

# United States Court of Appeals for the Federal Circuit

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IN RE KANGXI COMMUNICATION  
TECHNOLOGIES (SHANGHAI) CO., LTD.

*Petitioner.*

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On Petition for a Writ of Mandamus to the  
United States Patent and Trademark Office,  
Patent Trial and Appeal Board in Inter Partes Review  
Nos. IPR2025-00372, IPR2025-00373

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## PETITION FOR A WRIT OF MANDAMUS

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November 24, 2025

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## **CERTIFICATE OF INTEREST**

Counsel for Petitioner Kangxi Communication Technologies (Shanghai) Co., Ltd. certifies the following:

**1. Represented Entities** (Fed. Cir. R. 47.4(a)(1)) – Provide the full names of all entities represented by undersigned counsel in this case.

Kangxi Communication Technologies (Shanghai) Co., Ltd.

**2. Real Party in Interest** (Fed. Cir. R. 47.4(a)(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. Parent Corporations and Stockholders** (Fed. Cir. R. 47.4(a)(3)) – Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities.

Grand Kangxi Communication Technologies (Shanghai) Co., Ltd.

**4. Legal Representatives** – List 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).

Duane Morris LLP: Timothy R. Shannon, Seth Coburn, John M. Baird, Patrick D. McPherson

**5. Related Cases** – Other than the originating case(s) for this case, are there related or prior cases that meet the criteria under Fed. Cir. R. 47.5(a)?

Yes. *See infra* Statement of Related Cases.

**6. Organizational Victims and Bankruptcy Cases** – 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: November 24, 2025

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## **STATEMENT OF RELATED CASES**

The patents at issue in the inter parties review (“IPR”) proceedings below (U.S. Patent Nos. 9,917,563 and 8,717,101) are being asserted in *Skyworks Solutions, Inc. v. Kangxi Communication Technologies Shanghai Co., Ltd et al.* No. 8:24-cv-00974 (C.D. Cal) (filed May 6, 2024) and *In re Investigation Wireless Front-End Modules, Devices Containing the Same, and Components Thereof*, Inv. No. 337-TA-3762 (ITC) (filed July 17, 2024).

## **RELIEF SOUGHT**

Kangxi Communication Technologies (Shanghai) Co., Ltd (“KCT” or “Petitioner”) respectfully requests a writ of mandamus (i) vacating the non-institution decisions in IPR2025-00372 (Appx. 060-161) and IPR2025-00373 (Appx. 257-346); (ii) striking down the “settled expectations” rule issued by the USPTO; and (iii) directing the USPTO to consider institution of these IPR petitions under the rules and guidance in force when the petitions were filed on January 14, 2025. In the alternative, the Court should direct to the USPTO to refund Petitioner’s filing fees.

## INTRODUCTION

Had Petitioner known in 2024, when considering whether to prepare and file its IPR petitions, that – contrary to the clear rule at the time – a parallel ITC case would automatically doom the petitions, Petitioner never would have spent hundreds of thousands of dollars in legal fees to prepare the petitions. Nor would Petitioner have handed the USPTO a check for \$38,000 for non-refundable filing fees. The Parallel ITC Investigation was already up and running. If *Fintiv* were applicable, the petition was doomed. Why bother filing? Why pay the government for nothing?

Similarly, had Petitioner known in 2024, when considering whether to prepare and file its IPR petitions, that – contrary to the clear rule at the time – the age of the disputed patents (>6 years) would render them untouchable and necessarily doom the petitions, Petitioner never would have spent hundreds of thousands of dollars in legal fees to prepare the petitions. Nor would Petitioner have handed the USPTO a check for \$38,000 for non-refundable filing fees. Why bother filing? Why pay the government for nothing?

That is precisely what the government is asking Petitioner to do. After pocketing Petitioner’s filing fees, the USPTO announced new rules that would automatically doom the already-filed petitions. One of those rules (the “parallel ITC action” rule) was a complete reversal of the rule in force at the time of the

filings. The other rule (the “settled expectations” rule) was incoherent, arbitrary, and capricious – and automatic. Indeed, the automatic-ness of the new rules was apparent from the brevity of the denial Decision; the Director simply pointed to the rules and declared the petitions dead. The Director’s retroactive application of these new rules raises multiple constitutional and statutory errors warranting mandamus.

Importantly, this case differs from the recent case, *In re Motorola Solutions, Inc.*, Case No. 25-134, 2025 WL 3096514 (Fed. Cir. Nov. 6, 2025), to which the Director will surely point, in two key respects.

