

PTAB Strategies and Insights

February 2020



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The PTAB Strategies and Insights newsletter provides timely updates and insights into how best to handle proceedings at the USPTO. It is designed to increase return on investment for all stakeholders looking at the entire patent life cycle in a global portfolio.

This month marks the publication of Sterne Kessler's inaugural 'Year in Review' at the PTAB. Our report, is entitled *2019 PTAB Year in Review: Analysis & Trends*. This report explores the changes at the PTAB through a series of articles addressing many of the most significant developments that occurred over the past year.

In this newsletter, we feature the following articles:

- [IPR Estoppel Questions Answered and Remaining](#)
- [Dramatic Changes to Motion to Amend Practice](#)
- [Petitioners Beware Discretionary Denial](#)

To view the full report, please [click here](#).

We welcome feedback and suggestions about this newsletter to ensure we are meeting the needs and expectations of our readers. So if you have topics you wish to see explored within an issue of the newsletter, please reach out to me.

To view our past issues, as well as other firm newsletters, please [click here](#).

Best,
Jason D. Eisenberg

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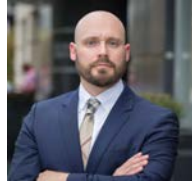
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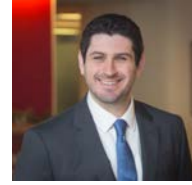
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IPR ESTOPPEL QUESTIONS ANSWERED AND REMAINING

By: [Rebecca A. Lindhorst](#) and [Pauline M. Pelletier](#)

Summary

When Congress created *inter partes* review (“IPR”) proceedings in the Leahy-Smith America Invents Act, it included an estoppel provision to avoid duplicative validity challenges against the same patent claims.¹ As set forth in 35 U.S.C. § 315(e)(2), a “petitioner in an inter partes review ... that results in a final written decision under section 318(a) ... may not assert either in a civil action ... or in a proceeding before the International Trade Commission ... that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that [IPR].” While seemingly straight-forward, this provision has left litigants and courts grappling with how far the estoppel reaches and, in particular, what the phrase “raised or reasonably could have been raised” means. In 2019, courts began to shed some light on the scope of this estoppel. But many questions still remain.

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DRAMATIC CHANGES TO MOTION TO AMEND PRACTICE

By: Tyler S. Hoge and [Jonathan Tuminaro, Ph.D.](#)

Summary

Motions to amend have historically been viewed as an exercise in futility. The Director of the United States Patent and Trademark Office (USPTO), Andrei Iancu, agrees, having publicly stated that “[s]ome have suggested that parties have simply stopped even trying to amend the claims because they see the effort as largely futile.”¹ Director Iancu has since set his sights on overhauling this failing motion-to-amend system.²

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PETITIONERS BEWARE DISCRETIONARY DENIAL

By: Steven M. Pappas and [Richard M. Bemben](#)

Summary

In August 2018, the Patent Office foreshadowed that the Board would be expanding the use of its discretion under 35 U.S.C. §§ 314(a)/324(a) and 325(d) to deny petitions. The Office explained that “[t]here may be other reasons besides the ‘follow-on’ petition context where the ‘effect...on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings’” favors discretionary denial.¹ The Office additionally foreshadowed that the Board would be considering “events in other proceedings related to the same patent, either at the Office, in district courts, or the ITC” when deciding whether to exercise its discretion.²

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PETITIONERS BEWARE DISCRETIONARY DENIAL

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SUMMARY

In August 2018, the Patent Office foreshadowed that the Board would be expanding the use of its discretion under 35 U.S.C. §§ 314(a)/324(a) and 325(d) to deny petitions. The Office explained that “[t]here may be other reasons besides the ‘follow-on’ petition context where the ‘effect . . . on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings’” favors discretionary denial.¹ The Office additionally foreshadowed that the Board would be considering “events in other proceedings related to the same patent, either at the Office, in district courts, or the ITC” when deciding whether to exercise its discretion.²

These were not idle words. In 2019, the Board issued a number of precedential and informative decisions that significantly expanded how and under what circumstances the Board will exercise its discretion to deny a petition. Judicial efficiency and consistency (both within the Office and between different patent tribunals), as well as procedural fairness, were the primary bases underlying these decisions. The reasons for discretionary denial that were clarified or expanded in these decisions included expansion of the *General Plastic* factors to different petitioners, consideration of parallel district court and ITC proceedings, parallel petitions challenging the same patent, considerations of the *SAS* Decision, voluminous grounds in a single petition, and prior art or arguments previously considered.

INCREASING JUDICIAL EFFICIENCY AND CONSISTENCY WITHIN THE PATENT OFFICE

In 2019, the Board took significant steps to increase judicial efficiency and consistency among proceedings (AIA trials and examination) within the Patent Office.

