its discretion under § 314(a) to prevent unfairness in this case.

One week after Nutanix filed its Preliminary Response, the USPTO Director[2] issued guidance ("Workload Management" memorandum) clarifying that, in addition to existing discretionary factors like those in *Advanced Bionics*, the Office would also consider a

[2] Coke Morgan Stewart was Acting Director from January 2025 until September 2025 when John Squires was confirmed as Director. For simplicity, both are referred to herein as "Director."

petition's reliance on expert testimony, the settled expectations of the parties, and "[a]ny other considerations." Ex. E (Mar. 26, 2025, Workload Management memorandum), at 2–3.

Although a Board panel initially instituted the '818 patent IPR, Ex. D ('818 June 2, 2025, Institution Decision), at 21–26, the Director vacated that decision in response to Nutanix's Request for Director Review. Ex. A ('818 Aug. 22, 2025, Institution Denial).

In its Director Review Request, Nutanix cited the updated guidance on discretionary denial considerations, Ex. H ('818 June 16, 2025, Request), at 6, and asked the Director to exercise discretion to deny the Petition based on previously considered prior art under § 325(d), unfair dealing, and the parties' settled expectations. *Id.* at 8.

With respect to settled expectations, Nutanix argued that Tessell had known of the inventions disclosed in the '818 patent since filing the first application in the family as employees of Nutanix. Nearly six years elapsed before the inventors and Tessell challenged the patent, relying on the background knowledge of a skilled artisan at the time of invention. Ex. H ('818 June 16, 2025, Request), at 6. Nutanix contended that these circumstances "created an implicit expectation between the

parties and an acquiescence as to the patentability of the claims of the '818 patent, warranting the Director's exercise of discretion." *Id.*

D. The Director denied institution of the '818 patent IPR based on efficiency, citing *Mylan*.

After considering the parties' various arguments for and against discretionary denial—including unfair dealing, previously considered prior art, and settled expectations—the Director vacated the panel's institution decision in the '818 patent IPR and denied Tessell's Petition. *See Apple Inc. v. Vidal*, 63 F.4th 1, 7 (Fed. Cir. 2023) ("[A]ny institution decision made by the Board as delegatee of the Director is subject to reversal by the Director."), *cert. denied*, 144 S. Ct. 548 (2024). The Director concluded that instituting the IPR in this case would not be an efficient use of Office resources. Ex. A ('818 Aug. 22, 2025, Institution Denial), at 2–3.

In response to Tessell's arguments, the Director expressly acknowledged that assignor estoppel does not apply in IPR proceedings, citing *Arista Networks, Inc. v. Cisco Systems, Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018). Ex. A ('818 Aug. 22, 2025, Institution Denial), at 2. However, the Director emphasized that 35 U.S.C. § 314(d) confers broad discretion to determine whether to institute an IPR. *Id.* As the Director

explained, "the Director is free . . . to determine that for reasons of administrative efficiency[,] an IPR will not be instituted." *Id.* (quoting *Mylan Lab'ys Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021)).

Tessell subsequently requested rehearing of the Director's decision, Ex. L ('818 Dec. 8, 2025, Request), but that request was denied, Ex. P ('818 Nov. 5, 2025, Denial).

E. The Director denied the other IPR Petitions for the same reasons.

The later-filed IPR Petitions on the '336, '157 and '340 patents followed updated procedures for discretionary denial in light of the USPTO's Workload Management memorandum. Nevertheless, the arguments presented by Nutanix and the Director's rationale for denying institution remained substantially the same across all proceedings.

For example, in the '336 patent IPR, Nutanix requested discretionary denial based on unfair dealings, previously considered prior art under § 325(d), and the parties' settled expectations. The Director exercised discretion to deny the Petition "based on a holistic

assessment of all of the evidence and arguments presented." Ex. Q ('336 Institution Denial), at 3.

The Director acknowledged that "assignor estoppel does not apply in inter partes reviews under 35 U.S.C. § 311(a)," but clarified that "the Office may consider unfair dealings as a factor when determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a)." *Id.* at 2. The Director reasoned that "[i]t is not an appropriate use of Office resources where the inventors applied for and were issued a patent, but, as is the case here, now advocate for its unpatentability." *Id.* Similar decisions were issued in the '157 and '340 patent IPRs. Ex. R ('157 Institution Denial; '340 Institution Denial).

The Director stated that "[a]lthough certain arguments are highlighted above, the determination to exercise discretion to deny institution is based on a holistic assessment of all the evidence and arguments presented." Ex. Q ('336 Institution Denial), at 3.

IV. ARGUMENT

A. The Director properly exercised discretion to deny institution under 35 U.S.C. § 314(a) and mandamus is not warranted.

