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Libbie DiMarco

Wolf Greenfield, Elizabeth.DiMarco@wolfgreenfield.com

Nathan Speed

Wolf Greenfield, Nathan.Speed@WolfGreenfield.com

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LITIGATING INVALIDITY AFTER IPR RESOLUTION

LIBBIE DIMARCO AND NATHAN SPEED

ABSTRACT:

It is becoming increasingly apparent that inter partes review (“IPR”) petitioner estoppel after the Patent Trial and Appeal Board (“PTAB”) issues a final written decision can have broad consequences on a petitioner’s invalidity defenses in civil actions. This article will examine the practical impact of IPR estoppel and discuss strategic considerations for IPR parties involved in parallel district court or International Trade Commission (“ITC”) actions. This article will address four main questions : (1) when and how a petitioner can use paper prior art in a § 102 or 103 defense after an unsuccessful IPR; (2) how IPR estoppel may impact invalidity defenses based on product prior art; (3) how IPR estoppel may impact a “known or used” invalidity defense; and (4) whether IPR estoppel applies when a petitioner prevails in an IPR. In limited circumstances, IPR petitioners may be able to pursue printed publication invalidity theories in parallel litigation after a PTAB final written decision. Yet, at the same time, IPR petitioners may face previously unexpected limitations on product prior art theories in parallel litigation after a PTAB final written decision.

I. INTRODUCTION

The *inter partes* review (“IPR”) estoppel provision of the America Invents Act (“AIA”) prohibits a petitioner who has received a final written decision from asserting in a related district court litigation or International Trade Commission (“ITC”) investigation any “ground” of invalidity “that the petitioner raised or reasonably could have raised during that [IPR].”¹ By

1. 35 U.S.C. § 315(e)(2) (2012). The IPR estoppel provision applies to both district court litigation and actions before the International Trade Commission (“ITC”). *Id.* IPR estoppel also applies to those “in privity” with a petitioner. *Id.*

the statute's express term, IPR estoppel precludes a petitioner from re-raising in district court or the ITC any grounds actually "raised" and litigated in an IPR trial. This is the *quid pro quo* of IPR: petitioners are afforded a less expensive and more expeditious proceeding to challenge the validity of a patent, while patent owners are protected from a second bite at the invalidity apple.²

Less clear, however, is the scope of estoppel for grounds that a petitioner "could have raised." As district courts have begun to address this question, it has become increasingly apparent that IPR estoppel will be applied broadly to encompass invalidity theories that a petitioner did not include in its petition but which the petitioner reasonably could have included in its petition, such as obviousness theories based on printed publications the petitioner admittedly knew about at the time it filed its petition, but which it chose not to include in the petition. It has also become apparent that district courts are interpreting "could have raised" estoppel even more broadly to place significant restrictions on what evidence a petitioner can use to establish other invalidity defenses that the petitioner could not have raised in its petition, such as an anticipation theory premised on a prior art product.

This article will examine the practical impact of IPR estoppel and discuss strategic considerations for IPR parties involved in parallel district court or ITC actions. For example, we will examine the limited circumstances in which an IPR petitioner can use paper prior art in a § 102 or 103 defense after an unsuccessful IPR. In particular, this article will discuss how courts have analyzed whether a particular reference reasonably could have been raised in an IPR. This article will also examine how IPR estoppel may impact invalidity defenses based on product prior art and the ways in which IPR estoppel can limit an IPR petitioner's ability to prove a "known or used" invalidity defense in parallel litigation. Finally, we will discuss the implications of IPR estoppel on parallel litigation when the IPR petitioner prevails in the PTAB final written decision, particularly in the context of ITC proceedings.

2. Am. Technical Ceramics Corp. v. Presidio Components, Inc., No. 14-cv-06544, 2019 WL 365709, *5 (E.D.N.Y. Jan. 30, 2019) ("When a party chooses to seek IPR, but only on certain grounds, that choice comes with consequences, notably the risk of estoppel under § 315(e)(2).").