1. Extension of the *General Plastic* factors to different petitioners

Before 2019, the Board and some practitioners were concerned with the practice of filing “follow on” petitions, which are subsequent petitions filed by the same petitioner that challenge the same patent claims. A primary concern was that petitioners could gain an unfair advantage by using the patent owner’s and the Board’s positions in the first proceeding as a roadmap when preparing a subsequent petition. In response, the Board issued its precedential decision in

General Plastic, which enumerated a list of non-exclusive factors that the Board considers when determining whether to exercise its discretion to deny a follow on petition.³

Last year, the Board issued a precedential decision in *Valve Corp. v. Elec. Scripting Prods., Inc.* that expanded the application of the *General Plastic* factors to situations where *different* petitioners file separate petitions challenging the same patent.⁴ In these situations, the Board considers “any relationship between those petitioners while weighing the *General Plastic* factors.”⁵

In *Valve Corp.*, HTC, Valve’s co-defendant in the parallel district court proceeding, had previously filed a petition for *inter partes* review, currently pending at the PTAB.⁶ The Board determined that “[t]he complete overlap in the challenged claims and the significant relationship between Valve and HTC favor[ed] denying institution.”⁷ Further, Valve waited until the Board instituted HTC’s petition to file its own petitions and filed not one but three additional petitions challenging the same patent.⁸

The Board stated that this strategy “is inefficient and tends to waste resources.”⁹ Therefore, weighing the *General Plastic* factors, the Board exercised its discretion to deny Valve’s petitions under § 314(a).

Valve Corp. curtails the ability of defendants (particularly those in a joint defense group) to take a “wait and see” approach when considering whether to file a PTAB petition. To avoid the ramifications of *Valve Corp.*, parties accused of patent infringement should decide, as early as possible, whether their defense will include an invalidity challenge at the PTAB and, if so, should move forward as quickly as possible with filing a robust petition. On the other hand, Valve Corp. provides patent owners with another tool to combat multiple petitions filed against the same patent.

2. Multiple, Simultaneous Petitions Filed by the Same Petitioner Against the Same Patent

In its July 2019 update to the AIA Trial Practice Guide, the Patent Office addressed the issue of parallel petitions challenging the same patent, prompted by recent cases in which multiple petitions were concurrently filed against the same claims of the same patent.¹⁰ The Patent Office now warns that “[t]wo or more petitions filed against the same patent at or about the same time (e.g., before the first preliminary response by the patent owner) may place a substantial and unnecessary burden on the Board and the patent owner and could raise fairness, timing, and efficiency concerns.”¹¹ While the Patent Office acknowledges that multiple petitions may be necessary in certain cases, this scenario should be rare, for example, when a large number of claims have been asserted in litigation or there is a dispute about a patent’s priority date requiring arguments under multiple prior art references.¹²

When multiple petitions are filed, the July 2019 Update states that the petitioner should identify, in either the petition or a separate paper: “(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).”¹³

In practice, petitioners should consider whether multiple prior art grounds are needed to challenge a single patent. In the interests of judicial efficiency and fairness to patent owners, the Board is unlikely to institute multiple petitions against the same patent absent exceptional circumstances. A petitioner in this position should clearly explain why they would be unfairly disadvantaged in the case that only one petition is instituted, referencing the example rationales in the Office Trial Practice Guide July 2019 Update when possible.

3. Impact of *SAS Institute Inc. v. Iancu*: Exercising Discretion When Too Few Grounds Meet the Standard for Institution

Following *SAS Institute Inc. v. Iancu*, the Board is required to either (a) institute as to all claims challenged in a petition on all grounds presented in the petition, or (b) deny institution of the petition entirely. In other words, the Board is no longer free to choose which claims or grounds

to institute and must institute or deny the petition as a whole.

Importantly, even if the Board determines that there is a reasonable likelihood that the petitioner would prevail with respect to at least one of the claims challenged in a petition, 35 U.S.C. §§ 314(a) and 324(a) nevertheless provide the Board discretion to deny institution. The Board designated as informative two cases addressing this issue on April 5, 2019—*Deeper, UAB v. Vexilar, Inc.* and *Chevron Oronite Co. v. Infineum USA L.P.* In each of these cases, the Board denied institution in the interest of efficiency, because the petitioner did not establish a reasonable likelihood of prevailing on the majority of challenged claims.

In *Deeper, UAB v. Vexilar, Inc.*, the Board determined that institution of 23 claims under four grounds “would not be an efficient use of the Board’s time and resources” when institution was only warranted for two claims and one ground.¹⁴ Similarly, in *Chevron Oronite Co. v. Infineum USA L.P.*, the Board determined that the petitioner demonstrated, “at most, a reasonable likelihood of prevailing with respect to two dependent claims out of a total of twenty challenged claims,” and institution would not be “an efficient use of the Board’s time and resources.”¹⁵ Patent owners should keep these cases in mind when faced with a petition that is deficient with respect to a large number of claims or grounds.