1. The statute grants the Director broad discretion to determine whether to institute an IPR.

It is well settled that 35 U.S.C. § 314(a) commits the decision whether to institute an inter partes review to the Director's discretion. *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016). The statutory language provides that "[t]he Director may not authorize an inter partes review to be instituted unless" certain conditions are met but does not require institution in any circumstance. 35 U.S.C. § 314(a); *Cuozzo*, 579 U.S. at 273 (explaining that § 314(a) contains "no mandate to institute review").

Following *Cuozzo*, the Federal Circuit has repeatedly confirmed that the Director is permitted—but never compelled—to institute review, and that no petitioner has a right to institution. *Mylan*, 989 F.3d at 1382. In *Mylan*, the Court noted that "the Director is free . . . to determine that for reasons of administrative efficiency[,] an IPR will not be instituted." *Id.*

The statute and controlling precedent thus make clear that the Director's authority to institute an inter partes review is broad and discretionary, and that petitioners have no entitlement to institution. This discretion is at the heart of the Director's decision in this case.

2. The statute shields institution decisions from judicial review.

The statute further protects the Director's institution decisions from judicial review. Section 314(d) of the Patent Act provides: "The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable." 35 U.S.C. § 314(d). In *Cuozzo*, the Supreme Court confirmed that courts may not revisit the Board's institution decisions in light of this statutory bar. "Congress has told the *Patent Office* to determine whether inter partes review should proceed, and it has made the agency's decision 'final' and 'nonappealable.'" *Cuozzo*, 579 U.S. at 274.

Recent mandamus denials have reaffirmed that discretionary considerations relating to institution are nonreviewable. For example, in *In re SAP America, Inc.*, Nos. 2025-132, -133, 2025 WL 3096788 (Fed. Cir. Nov. 6, 2025) (nonprecedential), the Federal Circuit stated that "mandamus is ordinarily unavailable for review of institution

decisions." *Id.* at *2; *see also In re Motorola Sols., Inc.*, 159 F.4th 30, 36 (Fed. Cir. 2025); *In re Cambridge Indus. USA Inc.*, No. 2026-101, 2025 WL 3526129, at *2 (Fed. Cir. Dec. 9, 2025) (nonprecedential); *In re HighLevel, Inc.*, No. 2025-148, 2025 WL 3527144, at *1 (Fed. Cir. Dec. 9, 2025) (nonprecedential).

Both the statute and controlling precedent make clear that the Director's institution decisions are shielded from judicial review, and discretionary considerations underlying those decisions are not subject to challenge through mandamus or appeal. Such is the case here.

3. The Director's discretion properly extends to equitable and efficiency considerations.

The Director's authority to deny institution extends to equitable factors and considerations of administrative efficiency. In *Mylan*, for example, the Board, acting under the Director's authority, determined that instituting review would be duplicative and inefficient in light of ongoing proceedings, and in denying mandamus, the Federal Circuit confirmed that the Director may deny institution "for reasons of administrative efficiency," as was done in this case. 989 F.3d at 1377–78, 1382.

The Director's decisions below are consistent with discretionary denials in other recent cases based on equitable and efficiency grounds. For instance, in *Apotex Inc. v. Alkermes Pharma Ireland Ltd.*, the Director considered that an overlapping *ex parte* reexamination was already underway, and denied institution to avoid duplicative proceedings. IPR2025-00514, 2025 WL 1853593, at *1 (Dir. July 2, 2025) (nonprecedential). In *Kavo Dental Techs., LLC v. Osseo Imaging, LLC*, IPR2020-00671, 2020 WL 3092621, at *10–11 (P.T.A.B. June 10, 2020), the Director considered which party was at fault for alleged prejudice to the patent owner due to delay in filing the petition and whether the patent owner had come forward with clean hands.

And in *Realtek Semiconductor Corp. v. ParkerVision, Inc.*, IPR2025-00324, 2025 WL 1759275 (Dir. June 25, 2025) (precedential), the Director applied holistic discretionary factors—including fairness—when denying institution of a statutorily permitted, time-barred petition seeking joinder to an identical petition. *Id.* at 2–3; *see also Elong Int'l USA Inc. v. Feit Elec. Co.*, IPR2025-00258, 2025 WL 1762280, at *1–2 (Dir. June 25, 2025) (precedential). As the Board explained, "[a]lthough § 315(b) permits time-barred parties to file a

petition when seeking joinder under § 315(c), the Office may consider whether it is fair to permit a time-barred party to join an ongoing proceeding when determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a)." *Realtek*, IPR2025-00324, 2025 WL 1759275, at *1 (citation omitted). The same is true here. Section 311(a) permits anyone who is not the patent owner, including inventors and assignors, to file petitions, but the Office may consider whether it is fair and efficient to institute the petitions when determining whether to exercise discretion under § 314(a).