II. INVALIDITY DEFENSES IN PARALLEL LITIGATION AFTER THE PTAB INSTITUTES FINAL WRITTEN DECISION

A. Invalidity Defenses Based on Paper Prior Art

By statute, IPR petitions must be limited to invalidity theories arising under 35 U.S.C. § 102 or 103 and must be based on “prior art consisting of patents or printed publications.”³ Without exception, IPR estoppel precludes the petitioner from raising an invalidity or obviousness theory based on the IPR grounds that were instituted. However, IPR estoppel is not limited to just the petitioned grounds. Rather, the prevailing view after the Supreme Court decision in *SAS Institute Inc. v. Iancu*⁴ is that IPR estoppel also extends to non-petitioned grounds that a petitioner “reasonably could have” included in its IPR petition but elected not to include.⁵

IPR estoppel has an expansive impact on paper prior art. As a practical matter, the “reasonably could have raised” standard precludes a petitioner from raising any references that it actually knew of at the time it filed its IPR petition, including references identified in invalidity contentions served prior to filing an IPR petition.⁶ With respect to references not actually known to a petitioner, the vast majority of courts have concluded that a petitioner reasonably could have raised an unknown reference if a “skilled searcher conducting a diligent search reasonably could have been expected to discover” the reference.⁷

Still, not all paper prior art challenges are foreclosed by a PTAB final written decision. In *f’real Foods, LLC v. Hamilton Beach Brands, Inc.*, the District of Delaware found that IPR estoppel did not preclude the IPR petitioner from relying on a printed reference that was discovered two months after the IPR petition was filed.⁸ There, the court credited the petitioner’s two

3. 35 U.S.C. § 311(b) (2012).

4. *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1358–59 (2018).

5. *Milwaukee Elec. Tool Corp. v. Snap-On Inc.*, 271 F. Supp. 3d 990, 1029 (E.D. Wis. 2017) (“[A] petitioner is estopped from asserting invalidity contentions based on prior art that it could reasonably have included in its IPR petition but did not.”); see Jennifer Esch et. al., *Petitioner Estoppel from Patent Trial and Appeal Board Proceedings after SAS Institute Inc. v. Iancu*, 18 CHICAGO-KENT J. INTELL. PROP. 10, 15-17 (2019).

6. *Trustees of Columbia Univ. v. Symantec Corp.*, 390 F. Supp. 3d 665, 678 (E.D. Va. 2019) (“[T]he plain language of § 315(e)(2) estops Symantec from relying on those grounds of invalidity that it previously identified in its 2014 invalidity contentions, but that it chose not to assert in its *inter partes* review petitions.”).

7. E.g., *Clearlamp, LLC v. LKQ Corp.*, No. 12-CV-02533, 2016 WL 4734389, at *8 (N.D. Ill. Mar. 18, 2016) (citing 157 CONG. REC. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl)).

8. *f’real Foods, LLC v. Hamilton Beach Brands, Inc.*, No. 16-CV-0041, 2019 WL 1558486, *1-2 (D. Del. Apr. 10, 2019).

expert declarations, which documented previous prior art searches that did not uncover the disputed references.⁹ One expert explained that the reference could not be identified in a global patent database because the reference was a Japanese reference with no translation.¹⁰ In view of the declarations, the court concluded that the reference could not “reasonably have been discovered by a skilled searcher conducting a diligent search.”¹¹

The burden of establishing that a skilled searcher could have identified the references lies with the party seeking to apply estoppel—generally, the patentee.¹² The burden is relatively low, but the patentee must point to some proof.¹³ In *Clearlamp, LLC v. LKQ Corporation*, the Northern District of Illinois declined to apply estoppel because the patentee failed to offer any evidence supporting that the disputed reference reasonably could have been discovered by a skilled searcher.¹⁴

A minority of courts have considered whether estoppel should extend even further to cover references that could not reasonably be found but which are substantively cumulative of references that were known or reasonably could have been found.¹⁵ Though at least one court has suggested that it might adopt such a standard, no court has actually prohibited a petitioner from relying on a reference on that basis.¹⁶ The court in *Clearlamp* explicitly considered and rejected that standard, finding that “[m]erely being redundant to a ground that could have been asserted during *inter partes* review does not estop the alleged infringer”¹⁷

Finally, while somewhat counter-intuitive, most courts have concluded that if a petitioner does include particular grounds in an IPR petition, but the

9. *Id.*

10. *Id.* at *1.

