

## insights

TYPES NOT MAPPED YET June 07, 2022 | TTR not mapped yet | Anthony F. Blum

# IPR estoppel on grounds similar, but not identical, to grounds that could have been raised in an IPR

In [\*California Institute of Technology v. Broadcom Limited \("Cal Tech"\)\*](#), the Federal Circuit clarified the scope of *inter partes* review (IPR) estoppel under [35 U.S.C. § 315\(e\)\(2\)](#), finding that it precludes petitioners from asserting in district court any grounds raised or that could have been raised in their IPR petitions. The Federal Circuit's decision, however, did not resolve all open questions regarding IPR estoppel.

One issue, in particular, percolating in the district courts is whether estoppel applies to prior art that technically couldn't have been raised in an IPR, but is related to art that could have been. For example, if a petitioner raised or could have raised a publication describing a product, can the same petitioner challenge validity in district court using the product itself? On this issue, the district courts are split, reaching different conclusions.

### Background

Under [35 U.S.C. § 315\(e\)](#), IPR estoppel applies to "any ground that the petitioner raised or reasonably could have raised during that inter partes review." In *Cal Tech*, the Federal Circuit explained that "estoppel applies not just to claims and grounds asserted in the petition and instituted for consideration by the Board, but to all grounds not stated in the petition but which reasonably could have been asserted against the claims included."

Under [35 U.S.C. § 311\(b\)](#), a "petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications." Invalidity grounds under [35 U.S.C. § 101](#) for subject-matter eligibility, therefore, cannot be raised in an IPR. Likewise, petitioners cannot challenge validity in an IPR under [35 U.S.C. § 112](#) based on indefiniteness or the written description or enablement requirements.

As noted above, IPRs are limited to "patents or printed publications." Petitioners, therefore, cannot file IPRs alleging anticipation or obviousness grounds based (fully or partially) on, for example, systems "in public use, on sale, or otherwise available to the public." See [35 U.S.C. § 102](#). The anticipation and obviousness grounds in a petition for IPR must be limited to printed publications, including but not limited to patents, patent publications, journal articles, product manuals, and other similar printed documents.

### The district courts are split as to the application of IPR estoppel.

In a number of district court actions, patent owners have argued that defendants who previously filed IPRs are estopped from raising grounds of invalidity even though they include non-printed prior art. These assertions are often founded in fairness, arguing that a defendant shouldn't be able to use a product as a prior art reference when a publication on the exact same product existed and could have been used (or actually was) in the IPR.

Some district courts have accepted these arguments. For example, in one case, the District of Delaware explained that the Patent Act "distinguishes between grounds and evidence." See [\*Wasica Finance GmbH v. Schrader Int'l, Inc.\*](#), 432 F. Supp. 3d 448, 454 (D. Del. 2020). According to the court, the estoppel of § 315(e)(2) "applies to **grounds**" and "a petitioner is estopped from proceeding in litigation on those **grounds**, even if the **evidence** used to support those grounds was not available to be used in the IPR." *Id.* (emphasis in original). Thus, the court found invalidity arguments estopped when they were based on products that were "materially identical" to publications that could have been used in the IPR. *Id.*

Some courts, however, have rejected this view as contrary to the plain text of the statute. In [\*Medline Industries Inc. v. CR Bard Inc.\*](#), 2020 WL 5512132, at \*4 (N.D. Ill. Sept. 14, 2020), the district court essentially rejected

the *Wasica* court's distinction between "evidence" and "grounds," finding "ground" referred to "specific pieces of prior art" used in the IPR challenge. Based on that interpretation, the court held that if "Congress had wanted to estop an IPR petitioner from pursuing invalidity grounds that relied upon a physical product in a particular situation, such as where a patent or printed publication disclosed the same claim limitations as the product, it could have provided language to that effect." But according to the district court, "Congress did not do so, and this failure indicates Congress did not intend for the IPR estoppel provision to be that broad." *Id.*

The *Medline* court, however, did caveat its ruling, finding that a defendant must actually rely on the product. It can't simply use publications and then say those publications represent a product. *Id.* This is consistent with a number of district courts that have held one cannot disguise an estopped publication as a system. *See, e.g., SPEX Technologies Inc. v. Kingston Technology Corp.*, 2020 WL 4342254, at \*15 (C.D. Cal. June 16, 2020) (holding a prior art system invalidity theory was not precluded "absent a showing that the system invalidity theory is a patent or printed publication theory in disguise").

## Conclusion

This split in the district courts as to the correct interpretation of [35 U.S.C. § 315\(e\)](#) is certain to be resolved at some point by the Federal Circuit. Until then, patent challengers may wish to err on the side of caution, and assume when preparing their IPRs that they won't be able to later raise prior art system invalidity theories in district court where publications describe the very same systems.

## Additional articles on IPR estoppel

For additional articles on the topic of IPR, please see:

- [IPR Estoppel: The Federal Circuit finally speaks, and affirms the broader interpretation for estoppel](#) (February 10, 2022).
- [The other side of IPR estoppel: When shotgun petitions backfire](#) (February 23, 2022).

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