4. Voluminous Grounds in a Single Petition

The Board also clarified that voluminous and excessive grounds presented in a petition can serve as a justification for denial under § 314(a). For example, in *Adaptics Ltd. v. Perfect Co.*, the Board concluded that the petition contained “voluminous and excessive grounds,” including a “catch-all” ground asserting every combination of ten different references.¹⁶ The Board then denied institution of the petition “in the interests of efficient administration of the Office and integrity of the patent system and as a matter of procedural fairness to Patent Owner.”¹⁷

5. Denial Under § 325(d) Based on Prior Art or Arguments Previously Considered

35 U.S.C. § 325(d) provides the Board discretion to deny a petition based on whether the same or substantially the same prior art or arguments were previously presented to the Patent Office. In exercising this discretion, the Board considers certain non-exclusive factors, and the PTAB designated these factors as precedential on August 2, 2019.¹⁸

These non-exclusive factors include: (1) the similarities and material differences between the asserted art and the prior art involved during examination; (2) the cumulative nature of the asserted art and the prior art evaluated during examination; (3) the extent to which the asserted art was evaluated during examination; (4) the extent of the overlap between the arguments made during examination and the manner in which a petitioner relies on the prior art or a patent owner distinguishes the prior art; (5) whether a petitioner has pointed out sufficiently how the Examiner erred in evaluating the asserted prior art; and (6) the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.¹⁹

Use of these factors in denying institution of a petition prevents the Patent Office from duplicating work already performed, as well as the patent owner from expending resources to repeatedly defend a patent against the same or similar prior art and arguments. Thus, petitions asserting art or arguments similar to those already considered by the Patent Office should be accompanied by substantial explanation of why the petition warrants consideration by the PTAB. Furthermore, petitioners should consider not only art and arguments examined during prosecution, but also petitions previously filed by other parties.²⁰

INCREASING JUDICIAL EFFICIENCY AND CONSISTENCY AMONG PATENT TRIBUNALS

In 2019, the Board also expanded its use of discretion to deny petitions in the interest of judicial efficiency among different patent tribunals, including both U.S. District Courts and the International Trade Commission (ITC).

1. Exercising Discretion in View of Parallel District Court Proceedings

In *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, designated precedential on May 7, 2019, the

Board denied institution of a petition for *inter partes* review in favor of the parallel district court proceeding.²¹ In that case, the Board determined that instituting the petition would be “an inefficient use of Board resources” because the parallel district court proceeding involved the same patent and parties, the same claim construction standard, the same prior art references, and the same arguments, and it was scheduled to be completed before a final decision would have issued by the PTAB.²²

Moreover, since November 13, 2018, the Board has applied the same claim construction standard as the district court.²³ Thus, the Board clarified in 2019 that it is now more inclined to deny a petition in favor of parallel district court proceedings when the district court proceeding is set to conclude before one at the PTAB.²⁴

2. Exercising Discretion in View of Parallel ITC Proceedings

In *Bio-Rad Laboratories, Inc. v. 10X Genomics, Inc.*, the Board also expounded that parallel proceedings challenging the same patent at the ITC can provide “a favorable basis for denying [a] [p]etition.”²⁵ In that case, the parallel ITC proceeding involved the same parties, a challenge to the same independent claim of the same patent, the same claim construction standard, consideration of the same prior art, consideration of the same declarants, and the administrative law judge’s issuance of an Initial Determination stating that no claims of the patent have been shown to be invalid.²⁶ The Board therefore denied the petition for *inter partes* review, providing that “even if the Petition would have met the threshold standards for institution, instituting a trial would be an inefficient use of Board resources.”²⁷

In sum, parties considering or involved in post-grant proceedings at the PTAB need to consider the Board’s push during the last year to improve judicial efficiency and fairness to patent owners, beyond merely considering the substantive merits of a petition. Experienced counsel attentive to these issues can greatly reduce the risk associated with the Board’s discretionary denial authority.

¹ Office Trial Practice Guide, August 2018 Update at 10.

² *Id.*

³ *General Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 15–16 (P.T.A.B. Sept. 6, 2017) (precedential).

⁴ *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00064, Paper 10 at 10 (P.T.A.B. May 1, 2019) (precedential).

⁵ *Id.* at 10.

⁶ *Id.*

⁷ *Id.* at 11.

⁸ *Id.* at 16.

⁹ *Id.*

¹⁰ Office Trial Practice Guide, July 2019 Update at 26–28 (referencing *Comcast Cable Commc’ns, LLC v. Rovi Guides, Inc.*, IPR2019-00224, -00225, -00226, -00227, -00228, -00229, Paper 10 (P.T.A.B. Apr. 3, 2019)).

¹¹ *Id.* at 26.

¹² *Id.*

¹³ *Id.* at 27.

¹⁴ *Deeper, UAB v. Vexilar, Inc.*, IPR2018-01310, Paper 7 at 41–43 (P.T.A.B. Jan. 24, 2019) (informative).

¹⁵ *Chevron Oronite Co. v. Infineum USA L.P.*, IPR2018-00923, Paper 9 at 10–11 (P.T.A.B. Nov. 7, 2018) (informative).

¹⁶ *Adaptics Ltd. v. Perfect Co.*, IPR2018-01596, Paper 20 at 17–24 (P.T.A.B. Mar. 6, 2019) (informative).

¹⁷ *Id.*

¹⁸ *See Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 at 17–18 (P.T.A.B. Dec. 15, 2017) (precedential).

¹⁹ *Becton, Dickinson & Co.*, IPR2017-01586, Paper 8 at 17–18.

