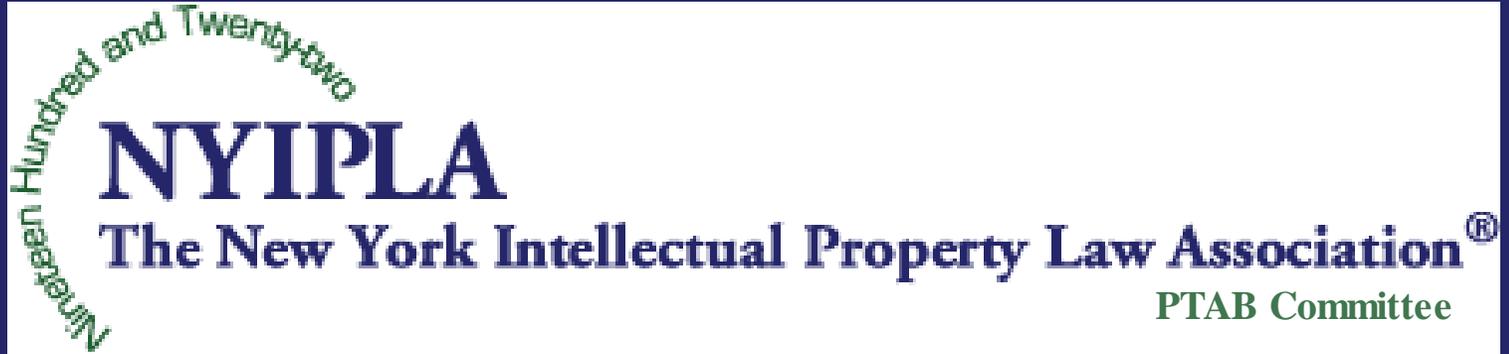


# Scope of Estoppel after *California Institute v. Broadcom*

NYIPLA PTAB COMMITTEE

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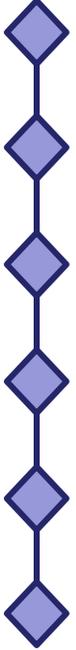
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Additionally, the following content is presented solely for the purposes of discussion and illustration, and does not comprise, nor is to be considered, as legal advice.

# Timeline

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Sept. 2012 - American Invents Act, allowing for IPRs, goes into effect

Feb. 2016 - *Synopsys, Inc.* decided, allowing for partial institution

Mar. 2016 - *Shaw* decided, relying on *Synopsys* to restrict estoppel

2016-2022- Confusion Among Courts and Conflicting Interpretations

Apr. 2018 - *SAS Institute* decided by the Supreme Court, and USPTO issues guidance

Feb. 2022 - *Cal Tech* and *Intuitive Surgical* clarify the scope of estoppel

# 35 U.S.C. § 315(e)

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(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.

(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.

# *Synopsys, Inc. v. Mentor Graphics Corp.*

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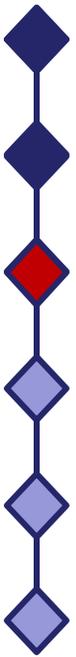


“[W]e find no statutory requirement that the Board's final decision address every claim raised in a petition for inter partes review. Section 318(a) only requires the Board to address claims as to which review was granted.”

*Synopsys, Inc. v. Mentor Graphics Corp.*, 814 F.3d 1309, 1316-17 (Fed. Cir. 2016)

# Shaw Industries Group v. Automated Creel Systems, Inc.

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“Both parts of § 315(e) create estoppel for arguments 'on any ground that the petitioner raised or reasonably could have raised *during* that inter partes review.' Shaw raised its Payne-based ground in its petition for IPR. But the PTO denied the petition as to that ground, thus no IPR was instituted on that ground. The IPR does not begin until it is instituted. See *Cuozzo*, 793 F.3d at 1272 (“IPRs proceed in two phases. In the first phase, the PTO determines whether to institute IPR. In the second phase, the Board conducts the IPR proceeding and issues a final decision.” (citations omitted)). Thus, Shaw did not raise—nor could it have reasonably raised—the Payne-based ground *during* the IPR. The plain language of the statute prohibits the application of estoppel under these circumstances “

*Shaw Indus. Grp. v. Automated Creel Sys.*, 817 F.3d 1293, 1300 (Fed. Cir. 2016)

# Confusion in the Courts: How to interpret *Shaw*?

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A petitioner cannot avoid estoppel as to arguments which could have been raised in the petition

“[W]hile it makes sense that noninstituted grounds do not give rise to estoppel because a petitioner cannot—to no fault of its own—raise those grounds after the institution decision, when a petitioner simply does not raise invalidity grounds it reasonably could have raised in an IPR petition, the situation is different.”

*Oil-Dri Corp. of Am. v. Nestle Purina Petcare Co.*, Case No. 15-cv-1067, 2017 U.S. Dist. LEXIS 121102, 2017 WL 3278915, at \*8 (N.D. Ill. Aug. 2, 2017)

*Shaw*’s ‘during IPR’ language allows a petitioner to avoid estoppel if petition is not ever instituted

“It would seem, then, that the phrase “inter partes review” in Section 315(e)(2) refers only to the period of time after review is instituted, and, therefore, the estoppel provision does not apply to arguments that the petitioner only “raised or reasonably could have raised” in its petition rather than after institution of review.” A “broader reading of the estoppel provision is foreclosed by *Shaw*...*Shaw* held that the phrase “during inter partes review” applies only to the period of time after the PTAB has instituted review.”

