

TYPES NOT MAPPED YET February 10, 2022 | TTR not mapped yet | Anthony F. Blum

IPR Estoppel: The Federal Circuit finally speaks, and affirms the broader interpretation for estoppel

Note: This article was updated on February 23, 2022 in light of an [errata](#) released by the Federal Circuit.

In a decision released on February 4, 2022 in [California Institute of Technology v. Broadcom Limited](#), the Federal Circuit finally clarified the scope of inter partes review (IPR) estoppel under [35 U.S.C. § 315\(e\)\(2\)](#). In particular, the Federal Circuit adopted the **broader interpretation**, in which IPR estoppel precludes petitioners from asserting in district court any grounds raised or that could have been raised in their IPR petitions. The *Cal Tech* court rejected the **narrower interpretation**, in which petitioners are precluded only from asserting the grounds that the Patent Trial and Appeal Board (PTAB) actually reviewed.

While district courts had been split as to the correct interpretation through at least 2018, a clear consensus emerged by 2020 in support of the broader interpretation. Until *Cal Tech*, however, the Federal Circuit had not definitely addressed the issue. By adopting the broader interpretation, the Federal Circuit has now resolved any lingering ambiguity in the standard.

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.” Prior to being overruled by the Supreme Court in 2018, a patent office regulation had allowed the PTAB to pick which, if any, grounds might be considered during an IPR. As a result, the grounds that a petitioner “could have raised during” the IPR were arguably limited to those the PTAB had chosen to consider. As an example, in the underlying IPR in [Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.](#), [817 F.3d 1293, 1299-1300 \(Fed. Cir. 2016\)](#), the PTAB instituted on just some of the grounds raised in the IPR petition. The Federal Circuit decided that IPR estoppel did not apply as to grounds for which review was denied. As the court explained in a later opinion, “the non-instituted grounds do not become a part of the IPR. Accordingly, the non-instituted grounds were not raised and, as review was denied, could not be raised in the IPR. Therefore, the estoppel provisions of § 315(e)(1) do not apply.” [HP Inc. v. MPHJ Tech. Inv., LLC](#), [817 F.3d 1339, 1347-48 \(Fed. Cir. 2016\)](#) (citing *Shaw*, 817 F.3d at 1299-1300).

After the Federal Circuit’s decision in *Shaw*, some district courts extended its holding beyond partial institutions. These courts explained that *Shaw*’s holding equally applied to grounds not raised in a petition, as those “grounds could not reasonably have been raised **during** IPR because **during** IPR, the PTAB has already selected the specific invalidity grounds for consideration through its grant of the IPR petition.” *Cal. Inst. of Tech. v. Broadcom Ltd.*, 2018 WL 7456042, at *4 (C.D. Cal. Dec. 28, 2018) (describing analysis of narrow cases). Other courts, however, recognized that this narrow interpretation “would render the phrase ‘reasonably could have raised’ in Section 315(e)(2) largely superfluous,” and thus limited *Shaw* only to where there was a partial institution. *Cal Tech*, 2018 WL 7456042, at *4.

The Supreme Court rejected partial institutions, indirectly affecting the IPR estoppel analysis.

In 2018, the Supreme Court issued [SAS Institute Inc. v. Iancu](#), [138 S.Ct. 1348](#), rejecting the PTAB’s ability to partially institute IPRs (such as in *Shaw*’s underlying IPR). The Supreme Court held that the PTAB must either institute and allow review on all grounds raised in an IPR petition, or completely deny review on all grounds.

Following *SAS Institute*, district courts increasingly adopted the broader view of IPR estoppel, and cabined *Shaw* to the (now no longer existing) situation in which IPR had only been partially instituted. As one California district court

explained in 2019, “every post-SAS district court decision the Court has found addressing IPR estoppel and *Shaw* has rejected the contention that IPR estoppel does not apply to non-petitioned grounds.” *Wi-LAN Inc. v. LG Elecs., Inc.*, 421 F. Supp. 3d 911, 924 (S.D. Cal. 2019) (surveying post-SAS cases). Even some district courts that had previously adopted the narrower interpretation switched to the broader interpretation post-SAS. *See, e.g., Palomar Techs., Inc. v. MRSI Sys., LLC*, 373 F. Supp. 3d 322, at 331 (D. Mass. 2019).

The Federal Circuit confirms the broader view in *Cal Tech*, and explicitly overruled *Shaw*.

While the clear trend and majority view of the district courts after *SAS Institute* was to adopt the broader interpretation of IPR estoppel, there still remained ambiguity in light of the *Shaw* decision and some district court opinions. In *California Institute of Technology v. Broadcom Limited*, the Federal Circuit finally put the narrower interpretation to rest.

In its opinion, the Federal Circuit analyzed the dispute, its *Shaw* decision, the Supreme Court’s *SAS Institute* decision, and the district court decisions on both sides of the issue. Following the majority view, the Federal Circuit explained “the Supreme Court’s later decision in *SAS* makes clear that *Shaw*, while perhaps correct at the time in light of our pre-SAS interpretation of the statute cannot be sustained under the Supreme Court’s interpretation of related statutory provisions in *SAS*.”

While only a panel decision, the Federal Circuit in *Cal Tech* decided that it had the authority to explicitly overrule *Shaw* without *en banc* action in light of the Supreme Court’s *SAS* decision. In summary, the Federal Circuit announced: “we take this opportunity to overrule *Shaw* and clarify 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.”

Conclusion

To the extent any lingering doubts remained on the standard for IPR estoppel, the Federal Circuit has now resolved the issue (absent further *en banc* or Supreme Court review). Any prior art that patent challengers actually raise in an IPR petition, or that they could have raised in the petition, is subject to estoppel. One possible exception to this rule, however, is for the IPRs that were partially instituted and final prior to the Supreme Court’s *SAS Institute* decision. In a footnote in *Cal Tech*, the Federal Circuit noted it was not deciding the scope of estoppel in such cases.

Additional articles on IPR estoppel

For additional articles on the topic of IPR estoppel prior to the Federal Circuit’s most recent decision in *Cal Tech*, please see:

- [The shifting standard for IPR estoppel: Where are we now?](#) (March 3, 2017).
- [An update on the shifting standard for IPR estoppel](#) (September 28, 2017).
- [Part III: Another update on IPR estoppel in the courts and at the PTAB](#) (March 30, 2018).
- [IPR estoppel: A broad interpretation prevails](#) (April 29, 2020).

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