²⁰ *See, e.g., Valve Corp.*, IPR2019-00064, Paper 10.

²¹ *NHK Spring Co., Ltd. v. Intri-Plex Techs.*, IPR2018-00752, Paper 8 at 19–21 (P.T.A.B. Sept. 12, 2018).

²² *Id.*

²³ Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board, 83 Fed. Reg. 51,340, 51,340-41 (Oct. 11, 2018); 37 C.F.R. § 42.100(b).

²⁴ *See, e.g., Next Caller Inc. v. TRUSTID, Inc.*, IPR2019-00961, -00962, Paper 10 at 10, 14–15 (P.T.A.B. Oct. 16, 2019).

²⁵ *Bio-Rad Laboratories, Inc. v. 10X Genomics, Inc.*, IPR2019-00567, Paper 23 at 28 (P.T.A.B. Aug. 8, 2019).

²⁶ *Id.* at 27–29.

²⁷ *Id.* at 29.

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DRAMATIC CHANGES TO MOTION TO AMEND PRACTICE

By: Tyler S. Hoge and [Jonathan Tuminaro, Ph.D.](#)

Summary

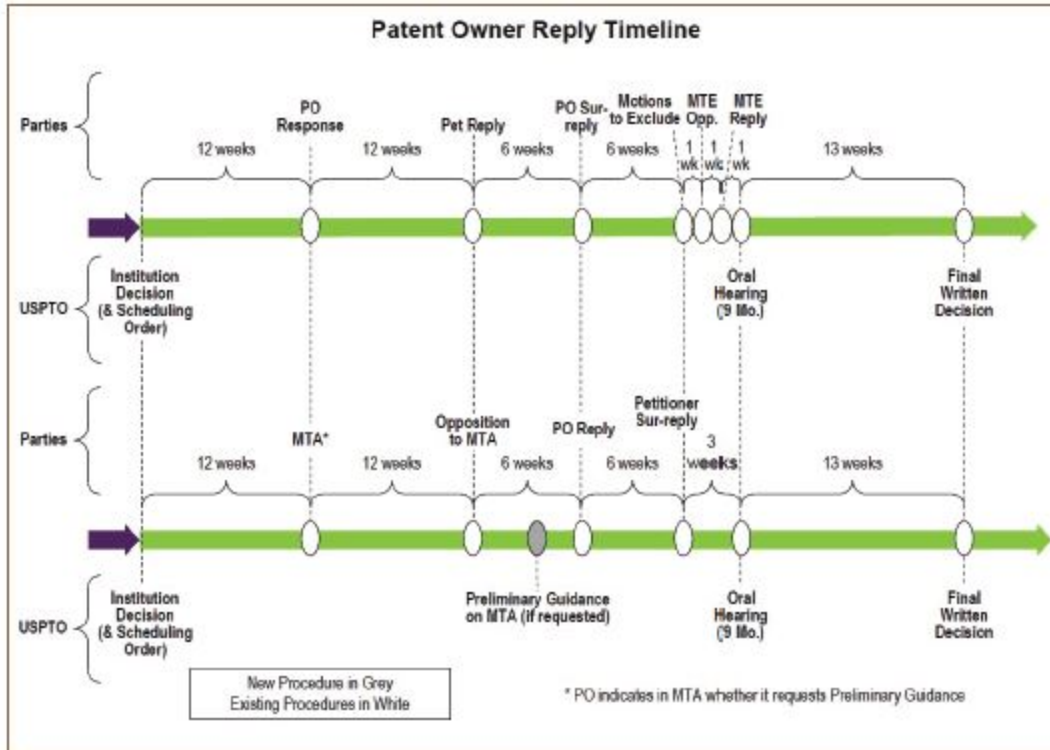
Motions to amend have historically been viewed as an exercise in futility. The Director of the United States Patent and Trademark Office (USPTO), Andrei Iancu, agrees, having publicly stated that “[s]ome have suggested that parties have simply stopped even trying to amend the claims because they see the effort as largely futile.”¹ Director Iancu has since set his sights on overhauling this failing motion-to-amend system.²

The USPTO took significant strides toward achieving that goal in 2019. In addition to issuing a precedential decision on motions to amend,³ the USPTO initiated a new pilot program on motions to amend on March 15, 2019.⁴ This new pilot program, if opted into, offers several procedural changes that provide patent owners with the ability to refine their motions to amend. After the new pilot program was instituted, we saw a substantial increase in the number of motions to amend filed in 2019 as compared to those of previous years.⁵ The initial indications, however, are that patent owners’ success rates of proposing patentable substitute claims have not significantly increased under the new pilot program.

