

# PTAB PRACTICE: RECENT DEVELOPMENTS IN ESTOPPEL

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# Agenda

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## II. CASE DEVELOPMENTS

- A. Estoppel/Time Bar
- B. Pure Estoppel
- C. Physical Products/Manuals

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# OVERVIEW

# STATUTORY SECTIONS

# U.S. Code § 315 (a)(1)

## **(a) INFRINGER'S CIVIL ACTION.—**

### **(1) INTER PARTES REVIEW BARRED BY CIVIL ACTION.—**

An inter partes review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.

**See also § 325 (a)(1) for Post-Grant Review**

# U.S. Code § 315 (b)

## **(b) PATENT OWNER'S ACTION.—**

An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

# U.S. Code § 315 (e)(1)

## (e) ESTOPPEL.—

### (1) Proceedings before the office.—

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.

See also § 325 (e)(1) for Post-Grant Review

# U.S. Code § 315 (e)(2)

## (e) ESTOPPEL.—

### (2 ) Civil actions and other proceedings.—

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 assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

**See also § 325 (e)(2) for Post-Grant Review**

# CASE DEVELOPMENTS: ESTOPPEL/TIME BAR



# *Click-To-Call: Federal Circuit*

## *Held:*

Under the plain meaning of the statutory language, the one-year time bar of § 315(b) begins running when “petitioner is served with a complaint alleging infringement of the patent,” and the subsequent voluntary dismissal without prejudice of the underlying action is “wholly irrelevant” to the bar

## *Reversed PTAB*

*IPR: time barred and PTAB lacked jurisdiction to institute*

*CLICK-TO-CALL TECHNOLOGIES, LP, v. INGENIO, INC., 899 F.3D 1321 (FED. CIR. 2018)*

# Click-To-Call: Cert. Petition

## Questions In Petition for Certiorari:

1. Whether 35 U.S.C. § 314(d) permits appeal of the PTAB's decision to institute an inter partes review upon finding that § 315(b)'s time bar did not apply.
2. Whether 35 U.S.C. § 315(b) bars institution of an inter partes review when the previously served patent infringement complaint, filed more than one year before the IPR petition, had been dismissed without prejudice.

*Certiorari granted limited to Question 1*

# *Click-To-Call: Supreme Court*

*THRYV, INC. V. CLICK-TO-CALL TECHS., LP*  
*(same case)*

- Pending before Supreme Court
- Oral Argument set for December 9, 2019

# Extensions of *Click-To-Call*

***Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co.*, 905 F.3d 1311  
(Fed. Cir. 2018)**

§ 315(b) time bar applies when the underlying complaint is involuntarily dismissed

***Cisco Systems v. Chrimar Systems*, IPR2018-01511 (1/31/19)**

§ 315(a)(1) estoppel bar applies when petitioner filed a DJ action which petitioner subsequently voluntarily dismissed

***GoPro v. 360Heros* , IPR2018-01754 (8/23/19)**

§ 315(b) time bar applies when the plaintiff in the underlying district court action lacks standing.

# CASE DEVELOPMENTS: PURE ESTOPPEL

# U.S. Code §§ 315(e)(1), (e)(2), 325 (e)(1), (e)(2)

## Summary of the Pure Estoppel Provisions in §§ 315(e)(1), (e)(2), 325 (e)(1), (e)(2):

The petitioner (or real party in interest or privy of petitioner) in an inter partes review or post grant review of a claim in a patent that results in a Final Written Decision,

may not request or maintain a proceeding before the Office or assert in a civil action, or an ITC proceeding that the claim is invalid

**“on any ground that the petitioner raised or reasonably could have raised during that inter partes review” [or post grant review]**

# Estoppel under § 315(e) and § 325(e)

- Scope of statutory language:

*"any ground that the petitioner raised or reasonably could have raised"*

- Petitions versus Instituted Proceedings at the PTAB
- Pre-SAS and Post-SAS Frameworks

# SAS Decision: Supreme Court

- *Held: In an instituted IPR, the Patent Office must decide the patentability of all of the claims the petitioner has challenged*
- Supreme Court construed 35 U.S.C. § 318(a), which states that if an IPR is instituted, the PTAB:  
“...shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner...”
- The majority in a 5-4 decision relied upon the plain meaning of the language

*SAS Institute v. Iancu*, 138 S.Ct. 1348 (S.Ct. 2018)