4. The Director's discretion properly extends to the settled expectations of parties.

The Director's recent Workload Management memorandum explains that discretionary considerations include "[s]ettled expectations of the parties" and "any other considerations bearing on the Director's discretion." Ex. E (Mar. 26, 2025, Workload Management memorandum), at 2–3. This Court recently confirmed the propriety of denials under this guidance in *Cambridge*, 2025 WL 3526129, at *3. There, the Federal Circuit denied mandamus relief where the PTO had denied institution based on the patent owner's settled expectations, emphasizing that the challenged patents had been in force for many

years. *Id.* at *1–3. The Court explained that, under the "especially difficult" standard for mandamus, the petitioner had not shown that such discretionary factors were reviewable and reaffirmed that institution decisions are committed to the Director's discretion and protected from judicial review by § 314(d). *Id.* at *2–3 (quoting *Mylan*, 989 F.3d at 1382). The panel relied on *Mylan*, which held that "mandamus is ordinarily unavailable for review of institution decisions," including those based on efficiency or equitable considerations. *Id.* at *2 (citing *Mylan*, 989 F.3d at 1382). The *Cambridge* decision further noted that arguments about which discretionary denial factors the Director may consider "focus directly and expressly on institution standards" and are not generally reviewable. *Id.* at *3 (quoting *Apple*, 63 F.4th at 12).

The Director's consideration of fairness, efficiency, settled expectations, and other equitable factors in denying institution is fully consistent with the statute, agency guidance, and controlling precedent.

5. This case does not warrant mandamus relief.

"[M]andamus is ordinarily unavailable for review of institution decisions." *SAP*, 2025 WL 3096788, at *2 (citing *Mylan*, 989 F.3d at 1381); *see also Motorola*, 159 F.4th at 36.

As discussed below, Tessell must, but cannot, show (1) it has a clear and indisputable right to relief; (2) that no alternative means for relief exist; and (3) that the writ is appropriate under the circumstances. *Motorola*, 159 F.4th at 35–36. "Mandamus is a 'drastic and extraordinary remedy reserved for really extraordinary causes.'" *Mylan*, 989 F.3d at 1381 (quoting *Cheney v. U.S. Dist. Court for D.C.*, 542 U.S. 367, 380 (2004)).

Far from being extraordinary, this case presents a routine exercise of the Director's broad discretion to deny institution based on unfair dealing and efficiency considerations. While the denial decisions addressed unfair dealings related to the inventors as "a factor" in determining whether to exercise discretion to deny institution, the Director also noted:

> Although 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.

Ex. B ('336 Institution Denial), at 2–3.

This falls well within the broad discretion of the Director and falls far short of the extreme case that would justify mandamus relief. Recent decisions confirm this. For example, like in *Mylan*, the Federal Circuit denied mandamus relief in *Cambridge*, reiterating that the "general prohibition bars review of decisions denying institution of IPR proceedings for efficiency reasons based on parallel district court litigation involving the same patents." *Cambridge*, 2025 WL 3526129, at *2 (citing *Mylan*, 989 F.3d at 1378–79, 1381). The Court thus concluded that the petitioner had "failed to show a clear and indisputable right to the relief requested given the limits on our review of the PTO's decision to deny institution." *Id.* at *3.

B. Tessell has not shown a clear and indisputable right to relief.

Tessell seeks to reframe the Director's discretionary denial under 35 U.S.C. § 314(a) as a statutory violation of § 311. Yet this approach is foreclosed by precedent and contradicted by the record, and in any event, the Director's discretionary denial is not subject to judicial review.

1. Tessell's statutory argument relates to the Director's decision not to institute and is therefore not subject to judicial review.

Tessell's statutory argument, Pet. 10–17, is fundamentally directed to the Director's decision not to institute inter partes review and, as such, is not subject to judicial review. The Supreme Court has made clear that the bar on appeals of institution decisions under 35 U.S.C. § 314(d) precludes judicial review of "challenges grounded in statutes related to the institution decision." *Thryv, Inc. v. Click-to-Call Techs., LP*, 590 U.S. 45, 56 (2020) (cleaned up) (quoting *Cuozzo*, 579 U.S. at 274–75).

In *Thryv*, the petitioner sought review of the Board's application of § 315(b), which sets a time bar for IPR. The Supreme Court held that even such statutory challenges—though outside § 314(a)—were nonetheless "closely related" to the institution decision, "rais[ing] 'an ordinary dispute about the application of' an institution-related statute," and thus not reviewable. *Id.* at 48, 54.