Changes to Motions to Amend

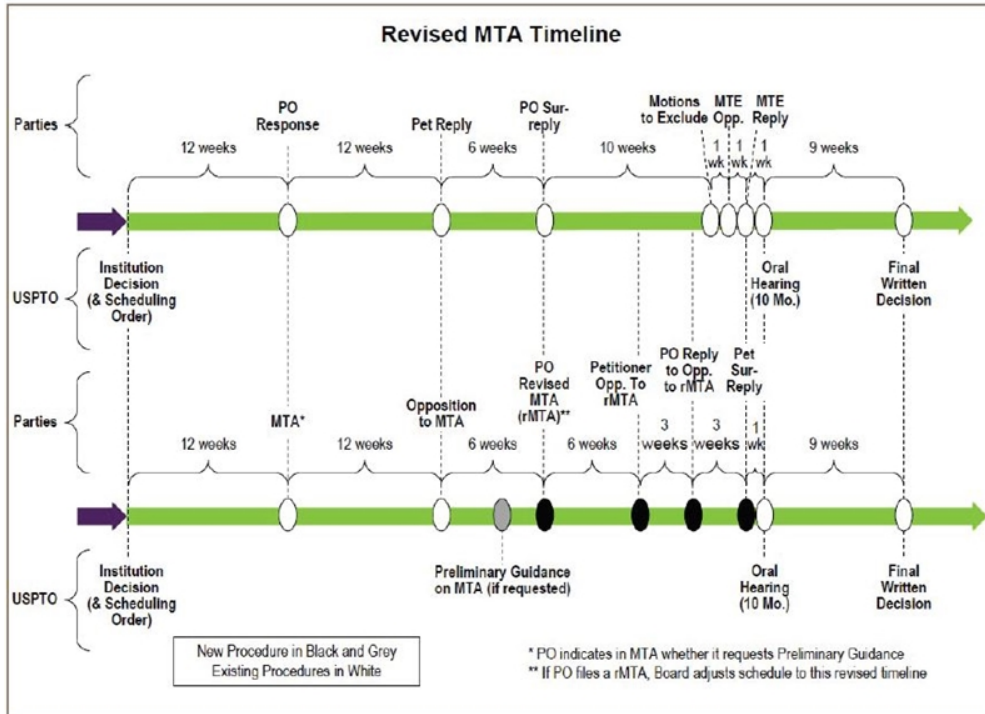
The new pilot program created two additional options for patent owners when navigating the motion-to-amend process. First, a patent owner may choose to receive preliminary guidance from the Board on its motion to amend. Second, a patent owner may choose to file a revised motion to amend after receiving the petitioner’s opposition to the original motion to amend or after receiving the Board’s preliminary guidance (if requested).⁶

Should the patent owner request preliminary guidance, the Board will determine if the patent owner has met the regulatory and statutory requirements, as outlined in *Lectrosonics*. To meet statutory and regulatory requirements, a motion to amend must: propose a reasonable number of substitute claims; propose substitute claims that do not enlarge the scope of the claims or



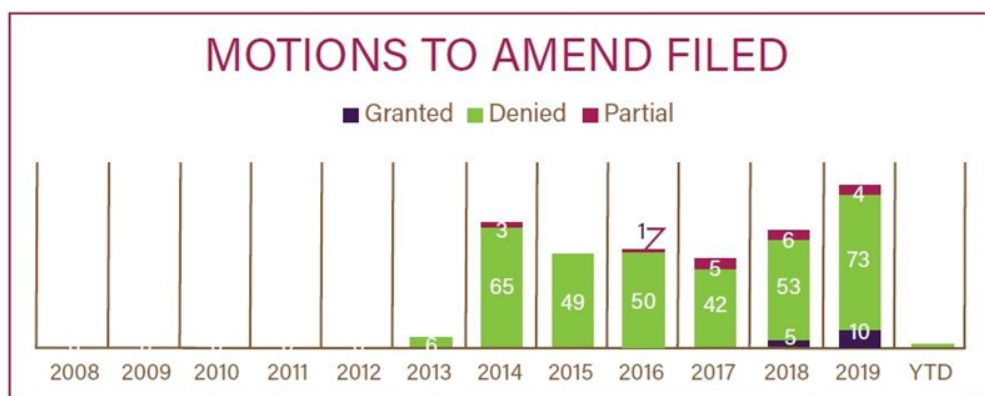
introduce new subject matter; respond to a ground of unpatentability involved in the trial; and set forth written description support for each substitute claim.⁷ The Board also determines if the petitioner has established a reasonable likelihood that the proposed substitute claims are unpatentable.⁸ The Board can issue its guidance in a short, non-binding paper or orally by conference call. In response to the petitioner's opposition to the motion to amend and/or the Board's preliminary guidance (if requested), the patent owner may take one of two options: (i) reply to the petitioner's opposition to the motion to amend and the preliminary guidance (if requested); or (ii) file a revised motion to amend.

If the patent owner chooses to file a revised motion to amend, the patent owner must include one or more newly proposed substitute claims, in place of previously presented substitute claims, that address the issues identified within the preliminary guidance and/or the petitioner's opposition. When filing a revised motion to amend, the patent owner can include substitute claims, arguments, or evidence that were previously presented within the original motion to amend. It is important to note that any new substitute claim, argument, and/or evidence filed in the revised motion to amend must be related to an issue raised in the preliminary guidance and/or the petitioner's opposition to the motion to amend. Lastly, if the patent owner files a revised motion to amend, the Board will issue a new schedule. Timelines comparing the changes to the scheduling order can be found on pages 12 and 13.