First, whereas the petitioner in *Motorola* premised its Due Process argument on an entitlement to “consideration of its petitions on the merits without risking discretionary denial based on parallel District Court proceedings” (2025 WL 3096514, at \*4), Petitioner here has a simpler and more concrete property interest: money. The government pocketed Petitioner’s filing fees for a petition and a process that it would later render pointless, doomed the moment it was filed (despite the government’s representations to the contrary). Petitioner was paying for a nullity, nothing.<sup>1</sup> Put differently, the fight here is not whether the Director

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<sup>1</sup> As set forth below, the “settled expectations” rule was also automatic. The unwritten test for the “settled expectations” is that patents over six years old are protected. Petitioner was filing IPRs on patents the director had categorically rendered untouchable. This, too, would be a separate basis for mandamus.

can apply *Fintiv* despite a *Sotera* stipulation – the dispute framed in *Motorola* – but whether the Director can take Petitioner’s money and then instantly nullify the review for which Petitioner has paid, *i.e.* take money under what turns out to be false pretenses.

Second, unlike in *Motorola*, the Director here issued, retroactively applied, and predicated his Decision upon a new “settled expectations” rule. (There was no such rule at issue in *Motorola*.) The “settled expectations” rule is itself incoherent, arbitrary, and capricious. It is internally inconsistent (*e.g.* time v. petitioner expectations v. patent owner expectations) and unmeasurable (*e.g.* without evidence), a Kafkaesque mix of words. The “settled expectations” rule itself, not just its application, can and should be stricken.

## **ISSUES PRESENTED**

1. Did the USPTO violate due process by retroactively applying new institution rules to IPR petitions, after they had been paid for and filed, in a manner that destroyed their viability?
2. Did the USPTO exceed its statutory authority by creating a “settled expectations” rule untethered to the AIA?
3. Did the USPTO violate the APA and AIA by creating a “settled expectations” rule that was incoherent, arbitrary, and capricious?
4. Did the USPTO violate the APA and AIA by skipping notice-and-comment procedures for its “settled expectations” rule?

## BACKGROUND

### **A. The USPTO Announced it “Will Not” Deny IPR Institution Based on Parallel ITC Proceedings**

In 2020, the USPTO Director designated as precedential a case announcing a six-factor test to guide discretionary denial under 35 U.S.C. § 314(b) in the event there were related district-court proceedings. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, 2020 WL 2126495, at \*2 (P.T.A.B. Mar. 20, 2020) (precedential). The *Fintiv* framework considered the likelihood of a stay, the trial date, investment in the parallel litigation, whether the parties in the IPR and litigation were the same, and other circumstances such as the merits. *Id.*

On June 21, 2022, the USPTO clarified the application of the *Fintiv* factors by issuing the “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“2022 Binding Guidance” or “Vidal Memo”). Appx38-39 (citing 35 U.S.C. § 3(a)(2)(A)). Specifically, the USPTO announced:

The PTAB *will not* discretionarily deny petitions based on applying *Fintiv* to parallel ITC proceeding.

Appx017.(emphasis added). The USPTO Director deemed this guidance “binding” on the exercise of her delegated discretion. Appx011, Appx017.

### **B. Skyworks Sued Petitioner for Patent Infringement in the ITC**

On May 6, 2024, Patent Owner Skyworks Solutions, Inc. and its affiliates (collectively, “Skyworks” or “Patent Owner”) filed complaints in the U.S. District

Court in the Central District of California alleging that Petitioner infringed five patents, including U.S. Patent Nos. 8,717,101 (“the ’101 Patent”) and 9,917,563 (“the ’563 Patent”).<sup>2</sup>

On July 17, 2024, Patent Owner likewise filed a complaint in the International Trade Commission (“ITC”) (“Parallel ITC Investigation”) asserting infringement of the same five patents.<sup>3</sup>

On September 13, 2024, the District Court stayed the Parallel District Court Litigation in view of the Parallel ITC Investigation pursuant to 28 U.S.C. § 1659(A).

### **C. Petitioner Filed IPR Petitions in Reliance on the Agency’s Then-Binding Rules**

Between July 2024 and January 2025 – at considerable expense – Petitioner KCT researched and prepared IPR petitions directed to the ’563 and ’101 Patents. On January 14, 2025, relying on the 2022 Binding Guidance – *i.e.* that the PTAB would not discretionarily deny petitions based on a parallel ITC proceeding –

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<sup>2</sup> *Skyworks Solutions, Inc. v. Kangxi Communication Technologies (Shanghai) Co., Ltd et al.*, Case No. 8:24-cv-00974-FWS-ADS (C.D. Cal. May 6, 2024) and *Skyworks Solutions Canada, Inc., Skyworks Global Pte Ltd. v. Kangxi Communication Technologies (Shanghai) Co., Ltd et al.*, Case No. 8:24-cv-00976FWS-ADS (C.D. Cal. May 6, 2024) (stayed) (together, the “Parallel District Court Litigation”).

<sup>3</sup> *Certain Wireless Front-End Modules, Devices Containing the Same; Inv. No. 337-TA-1413* (ITC)(July 16, 2024)( (“Parallel ITC Investigation”).

