

HAUG
PARTNERS

Nineteen Hundred and Twenty-two

NYIPLA

The New York Intellectual Property Law Association®

PTAB Committee

**THE MANY FLAVORS OF IPR ESTOPPEL:
A REVIEW AND UPDATE**

NYIPLA PTAB Committee

February 7, 2023

Brian Murphy

Partner

bmurphy@haugpartners.com

The following presentation reflects the personal opinions of its authors and does not necessarily represent the views of their respective clients, partners, employers or of the New York Intellectual Property Law Association or the PTAB Committee.

Additionally, the following content is presented solely for the purposes of discussion and illustration, and does not comprise, nor is to be considered, as legal advice.

AIA Legislative Review – Exemplary Policy Pronouncements

- **“improve patent quality and limit litigation abuses, [to ensure] that patents remain positive forces in the marketplace.”** 153 Cong. Rec. E773-75 (4.18.07)
- **IPRs “only make sense if ... not unduly expensive, and if such proceedings substitute for a phase of district-court litigation.”** Senate Rep. 110-259 (1.24.08) (Sen. Specter)
- **“a fair, balanced, and necessary effort to improve patent quality ... and offer productive alternatives to costly and complex litigation.”** 157 Cong. Rec. S1030 (3.1.11) (Obama)
- **“procedural limits on post-grant administrative proceedings [] will prevent abuse ... for purposes of harassment or delay.”** 157 Cong. Rec. S1374 (3.8.11) (Sen. Kyl)

AIA Legislative Review – Estoppel Rationale In Senate Report 110-259 (1.24.08)

- “this ‘one bite at the apple’ provision was included ... to quell concerns that a party bent on harassing a patent holder might file **serial PGR petitions.**”
- “The goal is to **encourage PGR challenges** when warranted The Director is admonished ... to [enact and enforce] regulations **forbidding and penalizing harassment.**”
- “it is only reasonable to **apply estoppel** to claims the challenger was, or should have been, in a position to raise, **whether or not it did so.**”
- a PGR petitioner “might be required to raise all prior art identified to him as a result of a **reasonable search request** submitted to a **commercial search firm.**”

- ***

- “[C]ould-have-raised estoppel extends only to that prior art which a **skilled searcher** conducting a **diligent search** reasonably could have been **expected to discover.**” 157 Cong. Rec. S1375 (March 8, 2011) (Sen Kyl)

35 U.S.C. § 315(e) ESTOPPEL.—

- **(1) PROCEEDINGS BEFORE THE OFFICE.—**The **petitioner** in an inter partes review of **a claim** in a patent under this chapter that results in a **final written decision under section 318(a)**, or the real party in interest or **privy** of the petitioner, may not request or maintain a proceeding before the Office with respect to **that claim** on **any ground** that the petitioner **raised or reasonably could have raised during that inter partes review**.
- **35 U.S.C. § 315(c) (2006) [inter partes reexam]—**
 - “any ground which the third-party requester **raised or could have raised during the inter partes reexamination proceedings**.”

Statutory IPR Estoppel – 35 U.S.C. §§ 315/325(e)(1), (e)(2)

- Statutory estoppel **triggered by FWD** (not common law collateral estoppel)
- Applies to Petitioners, **RPIs, and Privies**
- Applies on a **claim-by-claim** basis
- Applies to other Office proceedings
 - “may not **maintain or request** a proceeding before the Office”
- Applies to district court patent actions and **§ 337 ITC** proceedings
 - “may not **assert** either in a civil action ... or in a proceeding before the [ITC]”
- Applies to “any ground ... petitioner **raised** or **reasonably could have raised during that inter partes review**”

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAS INSTITUTE, INC.
Petitioner

v.

COMPLEMENTSOFT, LLC
Patent Owner

Instituted
Case IPF 2013-00225
Patent 7,110,936 B2

Claims 1-16

Before KEVIN F. TURNER, JUSTIN T. ARBES, and JENNIFER S. BISK,
Administrative Patent Judges.

BISK, *Administrative Patent Judge.*

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

Majority: “A Binary Choice”

– Justice Gorsuch

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAS INSTITUTE, INC.
Petitioner

v.

COMPLEMENTSOFT, LLC
Patent Owner

Denied
Case IPF 2013-00225
Patent 7,110,936 B2

Claims 1-16

Before KEVIN F. TURNER, JUSTIN T. ARBES, and JENNIFER S. BISK,
Administrative Patent Judges.

BISK, *Administrative Patent Judge.*

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

Dissent: “[A] Wooden reading of 35 U.S.C. §
318 (a)”

– Justice Ginsberg

What's SAS Got to Do with It?