This principle has been applied in subsequent Federal Circuit decisions. The Court explained in *Mylan* that "there is no reviewability of the Director's exercise of [their] discretion to deny institution except

for colorable constitutional claims." 989 F.3d at 1382; *see also IGT v. Zynga Inc.*, 144 F.4th 1357, 1365 (Fed. Cir. 2025) ("This principle of unreviewability covers challenges that 'consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office's decision to initiate inter partes review.'" (quoting *Cuozzo*, 579 U.S. at 274–75)). In *Motorola*, 159 F.4th at 38, and *Cambridge*, 2025 WL 3526129, at *2–3, the Court reiterated *Mylan*'s holding that statutory arguments, even when rooted in the Administrative Procedure Act ("APA"), are not available for mandamus relief.

2. Tessell's attempts to invoke reviewability using § 311 should fail.

Tessell's efforts to invoke reviewability by relying on § 311 are unavailing. Tessell argues that assignor estoppel under § 311 is not closely related to the exercise of discretion not to institute under § 314(a), and thus, review should be available, Pet. 13–14. This argument misconstrues the statutory framework. Even if a petitioner is permitted to file under § 311(a), as occurred here, that does not prohibit the Director from exercising discretion to deny institution—including consideration of equitable factors such as assignor estoppel. *See Realtek*,

IPR2025-00324, 2025 WL 1759275, at *1 (relying on fairness to deny institution of a statutorily permitted, time-barred petition seeking joinder to an identical petition).

Tessell's reliance on *Arista*, Pet. 11–13, is misplaced. As Tessell acknowledges, Pet. 11–12, 13, *Arista* addressed the narrow question of whether assignor estoppel prohibits inventors or assignors from filing IPR petitions under § 311(a). That issue is not presented here. The Director did not apply assignor estoppel to bar the petitions; rather, the Director considered Tessell's employment of the patents' inventors and assignors as one factor among several in a broader discretionary analysis under § 314(a).

If Tessell's reading of *Arista* were accepted, it would imply that the Patent Office is categorically prohibited from denying institution of petitions filed by inventors or assignors under § 314(a). This interpretation is untenable and contrary to established law that the Director is permitted, but never required, to institute inter partes review. *Cuozzo*, 579 U.S. at 273.

The holding in *Arista* does not support judicial review of discretionary denials under § 314(a). In fact, the Court's reasoning in

Arista regarding the reviewability of assignor estoppel may have been called into question by the Supreme Court. In *Arista*, the Federal Circuit held that the application of assignor estoppel under § 311(a) was reviewable because, "like the § 315(b) time-bar, '[it] is unrelated to the Director's preliminary patentability assessment or the Director's discretion not to initiate an IPR even if the threshold "reasonable likelihood" is present.'" 908 F.3d at 800–01 (citation omitted). Subsequently, however, the Supreme Court held that challenges under § 315(b) are not reviewable because a "challenge to a petition's timeliness under § 315(b) . . . raises 'an ordinary dispute about the application of' an institution-related statute." *Thryv*, 590 U.S. at 54 (quoting *Cuozzo*, 579 U.S. at 271). The Supreme Court further explained that the prohibition of review under § 314(d) "sweeps more broadly than the determination about whether 'there is a reasonable likelihood that the petitioner would prevail,'" encompassing "the entire determination 'whether to institute an inter partes review.'" *Id*. at 57 (quoting 35 U.S.C. § 314(a), (d)).

Similarly, Tessell's reliance on dicta from *In re Power Integrations*, 899 F.3d 1316, 1321 (Fed. Cir. 2018), Pet. 14–15, is unpersuasive. While

Power Integrations noted possible exceptions to nonreviewability for questions outside the scope of § 314(d) or beyond statutory limits, *Power Integrations*, 899 F.3d at 1321, those exceptions do not apply here.

The Federal Circuit in *Power Integrations* held that the statutory prohibition on appeals set forth in § 314(d) cannot be circumvented simply by styling the request as a petition for mandamus. *Power Integrations*, 899 F.3d at 1319. The Court explained that permitting mandamus review in this context "would result in this court's review of the legal and factual bases of the Board's non-institution decisions, which is just what Congress sought to prohibit." *Id.* at 1321. Thus, *Power Integrations* confirms that the statutory bar on judicial review of institution decisions applies regardless of the procedural vehicle used, and Tessell's attempt to invoke mandamus here is contrary to precedent.

Tessell also cites *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364, 1373 (Fed. Cir. 2018), Pet. 13, but even that case's limited holding—that an institution decision violating the § 315(b) time-bar statute is appealable—was abrogated in *Thryv*. *Thryv*, 590 U.S. at 51, 60. Further, the hypothetical example in *Wi-Fi One* of the agency acting

outside its statutory limits by "canceling a patent claim for 'indefiniteness under § 112' in inter partes review," *Wi-Fi One*, 878 F.3d at 1370 (quoting *Cuozzo*, 579 U.S. at 275), is inapplicable here. Section 311(b) expressly excludes § 112 from the PTAB's purview, and claim cancellation happens in a final written decision, not at institution. In this case, there is no similar statutory language requiring institution of petitions filed by inventors or assignors, nor any patentability determination at the preliminary institution stage.