Petitioner paid the USPTO \$38,000 in filing fees and filed the disputed IPRs. *See* Appx153-154 (Petition, Paper 2, at 87-88) (noting the Parallel ITC Investigation); Appx457 (E-mailed Payment Receipt Notice from PTACTS\_System@uspto.gov, to John M. Baird. (Jan. 14, 2025, at 18:17 ET)); Appx458 (PTAB Case Tracking Sys., IPR2025-00372, <https://ptacts.uspto.gov/ptacts/ui/case-viewer/15377842/IPR2025-00372/aia-review-info> (last visited Nov. 11, 2025)); Appx459 (E-mailed Payment Receipt Notice from PTACTS\_System@uspto.gov, to John M. Baird. (Jan. 14, 2025, at 18:24 ET)); Appx460 (PTAB Case Tracking Sys., IPR2025-00373, <https://ptacts.uspto.gov/ptacts/ui/case-viewer/13468749/IPR2025-00373/aia-review-info> (last visited Nov. 11, 2025)).

**D. After the IPR Petitions Were Filed and Paid for, the USPTO (i) Reversed the ITC Rule and (ii) Introduced a New “Settled Expectations” Rule**

On February 28, 2025, the USPTO announced via a three-sentence statement on its website that it was rescinding the 2022 Binding Guidance. Appx108 (“Rescission”) (“rescinded the June 21, 2022, memorandum”). The USPTO provided no explanation for the recission. *Id.*

On March 24, 2025, the Chief Judge of the PTAB issued a memorandum titled “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“Boalick Memo”), stating that the Rescission would retroactively apply to petitions filed before the

Rescission, including in “any case in which the Board has not issued an institution decision.” Appx111 (“Boalick Memo”). The Boalick Memo announced:

[T]he Board ***will*** apply the *Fintiv* factors when there is a parallel proceeding at the [ITC].

Appx111-112 (emphasis added).

On March 26, 2025, the Acting Director issued the “Interim Processes for PTAB Workload Management” (“Stewart Memo”), announcing a new discretionary denial process, in which the Acting Director herself would now discretionarily deny institution of petitions. Appx113, Appx115.

The Stewart Memo announced also a new “consideration” in the new discretionary denial process: the “[s]ettled expectations of the parties, such as the length of time the claims have been in force.” Appx062. The Stewart Memo explained nothing further about the new rule, such as (i) how the Director would determine a patent owner’s expectations; (ii) how the Director would determine a petitioner’s expectations; (iii) what constitutes “settled;” (vi) what “length of time” qualifies or gives rise to expectations, or why.

**E. The Acting Director Denied Institution Based on (i) the Parallel ITC Investigation and (ii) “Settled Expectations”**

On July 16, 2025, the Acting Director issued a decision denying institution of IPR2025-00372 and IPR2025-00373 (“Decision”), stating her two grounds for denial:

It is unlikely that final written decisions in the PTAB proceedings will issue before the final determination in the ITC proceeding. Additionally, the challenged patents have been in force for more than 7 and 14 years, respectively, creating strong settled expectations, and KCT does not provide any persuasive reasoning why an inter partes review is an appropriate use of Board resources under these circumstances.”

Appx002 (Decision).

On August 15, 2025, KCT filed a Request for Director Review of the Decision (“Request”), raising both statutory and constitutional arguments. On October 9, 2025, Director Squires denied review without explanation.

## **JURISDICTION AND STANDARD OF REVIEW**

“While there is no avenue for direct appeal of decisions denying [IPR] institution . . . judicial review is available in extraordinary circumstances by petition for mandamus.” *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1381 (Fed. Cir. 2021); *see also id.* at 1380 (“exclusive jurisdiction” over Board decisions). A petitioner must show a clear and indisputable legal right, the lack of other adequate method of obtaining relief, and the writ’s appropriateness under the circumstances. *Id.* at 1382.

With respect to constitutional errors, the Court’s mandamus jurisdiction is essentially unfettered. A constitutional claim need only be “colorable” to be reviewable. *Id.* at 1382.

With respect to statutory errors, review is more nuanced. On the one hand, the America Invents Act (AIA) vests the Director of the USPTO with the power to make IPR institution decisions, 35 U.S.C. § 314(b), and Section 314(d) precludes review of institution decisions “where the grounds for attacking the decision... consist of questions that are closely tied to the application and interpretation of statutes related to the ... decision to initiate *inter partes* review.” *Cuozzo Speed Techs. v. Lee*, 579 U.S. 261, 274-75 (2016). On the other hand, § 314(d) does not preclude review of what the Supreme Court has termed “shenanigans,” such as situations in which the agency “act[s] outside its statutory limits.” *Id.* at 275. “If a party believes the Patent Office has . . . exceed[ed] its statutory bounds, judicial review remains available consistent with the Administrative Procedure Act, which directs courts to set aside agency action ‘not in accordance with law’ or ‘in excess of statutory jurisdiction, authority, or limitations.’” *SAS Inst., Inc. v. Iancu*, 584 U.S. 357, 358 (2018) (citing 5 U.S.C. §§ 706(2)(A), (C)). “[J]udicial review remains available consistent with the Administrative Procedure Act to ensure that the Patent Office does not exceed its statutory bounds.” *Id.* at 371.