# Pre and Post SAS Institution

- **Partial Institutions Were Sanctioned by PTAB prior to SAS- Formerly Operational 37 C.F.R. § 42.108(a):**  
(a) When instituting *inter partes* review, the Board may authorize the review to proceed on all or some of the challenged claims and on all or some of the grounds of unpatentability asserted for each claim.
- **Guidance released by PTAB on April 26, 2018 (Post SAS):**  
... As required by the decision, the PTAB will institute as to all claims or none. At this time, if the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition. ...
- **Current PTAB Policy is to Institute or Not Institute as to All Claims and All Grounds in a Petition**

# SHAW: Pre-SAS Federal Circuit Estoppel

- **Held: § 315(e) precludes the application of estoppel to petitioned but non-instituted grounds**
- **Federal Circuit interpreted 35 U.S.C. § 315(e), which creates an estoppel:**  
“...on any ground that the petitioner raised or reasonably could have raised *during* that inter partes review.”
- **The majority relied upon the plain meaning of the language and stated that an “IPR does not begin until it is instituted”**

*Shaw Indus. Grp., Inc. v. Automated Creel Sys., Inc.*, 817 F.3d 1293, 1297-1300 (Fed. Cir. 2016), cert. denied, 137 S. Ct. 374 (2016)

# Application of *SHAW* to Non-Instituted Grounds

- Some disagreement exists among District Courts concerning the interpretation of *Shaw* with respect to petitioned but non-instituted grounds
- While many District Courts did not apply estoppel to petitioned and non-instituted grounds, at least one district court in Texas applied estoppel to petitioned grounds that were not instituted based on their merits rather than for procedural reasons (*Biscotti Inc. v. Microsoft Corp.*, No. 2-13-cv-01015-JRG-RSP, 2017 WL 2526231 (E.D. Tex. May 11, 2017))
- **SAS moots these conflicts – no partial institution**

# Estoppel and Non-Petitioned Grounds Pre-SAS

- Some District Courts, in view of *Shaw and* pre-SAS, limited estoppel only to grounds raised during an IPR (petitioned and instituted) and not to any non-petitioned grounds:
  - *Intellectual Ventures I LLC v. Toshiba Corp.*, 221 F. Supp. 3d 534 (D. Del. 2016)
  - *Finjan, Inc. v. Blue Coat Sys., LLC*, 283 F. Supp. 3d 839 (N.D. Cal. 2017)
  - *Koninklijke Philips N.V. v. Wangs Alliance. Corp.*, No. CV 14-12298-DJC, 2018 WL 283893 (D. Mass. Jan. 2, 2018)
- The continued viability of the reasoning in these cases may be suspect post-SAS

# Estoppel and Non-Petitioned Grounds Pre-SAS

- **District Courts in Wisconsin, Texas, Virginia, Illinois and Delaware (considering *Shaw and pre-SAS*), have sanctioned the application of estoppel to non-petitioned grounds. Representative cases include:**
  - ***Douglas Dynamics, LLC v. Meyer Products LLC*, No. 14-cv-886-JDP, 2017 WL 1382556 (W.D. Wis. Apr. 18, 2017)**(allowing petition to assert non-petitioned grounds in court that could reasonably have been raised in the petition would transform an IPR into “an additional step” rather than “an alternative;” court reasoned estoppel should apply to non-petitioned grounds “based on prior art that could have been found by a skilled searcher’s diligent search.”)
  - ***Biscotti Inc. v. Microsoft Corp.*, No. 2:13-cv-01015-JRG-RSP, 2017 WL 2526231 (E.D. Tex. May 11, 2017)**(estoppel applied to non-petitioned grounds that a “skilled searcher conducting a diligent search reasonably could have been expected to discover.” )

# Estoppel and Non-Petitioned Grounds Pre-SAS

- (Cont.) Representative Cases sanctioning the application of estoppel to non-petitioned grounds pre-SAS:
  - *Oil-Dri Corp. of Am. v. Nestle Purina Petcare Co.*, No. 15-CV-1067, 2017 WL 3278915, at \*9 (N.D. Ill. Aug. 2, 2017)(applied estoppel to non-petitioned grounds after considering the statutory language, other court decisions, policy reasons such as efficiency, fairness and due process )

# Estoppel and Non-Petitioned Grounds Post-SAS

- **Post-SAS, District Courts have sanctioned the application of estoppel to non-petitioned grounds in both the IPR and Post Grant Review (PGR) context**
- **Under §315(e), in the context of IPRs, non-petitioned grounds may be estopped:**
  - *SiOnyx LLC v. Hamamatsu Photonics K.K.*, 330 F. Supp.3d 574 (D. Mass. 2018)  
(since there will no longer be such a thing as a petitioned, non-instituted ground in IPRs after SAS, the words “reasonably could have raised” in § 315(e) now “must refer to grounds that were not actually in the IPR petition, but reasonably could have been included” in order for them to have any meaning at all)
  - *Palomar Techs., Inc. v. MRSI Sys., LLC*, 373 F. Supp. 3d 322, 331 (D. Mass. 2019)  
(same rationale as *SiOnyx case*)