11. *Id.* at *1-2 (internal quotation marks omitted).

12. *Oil-Dri Corp. of America v. Nestlé Purina Petcare Co.*, No. 15-CV-01067, 2019 WL 861394, at *10 (N.D. Ill. Feb. 22, 2019) (cited as “*Oil-Dri II*”). It is unlikely but conceivable that a party other than the patentee would seek to apply estoppel against the IPR petitioner. For instance, in an ITC investigation, the Commission Investigative Staff could move to apply estoppel. See *infra* Section II.D for further discussion of estoppel in ITC investigations.

13. *Oil-Dri, II*, 2019 WL 861394 at *10 (“[T]he estoppel proponent must present some evidence that a printed publication sufficiently describing the relevant product existed and was available upon a reasonable search.”).

14. *Clearlamp*, 2016 WL 4734389 at *9-10.

15. *Id.* at *8 (“One question raised by the parties’ discussion of § 315(e)(2) is the extent to which prior art that was not reasonably available during *inter partes* review can be used if it is cumulative of prior art that was reasonably available during *inter partes* review.”) (citing *Star Envirotech Inc. v. Redline Detection LLC*, 2015 WL 4744394, at *4 (C.D. Cal. Jan. 29, 2015) (emphasis in original)).

16. Cf. *Star Envirotech*, 2015 WL 4744394, at *3. In *Star Envirotech*, the Central District of California determined that the disputed reference was superior and separate from references known at the time the IPR petition was filed, and the petitioner was permitted to assert the reference in the litigation. *Id.*

17. *Clearlamp*, 2016 WL 4734389 at *8.

PTAB declines to institute IPR for any reason—including because the petitioner failed to establish a reasonable likelihood of success on the merits—the petitioner is *not* estopped from pursuing those same invalidity theories in a parallel action.¹⁸ As a result, one potential strategy for petitioners to consider is filing multiple petitions to preserve printed publication invalidity theories even if the PTAB is likely to institute on only one. Nevertheless, this strategy is risky in view of PTAB and district court guidance against gamesmanship.¹⁹

In view of the broad reach of IPR estoppel against paper prior art, paper prior art challenges under §§ 102 and 103 remain a viable option for IPR petitioners in parallel litigation after a final written decision only if uncovering the printed reference required extensive rather than “reasonable” search efforts, such as when there is no available English translation of a foreign reference.²⁰ On the other hand, the more difficult the reference is to uncover, the greater potential for the reference to face public availability challenges. For example, a thesis that was not properly indexed at a library and thus difficult for the petitioner/defendant to identify in its prior art searching may not be a “publication” given the improper indexing that made the reference difficult to locate in the first instance.

B. Invalidity Defenses Based on Product Prior Art

IPR is limited by statute to paper prior art challenges.²¹ As a result, IPR estoppel does not literally preclude a petitioner from later asserting an invalidity challenge based on product prior art.²² One potential petitioner strategy

18. *Milwaukee Elec. Tool Corp. v. Snap-On Inc.*, 271 F. Supp. 3d 990, 1029 (E.D. Wis. 2017) (“Thus, a petitioned ground for which IPR was not instituted, for whatever reason, does not give rise to IPR estoppel.”); *see also* *Great W. Cas. Co. v. Intellectual Ventures II LLC*, No. IPR2016-01534, Paper 13, at 10 (P.T.A.B. Feb. 15, 2017) (“[T]he Board’s determination not to institute an [IPR] . . . is not a final written decision . . . and thereby does not trigger the estoppel provisions under 35 U.S.C. [§] 315(e) . . .”) (internal citations omitted).