In sum, with respect to statutory errors, an individual decision made *within* the agency's statutory jurisdiction may be partly shielded by 314(d) but a Director's *ultra virus* actions, improper rulemaking, improper procedures, and

arbitrary and capricious actions *outside* the agency’s statutory jurisdiction, authority, or limitations is reviewable on mandamus. *SAS Inst.*, 584 U.S. at 371. Section 314(d) is neither a grant of authority to act beyond the scope of the AIA, nor a shield for improper rulemaking or procedures.

## **REASONS WHY THE WRIT SHOULD ISSUE**

Mandamus is warranted for at least four reasons: (1) the USPTO deprived Petitioner of its property —money—without due process; (2) the USPTO lacks the authority to promulgate a “settled expectations” rule untethered to the AIA; (3) even if authorized, the “settled expectations” rule itself is incoherent, arbitrary, capricious, and should be stricken; (4) the “settled expectations” rule was improperly adopted without notice-and-comment rulemaking.

### **A. The USPTO Deprived KCT of Property — Money — Without Due Process**

We start with the simplest framework. Money is property. *Bd. of Regents of State Colleges v. Roth*, 408 U.S. 564, 571–72, (1972) (“The [Supreme] Court has also made clear that the property interests protected by procedural due process extend well beyond actual ownership of real estate, chattels, or money.”). Petitioner paid outside counsel hundreds of thousands of dollars to find clear, strong, on-all-fours prior art and prepare IPR petitions. Petitioner then paid \$38,000 in nonrefundable filing fees to the USPTO.

Those filing fees were, by statute, tethered to the review process. The

government was offering to provide – and Petitioner was paying for – a service.

*See* 35 U.S.C. 311 (“The Director shall establish, by regulation, fees to be paid by the person requesting the review, in such amounts as the Director determines to be reasonable, *considering the aggregate costs of the review*”) (emphasis added); *see also* P.L. 111-29 (Sept. 16, 2011) § 10(a)(1) (fees are chargeable only “for any *services* performed by or materials furnished by, the Office”) (emphasis added); *id.* at § 10(a)(2) (“Fees may be set or adjusted under paragraph (1) only to recover the aggregate estimated costs to the Office for processing, activities, services, and materials relating to patents (in the case of patent fees) . . .”). The government charges more for large petitions, *i.e.* greater review services. *See* 37 C.F.R. § 42.15 (a)(3) (incremental fee per claim reviewed above 20).<sup>4,5</sup>

In short, Petitioner and the USPTO had an agreement. Per the published rules, *i.e.* by agreement, Petitioner would pay a fee and submit a rule-conforming

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<sup>4</sup> 37 C.F.R. § 42.15(a)(1). This is just for the request services; the USPTO charges separate “post-institution” fees. 37 C.F.R. § 42.15(a) (2) (currently \$28,125 post-institution fee for the first 20 claims). *See* <https://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule#PTAB%20Fees>. (last visited Nov. 19, 2025).

<sup>5</sup> Put differently, and in contrast to the analysis set forth in *Motorola*, 2025 WL 3096514, the service was more than a government “benefit.” *Cf. Roth*, 408 at 576-77 (examples of benefits); *Goldberg v. Kelly*, 397 U.S. 254, 264 (1970) (welfare benefits giving rise to protectable interests); *Cushman v. Shinseki*, 576 F.3d 1290, 1298 (Fed. Cir. 2009) (“due process attaches in the context of non-discretionary benefits”). Petitioner had paid for the consideration under false pretense. The government simply took the money.

petition; the government would consider it, rationally. Per the published rules, institution was not guaranteed, but the government agreed it would not discretionarily deny institution based on specific criteria. The Parallel ITC Investigation was *not* a bar. The age of the patents was *not* a bar. The petition was viable, *not* dead on arrival, a pointless exercise. Petitioner was paying for *something*.