# Estoppel and Non-Petitioned Grounds Post-SAS

- Under §325(e), in the context of a PGR, non-petitioned grounds may be estopped:
  - *GREE, Inc. v. Supercell Oy, No. 2:19-cv-00071-JRG-RSP (E.D. Tex. Oct. 30, 2019)*  
(since there is no longer a non-instituted situation post-SAS, “for the words ‘reasonably could have raised’ to have any meaning at all, they must refer to the grounds that were not actually raised in the PGR petition, but reasonably could have been included;” this is supported by the legislative history and public policy)



# Possible Estoppel Exception

*AVX Corp. v. Presidio Components, Inc.*, 923 F.3d 1357 (Fed. Cir. 2019)

- Federal Circuit held that a petitioner in an IPR proceeding lacked Art. III standing to appeal to the Court from portions of the Final Written Decision of the PTAB
- Petitioner lacked standing because it did not show “concrete plans for future activity that creates a substantial risk of future infringement” and therefore did not show competitive harm
- In dicta, Court stated that §315(e) estoppel might not apply against someone who lacked standing to appeal

# CASE DEVELOPMENTS: PHYSICAL PRODUCTS/ MANUALS

# Physical Products/Manuals

- Important distinction between IPRs and PGRs
- In IPRs, the validity of patent claims can only be challenged:
  - on §§ 102 or 103 grounds, and
  - **only on the basis of prior art consisting of patents or printed publications**
- In PGRs, the validity of patent claims can be challenged:
  - on any grounds of invalidity under 35 U.S.C. §§ 101, 102, 103 and 112
  - not limited to prior art consisting of patents or printed publications

# Physical Products/Manuals

District Courts are tackling issues of whether estoppel under 315(e)(2) applies to physical objects that are described in printed publications, such as product manuals:

If a product manual has been, or could have been, raised as grounds for invalidity in an IPR, should any subsequent use of the underlying physical product as grounds for invalidity in litigation be foreclosed?

# Physical Products/Manuals

Some District Courts have refused to apply estoppel to products on the basis that physical prior art is excluded from the prior art allowed in IPRs

- *Polaris Indus., Inc. v. Arctic Cat Inc.*, No. 15-4475 (JRT/TNL)(D. Minn. Aug. 15, 2019)
- *Zitovault, LLC v. IBM*, No. 3:16-cv-0962-M, 2018 U.S. Dist. LEXIS 117339 (N.D. Tex. Apr. 4, 2018)
- *iLife Techs. Inc. v. Nintendo of Am., Inc.*, No. 3:13-cv-4947-M, 2017 U.S. Dist. LEXIS 87769 (N.D. Tex. May 30, 2017)

# Physical Products/Manuals

Some District Courts have appeared to sanction the theoretical possibility that physical prior art could fall within the estoppel provisions of 315(e)(2), but have not applied an estoppel, reasoning that the product disclosed more than the manual

- *Star Envirotech, Inc. v. Redline Detection, LLC*, No. SACV 12-01861 JGB (DFMx), 2015 WL 4744394, at \*4 (C.D. Cal. Jan. 29, 2015) (“the physical machine itself discloses features claimed in the '808 Patent that are not included in the instruction manual, and it is therefore a superior and separate reference.”)
- *Oil-Dri Corp. of America v. Nestlé Purina Petcare Co.*, No. 15-cv-1067 (N.D. Ill. Feb. 22, 2019) (“Where there is evidence that a petitioner had reasonable access to printed publications corresponding to or describing a product that it could have proffered during the IPR process, it cannot avoid estoppel simply by pointing to its finished product (rather than the printed materials) during litigation;” however, the estoppel proponent must present some evidence that a printed publication “sufficiently describing the relevant product existed and was available upon a reasonable search.”)

# PRACTICAL CONSIDERATIONS

# Practical Considerations

- **Estoppel/Time Bar:** Watch for *Click-to-Call* decision from Supreme Court
- **Pure Estoppel:**
  - Coordinate PTAB petitions with District Court actions and keep track of differences in estoppel law in different jurisdictions
  - Keep track of whether caselaw you would like to rely upon is pre or post SAS
  - Consider the use of multiple PTAB petitions
- **Physical Products:** May be useful in court following unsuccessful IPR



***Thank You!***

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