Tessell further cites *SAS Inst., Inc. v. Iancu*, 584 U.S. 357, 371 (2018), Pet. 9, where the Supreme Court held that a partial institution was reviewable because § 318(a) requires a final written decision in an IPR to address any challenged claims. *SAS*, 584 U.S. at 369–370. This is unlike the decisions at issue here because there is no statutory mandate requiring the Director to institute a petition filed by assignors or inventors.

As the Federal Circuit stated: "If the Director decides not to institute, for whatever reason, there is no review." *Saint Regis Mohawk Tribe v. Mylan Pharms. Inc.*, 896 F.3d 1322, 1327 (Fed. Cir. 2018)

(citing *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 584 U.S. 325, 331 (2018)).

3. Even if Tessell's argument about § 311(a) were reviewable (it is not), it is contradicted by the record and unsupported by the case law.

Tessell's challenges to the Director's noninstitution decisions are foreclosed by the record, controlling statutory provisions, and binding precedent. The Director's institution denials were grounded in the discretionary authority conferred by § 314(a), not § 311, and were based on a holistic assessment of fairness, resource allocation, and the totality of the evidence—not on the application of assignor estoppel. Moreover, Tessell's reliance on various legal authorities, including Federal Circuit and Supreme Court precedent, PTAB decisions, and policy arguments, is misplaced or unsubstantiated.

a. The Director denied institution under § 314(a), not § 311.

Tessell's assertion that the Director violated § 311, Pet. 14, is directly contradicted by the record. The Director's decisions to deny institution were made under the authority of § 314(a), not § 311. The Director expressly declined to apply assignor estoppel as a bar to institution; rather, the denials were based on considerations of fairness,

resource allocation, and "a holistic assessment of all of the evidence and arguments presented" pursuant to § 314(a). Ex. B ('336 Institution Denial), at 3. For at least this reason, Tessell's reliance on *Arista* is misplaced. *See supra* Section IV.B.2.

While the fact that Tessell employed the inventors was among the evidence and arguments considered, the Director's discretionary denials were also supported by additional factors in the record. These included the reliance on prior art that had already been considered, arguments about the background knowledge at the time of the invention, and the settled expectations of the parties regarding the validity of the challenged claims. *See supra* Section III.C-D.

Because the Director's decisions were properly grounded in the discretionary authority conferred by § 314(a), the Director did not exceed statutory authority. The denials were not based on an application of assignor estoppel under § 311, but rather on the Director's lawful exercise of discretion as contemplated by the statute.

b. Tessell's reliance on PTAB precedent—*Athena*—fails.

Tessell's reliance on PTAB precedent, Pet. 12-13, is unavailing. *Athena Automation Ltd. v. Husky Injection Molding Systems Ltd.*,

IPR2013-00290, 2013 WL 8595976 (P.T.A.B. Oct. 25, 2013) (precedential in relevant part). There is no dispute that the *Athena* decision is binding authority prohibiting the application of assignor estoppel in inter partes review proceedings. *See id.* at *7.

However, the denials at issue here do not conflict with *Athena*. In *Athena*, the Board instituted inter partes review and expressly noted that § 311(a) permits challenges by any person other than the patent owner. The institution denials in this case do not dispute that and instead note that assignor estoppel was not applied. Here, the Director denied institution based on fairness, resource allocation, and a holistic assessment of the evidence and arguments presented under § 314(a). *See* Ex. B ('336 Institution Denial), at 2–3.

c. Tessell's attempt to find support outside the PTAB context is unavailing.

Tessell's reliance on Supreme Court precedent addressing mandamus relief in other areas is equally unavailing. Tessell cites *Work v. United States ex rel. Rives*, 267 U.S. 175, 177 (1925), for the proposition that *ultra vires* acts by an administrative agency can be remedied by mandamus. Pet. 15. But in that case, the Supreme Court

denied mandamus relief to a petitioner seeking compensation for financial losses under the Dent Act, which gave the Secretary of the Interior discretion to interpret and apply the law in deciding claims. *Work*, 267 U.S. at 182. The Court held that mandamus was not available because it can only be used to compel an official to perform a purely ministerial duty, not one involving the exercise of discretion. *Id.* at 184–85. Here, as in *Work*, the Director's decision whether to institute inter partes review is a discretionary act, not a ministerial one. Thus, *Work* does not support Tessell's position.