Except it wasn't, according to the government. According to the government today (Decision at Appx002), the USPTO was free to renege, to arbitrarily flip and retroactively apply the rule concerning the applicability of *Fintiv* (from “will not” apply *Fintiv* based on a parallel ITC proceeding, Appx017 (2022 Binding Guidance) to “will,” Appx017 (2022 Binding Guidance), Appx111 (“Boalick Memo”)) in a manner that instantly doomed the petition. The Parallel ITC Investigation had a statutorily-defined final determination date that preceded the statutorily-defined IPR final decision date. Appx002 (Decision). March precedes August. Thus, whereas the rule change in *Motorola* introduced a degree of uncertainty (the practical impact of a *Sotera* stipulation under particular facts) that this Court deemed insufficient to give rise to a Due Process violation, here the statutory timing of the ITC proceeding *guaranteed* denial. Petitioner was guaranteed to be wasting its money. The “settled expectations” rule was similarly automatic. The youngest patent was seven years old and therefore, through some

still-not-explained logic, the patent was untouchable.<sup>6</sup> Petitioner was filing IPRs on patents that the Director had categorically rendered untouchable as a matter of law. Petitioner was handing over \$38,000 for the privilege of having the government instantly and automatically reject the petition according to a set of then-non-public rules.

This was unfair. Petitioned had been sold a bill of goods. The Due Process Clause provides that no person “shall be . . . deprived of life, liberty, or property, without due process of law.” U.S. Const. amend. V. Petitioner was deprived of property interest (filing fees) without due process, indeed with hardly any discernible process at all. The government pocketed the property interest (filing fees) with no notice, no merits consideration, after failing to do what it had promised to do. Had the government disclosed its true petition-dooming rules at the time of filing, Petitioner never would have handed over its money.<sup>7</sup>

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<sup>6</sup> The unwritten test for the “settled expectations” rule appears to be that as the patents were over six years old are protected. *See Dabico Airport Solutions Inc. v. AXA Power Aps*, IPR2025-00408, Paper 21 at 3 (Acting Dir. Stewart June 18, 2025) (“The approach [here] aligns with other approaches to settled expectations and incentives, for example, for filing infringement lawsuits. Cf. 35 U.S.C. § 286 (‘. . . no recovery shall be had for any infringement committed more than six years prior to the filing of the complaint [.]’).”

<sup>7</sup> Nor can the government find refuge in *United States v. Carlton*, 512 U.S. 26, 32–34 (1994). Taxation is not like IPR petitioning. Taxation is a shared burden, *id.* at 33; IPR petitioning is party- and fact-specific. Nor is the USPTO the same as Congress. Congress has (some) authority to impose retroactive burdens; an Executive-branch agency does not.

“Elementary considerations of fairness dictate that individuals should have an opportunity to know what the law is and to conform their conduct accordingly.”

*Landgraf v. USI Film Products*, 511 U.S. 244 (1994). The instant case therefore implicates more than “process” alone. *Cf. Motorola* (citing *Olim v. Wakinekona*, 461 U.S. 238, 249-250 (1983) (prison regulations)). It implicates money.

This same due process problem – *i.e.* the government taking Petitioner’s filing fees under essentially false pretenses – can also be understood through the framework of “retroactivity.” “The Due Process Clause limits the extent to which the Government may retroactively alter the legal consequences of an entity’s or person’s past conduct.” *PHH Corp. v. CFPB*, 839 F.3d 1, 46-47 (D.C. Cir. 2016) (Kavanaugh, J.), *order vacated* (Feb. 16, 2017), *reinstated in relevant part*, 881 F.3d 75, 83 (D.C. Cir. 2018); *Princess Cruises, Inc. v. United States*, 397 F.3d 1358, 1362 (Fed. Cir. 2005) (“Retroactivity is not favored in the law.”). “Due process therefore requires agencies to ‘provide regulated parties fair warning of the conduct a regulation prohibits or requires.’” *PHH Corp.*, 839 F.3d at 46-47 (citation omitted). And “an administrative agency may not apply a new rule retroactively when to do so would unduly intrude upon reasonable reliance interests.” *Heckler v. Cnty. Health Servs. of Crawford Cnty., Inc.*, 467 U.S. 51, 61 n.12 (1984); *GPX Int’l Tire Corp. v. United States*, 780 F.3d 1136, 1141 (Fed. Cir. 2015) (when party challenges a law “because it operates retroactively,” “we do

not think that the outcome of the due process analysis depends upon a determination that a vested right exists”).

To apply the retroactivity framework, this Court examines the ““nature and extent of the change in the law,’ ‘the degree of connection between the operation of the new rule and a relevant past event,’ and ‘familiar considerations of fair notice, reasonable reliance, and settled expectations.”” *Princess Cruises*, 397 F.3d at 1362, 1364 (quoting *Landgraf*, 511 U.S. at 270). “If, under this test, a rule or regulation appears to have a retroactive effect, then the rule or regulation cannot be applied to cases pending at the time of its promulgation.” *Rodriguez v. Peake*, 511 F.3d 1147, 1153 (Fed. Cir. 2008).