19. *E.g.*, *Oil-Dri Corp. of America v. Nestlé Purina Petcare Co.*, No. 15-CV-01067, 2017 WL 3278915, at *8-9 (N.D. Ill. Aug. 2, 2017) (discussing the purpose underlying IPR estoppel which includes preventing petitioners from having a second bite at the apple); *Rubicon Comms., LP v. Lego A/S*, IPR No. 2016-01187, Paper No. 87, at 6-8 (P.T.A.B. Oct. 5, 2017) (discussing gamesmanship in the context of amendments to identify real parties in interest).

20. *See* *SiOnyx, LLC v. Hamamatsu Photonics K.K.*, 330 F. Supp. 3d 574, 603 (D. Mass. 2018) (“There thus appears to be a genuine question of material fact as to whether a diligent, skilled searcher would have found Adkisson at the time the IPR was filed; indeed, the examiner of the ‘591 patent tried 56 search strings and still did not turn up Adkisson.”).

21. *See* 35 U.S.C. § 311(b) (2012).

22. *See* *SiOnyx*, 330 F. Supp. at 604 (“Therefore, to the extent SiOnyx is contending that defendants are estopped from relying on the S9840 CCD sensor, the motion for summary judgment will be denied.”); *Zitovault, LLC v. Int’l Bus. Machs. Corp.*, 2018 WL 2971178, *4 (N.D. Tex. 2018) (“Defendants can rely on the prior art systems in their invalidity contentions to argue anticipation or obviousness.”).

to insulate litigation from the impact of IPR estoppel is to sever paper prior art theories from product prior art theories, pursuing paper prior art at the PTAB and product prior art in district court. However, it has become increasingly apparent that although IPR estoppel does not preclude invalidity theories based on product prior art, IPR estoppel has the potential to hinder *how* a petitioner proves invalidity based on product prior art.

Obtaining a physical prior art product in the same state it would have existed in at the relevant time period is not a simple feat. Often, no physical sample is available by the time patent litigation is initiated and it is not possible to analyze the product itself. Instead, expert testimony about a product's features is sometimes based on documents that describe the product.²³ Recent developments indicate that IPR petitioners may be estopped from relying on printed documents to prove a product prior invalidity defense if those printed documents constitute "printed publications" that reasonably could have been raised in an IPR.

In particular, several courts have suggested that an IPR petitioner cannot avoid IPR estoppel by relying on printed publications under the guise of a product prior art theory.²⁴ The Northern District of Illinois squarely addressed this issue in *Oil-Dri Corporation of America v. Nestlé Purina Petcare Company*, explaining that "[w]here 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."²⁵ However, the court ultimately concluded that the patentee failed to establish that the disputed printed materials, which included a formulation sheet, were in fact "printed publications" that could have been raised in an IPR.²⁶ The court, therefore, ruled that IPR estoppel did not apply.²⁷ Other courts have reached similar conclusions.²⁸

23. See *SiOnyx*, 330 F. Supp. 3d at 604 ("It is true that defendants' expert did not examine the product itself, but relied on documentation describing the product. But that documentation is evidence of how the product is configured, how it is made, and how it works.").

24. See *Milwaukee Elec. Tool Corp.*, 271 F. Supp. 3d at 1032 ("To the extent these written materials fall within the scope of Section 311(b), they are of course affected by IPR estoppel. Snap-On cannot skirt it by purporting to rely on a device without actually relying on the device itself.").

25. *Oil-Dri II*, 2019 WL 861394, at *10.

26. *Id.* at *10 ("[T]here is no indication that the advertisements contained sufficient detail to constitute a printed publication of the product or that Maxx Scoop's formulation details were ever published.").

27. *Id.*

28. See *SiOnyx*, 330 F. Supp. 3d at 603; *Polaris Indus., Inc. v. Arctic Cat Sales Inc.*, No. 15-CV-04475, 2019 WL 3824255, at *3 (D. Minn. Aug. 15, 2019).