Estoppel Implications of *SAS Institute v. Iancu*, 138 S. Ct. 1348 (2018)

- Requires “a binary choice—either institute review or don’t.”
- PTAB “must address **every claim** the petitioner has challenged”
- “[P]etitioner’s **petition** ... is supposed to **guide the life** of the litigation”
- No more partial institution; **No more partial estoppel**
- Undercut *Shaw Indus. v. Automated Creel*, 817 F.3d 1293, 1300 (Fed. Cir. 2016)
- Put teeth into “**raised** or **reasonably could have raised**” estoppel

POST-SAS “Reasonably Could Have Raised” Estoppel In District Court

Sionyx v. Hamamatsu Photonics K.K., 2018 WL4177941 (D. Mass Aug. 30, 2018)

- “[R]easonably could have raised’ is meant to include any patent or printed publication that a petitioner actually knew about or that ‘a skilled searcher conducting a diligent search reasonably could have been expected to discover.’” *Sionyx* at *19 (quoting 157 Cong. Rec. S1375)
- **Patent Owner’s burden** “(1) to identify the **search string and search source** that would identify the allegedly unavailable prior art and (2) present ... **expert testimony**, why such a criterion would be part of a skilled searcher's diligent search.” *Sionyx* at *20 (citation omitted)
- “[I]ndeed, the examiner of the ‘591 patent tried **56 search strings** and still did not turn up [the prior art].” *Sionyx* at *61

POST-SAS “Reasonably Could Have Raised” Estoppel at the Federal Circuit

Calif. Inst. Techn. v. Broadcom, 25 F.4th 976 (Fed. Cir. 2022)

- Post-SAS, “any ground that could have been raised in a petition [§§ 102,103] is a ground that could have been reasonably raised ‘during [that] inter partes review’”
- “In a regime ... [where] the petition defines the IPR litigation [post-SAS], this interpretation is the only plausible reading of ‘reasonably could have raised’ and ‘in the IPR’ that gives any meaning to those words” (Where did “in the IPR” come from?)
- Affirmed summary judgment of no invalidity based on IPR statutory estoppel
- Overruled *Shaw* without en banc action – SAS undercut *Shaw’s* rationale (Can they DO that?)
 - Fed. Cir. denied Apple petition for en banc rehearing without dissent
- “[A]lso furthers the legislative purposes of § 315(e)(1)[(e)(2)] ... to discourage ‘abusive serial challenges to patents’” *Intuitive Surgical v. Ethicon*, 25 F.4th at 1043
- See *Click-to-Call v. Ingenio*, 45 F.4th 1363 (Fed. Cir. 2022) (statutory IPR estoppel does not have “actually litigated” prong of issue preclusion) (*certiorari* petition due 3.9.23)

Apple (Broadcom) v. CalTech Supreme Court Certiorari Petition (22-203)

- **Apple adopts *Shaw* reasoning – “during that IPR” excludes petition stage estoppel**
 - Fed. Cir. erred by substituting “in the petition” for “during that IPR”; “effectively rewrote the statute”
 - “adopted an atextual interpretation ... that applies estoppel to any ground that **reasonably could have been raised in the petition** filed **before an inter partes review is instituted**”
- **CalTech – “reasonably could have raised” can only apply to petition stage estoppel**
 - The reasoning of *Shaw* would render “reasonably could have raised” “meaningless surplusage”
 - PTAB instituted 7 of 8 Apple IPRs; “petitioner knowingly withheld other second-string invalidity grounds”
- **Unified Patents weighs in – *Amicus brief* in support of petitioners, but wants a Court decision**
 - “*Amicus* takes no position ... on the correct interpretation. ... [] better to have a rule firmly established, regardless of what the rule is, than to have dueling interpretations that linger in the law. Only this Court can provide that surety.”
- **Jan. 17, 2023 Court calls for the views of Solicitor General (CVSG)**

Apple (Broadcom) v. CalTech Supreme Court Certiorari Petition (22-203)

- **35 U.S.C. § 315(e) ESTOPPEL.**—“... may not request or maintain a proceeding ... on **any ground** that the petitioner **raised** or **reasonably could have raised during that inter partes review.**”
- **Does “that IPR” necessarily refer to an instituted IPR “that results in a FWD under § 318(a)”?**
 - § 318(a): “If an IPR is **instituted** and not dismissed”
- **When does “that IPR” begin? *Shaw Industries*, 817 F.3d 1293 (“[t]he IPR does not begin until it is **instituted**”)**
 - 37 CFR 42.73(d) Estoppel. (1): “any ground that the petitioner **raised** or **reasonably could have raised during the trial**”
- **Can petitioner “raise” “any ground” post-institution? (*Apple* Pet. FN 6)**
- **Can petitioner “raise” “any ground” other than **in a petition**? (§§ 311(b); 312(a)(3)); 37 CFR 42.104(b))**
- **Does estoppel of “any ground that the petitioner ... **reasonably could have raised during that IPR**” include only grounds **actually raised** and **later abandoned after institution**? (Apple argument)**

Apple (Broadcom) v. CalTech Supreme Court Certiorari Petition (22-203)

