



PROGRAM MATERIALS
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The Scope of Inter Parties Review Estoppel Under Section 315(e) of the Patent Statute

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Federal Circuit Clarifies Scope of Estoppel Applicable to Petitions for Inter Partes Review

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Roadmap

- 1 Origin of IPR Estoppel
- 2 IPR Estoppel After *Shaw*
- 3 Impact of *SAS*
- 4 IPR Estoppel After *Caltech* and *Ethicon*
- 5 Impact on IPR Joinder
- 6 Additional Issues

Roadmap

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Origins of IPR Estoppel

- **In 2011, Congress passed the Leahy-Smith America Invents Act (AIA), which amended title 35 of the United States Code**
 - **The next year, *inter partes* review became available to challenge the validity of patent claims based on patents and printed publications at the Patent Trial and Appeal Board (PTAB) of the U.S. Patent and Trademark Office (PTO)**

Origins of IPR Estoppel

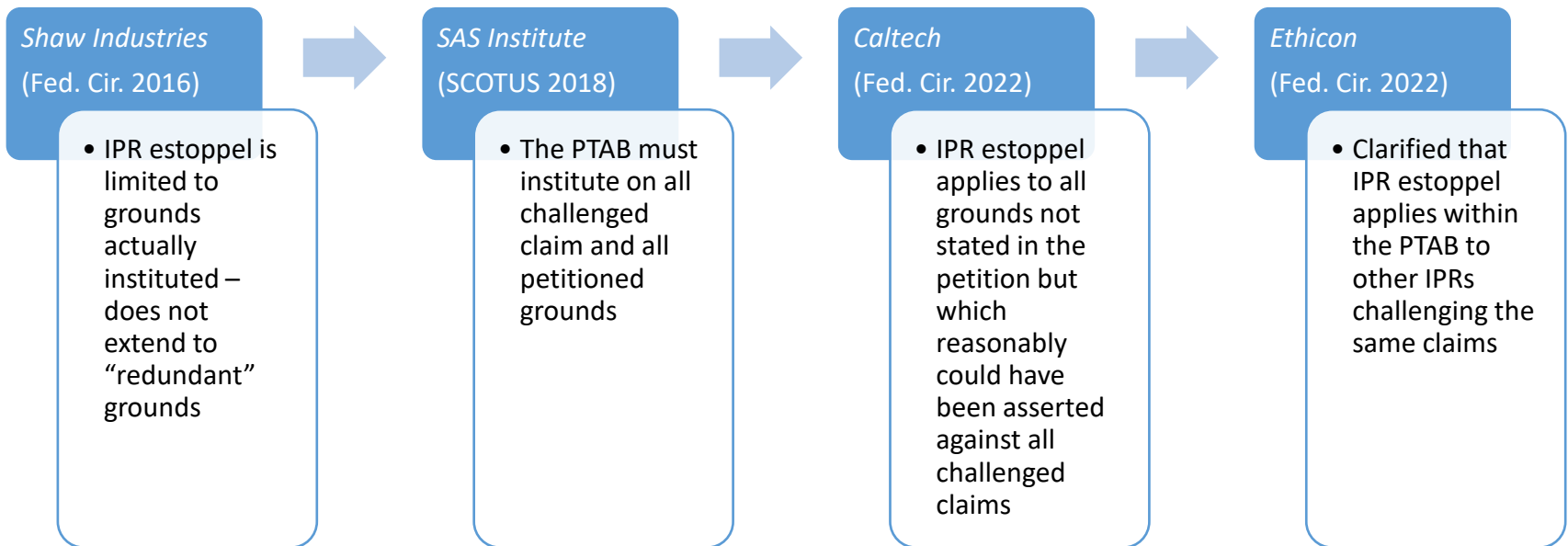
- If *inter partes* review is instituted, petitioners are constrained by two estoppel provisions limiting their ability to get multiple bites at challenging the validity of patent claims:
 - 35 U.S.C. 315(e)(1) – Limits a petitioner (or its privities and real parties in interest) from “request[ing] or maintain[ing] 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(e)(2) - Limits a petitioner (or its privities and real parties in interest) from “assert[ing] either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.”