In *SiOnyx, LLC v. Hamamatsu Photonics K.K.*, the District of Massachusetts indicated that an IPR petitioner may rely on printed publications describing a product so long as the printed publication, which could have been included in an IPR, is not the sole evidence of how the product works.²⁹ There, the court permitted the IPR petitioner's expert to rely on both a printed publication and non-public manufacturing specifications to form his invalidity opinion.³⁰

Courts have also considered the reverse: whether IPR estoppel is broad enough to preclude an IPR petitioner from relying on the physical product if the product itself is described in a printed publication that reasonably could have been raised in an IPR.³¹ Although some uncertainty remains, the growing consensus from the majority of courts that have considered this issue is that § 315(e) does *not* apply to products even if the products embody a printed publication that the IPR petitioner could have relied upon in the IPR.³²

At least one court has even allowed an IPR petitioner to assert obviousness combinations that pair a product with a printed publication that could have been raised in the IPR. In *Polaris Industries v. Arctic Cat Inc.*, the District of Minnesota found that estoppel did not apply to the IPR petitioner's combination of a physical product with a patent because *that combination* could not have been raised in an IPR.³³

Under the current state of the law, IPR petitioners can be relatively confident that evidence based on the product itself will not be estopped. Similarly, confidential written evidence of the operation of product prior art likely can be asserted in litigation after an IPR final written decision. However, courts are likely to continue drawing the line at printed publications describing product prior art. Petitioners seeking to assert a product prior art defense should search for evidence that was not publicly available to replace or at least supplement evidence found in printed publications.

29. *SiOnyx*, 330 F. Supp. 3d at 601 (“If defendants were relying on the datasheet alone, this might be a close question. . .”).

30. *See id.* at 604 (“Defendants’ expert may rely on the combination of the publicly available datasheet and the private manufacturing specification to form his opinion that the publicly available product (in combination with other references) meets the elements of the claims.”).

31. *See Polaris*, 2019 WL 3824255 at *3 (“Other courts, and this Court agrees, have held that products embodying patents or printed publications are not subject to § 315(e)(2) estoppel.”).

32. *Id.*

33. *Id.* (“Combinations 1, 2, and 5 could not reasonably have been raised during the 433 IPR so Arctic Cat is not estopped from raising them in this case.”).

C. “Known or Used” Invalidity Defenses

Apart from product prior art defenses, at least one district court has grappled with how (if at all) § 315(e)(2) limits invalidity defenses brought under the “known or used” prong of pre-AIA 35 U.S.C. § 102(a). Pre-AIA § 102(a) states that a person shall be entitled to a patent unless “the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent.”³⁴ In a prototypical case, a defendant relies on a “known or used” invalidity defense when invalidating information is disclosed in a public presentation (*e.g.*, a speech at a technical conference), but the slides for or transcript of the presentation are not published or otherwise made available to the interested public and thus are not available to the defendant as a “printed publication” for a § 102(b) defense.

The first (and currently only, to the authors’ knowledge) district to address the interplay between § 315(e)(2) and a “known or used” invalidity theory was the Central District of California in *California Institute of Technology v. Broadcom Limited*.³⁵ In *Broadcom*, the defendants filed ten IPR petitions across the asserted patents.³⁶ At the time of the decision, the PTAB had issued final written decisions finding that the defendants failed to demonstrate that four asserted claims were unpatentable.³⁷ Having won at the PTAB, the plaintiff filed a motion for summary judgment arguing that § 315(e)(2) estopped the defendants from challenging the validity of the four asserted claims.³⁸

The defendants opposed, arguing that they intended to rely on certain references they identified in their invalidity contentions as the basis for a “known or used” invalidity defense.³⁹ Section 315(e)(2) does not apply to references used in a “known or used” invalidity defense, the defendants argued, because IPR trials may be instituted only on the basis of prior art consisting of patents or printed publications.⁴⁰ In other words, the defendants argued that because they were using the relevant references to advance “known or used” invalidity theories, they could not have raised those same references and those theories in the IPR trials.