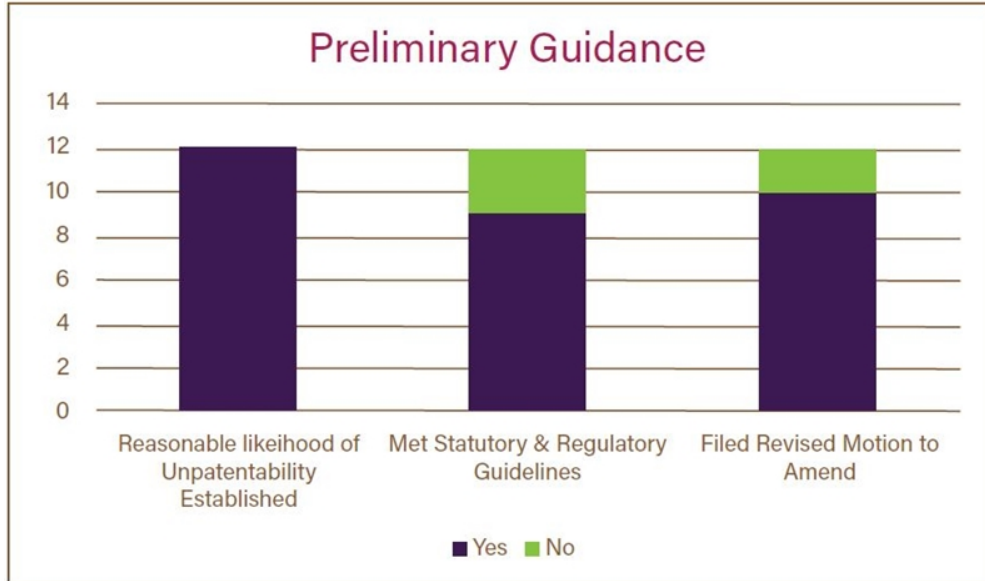


Implications and Statistics

As shown by the figure titled “Motions to Amend Filed” on the following page, 87 Motions to amend were decided in 2019—more than in any previous year. And ten motions to amend were granted in 2019, which is twice as many as in any previous year. This increase in motions to amend being decided and granted coincides with Director Iancu’s focus on improving the motion-to-amend process and the creation of the new pilot program. If the trend continues, it is likely that more motions to amend will be filed and granted in 2020.



But the initial data suggests that patent owners are not any more successful under the new pilot program than they were under the previous regime. After ten months under the new pilot program, the Board issued preliminary guidance on motions to amend only 12 times.⁹ In the preliminary guidance, the Board determines two things: (i) whether the patent owner has met the statutory and regulatory guidelines for motions to amend; and (ii) whether the petitioner has established a reasonable likelihood that the proposed substitute claims are unpatentable. As indicated in the chart titled “Preliminary Guidance,” the initial data shows that patent owners have met the statutory and regulatory guidelines for motions to amend in 75% of cases, but the Board found in all 12 cases that the petitioner established a reasonable likelihood that the proposed substitute claims were unpatentable. Although these are only preliminary findings and not final determinations of unpatentability, the initial indications are that patent owners’ likelihood of success on motions to amend has not increased substantially under the new pilot program.



While the data on preliminary guidance seems to paint a bleak picture for the patentability of the proposed substitute claims, the patent owners in these cases still have an opportunity to file a revised motion to amend. To date, ten revised motions to amend have been filed. Since there have not yet been any final written decisions for these cases, it is still too early to tell whether the pilot program has indeed overhauled the motion-to-amend process. It seemed as though the new pilot program would favor patent owners, but the initial numbers suggest otherwise. We will have to wait for data on final written decisions after receiving preliminary guidance to see if the new pilot program truly favors patent owners.

¹ Remarks by Director Iancu at the American Intellectual Property Law Association Annual Meeting, October 25, 2018 (*available* at www.uspto.gov/about-us/news-updates/remarks-director-iancu-american-intellectual-property-law-association-annual).

² *Id.*

³ *Lectrosonics, Inc. v. Zaxcom, Inc.*, Case IPR2018-01129, Paper 15 (P.T.A.B. Feb. 25, 2019).

⁴ United States Patent & Trademark Office, Notice Regarding a New Pilot Program Concerning Motion to Amend Practice and Procedures in Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board, 84 Fed. Reg. 9,497 (Mar. 15, 2019).

⁵ Data collected from Docket Navigator (*available* at <https://www.docketnavigator.com>).

⁶ United States Patent & Trademark Office, 84 Fed. Reg. 9,497 (Mar. 15, 2019).

⁷ *Id.* at 9,500; *see also* 35 U.S.C. 316(d), 326(d); 37 CFR 42.121, 42.221.

⁸ United States Patent & Trademark Office, 84 Fed. Reg. 9,497 (Mar. 15, 2019).