- Does “**during that IPR**” foreclose estoppel of “**any ground**” not “**raised**” in a petition? (Apple)
 - Even if petitioner was **indisputably aware** of other prior art prior to filing? (CalTech)
- What impact does *SAS Institute*—**petitioner’s contentions define scope** of the litigation—have on the analysis?
- Is the estoppel statute **clear or ambiguous**?
- Does “**reasonably could have raised**” include **prior art that could have been generated as a “result of a reasonable search request submitted to a commercial search firm”**? (Senate Report 110-259 (1.24.08); see *also* 157 Cong. Rec. S1375 (March 8, 2011) (Sen. Kyl))
- What is the Government’s position?
 - CVSG no due date

Parallel IPR Estoppel Applies When First FWD Entered

Intuitive Surgical v. Ethicon, 25 F.4th 1035 (Fed. Cir. 2022)

- Estoppel applies to grounds petitioner did not “raise but ‘reasonably could have raised’ **in an earlier decided IPR,**” even if petitions were **simultaneously filed**
- First FWD estops the others—“may not ... maintain a proceeding before the Office”

TAKEAWAYS:

- **Move to consolidate** instituted parallel IPRs filed by a single petitioner
- **Extend one-year statutory deadline** 37 C.F.R. § 42.100(c) – *Med-El v. Adv. Bionics*, IPR2020-01016, Paper 28 (PTAB July 2, 2021)
- File multiple petitions “on a separate, manageable **subset of the claims**”
- If PTAB institutes one of two parallel petitions, is petitioner estopped from raising grounds in the denied petition? See *Biscotti v. Microsoft*, 2017 WL 2526231 at *6 (E.D. Tex. May 11, 2017) (“petitioner should not be barred”)

Reexamination Estoppel: “may not *request* or maintain a proceeding before the Office”

- *Alarm.com v. Hirshfeld*, 26 F.4th 1348 (Fed. Cir. 2022): **Director vacated ex parte reexam**; Fed. Cir. decided only that 3rd-party requester entitled to judicial review of Director decision
- *Ex Parte* Reexam of Patent No. 6,601,821 (90/014,950) vacated by OPLA (11.16.22)
 - Unsuccessful IPR petitioner GITS Mfg. Request for Reexam
 - PO Lisk filed “**expert prior art searcher**” declaration with Petition to Vacate under § 315(e)(1)
- 37 CFR 1.510(b)(6) requires **certification** of no statutory estoppel
- MPEP 2214 allows **registered practitioner** to file certification
- Would YOU sign such a certification for an unsuccessful IPR petitioner?
- Does IPR Estoppel apply to **claims amended during the IPR**?

Joinder and Privity Estoppel

- ***Network-1 v. HP*, 981 F.3d 1015 (Fed. Cir. 2020):** Joining party, time-barred under § 315(b), estopped in district court from raising **only the joined IPR grounds**
 - “[J]oining party cannot bring with it grounds other than those **already instituted**”
- ***Uniloc 2017 v. Facebook*, 989 F.3d 1018 (Fed. Cir. 2021):**
 - Apple IPR challenged **claims 1-6, 8**; Facebook joined Apple; **PTAB found claims not unpatentable**
 - Facebook filed 2 separate IPRs challenging claims 1-8 (and others)
 - LG filed 2 identical IPRs and joined Facebook’s IPRs
- **Facebook joinder estoppel – cannot “maintain” IPR challenges to **claims 1-6, 8, BUT claim 7 OK****
- **LG, a **non-RPI/privy**, no joinder estoppel – maintained Facebook IPRs challenging all claims**

IPR Patent Owner Estoppel

■ Canceled Claim Estoppel – 37 CFR 42.73(d)(3) applies to:

- “[A] claim that is **not patentably distinct** from a finally refused or canceled claim”
- 37 CFR 11.18 general certification requirement applies to post-IPR re-exam/reissue
- Director’s Guidance for POs re Amendments in Reissue or Reexam? 84 Fed. Reg.16,654 (4.22.19)

■ *Google v. Hammond*, 54 F.4th 1377 (Fed. Cir. 2022)

- **Collateral estoppel** applies to IPRs
- First IPR determined claims in first patent **unpatentable**
- Second IPR determined some claims in second, **related patent not unpatentable**
- Parties disputed identify of the issue: whether claims in the two IPRs were “materially identical”
- Fed. Cir.: “patent claims need not be identical for collateral estoppel to apply ... collateral estoppel requires that the **issues of patentability be identical** ... [which] is a legal conclusion based on underlying facts”

HAUG PARTNERS



745 Fifth Avenue
10th Floor
New York, NY
10151

+1.212.588.0800



One Post Office Square
31st Floor
Boston, MA
02109

+1.617.426.6800



1717 K St. NW,
Suite 900
Washington, DC
20006

+1.202.292.1530



777 South Flagler Drive
Suite 1000, East Tower
West Palm Beach, FL
33401

+1.561.489.4600

haugpartners.com