Tessell also invokes *Wilbur v. United States ex rel. Kadrie*, 281 U.S. 206, 221 (1930), to argue that allowing its IPR petition to proceed is a ministerial duty subject to mandamus. Pet. 15. In *Wilbur*, the Supreme Court denied a mandamus petition seeking to reverse the Secretary's discretionary decision to remove petitioners from the Native American tribal rolls, reiterating that mandamus cannot be used to control the judgment of an officer acting under discretionary authority. 281 U.S. at 220. As with *Work*, *Wilbur* confirms that mandamus is unavailable to compel agency action where the law confers discretion, as is the case under § 314(a).

Like in *Work* and *Wilbur*, § 314(a) expressly provides discretion to the Director to determine whether to institute inter partes review. Mandamus cannot be "used to compel or control a duty in the discharge of which by law he is given discretion." *Work*, 267 U.S. at 177. Accordingly, statutory language and Supreme Court precedent forecloses Tessell's attempt to recast the Director's discretionary decision as a ministerial act subject to judicial compulsion.

d. Tessell's policy arguments are unsubstantiated and do not establish a clear and indisputable right to relief.

Tessell's policy arguments do not rise to the level of a clear and indisputable legal right to judicial review. *See* Pet. 15–16. Tessell speculates that the Director's unreviewable discretion could "subsume the rest of the statute," suggesting hypothetically that the Director might deny IPR petitions as a matter of administrative efficiency—such as by collecting nonrefundable filing fees and denying every petition, delaying institution decisions for years,[3] or categorically rejecting

[3] Section 314(b) mandates that the Director *shall* determine whether to institute within specified timeframes. In contrast, § 311(a) is permissive, stating that any person who is not the owner of a patent *may* file a petition. As such, Tessell's hypothetical misses the mark.

petitions based on obviousness grounds or non-U.S. patent references. Pet. 15–16.

These arguments are unsubstantiated. There is no evidence in the record, nor any indication in the Director's actual practice, that such extreme or arbitrary use of discretion is occurring. To the contrary, the Director's recent statistics on institution decisions demonstrate that IPR petitions continue to be instituted, undermining Tessell's speculative concerns. *See* USPTO, PTAB Trial Statistics, 2025 End of Year Outcome Roundup, slides 7–8 (Nov. 2025), https://www.uspto.gov/patents/ptab/statistics (last visited Jan. 11, 2026). The mere possibility of hypothetical abuse does not establish a clear and indisputable right to relief, nor does it justify judicial intervention in the Director's discretionary authority as provided by statute.

e. Tessell's argument regarding the meaning of "file" in § 311(a) is forfeited and insufficiently developed.

Tessell briefly asserts, in a footnote, that the term "fil[ing]" as used in § 311(a) does not simply mean the physical act of submitting a petition. Pet. 16 n.4. This argument, however, is forfeited because it is

raised only in a footnote and is not sufficiently developed to warrant consideration. *See CommScope Techs. LLC v. Dali Wireless Inc.*, 10 F.4th 1289, 1296 (Fed. Cir. 2021) ("[An] Argument that is only made in a footnote of an appellant's brief is forfeited.").

Even if the Court were to consider the substance of Tessell's assertion, it is not supported by any meaningful analysis or authority and, therefore, fails to provide a sufficient basis for review or a basis for granting the extraordinary relief sought.

4. Tessell's APA arguments fail.

Tessell's attempt to repackage its statutory challenge as an APA violation is unavailing and follows a tactic that has been consistently rejected by the courts.

a. There is no reviewable APA violation.

Tessell accuses the Director of "shenanigans" and *ultra vires* action, suggesting that the Director's exercise of discretion is subject to judicial review under the APA. Pet. 18 (quoting *SAS*, 584 U.S. at 371). However, the Federal Circuit has repeatedly held that similar arguments—including challenges to the time bar under § 315—are not reviewable APA grounds via mandamus. *See Mylan*, 989 F.3d at 1382–83.

Tessell's reliance on *SAS*, 584 U.S. at 371, Pet. 18, is misplaced for the reasons discussed above. *See Supra* Section IV.B.2. And recent mandamus decisions have consistently rejected similar APA/statutory arguments. *See, e.g.*, *In re Google LLC*, No. 2025-144, 2025 WL 3096849, at *2 (Fed. Cir. Nov. 6, 2025) (nonprecedential); *Motorola*, 159 F.4th at 35, 38; *Cambridge*, 2025 WL 3526129, at *2–3; *HighLevel*, 2025 WL 3527144, at *2.

Tessell's argument about agency action outside statutory limitations based on 5 U.S.C. § 706(2) should also be rejected, as it has been in other recent mandamus decisions. Pet. 18. Arguments challenging the Director's exercise of discretion to deny institution are not reviewable under the APA in light of § 314(d). *See Motorola*, 159 F.4th at 38.