Origins of IPR Estoppel

- **Since the beginning of the IPR procedure, two main questions have troubled both patent owners and petitioners:**
 - 1. To which claims does IPR estoppel apply?**
 - **Only petitioned claims?**
 - 2. To which grounds of invalidity does IPR estoppel apply?**
 - **Only grounds raised? Only grounds instituted?**

Origins of IPR Estoppel

- **Federal Circuit and Supreme Court guidance**



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IPR Estoppel After *Shaw*¹

- What happened in *Shaw* at the PTAB?
 - Patent Owner Shaw petitioned for IPR of all 21 of the patent claims, proposing 15 grounds of unpatentability
 - PTAB instituted on all claims except claim 4
 - PTAB only instituted on grounds 3 (Munnekenhoff in view of Ligon) and 8 (Barmag in view of Ligon)
 - PTAB did not institute on the Payne-based ground, denying it as “redundant” in light of the instituted grounds
 - Shaw filed a second IPR petition requesting IPR of claim 4
 - PTAB instituted on 2 of the 6 grounds (Munnekehoff in view of Bluhm and Barmag in view of Bluhm)
 - Other grounds denied as “redundant”

¹*Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir. 2016)

IPR Estoppel After *Shaw*¹

- **What happened in *Shaw* at the PTAB?**
 - **PTAB consolidated the two IPRs, and issued one final written decision finding:**
 - **Claims challenged in the first IPR were patentable based on the instituted grounds**
 - **Claim challenged in the second IPR was unpatentable based on the instituted grounds**
- **Shaw appealed to the Federal Circuit under 35 U.S.C. § 141(c) and petitioned for a writ of mandamus**

¹*Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir. 2016)

IPR Estoppel After *Shaw*¹

- What happened in *Shaw* at the Federal Circuit?
 - Appeal under 35 U.S.C. § 141(c)
 - Shaw appealed the PTAB's finding that the instituted claims in the first IPR were patentable based on the instituted grounds, including the PTAB's decision to not consider the Payne-based grounds as redundant
 - The Federal Circuit declined review, holding that it lacked the authority to review the PTAB's decision, which it compared to a decision to deny institution of IPR
 - Federal Circuit noted that the PTAB did not consider the substance of the Payne reference or compare it to the art cited in the other two proposed grounds

¹*Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir. 2016)

IPR Estoppel After *Shaw*¹

- **What happened in *Shaw* at the Federal Circuit?**
 - **Petition for writ of mandamus instructing the PTO to reevaluate its redundancy determination and institute IPR based on the Payne-based ground**
 - **Shaw argued:**
 - 1. It has no other means to attain the desired relief since review by appeal is unavailable**
 - 2. It has a “clear and indisputable right” to have the PTO consider a reasonable number of grounds and references given the “estoppel rules”**
 - 3. The Federal Circuit should find in its discretion that writ is appropriate**

¹*Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir. 2016)

IPR Estoppel After *Shaw*¹

- What happened in *Shaw* at the Federal Circuit?
 - The Federal Circuit denied Shaw's petition for writ of mandamus, focusing in on Shaw's estoppel argument, and finding that Shaw was not estopped from later asserting the Payne-based grounds because:
 1. The denied grounds never became part of the IPR
 2. Shaw did not and could not have raised the Payne-based grounds during the IPR because the IPR does not begin until it is instituted

¹*Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir. 2016)

IPR Estoppel After *Shaw*¹

- Takeaways from *Shaw*:
 - Petitioner is only estopped from re-asserting the specific instituted grounds for each instituted claim

¹*Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir. 2016)

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Impact of SAS¹

- **SCOTUS's holding in SAS:**
 - **The PTAB must issue a final written decision with respect to the patentability of *every* patent claims challenged by the petitioner**
 - **Note that the Court did not address the impact of SAS on IPR estoppel**

¹*SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 200 L. Ed. 2d 695 (2018)

