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The other side of IPR estoppel: When shotgun petitions backfire

Patent challengers must think twice before filing multiple petitions challenging the same patent claims in light of a recent decision from the Federal Circuit. In its February 11, 2022 decision in [*Intuitive Surgical Inc. v. Ethicon LLC*](#), the Federal Circuit applied a strict interpretation of [35 U.S.C. § 315\(e\)\(1\)](#) estoppel against inter partes review (IPR) petitioners. Based on this application of estoppel, the result of one IPR can serve as the basis for estoppel in a parallel IPR, even if the two IPR petitions were filed on the same day.

Background

The relevant statutory provision, § 315(e)(1), states:

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.

This provision deters parties from filing serial IPRs in an attempt at getting multiple “bites at the apple,” a practice that Congress expressed concerns with when creating the IPR process. Parties have generally avoided estoppel by concurrently filing all IPRs challenging the same patent claims, and the PTAB has generally heard and ruled on concurrently filed applications in an informally consolidated manner.

Intuitive filed its three petitions against Ethicon’s ‘969 patent on the same day. Even with this concurrent filing, the PTAB first instituted review of two petitions, and then instituted the third IPR a month later. Although not consolidating the full schedule, the PTAB granted Intuitive’s request to consolidate the hearing in all three IPRs. Regardless of the consolidated hearing, the different institution dates gave the PTAB more time under the statutory scheme to rule in the third IPR.

The PTAB issued its final written decision in the first two IPRs, upholding the validity of the ‘969 patent over Intuitive’s challenge. At this time, the third IPR was still pending. Ethicon then filed a motion to terminate Intuitive as a party in the third IPR, arguing that Intuitive was estopped from “maintaining” the third IPR in light of the final written decisions in the first two IPRs. The PTAB agreed, citing § 315(e)(1), although it also ultimately upheld the validity of the ‘969 patent on the merits in the third IPR.

Intuitive appealed all three IPR decisions. In separate opinions, the Federal Circuit affirmed the Board’s findings of validity with respect to the first two IPRs.

Another recent Federal Circuit decision clarified the scope of IPR estoppel.

As discussed in another article—[IPR Estoppel: The Federal Circuit finally speaks, and affirms the broader interpretation for estoppel](#)—the Federal Circuit recently clarified the scope of estoppel under subsection (2) of § 315(e), which similarly provides for the application of IPR estoppel in proceedings before district courts or the International Trade Commission. That case analyzed analogous language in subsection (2), which like subsection (1), applies estoppel to “any ground that the petitioner raised or reasonably could have raised during that [*i.e.*, the prior] inter partes review.” In the [Cal Tech](#) case, the Federal Circuit applied a broad interpretation, effectively holding that estoppel applies to any ground that was raised or could have been raised in the earlier *petition* for IPR, as opposed to the *instituted* IPR. This expanded understanding, particularly of the “reasonably could have raised” language, changed the Federal Circuit’s approach to *Intuitive Surgical* as well.

The Federal Circuit's strict application and rejection of "reasonable" arguments.

In *Intuitive Surgical*, the Federal Circuit took the broad application of estoppel recited in *Cal Tech* and applied it to the related estoppel provision in § 315(e)(1), finding that Intuitive was estopped from maintaining the third IPR. As such, Intuitive was prevented from challenging the merits of the PTAB's decision in the third IPR. Citing the statute's restriction on "maintaining" an IPR, the Federal Circuit agreed with the PTAB that the issuance of the first two final written decisions triggered estoppel. This was despite the fact that the third decision was due a few weeks later only because the PTAB took more time to decide to institute the third IPR, even though its petition was filed on the same day as the first two.

As an initial matter, the Federal Circuit rejected Intuitive's argument that IPRs instituted as a result of concurrently filed petitions should not have estoppel effect. Relying entirely on the text of the statute, the Federal Circuit emphasized the use of "maintain," finding that the text clearly forbids continuing to prosecute an IPR if a party has already lost a separate IPR involving the same claims. The court found no textual basis for an exception for concurrently filed petitions.

Intuitive argued that the grounds in the third petition could not have been reasonably raised in the first two IPRs, so they cannot be grounds estopped by § 315(e)(1). Because the petitions were filed on the same day, Intuitive was aware of the arguments in the third petition. Intuitive argued that it could not have reasonably raised the third grounds in the other petitions because PTAB rules made it practically impossible, particularly due to the 14,000 word limit for petitions combined with the restriction that petitioners are not allowed to later add grounds or arguments not included in the petition.

The Federal Circuit was not persuaded by these arguments. The Federal Circuit first expressed skepticism that the word limit was a sufficient excuse for not including all of a petitioner's arguments. But additionally, the Federal Circuit noted that Intuitive could have (but did not) ask for the final written decisions to be issued concurrently (such as by moving to consolidate the IPRs) or that Intuitive could have avoided the estoppel issues by dividing the petitions by challenged claims instead of by invalidity grounds. In light of all these options that Intuitive could have used to avoid estoppel, the Federal Circuit found estoppel applied, and therefore held that Intuitive lacked standing to maintain the appeal.

Importantly, the court did not cabin its holding to the facts of this case. It made sweeping statements that estoppel (and therefore Intuitive's lack of appellate standing) was effective as of the issuance of the PTAB's decision in the prior IPR, regardless of whether or when the PTAB finds estoppel.

How far the PTAB or other litigants will take this application of estoppel remains to be seen. The PTAB has previously indicated a dislike of multiple parallel IPR petitions. The *Consolidated Trial Practice Guide* explicitly states that "multiple petitions by a petitioner are not necessary in the vast majority of cases" and should be "rare." Thus, if the PTAB desired, even where multiple IPRs are instituted on the same day, nothing theoretically prevents it from issuing a final written decision in one IPR, and then applying estoppel as to the second. Although, it is probably easier for the PTAB to simply use its discretion to deny one of the IPRs in the first place, as has been the practice of the PTAB in some cases. Indeed, to aid in that decision, the *Consolidated Trial Practice Guide* requests, where multiple petitions are filed, that the petitioner provide (in the petition or a separate filing): "(1) a ranking of the petitions in the order in which it wishes the Board to consider the merits, if the Board uses its discretion to institute any of the petitions, and (2) a succinct explanation of the differences between the petitions, why the issues addressed by the differences are material, and why the Board should exercise its discretion to institute additional petitions if it identifies one petition that satisfies petitioner's burden under 35 U.S.C. § 314(a)."

Conclusion

Petitioners looking to raise multiple invalidity arguments before the PTAB need to consider the threat of estoppel early in the process (in addition to discretionary denials). Although formal consolidation may be requested after institution, the petitioner may be able to avoid estoppel by consolidating its arguments into one petition, by dividing the petitions by challenged claims, or by narrowing the grounds to only the strongest basis for invalidity. But as the Federal Circuit has made clear in its recent decisions, a challenger may be stuck with the results of the PTAB's first decision for purposes of all future litigation.

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