⁹ *See, e.g., Mylan Pharms. Inc. v. Sanofi-Aventis Deutschland GmbH*, IPR2018-01682, Paper 62; IPR2018-01679, Paper 55; and IPR2018-01680, Paper 65 (P.T.A.B. Oct. 16, 2019); *FormFactor, Inc. v. Feinmetall GmbH et al.*, IPR2019-00082, Paper 23; IPR2019-00080, Paper 24 (P.T.A.B. Nov. 5, 2019); *L&P Property Management Company et al. v. Remacro Machinery & Technology (Wujiang) Co., Ltd.*, IPR2019-00255, Paper 23 (P.T.A.B. Nov. 8, 2019); *Henrob Ltd. et al. v. Newfrey LLC*, IPR2019-00269, Paper 19 (P.T.A.B. Nov. 13, 2019); *KOA Corporation v. Vishay Dale Electronics, LLC f/k/a Vishay Dale Electronics, Inc.*, IPR2019-00201, Paper 21 (P.T.A.B. Nov. 14, 2019); *Becton, Dickinson and Company v. Baxter Corporation Englewood*, IPR2019-00121, Paper 39; IPR2019-00120, Paper 39 (P.T.A.B. Nov. 14, 2019); *Apple Inc. v. Zomm, LLC*, IPR2019-00275, Paper 16 (P.T.A.B. Nov. 19, 2019); *ZTE (USA) Inc. et al. v. CyWee Group Ltd.*, IPR2019-00143, Paper 35 (P.T.A.B. Dec. 5, 2019).

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By: [Rebecca A. Lindhorst](#) and [Pauline M. Pelletier](#)

Summary

When Congress created *inter partes* review (“IPR”) proceedings in the Leahy-Smith America Invents Act, it included an estoppel provision to avoid duplicative validity challenges against the same patent claims.¹ As set forth in 35 U.S.C. § 315(e)(2), a “petitioner in an inter partes review ... that results in a final written decision under section 318(a) ... may not assert either in a civil action ... or in a proceeding before the International Trade Commission ... that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that [IPR].” While seemingly straight-forward, this provision has left litigants and courts grappling with how far the estoppel reaches and, in particular, what the phrase “raised or reasonably could have been raised” means. In 2019, courts began to shed some light on the scope of this estoppel. But many questions still remain.

Estoppel extends to printed prior art that petitioners knew about

At least one thing is clear: IPR estoppel applies to grounds based on printed prior art that the petitioner was aware of at the time of filing the IPR.² And proof of what a petitioner was aware of is more abundant than one might first assume. Invalidity contentions, administrative and court filings, admissions, and many more sources can offer support for the assertion that a petitioner was aware of certain art when it filed its petition.³ This prohibition against relying on art that was known at the time of filing but not asserted in the IPR process leaves petitioners with a strong incentive to file multiple petitions canvassing at least their best known prior art.

What is less clear, however, is whether this estoppel would extend to grounds raised in a petition that was denied institution. Petitioners would argue that the estoppel should not apply to grounds asserted in a denied petition because such grounds *could not* have been raised during the IPR process as a result of denial.⁴ In the past year, however, the PTAB has adopted a practice of requiring petitioners to justify multiple petitions and rank them. Does a petitioner’s identification of its highest ranked petition constitute a discretionary choice that undermines the “could not have raised” defense to estoppel? In the year to come, we expect to see this dynamic play out.

Estoppel could extend to art that was “reasonably discoverable”

In 2019, courts also confronted the issue of whether estoppel applies to art that was not known at the time of filing but was “reasonably discoverable.”⁵ Some courts have extended the estoppel to such art, invoking statements from the legislative history indicating that the estoppel was intended to reach “prior art which a skilled searcher conducting a diligent search reasonably could have been expected to discover.”⁶ This raises a number of questions, including what constitutes a “skilled searcher” and what constitutes a “diligent search.” At least one court held that this inquiry involved questions of fact and was not amenable to summary judgment.⁷

Regardless, as more tribunals invoke this language from the legislative history, it is more likely to become the de facto standard for whether estoppel applies to prior art that was not known at the time of filing. Defendants preparing to file IPRs should therefore consider whether to commission a prior art search to document what was reasonably discoverable at the time.

Estoppels are unlikely to extend to prior art products and uses

In addition to unknown art, courts also tackled the issue of whether IPR estoppel applies to prior art products and uses. As products cannot be raised as prior art in IPRs, courts have generally declined to apply estoppel to such prior art products.⁸ If the product is embodied in a printed publication, however, a court may require that there be some material difference between an invalidity argument based on the product and one based on the publication.⁹ Indeed, one court notably cautioned that a party “cannot ‘cloak its reliance upon [prior art] as a product ... to avoid [the] estoppel.’” (internal citations omitted)¹⁰ Nevertheless, if the product in question is a “superior and separate reference,” there may nevertheless be good reasons for why estoppel should not apply in that instance.¹¹

Overall, defendants have a qualified opportunity to raise product prior art that overlaps with estopped prior art. However, it is still important to assess manuals and other types of product documentation to evaluate whether the product art would be deemed “separate and superior.”

The impact of SAS on the estoppel exception explained in Shaw

In the past year, courts also addressed the impact of *SAS Inst. v. Iancu* on the estoppel principle explained in the Federal Circuit’s 2016 *Shaw* decision.¹² Specifically, *Shaw* created an estoppel exception for grounds that were raised in the petition but denied institution in a pre-SAS partial-institution decision.¹³ The *Shaw* decision reasoned that estoppel should not attach to such grounds because they *could not* have been raised in the instituted IPR. After *SAS*, however, the PTAB must institute on all grounds, if at all, such that partial-institution will no longer occur.