Impact of SAS¹

- **Open question after SAS:**
 - **Because the PTAB now must institute on all grounds of invalidity, does IPR estoppel apply to just grounds raised and instituted?**

¹*SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 200 L. Ed. 2d 695 (2018)

Impact of SAS¹

- **After SAS, application of IPR estoppel was anything but uniform.**
 - **Some district courts concluded that *Shaw* does not allow a petitioner to avoid estoppel as to all arguments that could have been raised in the petition.**
 - **Other district courts focused on *Shaw's* discussion of the “during the IPR” language in § 315(e)(2) to limit estoppel to only those grounds that were instituted.**

¹*SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 200 L. Ed. 2d 695 (2018)

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IPR Estoppel After *Caltech*¹ and *Ethicon*²

- **What happened in *Caltech* at the PTAB?**
 - **Apple filed multiple IPR petitions challenging the validity of all asserted claims**
 - **The PTAB, in a number of final written decisions, found that Apple failed to show the challenged claims were unpatentable as obvious**

¹*California Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)

²*Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035 (Fed. Cir. 2022)

IPR Estoppel After *Caltech*¹ and *Ethicon*²

- **What happened in *Caltech* at the district court?**
 - **Apple and Broadcom argued that the asserted claims would have been obvious over new combinations of prior art not asserted in the IPR proceedings**
 - **Caltech moved for summary judgement of no invalidity, arguing that 315(e)(2) precluded Apple and Broadcom from raising invalidity grounds at trial they reasonably could have raised in the IPRs**
 - **The district court agreed with Caltech and granted its motion. Apple and Broadcom appealed.**

¹*California Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)

²*Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035 (Fed. Cir. 2022)

IPR Estoppel After *Caltech*¹ and *Ethicon*²

- **What happened in *Caltech* at the Federal Circuit?**
 - **Apple and Broadcom argued that the district court erred in granting summary judgment of no invalidity, barring them from relying on grounds the PTAB did not address in its earlier final written decisions**
 - **The Federal Circuit affirmed, clarifying that IPR estoppel precludes petitioners from raising invalidity grounds in a civil action that they “raised or reasonably could have raised *during* that inter partes review”**

¹*California Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)

²*Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035 (Fed. Cir. 2022)

IPR Estoppel After *Caltech*¹ and *Ethicon*²

- **What happened in *Caltech* at the Federal Circuit?**
 - **The court went on to state that in *SAS*, SCOTUS explained that the petition, not the institution decision, defines the scope of the IPR**
 - **Thus, any ground that could have been raised in the petition is a ground that reasonably could have been raised “during inter partes review”**
 - **Note that under *Shaw*, the IPR was not deemed to have begun until institution**
 - **In a later-issued errata, the Federal Circuit clarified that IPR estoppel still only applies to challenged claims**

¹*California Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)

²*Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035 (Fed. Cir. 2022)

IPR Estoppel After *Caltech*¹ and *Ethicon*²

- **Petition for rehearing in *Caltech***
 - **On April 7, 2022, Apple and Broadcom petitioned for rehearing of the Federal Circuit’s decision, arguing that the court:**
 - 1. Wrongly expanded IPR estoppel beyond its statutory limits**
 - 2. Overruled *Shaw* without any party suggesting the panel do so (or could) and without the opportunity to brief that issue**
 - 3. Should only consider effecting such a “dramatic change in law” after hearing from the parties and interested amici**
 - 4. Should clarify the Federal Circuit’s legal standard for when a panel (rather than the en banc court or SCOTUS) may overturn precedent**

¹*California Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)

²*Intuitive Surgical, Inc. v. Ethicon Inc.*, 25 F.4th 1203 (Fed. Cir. 2022)

IPR Estoppel After *Caltech*¹ and *Ethicon*²

- **Petition for rehearing in *Caltech***
 - **The Federal Circuit got ahead of several of these arguments in its opinion, noting that:**
 - **The panel has the authority to overrule *Shaw* in light of SAS without en banc action, because the pre-SAS interpretation of the estoppel statutes cannot be sustained in light of SAS**
 - **Thus, the “relevant court of last resort” had undercut the reasoning underlying the prior, *Shaw* opinion in such a way that the cases are clearly irreconcilable**

