California Institute of Technology v. Broadcom Ltd., 25 F.4th 976 (Fed. Cir. 2022) (Lourie, Linn, Dyk (concurring-in-part and dissenting-in-part))

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Caltech sued Broadcom and Apple for infringement, asserting three of its data transmission patents against Broadcom's WiFi chips and certain Apple products that incorporate those chips. Apple then filed IPR petitions challenging the asserted claims as obvious over various combinations of prior art. Despite instituting review, the Board ultimately determined that Apple had failed to show that the claims were unpatentable.

Meanwhile, in district court, Broadcom and Apple asserted that Caltech's patents were invalid over different combinations of art not asserted in the IPR petitions. Caltech moved for summary judgment of no invalidity, arguing that Broadcom's and Apple's invalidity arguments were barred by 35 U.S.C. § 315(e)(2), which estops an IPR petitioner following a final written decision from asserting in district court invalidity grounds that the petitioner raised or reasonably could have raised "during th[e] inter partes review." Broadcom and Apple responded that the statute applies only to grounds that could have been raised "during" the IPR, and that under *Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir. 2016), an IPR "does not begin until it is instituted," meaning § 315(e)(2) estoppel does not preclude petitioners from asserting non-instituted grounds. Applying this same logic, Broadcom and Apple argued that estoppel does not preclude them from asserting invalidity grounds not raised in Apple's petitions because those grounds were likewise not instituted. The district court rejected these arguments and granted Caltech's motion. The case went to trial, resulting in an infringement verdict on all three patents and a damages award of more than $1.1 billion.

The Federal Circuit affirmed the district court's estoppel ruling. The court noted that *Shaw* involved petitioned-for grounds that were not instituted under the Board's then-common practice of instituting on fewer than all grounds. *Shaw* holds that estoppel does not attach in those circumstances, as "Congress could not have intended to bar later litigation of the issues that the [Board] declined to consider." But the partial-institution regime under which *Shaw* was decided was abrogated by the Supreme Court in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), which established that the Board has "no partial institution authority" and that "it is the petition, not the institution decision, that defines the scope of the IPR." In light of *SAS*, the Federal Circuit reasoned, *Shaw's* holding is no longer viable. The court thus clarified that § 315(e)(2) "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 in the petition."

Because it was undisputed that Apple was aware of the prior art at issue when it filed its IPR petitions, the Federal Circuit determined that Broadcom's and Apple's district court invalidity arguments reasonably could have been made in the petitions. The court thus affirmed the district court's estoppel ruling.

Broadcom and Apple petitioned the Supreme Court for certiorari, arguing that the Federal Circuit's reading of § 315(e)(2) expands estoppel beyond the statute's plain language to cover any ground that could have been raised in a petition before an IPR begins rather than "during" the IPR itself. The Supreme Court requested a response from Caltech, which argued that Broadcom's and Apple's reading of the statute as applying only to invalidity grounds actually raised in a petition renders the statute's phrase "reasonably could have raised" superfluous. The Supreme Court also called for the views of the Solicitor General, which, as of the date of this article, have not yet been submitted.