*Koninklijke Philips N.V. v. Wangs Alliance Corp.*, Case No. 14-cv-12298, 2018 U.S. Dist. LEXIS 607, 2018 WL 283893, at \*4 (D. Mass. Jan. 2, 2018)

# *SAS Inst., Inc. v. Iancu*

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“SAS does not seek to challenge the Director’s conclusion that it showed a “reasonable likelihood” of success sufficient to warrant “institut[ing] an inter partes review.” 35 U. S. C. §§314(a), (d). No doubt SAS remains very pleased with the Director’s judgment on that score. Instead, SAS contends that the Director exceeded his statutory authority by limiting the review to fewer than all of the claims SAS challenged ...Because everything in the statute before us confirms that SAS is entitled to a final written decision addressing all of the claims it has challenged and nothing suggests we lack the power to say so, the judgment of the Federal Circuit is reversed and the case is remanded for further proceedings consistent with this opinion.”

*SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1360 (2018).

# USPTO Guidance Post-SAS

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“On April 24, 2018, the U.S. Supreme Court issued *SAS Institute Inc. v. Iancu*, 2018 WL 1914661.... As required by the decision, the PTAB will institute as to all claims or none. If the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition.”

*Guidance on the impact of SAS on AIA trial proceedings*, USPTO,  
<https://www.uspto.gov/patents/ptab/trials/guidance-impact-sas-aia-trial#>

The Federal Circuit confirmed this was the correct approach in *AC Technologies S.A. v. Amazon.com*, 912 F.3d 1358 (Fed. Cir. 2019) (“it would have violated the statutory scheme had the Board *not* [addressed a ground in the petition]”)

# California Institute of Technology v. Broadcom Limited – Effect of SAS

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“After *Shaw*, in *SAS Institute* ... the Supreme Court made clear both that there is no partial institution authority conferred on the Board by the America Invents Act and that it is the petition, not the institution decision, that defines the scope of the IPR. See [SAS] at 1357-58 (“[T]he statute tells us that the petitioner’s contentions, not the Director’s discretion, define the scope of the litigation . . . There is no room in this scheme for a wholly unmentioned ‘partial institution’ power that lets the Director select only some challenged claims for decision.”). Given the statutory interpretation in *SAS*, any ground that could have been raised in a petition is a ground that could have been reasonably raised “during inter partes review.” Thus, the Supreme Court’s later decision in *SAS* makes clear that *Shaw*, while perhaps correct at the time in light of our pre-*SAS* interpretation of the statute cannot be sustained under the Supreme Court’s interpretation of related statutory provisions in *SAS*.”

*Cal. Inst. of Tech. v. Broadcom Ltd.*, Nos. 2020-2222, 2021-1527, slip-op at 22-23 (Fed. Cir. Feb. 4, 2022)

# California Institute of Technology v. Broadcom Limited – Scope of Estoppel

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“Accordingly, we take this opportunity to overrule *Shaw* and clarify that estoppel applies not just to claims and grounds asserted in the petition and instituted for consideration by the Board, but to all claims and grounds not in the IPR but which reasonably could have been included in the petition. In a regime in which the Board must institute on all grounds asserted and the petition defines the IPR litigation, this interpretation is the only plausible reading of “reasonably could have been raised” and “in the IPR” that gives any meaning to those words. ”

# California Institute of Technology v. Broadcom Limited – Scope of Estoppel

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“Accordingly, we take this opportunity to overrule *Shaw* and clarify that estoppel applies not just to claims and grounds asserted in the petition and instituted for consideration by the Board, but to ~~all claims and grounds not in the IPR but which reasonably could have been included~~ all grounds not stated in the petition but which reasonably could have been asserted against the claims included in the petition. In a regime in which the Board must institute on all ~~grounds asserted~~ challenged claims and the petition defines the IPR litigation, this interpretation is the only plausible reading of “reasonably could have been raised” and “in the IPR” that gives any meaning to those words.”

# Intuitive Surgical, Inc. V. Ethicon – Scope of Estoppel at the PTAB

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“[T]he Board concluded that § 315(e)(1) did not preclude estoppel from applying where simultaneous petitions were filed by the same petitioner on the same claim.... [Intuitive] argues that § 315(e)(1) estoppel should not apply to simultaneously filed petition”

“The plain language of § 315(e)(1) is clear that estoppel is triggered when an IPR proceeding results in a final written decision ... we cannot ignore this statutory language simply because the petitions were filed on the same day and were instituted within days of each other.”

“It is undisputed that all three IPRs challenged the same claim of the '969 patent. It is also undisputed that Intuitive filed all three petitions on the same day. It follows, therefore, that Intuitive *actually* knew of the Prisco prior art at the time it filed the other two petitions and knew which claims it wanted to challenge based on that art. Certainly, Intuitive reasonably could have raised its grounds from the Prisco/Cooper IPR in either the Giordano/Wallace or Timm/Anderson IPRs. Yet, it did not.”

“Here, Intuitive has already twice failed to invalidate claim 24 of the '969 patent in the Giordano/Wallace and Timm/Anderson IPRs and is not entitled to another bite at the apple via the Prisco/Cooper IPR.”

# Discussion

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