¹*California Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)

²*Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035 (Fed. Cir. 2022)

IPR Estoppel After *Caltech*¹ and *Ethicon*²

- What happened in *Ethicon* at the PTAB?
 - Petitioner Intuitive Surgical filed three petitions for IPR challenging the same claim on three different grounds

Petition #1

Claim(s) challenged:

independent claim 24 and dependent claims 25 and 26

Ground: Timm/Anderson

Date filed: June 14, 2018

Date instituted: January 2019

Final written decision: January 13, 2020

Petition #2

Claim(s) challenged:

independent claim 24

Ground: Giordano/Wallace

Date filed: June 14, 2018

Date instituted : January 2019

Final written decision: January 13, 2020

Petition #3

Claim(s) challenged:

independent claim 24 and dependent claims 25 and 26

Ground: Prisco/Cooper

Date filed: June 14, 2018

Date instituted: February 2019

Final written decision: PENDING

¹*California Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)

²*Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035 (Fed. Cir. 2022)

IPR Estoppel After *Caltech*¹ and *Ethicon*²

- What happened in *Ethicon* at the PTAB?
 - Petitioner Intuitive Surgical filed three petitions for IPR challenging the same claim on three different grounds

Petition #1

Claim(s) challenged:
independent claim 24 and
dependent claim 25

Ground: *Giordano*

Date filed: July 27, 2018

Date instituted: January 13, 2020

Final written decision:
January 13, 2020

**Patent Owner wins!
Claims not unpatentable!**

Petition #2

Claim(s) challenged:
independent claim 24 and
dependent claim 25

Ground: *Giordano*

Date filed: January 13, 2019

Date instituted: January 13, 2020

Final written decision:
January 13, 2020

**Patent Owner wins!
Claims not unpatentable!**

Petition #3

Claim(s) challenged:
independent claim 24 and
dependent claims 25 and 26

Ground: *Prisco/Cooper*

Date filed: June 14, 2018

Date instituted: February 2019

Final written decision:
PENDING

¹*California Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)

²*Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035 (Fed. Cir. 2022)

IPR Estoppel After *Caltech*¹ and *Ethicon*²

- What happened in *Ethicon* at the PTAB?
 - Petitioner Intuitive Surgical filed three petitions for IPR challenging the same claim on three different grounds

Petition #1

Claim(s) challenged:
independent claim 2
dependent claim 1

Ground:
Date filed: July 2018
Date decided: January

Final written decision:
January 13, 2020

**Patent Owner wins!
Claims not unpatentable!**

Petition #2

Claim(s) challenged:
independent claim 2

Ground: Giord
Date filed: January

Final written decision:
January 13, 2020

**Patent Owner wins!
Claims not unpatentable!**

Petition #3

Claim(s) challenged:
independent claim 2
dependent claim 1

Ground:
Date filed: July 2018
Date decided: **February**

Final written decision:
PENDING

**Patent Owner moves to
terminate under § 315(e)(1)**

¹*California Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)

²*Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035 (Fed. Cir. 2022)

IPR Estoppel After *Caltech*¹ and *Ethicon*²

- **What happened in *Ethicon* at the PTAB?**
 - **As a reminder, § 315(e)(1) limits a petitioner (or its privities and real parties in interest) from “request[ing] or maintain[ing] 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.**
 - **The PTAB granted Patent Owner Ethicon’s motion to terminate (and concurrently upholding the patentability of the challenged claims)**

¹*California Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)

²*Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035 (Fed. Cir. 2022)

IPR Estoppel After *Caltech*¹ and *Ethicon*²

- **What happened in *Ethicon* at the Federal Circuit?**
 - **Intuitive Surgical appealed both the termination under § 315(e)(1) and patentability determination on the merits**
 - **The Federal Circuit sided with Ethicon on both grounds, holding:**
 - 1. As the master of its own petition, Intuitive could have reasonably raised its grounds from the Prisco/Cooper IPR in either the Timm/Anderson or Giordano/Wallace petition, completely dismissing Intuitive's arguments regarding PTAB word limits**
 - 2. Intuitive knew the final written decision in the Prisco/Cooper IPR was set to issue after the other two, and could have moved to consolidate to ensure the cases received final written decisions on the same**

timetable

¹*California Inst. of Tech. v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)