34. 35 U.S.C. § 102(a) (2000).

35. *Cal. Inst. of Tech. v. Broadcom Ltd.*, No. 16-CV-03714, 2018 WL 7456042 (C.D. Cal. Dec. 28, 2018).

36. *Id.* at *3.

37. *Id.*

38. *Id.*

39. *Id.*

40. *Id.* at *9 (citing 35 U.S.C. § 311(b)).

The district court largely disagreed with the defendants, though its decision offers guidance for future defendants on how potentially to avoid estoppel in similar situations. The district court addressed four separate references that the defendants had identified in their invalidity contentions. The first reference (“Richardson99”) was not identified in the defendants’ IPR petition, but there was no dispute that it was known to the defendants and could have been raised in their IPR petitions.⁴¹ The Court found that the defendants were estopped from relying on Richardson99 even as the basis for a “known or used” invalidity defense because the defendants’ “invalidity analysis relies on Richardson99 as disclosing certain limitations in the relevant asserted claims, not on Richardson99 as confirming the testimony of a person regarding knowledge during the relevant timeframe.”⁴² The district court reached a similar conclusion with the second reference (“Divsalar”), finding that the defendants’ invalidity expert “does not rely on the Divsalar reference as if it is corroborative of some other testimony or knowledge; the Divsalar reference itself forms the basis for the invalidity opinions.”⁴³

The district court reached a different conclusion for a third set of related references—“Frey/Frey Slides.” For this reference set and the “known or used” invalidity theory it supported, the defendants identified at the summary judgment hearing “specific testimony and evidence” in the form of emails between and deposition testimony of Drs. Frey and Divsalar—the authors of the similarly named prior art references.⁴⁴ This additional evidence beyond the literal text of Frey or the Frey Slides was sufficient for the district court to conclude that estoppel would not apply “at this time.”⁴⁵

Finally, for a fourth set of related references (“Pfister/Pfister Slides”), the district court found this set of references subject to estoppel because, like the first two references, the defendants expert did not rely on the references as “simply corroborating evidence” of what was “known or used” in the art but rather treated “the documents themselves as the core evidentiary basis supporting the invalidity theory.”⁴⁶

In a concluding section of its opinion, the district court offered “further thoughts on the four references.”⁴⁷ In that section, the district court first rejected the defendants’ argument that estoppel should not apply because the

41. *Id.* at *10.

42. *Id.* at *11.

43. *Id.*

44. *Id.* at *12.

45. *Id.*

46. *Id.* at *13.

47. *Id.* at *14.

plaintiffs argued in the IPR trials that certain of the references were not proven to be printed publications under § 102(b).⁴⁸ The district court found that the relevant actions for estoppel are the defendants' actions, not the plaintiff's, and it noted that the defendants continued to maintain that the references were printed publications.⁴⁹ The district court also rejected the defendants' attempt to analogize their "known or used" invalidity defense to the prior art product defenses that other district courts (discussed above) had found were not estopped.⁵⁰

The district court found that its decision was not inconsistent with those other decisions because the "current case offers unique circumstances" as "whether brought as a 'printed publication' or under the 'known or used' prong, the core element that forms the basis of Defendants' prior art includes the same document(s)."⁵¹ It continued, and in doing so offered some suggestions for how future defendants could avoid estoppel: "Defendants do not assert that some evidence beyond the documents supplies missing disclosure related to a particular claim limitation. Defendants have not identified, for instance, circumstances where the only citation for a limitation relies on testimony of a contemporary in the field at the time of the invention."⁵² And, finally, the district court admitted the estoppel question would have been a "closer call" had the defendants conceded that the slides were not publicly available.⁵³ Had the defendants made such a concession, then the slides would not have been available for use in an IPR trial which is limited to "patents or printed publications."⁵⁴

Following its initial estoppel order, the parties engaged in numerous rounds of briefing asking the district court to either extend the estoppel to other patents and claims or to reconsider its decision. In a later-issued order, the district court clarified its original estoppel decision and explained that defendants can present a "known or used" invalidity theory if there is "some substantive difference" between that theory and the invalidity theories that the defendants raised or reasonably could have been raised before the PTAB.⁵⁵ As the district court explained, printed publications that were raised or reasonably could have been raised before the PTAB "cannot serve as the

48. *Id.*

49. *Id.*

50. *Id.* at *15.