For example, in *Princess Cruises*, this Court held it impermissible to apply a new administrative ruling (governing cruise-ship taxes and a new evidentiary presumption) to conduct preceding the ruling. 397 F.3d at 1363-67. The new ruling qualified as a significant change in law because it established an evidentiary presumption “nowhere to be found in” the “statute or regulations.” *Id.* at 1365. The ruling disadvantaged parties for past conduct: cruise lines had not kept records to meet the new evidentiary presumption. *Id.* at 1366 (unfair to apply the new rule). Similarly, in *Landgraf*, a “new rule concerning the filing of complaints would not govern an action in which the complaint had already been properly filed under the old regime.” *Landgraf*, 511 U.S. at 275 & n.29. So too for a new limit

on notices of appeal “if it would render invalid a notice that was valid when filed.” *Durr v. Nicholson*, 400 F.3d 1375, 1380 (Fed. Cir. 2005); *see also Woodward v. DOJ*, 598 F.3d 1311, 1315 (Fed. Cir. 2010) (new burden of proof cannot be applied to already-pending case).

With these examples in mind, *Princes Cruises* compels mandamus. First, the USPTO effectuated “a substantial change in the law.” *Princess Cruises*, 397 F.3d at 1362. The Parallel ITC Investigation and the patent ages went from irrelevant to dispositive. The “settled expectations” rule was “nowhere to be found in” the “statutes or regulations.” *Id.* at 1365 (significant change in law). Second, “the degree of connection between the operation of the new rule and a relevant past event,” *id.* at 1362, is high. The new rules, applied retroactively, mechanically rendered the petitions non-viable, without any analysis (or even any case-specific “discretion”). Third, “familiar considerations of fair notice, reasonable reliance, and settled expectations,” *id.* at 1362, counsel rejection of the Decision. The government had assured Petitioner that the parallel ITC proceeding would be irrelevant. Then, suddenly, it wasn’t. *Cf. Rodriguez*, 511 F.3d at 1153.<sup>8</sup>

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<sup>8</sup> Further, the USPTO lacks “power to promulgate retroactive rules unless that power is conveyed by Congress in express terms.” *Bowen v. Georgetown Univ. Hosp.*, 488 U.S. 204, 208 (1988); *see also Bd. of Cnty. Comm’rs of Weld Cnty. v. EPA*, 72 F.4th 284, 292 (D.C. Cir. 2023). The AIA confers no power—let alone in express terms—to make IPR rules retroactive or to regulate retroactively. Yet that is what the USPTO did, by applying the disqualifying 6-years-equals-settled-expectations rule after the

The Court has noted that the USPTO guidance was subject to change. *See Motorola Solutions, Inc.*, Case No. 25-134, 2025 WL 3096514 at \*10. Of course it was. All rules can change. But that does not imply or require that such changes will be retroactive. The Director can change, say, the page or word limits on future petitions, but that does not mean he or she can change the word limit on already-filed petitions, and reject them on that ground. “The petitions were fine when filed, but now they’re too long. Sorry. Thanks for the fees, though.”

#### **B. The USPTO Lacks the Authority to Promulgate A “Settled Expectations” Rule Untethered to the AIA**

In addition to the foregoing constitutional errors, the USPTO committed several stark statutory errors. The USPTO lacks the authority to promulgate a “settled expectations” rule untethered to the AIA. *See generally* 5 U.S.C. § 706(2)(C) (APA) (“[T]he reviewing court shall . . . hold unlawful and set aside agency action, findings, and conclusions found to be . . . in excess of statutory jurisdiction, authority, or limitations, or short of statutory right”); *SAS Inst.*, 584 U.S. at 358 (judicial review remains available “to set aside agency action not in accordance with law or in excess of statutory jurisdiction, authority, or limitations.”) (internal quotes omitted). The “settled expectations” rule falls outside the AIA’s institution criteria and conflicts with express congressional

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petitions were filed. The USPTO’s policy change went back in time to nullify a paid-for and then-viable petition.

intent. It creates a new time limit on the availability of *inter partes* reviews, contrary to the statutory presumption of validity that does not change with time (35 U.S.C. § 282), and the availability of IPRs throughout the life of the patent (35 U.S.C. § 311(c) and 35 U.S.C. § 315(b)). The USPTO has no more “legislation-overriding” power than the courts. *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 580 U.S. 328, 335 (2017) (“courts are not at liberty to jettison Congress’ judgment on the timeliness of suit.”). It also modifies the standard for proving invalidity. The AIA sets one standard (preponderance of the evidence) applicable to all patents, not a higher presumption of validity for patents as they age. But that is effectively what the “settled expectations” rule does—as patents get “old,” the settled expectations of the parties is that the patent is valid. Such a rule is directly contrary to the Congress’s intent in establishing a uniform standard of proof.

The “settled expectations” rule itself – and the administrative practice of making the rule retroactive – is therefore defective, precisely the type of “shenanigans” that is reviewable notwithstanding 314(d). *Cuozzo*, 579 U.S. at 274-75.