Tessell's reliance on *Heckler v. Chaney*, 470 U.S. 821, 832–33 (1985), is similarly misplaced. Pet. 18. *Heckler* in fact supports Nutanix's position because the Supreme Court recognized that agency decisions committed to discretion are not reviewable under the APA; *Heckler's* rare exception is not present here. 470 U.S. at 832. The limited exception in *Heckler*—where a statute required the Secretary of

Labor to act if certain "clearly defined" factors were present—is not applicable because there is no requirement for the Director to institute. *Id.* at 834.

b. There is no unlawful policy change or arbitrary agency action.

Tessell also claims that the Director's decisions represent an unlawful change in policy regarding assignor estoppel, invoking the "change-in-position" doctrine and citing *Athena*, as well as Supreme Court and APA precedent. Pet. 19–20.

These arguments fail for several reasons. First, *Athena* did not prohibit consideration of a petitioner's identity or relationship with a patent as a discretionary factor under § 314(a). Such factors are regularly considered in PTAB practice, including under

- *Fintiv* Factor 5, *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, 2020 WL 2126495, at *2 (P.T.A.B. Mar. 20, 2020) (precedential);
- *General Plastic* Factor 1, *Gen. Plastic Indus. Co., Ltd. v. Kaisha*, IPR2016-01357, 2017 WL 3917706, at *4 (P.T.A.B. Sept. 6, 2017) (precedential);

- real party-in-interest/privity, 35 U.S.C. § 312(a)(2), *Corning Optical Commc'n RF, LLC v. PPC Broadband, Inc.*, IPR2014-00440, 2015 WL 14109211, at *1–2 (P.T.A.B. Aug. 18, 2015) (precedential); and
- "settled expectations" or other equitable considerations, Ex. E (Mar. 26, 2025, Workload Management memorandum), at 2–3.

The denials here are consistent with *Athena* and PTAB precedent: assignor estoppel was not applied, and the Director's decision was based on fairness, resource allocation, and the totality of the circumstances.

Tessell's reliance on Supreme Court and APA "policy change" cases is also misplaced. Pet. 19–20. In *FDA v. Wages & White Lion Investments, L.L.C.*, 604 U.S. 542 (2025), the Court found that most alleged changes in agency position were not changes at all because the agency's actions were "sufficiently consistent with its predecisional guidance." *Id.* at 569–71. Similarly, here, the Director's application of unfair dealings was consistent with prior exercises of discretion based on administrative efficiency. The only remaining supposed change—the denial of applications to market e-cigarette products without

considering certain application materials that prior guidance had identified as "critical"—is not alleged here and, further, the issue was remanded for application of the APA's harmless-error rule. *Id.* at 589–90. In *Encino Motorcars, LLC v. Navarro*, 579 U.S. 211, 217 (2016), the relevant agency expressly acknowledged a change in policy, which did not occur here. The PTO did not announce any change in policy regarding assignor estoppel or discretionary denial.

Tessell's argument that the APA requires more explanation for a policy change is also unavailing. There was no policy change here. Moreover, similar challenges to the Director's use of broad discretionary denial power under § 314(d) have been rejected. *See Motorola*, 159 F.4th at 38 (rejecting argument that the Director acted arbitrarily and capriciously by "failing to 'offer any reasons'" for implementing new discretionary denial policy (citation omitted)); *Cambridge*, 2025 WL 3526129, at *2–3 (rejecting argument that the reasoning behind the new discretionary denial policy was "not reasonably explained").

Finally, the cases Tessell cites to argue that the Director acted arbitrarily and capriciously are inapt. According to *Motor Vehicle Manufacturers Ass'n, Inc. v. State Farm Mutual Automobile Insurance*

Co., 463 U.S. 29, 43 (1983), an agency rule is arbitrary and capricious only if the agency relied on improper factors, failed to consider important aspects of the problem, or offered an implausible explanation. Tessell does not allege that any of these circumstances are present. Courts must "uphold a decision of less than ideal clarity if the agency's path may reasonably be discerned." *Id.* (citation omitted). The *Encino* Court set a low bar for explanation, satisfied when the agency's "path may reasonably be discerned." 579 U.S. at 221 (citation omitted). Here, the Director explained the reasoning for the denials.

For all these reasons, Tessell's APA-based arguments fail both as a matter of law and fact. The Director's decisions were consistent with statutory authority, agency precedent, and the requirements of the APA.

5. Tessell has not shown any due process violation.

Tessell's due process arguments are equally unavailing. This Court has repeatedly rejected the notion that there is a constitutionally protected interest in having IPR petitions evaluated. *See HighLevel*, 2025 WL 3527144, at *2; *Cambridge*, 2025 WL 3526129, at *2; *Google*, 2025 WL 3096849, at *2.

Tessell further contends that the PTO's alleged departure from the *Athena* precedential decision violated due process. Pet. 23–24. As discussed above, there was no policy change here. *See supra* Section IV.B.4.b.