51. *Id.*

52. *Id.*

53. *Id.*

54. 35 U.S.C. § 311(b) (2012).

55. *Cal. Inst. of Tech. v. Broadcom Ltd.*, No. 16-CV-03714, Slip op. at 11-12 (C.D. Cal. Aug. 9, 2019).

primary source of information for a known or used theory Instead, for a ‘known or used’ theory to possibly take on any meaningful difference from an invalidity theory based on a printed publication itself, these documents should merely play a corroborating or supportive role to other evidentiary sources.”⁵⁶ With this clarification, the district court then found the defendants estopped from raising all their “known or used” invalidity theories—even the theory previously permitted—because the defendants had failed to identify “what timely-disclosed evidence beyond the four corners of the prior art documents that is germanely, substantively different from the documents themselves would support their purported known or used invalidity theories.”⁵⁷

D. INVALIDITY DEFENSES WHEN PETITIONER PREVAILS IN FINAL WRITTEN DECISION

Several district courts have implied that IPR estoppel applies against only unsuccessful petitioners.⁵⁸ Although the issue was addressed in the district court opinion underlying the recent Federal Circuit decision in *BTG International Limited v. Amneal Pharmaceuticals LLC*, the Federal Circuit did not address the issue, finding it moot in view of its holding on the merits.⁵⁹ However, at least one district court has reached the opposite conclusion, finding that IPR estoppel applied against a successful IPR petitioner.⁶⁰

Applying § 315(e) against a successful petitioner likely has little practical impact in district court litigation. As the District of Massachusetts noted, there is no substantive impact on the litigation because

either (1) the Federal Circuit will affirm the PTAB’s decision, in which case the claims will remain unpatentable (as they are now) and there will be no reason for this Court to address their validity (or infringement), or (2) it will reverse the PTAB’s decision, in which case the grounds defendants

56. *Id.* at 19.

57. *Id.* at 22.

58. *See, e.g., Milwaukee Elec. Tool Corp. v. Snap-On Inc.*, 271 F. Supp. 3d 990, 1027 (E.D. Wis. 2017) (“Section 315(e)(2) prohibits an unsuccessful IPR petitioner from asserting in the district court that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.”) (internal quotation marks omitted).

59. *BTG Int’l Ltd. v. Amneal Pharms. LLC*, 352 F. Supp. 3d 352, 374 (D.N.J. 2018), *appeal dismissed as moot*, 923 F.3d 1063, 1077 (Fed. Cir. 2019) (explaining that the district court had noted that “[t]he case law . . . appears to reflect the concept that only unsuccessful or unsubmitted arguments are subsequently barred”).

60. *See SiOnyx, LLC v. Hamamatsu Photonics K.K.*, 330 F. Supp. 3d 574, 600 (D. Mass. 2018) (“But the statute makes no distinction between successful and unsuccessful grounds.”).

asserted will no longer be “successful” grounds and defendants will be estopped from raising them in this lawsuit.⁶¹

If the litigation got to the point of assessing damages before the Federal Circuit ruled, the court noted that it would “entertain further briefing” on how to handle damages awarded on claims that the PTAB found unpatentable.⁶²

