

Gauging IPR Estoppel's Reach After Fed. Circ. Caltech Ruling

By **Christopher McKee** (February 22, 2022, 4:06 PM EST)

In *California Institute of Technology v. Broadcom Ltd.*,^[1] decided Feb. 4, the U.S. Court of Appeals for the Federal Circuit sought to bring clarity to the law of inter partes review estoppel.

It accomplished that, putting to rest any doubt that the estoppel extends to grounds not in the IPR but which reasonably could have been included in the IPR petition. Yet, the court appears to have unwittingly introduced new uncertainty.

The court in *Caltech* undertook to clarify that the statutory estoppel of Title 35 of the U.S. Code, Section 315(e)(2), applies not just to claims and grounds asserted in the petition and that are instituted, but to "all claims and grounds not in the IPR but which reasonably could have been included in the petition."^[2]



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As a result, given that the prior art references *Apple Inc.* and *Broadcom* sought to raise in the U.S. District Court for the Central District of California were known to them at the time the IPR petitions were filed, the Federal Circuit determined that the contested grounds reasonably could have been included in the petitions.^[3] Therefore, the court affirmed the district court's decision barring *Apple* and *Broadcom* from raising these invalidity challenges.^[4]

A Concerning Prospect

On its face, the court's statement that IPR estoppel extends to "all claims and grounds not in the IPR but which reasonably could have been included in the petition," would seem to indicate that an unsuccessful IPR petitioner who chose to challenge fewer than all claims in a patent could later be estopped from challenging — either in court or in proceedings before the U.S. Patent and Trademark Office — the validity of other claims of the same patent.

Is a would-be IPR petitioner now in a position of having to decide between including all claims of a patent in its IPR challenge, or risk losing the opportunity to ever challenge the omitted claims — on grounds that reasonably could have been raised in the IPR?

If so, the common practice of filing an IPR petition focused on just certain claims of a patent, e.g., asserted claims, would run the risk of giving rise to an estoppel extending to the unchallenged claims as well.

Such claims, which presently might not be of concern to a petitioner, later might be. Yet, that petitioner could be left with limited opportunity to challenge the validity of the additional patent claims because it did not include those claims in its earlier-filed IPR petition.

Patent Challengers, Take Comfort

Could such a result have been intended by the Caltech panel? I think not. Here's why.

First, the court's reference to "all claims" not in the IPR but which reasonably could have been included in the petition, is dicta.[5]

There was no issue in Caltech about whether additional claims not challenged in the IPR petition could be challenged in the district court litigation. The only issue presented was whether additional prior art grounds not presented in the IPR could be presented in the district court litigation. Thus, the inclusion of "all claims" was not necessary to the court's decision and should not be read as part of its holding.

Even more importantly, the plain language of the statute forming the basis for the estoppel, Title 35 of the U.S. Code, Section 315(e), would appear to foreclose such breadth. The estoppel of subpart (e)(2) at issue in Caltech, applicable to civil actions, is claim-specific. In other words, the estoppel can arise only with respect to the particular claim(s) challenged by the IPR petitioner:

The petitioner in an inter partes review of a claim in a patent ... that results in a final written decision ... may not assert ... in a civil action ... that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.[6]

Likewise, the estoppel of companion subpart (e)(1), applicable to proceedings before the USPTO, is claim-specific:

The petitioner in an inter partes review of a claim in a patent ... that results in a final written decision ... 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.[7]

Thus, under both statutory provisions, it is specified that the patent claim for which a later challenge is estopped is the same patent claim that was challenged in the IPR that resulted in a final written decision; there is no indication that the estoppel extends any further. Presumably because it was not at issue with the facts presented, Caltech includes no mention of this claim-specific nature of the statute.

Caltech's clarification of IPR estoppel came in light of the U.S. Supreme Court's 2018 ruling in SAS Institute Inc. v. Iancu,[8] mandating that an institution of IPR include all the grounds raised in the petition — no partial institution. In view of this, the court in Caltech took the opportunity to overrule its own 2016 decision in Shaw Industries Group Inc. v. Automated Creel Systems Inc.,[9] which held IPR does not begin until it is instituted.

This was the underpinning of the court's further ruling in Shaw that "[o]nly the grounds actually at issue in the IPR were raised, or reasonably could have been raised in the IPR," and thus that "estoppel did not bar the petitioner in Shaw from presenting a petitioned-for, non-instituted ground in future proceedings because the petitioner could not reasonably have raised the ground during IPR." [10]

Shaw did not present a question of the scope of IPR estoppel with respect to grounds or claims not

included in the petition. Thus, nothing in the court's overruling of *Shaw* lends support to an extension of IPR estoppel to nonpetitioned claims.

Following on the heels of *Caltech*, the Federal Circuit's Feb. 11 decision in *Intuitive Surgical Inc. v. Ethicon LLC*[11] reinforces the conclusion discussed above. There, the court affirmed the decision of the Patent Trial and Appeal Board, holding that the estoppel of Section 315(e)(1), arising on final written decision in two simultaneously filed IPRs, required dismissal of a third simultaneously filed IPR which asserted different grounds against the same claims.

Although not part of its holding, the language in *Intuitive Surgical* strongly supports the conclusion that IPR estoppel does not extend to nonpetitioned claims.

Addressing the petitioner's practical argument that not all the asserted unpatentability grounds could have been included in a single petition due to the applicable word count limit, the court noted that a petitioner could avoid the problem by filing multiple petitions addressing different subsets of the claims, as opposed to subsets of the grounds.[12]

Here, consistent with this article's previous discussion of the governing statutory language, the court made the point that the IPR estoppel of Section 315(e)(1) "applies on a claim-by-claim basis,"[13] implying that the estoppel does not extend to nonpetitioned claims.

Conclusion

While patentees or other parties who might benefit may cite to *Caltech* in support of a wide scope of IPR estoppel extending to nonchallenged claims, it does not appear that the actual holding of the decision goes this far. Further, such a broad interpretation would appear to conflict with the plain language of the governing statute, as well as the Federal Circuit's subsequent decision in *Intuitive Surgical*.

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[1] *California Institute of Technology v. Broadcom Ltd.*, 20-222 (Fed. Cir. Febr. 4, 2022).

[2] Slip op. at 23.

[3] *Id.*

[4] *Id.*

[5] This assumes that the reference to "all claims" is intended as a reference to patent claims, rather than a generic reference to arguments. The latter seems unlikely given the patent context, but the statement could be read that way.

[6] 35 U.S.C. § 315(e)(2).

[7] 35 U.S.C. § 315(e)(1).

[8] SAS Institute, Inc. v. Iancu, 138 S. Ct. 1348 (2018).

[9] Shaw Industries Group, Inc. v. Automated Creel Systems, Inc., 817 F.3d 1293 (Fed. Cir. 2016). The unusual situation of a three-judge panel overruling an earlier decision of the Court without en banc action was deemed to be authorized given that the reasoning of Shaw had been undercut by the Supreme Court's decision in SAS. Slip op. at 23.

[10] Caltech, slip op. at 20-21.

[11] Intuitive Surgical, Inc. v. Ethicon LLC, 20-1481 (Fed. Cir. Febr. 11, 2022).

[12] Id., slip op. at 9.

[13] Id.