While the *Shaw* scenario will no longer occur, it remains unclear whether, based on the reasoning in *Shaw*, whole petitions denied as cumulative to other petitions are free of estoppel. Like the pre-SAS non-instituted grounds in a partially-instituted IPR, grounds in a denied parallel petition *could not* have been raised. As noted by one court, “a petitioner who raises grounds that are not instituted, ‘to no fault of its own,’ has not had a full hearing on the merits of its invalidity contentions.”¹⁴ If this is true, a petitioner could be incentivized to immunize known prior art from estoppel by filing multiple parallel petitions, even if some petitions are likely to be denied.

In summary, while 2019 provided welcome insight into how the estoppel provisions of the AIA operate and how far they may reach, there is still some uncertainty surrounding when they apply. Several currently pending cases are anticipated to bring more clarity on the subject in 2020.

The IPR estoppel cases to watch in 2020 include:

Network-1 Techs., Inc. v. Hewlett-Packard Co., No. 18-2338 (Fed. Cir. Sept. 5, 2018) (appeal involving scope of the “reasonably could have raised” estoppel standard);

Asetek Danmark A/S v. CoolIT Sys., Inc., No. 3:19-cv-00410, ECF Dkt. No. 98 (N.D. Cal. Dec. 30, 2019) (Chen, J.) (holding that estoppel extends to non-petitioned claims and grounds and declining to extend reasoning in *Shaw* to post-SAS institution scenario);

Contour IP Holding, LLC v. GoPro, Inc., No. 3:17-cv-04738, ECF Dkt. No. 335 (N.D. Cal. Jan. 9,

2020) (Orrick, J.) (holding that petitioner was not estopped from asserting grounds that may be cumulative or redundant of grounds raised during the IPR, as long as it does so by relying on references or combinations of references that were unavailable for IPR).

¹ 35 U.S.C. § 315(e)(2).

² See, e.g., *The Cal. Inst. of Tech. v. Broadcom Ltd.*, No. 2:16-cv-03714, ECF Dkt. No. 830 (C.D. Cal. Dec. 28, 2018) (Wu, J.).

³ See, e.g., *Oil-Dri Corp. of Am. v. Nestlé Purina Petcare Co.*, No. 1:15-cv-01067, ECF Dkt. No. 224 (N.D. Ill. Jan. 16, 2018) (St. Eve, J.) (defendant admitted that it had copies of the prior art when it filed its petition and was therefore es-topped); *Network-1 Techs., Inc. v. Alcatel-Lucent USA, Inc.*, No. 6:11-cv-00492, ECF Dkt. No. 978 (E.D. Tex. Sept. 26, 2017) (Mitchell, J.) (defendant estopped from later asserting references that were cited in invalidity contentions).

⁴ See *Shaw Indus. Grp., Inc. v. Automated Creel Sys., Inc.*, 817 F.3d 1293 (Fed. Cir. 2016).

⁵ *F'real Foods, LLC v. Hamilton Beach Brands, Inc.*, No. 1:16-cv-00041, ECF Dkt. No. 239 (D. Del. Apr. 10, 2019) (Connolly, J.).

⁶ 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl).

⁷ *Palomar Techs., Inc. v. MRSI Systems, LLC*, No. 1:18-cv-10236, ECF Dkt. No. 393 (D. Mass. Mar. 27, 2019) (Saylor, J.).

⁸ *Polaris Indus., Inc. v. Arctic Cat, Inc.*, No. 0:15-cv-04475, ECF Dkt. No. 488 (D. Minn. Aug. 15, 2019) (Tunheim, J.); *Oil-Dri Corp. of Am. v. Nestlé Purina Petcare Co.*, No. 1:15-cv-01067, ECF Dkt. No. 647 (N.D. Ill. Feb. 22, 2019) (Kennelly, J.).

⁹ *The Cal. Inst. of Tech. v. Broadcom Ltd.*, No. 2:16-cv-03714, ECF Dkt. No. 936 (C.D. Cal. Mar. 11, 2019) (Wu, J.).

¹⁰ *SRAM, LLC v. RFE Holding (Canada) Corp.*, No. 1:15-cv-11362, ECF Dkt. No. 102 (N.D. Ill. Jan. 25, 2019) (Lefkow, J.).

¹¹ *Id.*

¹² *Shaw Indus. Grp., Inc. v. Automated Creel Sys., Inc.*, 817 F.3d 1293 (Fed. Cir. 2016).

¹³ *Id.* at 1300.

¹⁴ *Am. Tech. Ceramics Corp. v. Presidio Components, Inc.*, No. 2:14-cv-06544, ECF Dkt. No. 142 (E.D.N.Y. Jan. 30, 2019) (Matsumoto, J.). (quoting *Milwaukee Elec. Tool, Corp. v. Snap-On Inc.*, 271 F. Supp. 3d 990, 1029 (E.D. Wisc. 2017)).

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