In ITC cases, however, applying IPR estoppel against a successful petitioner has the potential to have a substantial practical impact, as illustrated by *Certain Memory Modules*.⁶³ By way of background, unlike in district court actions, ITC investigations often involve a neutral third-party Staff member of the Office of Unfair Import Investigations (“Staff”). Staff is a separate party, which offers an independent view on all issues, including invalidity. However, Staff typically does not submit independent evidence. Instead, Staff assesses the evidence submitted by the private parties. At least one ALJ has held that Staff is not subject to IPR estoppel.⁶⁴

In *Certain Memory Modules*, the PTAB final written decision issued prior to the ITC hearing, finding the asserted claims unpatentable.⁶⁵ The ALJ determined that § 315(e) applies even against the successful petitioner, and precluded the respondents from submitting any §§ 102 and 103 invalidity evidence. As a result, although Staff was technically not estopped from asserting invalidity theories, Staff was practically estopped from doing so because no evidence entered the record.⁶⁶

In contrast, if the PTAB final written decision had issued *after* the ITC hearing, Staff might have been permitted to rely on the invalidity evidence submitted by the IPR petitioner before IPR estoppel went into effect. That is exactly what happened in *Magnetic Tapes*, where the ALJ permitted Staff to rely on evidence previously submitted by the IPR petitioner—before IPR estoppel was in effect—even though the IPR petitioner could no longer assert the invalidity defenses.⁶⁷

61. *Id.*

62. *Id.* at 600-01.

63. *Certain Magnetic Tape Cartridges and Components Thereof*, Inv. No. 337-TA-1058, EDIS No. 657436 (Aug. 17, 2018) (Init. Det.).

64. *Id.*

65. *Certain Memory Modules and Components Thereof*, Inv. No. 337-TA-1089, EDIS No. 679484, Order No. 51 (June 26, 2019).

66. *See Certain Memory Modules and Components Thereof*, Inv. No. 337-TA-1089, EDIS No. 677591, Staff’s Response to Complainant’s Motion (June 3, 2019).

67. *Certain Magnetic Tape Cartridges and Components Thereof*, Inv. No. 337-TA-1058, EDIS No. 657436 (Aug. 18, 2018) (Init. Det.) (rejecting estoppel arguments because “the statute does not prevent Staff from raising the [prior art] references in this investigation, which it did”).

Applying IPR estoppel against a successful IPR petitioner at the ITC raises the issue of the appropriate remedy if the ALJ finds the claims not invalid. The sole remedy available at the ITC is injunctive relief, which usually takes the form of an exclusion order. Although the ITC has broad discretion in crafting remedial orders, it is extremely rare for the ITC to deny or even suspend an exclusion order. The ITC has indicated a willingness to partially suspend an exclusion order in view of a PTAB final written decision. However, in that decision, the ITC explicitly noted that partially suspending the exclusion order had “no practical effect since [the accused products] will still be subject to immediate exclusion” in view of other asserted claims.⁶⁸

As a result, it is unclear whether the ITC would entirely suspend remedial orders in a scenario in which the PTAB issues a final written decision finding that all claims at issue in the ITC investigation are unpatentable, but the ALJ finds the claims not invalid because the IPR petitioner is estopped from presenting the same evidence and legal theories at the ITC. There is a chance, though small, that applying IPR estoppel to a successful petitioner at the ITC could result in an exclusion order based solely on claims the PTAB has found unpatentable.

III. CONCLUSION

IPR estoppel has an expansive impact on the invalidity theories available to an IPR petitioner in parallel litigation. The scope of estoppel reaches far beyond the theories actually addressed in the IPR proceedings and even impacts product prior art theories that could not be raised in an IPR. Nonetheless, in certain circumstances, IPR petitioners may be able to pursue printed publication invalidity theories in parallel litigation after a PTAB final written decision. Going forward, IPR petitioners should pay particular attention to gathering non-printed publication evidence to prove product prior art theories and “known or used” invalidity theories. Patent owners relying on estoppel should support their position with evidence, including expert declarations when appropriate.

68. *Certain Memory Modules and Components Thereof*, Inv. No. 337-TA-1089, EDIS No. 672595 (Apr. 9, 2019) (Comm’n Op).