²*Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035 (Fed. Cir. 2022)

IPR Estoppel After *Caltech*¹ and *Ethicon*²

- **What happened in *Ethicon* at the Federal Circuit?**
 - **The Federal Circuit sided with Ethicon on both grounds, holding:**
 - 3. The Federal Circuit also advised that Intuitive could have filed multiple petitions where each petition focuses on a separate, manageable subset of claims to be challenged—as opposed to a subset of grounds—as estoppel applies on a claim-by-claim basis**
 - 4. Intuitive did not have standing to challenge to PTAB’s determination of patentability on the merits because as soon as the other two final written decisions issued, § 315(e)(1) kicked in, and Intuitive was no longer a “party” to the IPR under the appeal statutes**

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²*Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035 (Fed. Cir. 2022)

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Impact of the “new” IPR Estoppel on

Joinder

• Estoppel in cases of IPR joinder

- Neither 35 U.S.C. § 315(e)(1) or (2) define the scope of estoppel specifically applicable to parties that join an IPR
- In *Network-1 Techs., Inc. v. Hewlett-Packard Co.*, 981 F.3d 1015 (Fed. Cir. 2020), the Federal Circuit clarified that parties who join an IPR are only estopped from asserting the references against the specific challenged claims raised in the IPR
 - This extends to any ground using the previously-asserted references, including new combinations using those same references
 - This is also the same scope of estoppel that applied to petitioners under *Shaw*
 - This begs the question: in the post-*Caltech* era, should joinder petitioners also be subject to the same estoppel applied to petitioners?

Impact of the “new” IPR Estoppel on Joinder

- **Is this limited estoppel fair?**
 - **Petitioner Party**
 - **Invests time and money into the IPR process**
 - **If unsuccessful in invalidating all or some of the relevant claims, estopped from challenging the claims on grounds that were raised or reasonably could have raised during IPR**
 - **Joinder Party**
 - **Saves time and money by joining an IPR filed by another party**
 - **If that IPR is unsuccessful in invalidating all or some of the relevant claims, get a second bite of the apple in district court litigation**

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Additional Issues

- **Patent Office Estoppel and Ex Parte Reexams**
 - ***Alarm.com Inc. v. Hirshfield*, 2022 U.S. App. LEXIS 4959 (Fed. Cir. Feb. 24, 2022)**
 - Alarm.com filed three IPR petitions, each of which were instituted, the patents found patentable, and affirmed by the Federal Circuit
 - Alarm.com then filed for reexam of those same patents
 - The USPTO vacated the reexam proceedings based on office estoppel, and, when Alarm.com sought review of the director's vacatur decisions in district court, the district court dismissed the complaint on the ground that the ex parte reexamination statutory scheme precluded review of the USPTO's decision
 - The Federal Circuit reversed, finding Alarm.com's challenge to the USPTO's vacatur decision was not precluded, finding that:
 1. the applicable legislative history pertaining to ex parte reexamination "[did] not evince a fairly discernable intent to preclude judicial review of those decisions," and
 2. litigants have an alternative avenue of review if their reexamination proceedings are vacated by the USPTO on office estoppel grounds

Additional Issues

- **Litigation Estoppel Based on Prior Art Disqualification**
 - *Vascular Solutions LLC v. Medtronic Inc.*, 2022 U.S. Dist. LEXIS 49848, at *2 (D. Minn. Mar. 21, 2022)
 - D. Minn. found that defendants were civilly estopped from relying on an anticipatory reference the PTAB previously found was not prior art and therefore could not invalidate any claims
 - Note that this decision is currently being challenged at the Federal Circuit; thus it remains uncertain whether civil estoppel will continue to bar defendants from making invalidity arguments if the board does not consider certain references prior art.

Questions?



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