

## IP Magazine - Discretionary Institution

---

June 3, 2021 David McCombs, Jonathan Bowser

---

**PRACTICES** Intellectual Property, Patents, Patent Office Trials, Intellectual Property Litigation, Technology Transactions

---

The U.S. Patent Trial and Appeal Board (board) has discretion whether to institute a trial on an *inter partes* review (IPR) or post-grant review (PGR) petition.

The board may deny institution for reasons unrelated to the merits of the patentability challenges. For example, the board may deny a “follow-on” petition, filed by a second petitioner, after it has already considered an earlier petition, filed by a first petitioner, when there is a “significant relationship” between the first and second petitioners. This article reviews board decisions that identify factual circumstances that have led to a finding of a “significant relationship” and a discretionary denial, and those that have not.

Board decisions that have applied the “significant relationship” test reveal that the inquiry is fact-intensive. Some facts tended to weigh more in favour of finding a “significant relationship” between different petitioners. For example, the board was more likely to find that a “significant relationship” existed between petitioners that have a pre-existing legal or business relationship with respect to products that are accused of infringement.

On the other hand, being sued for infringing the same patent, by itself, was insufficient to support a finding of a “significant relationship.” We first address how the board’s jurisprudence has evolved to arrive at the “significant relationship” test, and then analyse how the board has applied this test to different factual circumstances.

Excerpted from *Intellectual Property Magazine*. To read the full article, click [here](#). (Subscription required)