### **C. Even If Authorized, the “Settled Expectations” Rule Itself Is Incoherent, Arbitrary, Capricious, and Should Be Stricken**

Even if the “settled expectations” rule was within the USPTO’s statutory authority – it was not – the rule itself is incoherent, arbitrary, capricious, and

should be stricken.<sup>9</sup> The rule, as announced in the Stewart Memo, reads:

Third, consistent with the discretionary considerations enumerated in existing Board precedent (including *Fintiv*, *General Plastic*, and *Advanced Bionic*) and the Consolidated Trial Practice Guide (Nov. 2019), the parties are permitted to address all relevant considerations, which may include:

...

Settled expectations of the parties, such as the length of time the claims have been in force.

Appx62. This “settled expectations” rule therefore mixes up three distinct things: a patent owner’s expectations, the petitioner’s expectations, and time. The Stewart Memo never explains how these things relate to each other, such as (i) how the Director could discern a patent owner’s “expectations;” (ii) how the Director could discern a petitioner’s “expectations;” (iii) whose expectations would control; (iv) what constitutes “settled;” (v) what “length of time” gives rise to expectations or settlement, or why. The memo cites no law or legislative history to fill in the gaps.

*Id.* See also *In re Brunetti*, 151 F.4th 1367 (Fed. Cir. Aug. 26, 2025) at 1379 (agencies may not take “an ‘I know it when I see it’ approach”).

The rule consequently makes no sense. A patent owner who delays

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<sup>9</sup> Supporting arguments concerning the arbitrariness and capriciousness of the “settled expectations” rule are set forth in the amicus brief filed by The Public Interest Patent Law Institute, filed Oct. 14, 2025 in Case No. 26-101, in support of a petition for writ of mandamus filed by Cambridge Industries USA, Inc. (“Vidal Amicus”) at 4-10.

enforcement may well do so because he or she lacks confidence in the claims. A petitioner who goes years without ever seeing or knowing about a patent will have no expectation of its existence, let alone its enforceability. (In the present case, for example, Petitioner had no “expectation,” having never heard of the patents.) Indeed, the passage of time should give a petitioner confidence that the claims are *not* enforceable against it. Invalidating prior art does not change over time. Claims do not get “more valid.” The concept is nonsense.

The USPTO ignored its basic “mandate to engage in reasoned decision making under the APA.” *In re Brunetti*, 151 F.4<sup>th</sup> 1367, at 1379 (Fed. Cir. Aug. 26, 2025) (precedential). Agencies must “develop coherent and rational rules” and “articulate a satisfactory explanation for [an] action including a rational connection between the facts found and the choice made.” *Id.* at 1378 (citation and quotation marks omitted). The “settled expectations” rule is neither coherent nor rational.

Section 314(d) is neither a grant of capricious-rule-making authority nor an abandonment of the rule of law. The USPTO’s creation of an inherently incoherent/arbitrary/capricious rule – defective on its face – is precisely the type of “shenanigans” that is reviewable notwithstanding 314(d). *Cuozzo*, 579 U.S. at 274-75; *SAS Inst.*, 584 U.S. at 358. A rule preemptively denying petitions submitted by women or minorities would be reviewable by this Court. A rule preemptively denying petitions involving patents in which the President or his

family had a personal financial interest would be reviewable by this Court. The rule itself would be defective, quite apart from its implementation in any one case. So it is here.

**D. The “Settled Expectations” Rule Was Improperly Adopted Without Notice and Comment Rulemaking**

Even if the “settled expectations” rule was within the USPTO’s statutory authority – it was not – and was coherent/non-arbitrary – it is not – it would still be unlawful here at least because the rule was implemented without notice-and-comment rulemaking. The APA requires notice-and-comment rulemaking for substantive rules. 5 U.S.C. § 553. A “rule” is any “agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy.” 5 U.S.C. § 551(4). Substantive rules require notice and comment. 5 U.S.C. § 553(b). Rules are “substantive” if they “effect a change in existing law or policy” or “affect individual rights and obligations.” *Paralyzed Veterans of Am. v. West*, 138 F.3d 1434, 1436 (Fed. Cir. 1998). Here, the “settled expectations” rule applies generally and prospectively to any IPR petition; it implements and prescribes a concrete (albeit vague and arbitrary) limit on IPRs; and as evidenced in this case, it is dispositive. Notice-and-comment rulemaking was required.

Notice and comment “assure[s] fairness and mature consideration of rules of general application.” *NLRB v. Wyman-Gordon Co.*, 394 U.S. 759, 764 (1969).

Agency action disregarding that procedural requirement must be set aside. *See, e.g., Coal. for Common Sense in Gov't Procurement v. Sec'y of Veterans Affs.*, 464 F.3d 1306, 1317 (Fed. Cir. 2006). Here, the new sweeping doctrine was announced informally by memorandum, without notice and rule-making that would have given KCT notice of the new policy, allowed KCT an opportunity to have been heard, and allowed KCT an opportunity to conduct itself accordingly.