Tessell also argues that the Director's designation of *Athena* as a precedential decision placed substantive limits on the Director's discretion, thereby creating a protected liberty interest in having its IPR petitions heard without fear of assignor estoppel. Pet. 23–24. Tessell relies on *Kentucky Department of Corrections v. Thompson*, 490 U.S. 454, 462 (1989), but that case is inapposite. Pet. 23. There, the Supreme Court held that prison inmates did not have a constitutionally protected liberty interest in visitation rights because the regulations lacked the requisite mandatory language, stating only that a visitor "*may* be excluded." 490 U.S. at 464.

Similarly, § 314(a) provides that the Director "*may* not authorize" an IPR, and thus, a petitioner could not reasonably have formed a protected interest in having IPR petitions heard. 35 U.S.C. § 314(a) (emphasis added); *see Motorola*, 159 F.4th at 36–37. The statutory

framework makes clear that institution is a matter of agency discretion, not a protected entitlement.

C. Tessell has other relief available, including *ex parte* reexamination at the USPTO.

Mandamus is an extraordinary remedy, available only when there is no other adequate means to attain the desired relief. *See Cambridge*, 2025 WL 3526129, at *2; *HighLevel*, 2025 WL 3527144, at *2. Here, Tessell cannot meet that standard because alternative avenues for relief exist.

Tessell argues that it cannot press its invalidity challenges in the parallel district court litigation because Nutanix will likely raise assignor estoppel, and thus, only the PTO can consider these challenges. Pet. 26. Even so, Tessell could pursue its prior art-based validity challenges through *ex parte* reexamination at the PTO.

Under 35 U.S.C. § 302, "[a]ny person at any time may file a request for reexamination by the Office of any claim of a patent on the basis of any prior art cited under the provisions of [§] 301." Further, the Manual of Patent Examining Procedure (MPEP) confirms that "[a]ny person" can include: the patent owner themself, an accused infringer, a

current licensee, a corporation, or even the director of the USPTO on their own initiative. MPEP 2212 (9th ed. Rev., Nov. 2024).

The fact that the alternate relief available is not a party's preferred type does not make that relief inadequate or support a grant of mandamus. *See Chaverra v. ICE*, No. CV 18-289, 2018 WL 4762259, at *6 (D.D.C. Oct. 2, 2018) (nonprecedential) ("That Chaverra may prefer to proceed under a writ of mandamus – or even that a writ of mandamus offers superior relief – does not permit the Court to invoke this 'drastic' and 'extraordinary' relief."); *Bryan v. McDonald*, 615 F. App'x 681, 684 (Fed. Cir. 2015) (nonprecedential). Because alternate avenues of relief exist, mandamus is not warranted. *See Cambridge*, 2025 WL 3526129, at *2.

Tessell argues that a district court action would not provide the relief it seeks—namely, reinstatement of the dismissed IPR Petitions. Pet. 25–26 (citing *Apple*, 63 F.4th at 13–14). However, *Apple* did not involve the denial of a specific IPR petition, but rather a broader challenge to the *Fintiv* discretionary denial factors used by the Board in general. It is unclear how Tessell could find support for its argument in that case.

Tessell further contends that, because noninstitution decisions are not appealable, mandamus is the only relief available. *See* Pet. 25 (citing *In re Palo Alto Networks, Inc.*, 44 F.4th 1369, 1374 (Fed. Cir. 2022)). But this does not satisfy the stringent test for mandamus relief. While the Court in *Palo Alto Networks* noted that judicial review of the Director's institution decisions is available in extraordinary circumstances by petition for mandamus, the Court ultimately denied the mandamus. 44 F.4th at 1377–78. The same should happen here.

D. Tessell's requests for relief in all four IPRs fail for the same reasons.

Tessell contends that the Court should remand for consideration of the merits of its petitions, arguing that assignor estoppel is not applicable to inter partes review proceedings. Pet. 27. This argument, however, mischaracterizes the basis for the Director's noninstitution decisions.

The Director's decisions were not grounded on assignor estoppel. Instead, the Director's noninstitution determinations were based on a holistic assessment of all the evidence and arguments presented, as reflected in the record. *See* Ex. B ('336 Institution Denial), at 3; Ex. C ('157 and '340 Institution Denial), at 2. Among the arguments presented

were unfair dealing, the use of prior art already considered by the Examiner, and the settled expectations of the parties. Such discretionary considerations are not subject to judicial review. *See Cambridge*, 2025 WL 3526129, at *3 (Arguments "about what factors the Director may consider when deciding whether to institute IPR," "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." (internal citations omitted)).

V. CONCLUSION

Tessell's petition should be denied.

Respectfully submitted,

January 13, 2026

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1. This brief complies with the type-volume limitation of Federal Rule of Appellate Procedure 21(d)(1).

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