The AIA itself separately requires that the USPTO engage in rulemaking pursuant to the APA, and the USPTO has acknowledged this by in fact engaging in the rulemaking process for discretionary denial.<sup>10</sup> The AIA directs that in “setting forth the standards for the showing of sufficient grounds to institute” IPR, the agency “shall prescribe regulations.” § 316(a)(2); *see also* § 312(a)(4) (requiring that requirements for IPR petitions, beyond those already enumerated in § 312(a), be established “by regulation”). “[W]hen a statute defines a duty in terms of agency regulations, those regulations are considered legislative rules,” which must be issued “pursuant to the [APA’s] notice-and-comment requirements.” *U.S. Telecom Ass’n v. FCC*, 400 F.3d 29, 38, 40 (D.C. Cir. 2005).

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<sup>10</sup> In 2023, the USPTO issued an advance notice of proposed rulemaking. 88 Fed. Reg. 24,503 (Appx26-41). In 2024, it issued a notice of proposed rulemaking. 89 Fed. Reg. 28,693 (Appx42-55). In 2025, it reiterated plans “to pursue notice-and-comment rulemaking.” Theresa Schliep, *Patent Office Plans Rulemaking For New PTAB Denial Process*, Law360, <https://www.law360.com/articles/2324147> (Apr. 17, 2025).

Changing policy requires “provid[ing] a reasoned explanation for the change, display[ing] awareness that they are changing position, and consider[ing] serious reliance interests.” *FDA v. Wages & White Lion Invs., L.L.C.*, 604 U.S. 542, 568 (2025) (citation and alterations omitted). Thus, to the extent the USPTO contends that the AIA gave it authority to create the new “settled expectations” rule, the agency did not even undergo the rulemaking that would, at minimum, be required under the AIA and APA. The new “settled expectations” rule is unlawful at least because there was no notice-and-comment rulemaking.

#### **E. KCT Lacks Other Adequate Method of Obtaining Relief**

When the USPTO exceeds legal constraints in denying institution, this Court applies mandamus review. *Mylan*, 989 F.3d at 1380. “In fact, when the Board denies institution, our mandamus jurisdiction is especially important.” *Id.* Although “the appeal bar in § 314(d) prevents any direct appeal,” it does not “divest[] [this Court] of mandamus jurisdiction.” *Id.* Section 314(d) therefore does not bar mandamus review of KCT’s claims.

Nor is an APA action in District Court available to KCT as an adequate alternative to mandamus.<sup>11</sup> First, an APA action is only prospective in nature and

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<sup>11</sup> In *Motorola*, the parties in that case appeared to “agree that an APA action in federal District Court affords Motorola and available avenue to raise this same challenge” regarding notice and rulemaking. *Motorola*, 2025 WL 3096514 at \*10. We disagree. Patent owner would surely raise a standing challenge to a declaratory judgment action seeking to strike the defective rule. *Motorola* was silent

thus would not provide KCT with restitution of its property interest expended in the current IPRs. Second, unlike a company like Motorola or Apple, KCT is not a “repeat player” on “a very large scale” in IPR proceedings, and thus would not have standing for such an action. *Apple Inc. v. Vidal*, 63 F.4th 1, 16–17 (Fed. Cir. 2023) (Court finding standing by taking “judicial notice” of Apple as a “repeat player” on a “very large scale” after being sued for patent infringement on “a regular basis” and petitioning for IPR regularly, making Apple’s prospective harm “far from speculative.”). Mandamus is KCT’s only option.

#### **F. KCT’s Writ Is Appropriate Under the Circumstances**

Mandamus is a critical check on unlawful agency action. It is appropriate “to decide ‘basic’ and ‘undecided’ questions” and “to further supervisory or instructional goals where issues are unsettled and important.” *In re BigCommerce, Inc.*, 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)). Mandamus is also warranted when “important to ‘proper judicial administration.’” *In re Cray Inc.*, 871 F.3d 1355, 1358-59 (Fed. Cir. 2017) (quoting *Schlagenhauf*, 379 U.S. at 110 and *In BP Lubricants USA Inc.*, 637 F.3d

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on this point, offering only dicta as to the parties’ understanding, not the Court’s. The deprivation of Petitioner’s property in the IPR proceeding is within the exclusive jurisdiction of this Court. *Mylan*, 989 F.3d at 1380.

1307, 1313 (Fed. Cir. 2011)).

## **CONCLUSION**

The Court should issue a writ (i) vacating the non-institution decisions in IPR2025-00372 (Appx. 060-161) and IPR2025-00373 (Appx. 257-346); (ii) striking down the “settled expectations” rule in its entirety; and (iii) directing the USPTO to consider institution of these IPR petitions under the rules and guidance in force when the petitions were filed on January 14, 2025. In the alternative, the Court should direct the USPTO to refund Petitioner’s filing fees.

Dated: November 24, 2025

Respectfully Submitted,

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