

THE PTAB REVIEW

This issue of *The PTAB Review* begins by examining a recent Federal Circuit decision that expands the scope of *inter partes* review (IPR) estoppel to encompass printed publication prior art the petitioner knew about when filing a first petition, even when the PTAB and the parties decided to exclude those references from the instituted IPR. Next, we examine another recent Federal Circuit decision that confirms that applicant-admitted prior art (AAPA) cannot itself form the basis for an IPR ground in lieu of printed publication prior art. Finally, we conclude by discussing Judge Leonard Stark, who will become the newest Federal Circuit judge later this month.

Federal Circuit Expands Scope of IPR Estoppel

When a final written decision issues in an IPR, one result is that the petitioner—as well as its real party in interest or privy—is estopped from “request[ing] or maintain[ing] 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.”¹ A similar estoppel applies to civil actions and International Trade Commission (ITC) proceedings.² Key to the scope of this estoppel is the set of grounds that “reasonably could have [been] raised during that inter partes review.”

Until recently, the standard for determining what reasonably



could have been raised in an IPR was provided by *Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*³ *Shaw* preceded the U.S. Supreme Court’s decision in *SAS Institute, Inc. v. Iancu*,⁴ which barred the board’s practice of instituting IPRs on only a portion of the grounds in a petition.⁵ In that context, the *Shaw* court held that when the board declined to institute a ground, no estoppel extended to such non-instituted grounds.⁶ In the aftermath of *Shaw*, district courts came to different

conclusions about how broadly estoppel would reach, with some courts holding that estoppel applied only to grounds actually instituted in an IPR, while others held that estoppel was only avoided for grounds that the board had expressly declined to institute.⁷

In *California Institute of Technology v. Broadcom Ltd.* (“*Caltech*”), the Federal Circuit overruled *Shaw* and substantially broadened the scope of IPR estoppel.⁸ *Caltech* involved an appeal from a district

¹ 35 U.S.C. § 315(e)(1).

² See *id.* § 315(e)(2).

³ 817 F.3d 1293, 1300 (Fed. Cir. 2016).

⁴ 584 U.S. ___, 138 S. Ct. 1348 (2018).

⁵ See, e.g., *Shaw*, 817 F.3d at 1299 (mentioning “the Board’s decision to institute IPR on some but not all grounds”).

⁶ *Id.* at 1300.

⁷ See *Cal. Inst. of Tech. v. Broadcom Ltd. (Caltech)*, 2022 WL 333669, at *9-10 (Fed. Cir. Feb. 4, 2022) (summarizing conflicting district court interpretations).

⁸ *Id.* at *10.

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court patent infringement case in which a jury awarded Caltech over \$1 billion for Broadcom and Apple's ("appellants") infringement of three Caltech patents.⁹ The Federal Circuit affirmed the district court on claim construction and eligibility, as well as infringement of two patents, and it remanded for a new trial on damages; however, appellants' arguments on validity implicated *Shaw's* estoppel holding.¹⁰

During the district court case, Apple filed IPRs challenging each *Caltech* patent.¹¹ The board issued final written decisions upholding the validity of each claim at issue on appeal.¹² SAS was decided during the pendency of the IPRs, and although some of the petitions had been instituted only in part, the parties had jointly agreed to limit the petitions to the instituted claims and grounds.¹³ The district court then granted summary judgment of no invalidity based on the estoppel from these final written decisions.¹⁴ The issue on appeal was whether this estoppel should extend to prior art references that Apple and Broadcom undisputedly knew about when the IPR petitions were filed but which were not instituted, and whether *Shaw* precluded estoppel from applying in these circumstances.¹⁵

The Federal Circuit panel in *Caltech* reasoned that the elimination of partial institution in SAS¹⁶ undercut the basis

for the reasoning of *Shaw*. Specifically, the panel characterized *Shaw* as resting on an assumption that "Congress could not have intended to bar later litigation of the issues that the PTAB declined to consider" under the pre-SAS practice of partial institution.¹⁷ With the elimination of partial institution, the panel concluded that *Shaw's* basis for narrowing IPR estoppel no longer held. Accordingly, the panel took the opportunity to overrule *Shaw* without en banc action.¹⁸

The *Caltech* decision originally stated 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."¹⁹ The reference to "all claims" would have extended estoppel beyond the text of the statute, which applies only to those claims specifically challenged in the IPR.²⁰ Recognizing this error, the panel corrected the opinion to say "all grounds not stated in the petition but which reasonably could have been asserted against the claims included."²¹ Thus, while still limited to the specific claims challenged, the estoppel from an IPR's final written decision is no longer anchored to the grounds actually raised in an IPR petition—it now extends to grounds that reasonably could have been raised in a petition.

Beyond district court proceedings, IPR estoppel also applies in U.S. Patent and Trademark Office (USPTO) proceedings. In particular, 35 U.S.C. § 315(e)(1) prohibits a petitioner, real party in interest, or privy in an IPR that results in a final written decision for a patent claim from "request[ing] or maintain[ing] a proceeding before the Office" for that claim "on any ground that the petitioner raised or reasonably could have raised during that inter partes review." The Federal Circuit applied this estoppel provision to a situation involving multiple parallel IPRs in *Intuitive Surgical, Inc. v. Ethicon LLC*.²² Intuitive Surgical had filed three IPR petitions each challenging the same set of claims in a patent owned by Ethicon.²³ The IPR petitions were filed on the same day, but due to a delay in according a filing date, one petition proceeded on a later schedule than the other two.²⁴ As a result, the board issued final written decisions for the first two IPRs just over three weeks before issuing a final written decision in the later IPR.²⁵ In the latter final written decision, the board held that Intuitive was estopped from maintaining the IPR proceeding by the earlier final written decisions, which had found the challenged claims not unpatentable.²⁶

The Federal Circuit agreed, concluding that even if different IPRs were filed on the same day, an earlier decision in

⁹ *Id.* at *1, *5.

¹⁰ *Id.* at *9.

¹¹ Wilson Sonsini represented Caltech in each of the Apple IPRs.

¹² *Id.* at *3.

¹³ *See, e.g., Apple, Inc. v. Cal. Inst. of Tech.*, IPR2017-00210, Paper 77 at 2-3.

¹⁴ *Caltech*, 2022 WL 333669, at *9. Although Broadcom was not a party to the IPRs, it was a real party-in-interest. *See Cal. Inst. of Tech. v. Broadcom Ltd.*, 2019 WL 8192255, at *4 n.9 (C.D. Cal. Aug. 9, 2019), *order corrected*, 2019 WL 8807924 (C.D. Cal. Nov. 21, 2019).

¹⁵ *See id.* at *10-11.

¹⁶ 138 S. Ct. at 1357-58.

¹⁷ *Caltech*, 2022 WL 333669, at *10.

¹⁸ *Id.*

¹⁹ *Cal. Inst. of Tech. v. Broadcom Ltd.*, No. 2020-2222, slip op. at 23.

²⁰ *See* 35 U.S.C. § 315(e)(1), (2) (referring to "an inter partes review of a claim in a patent" (emphasis added)).

²¹ Errata at 1-2, *Cal. Inst. of Tech. v. Broadcom Ltd.*, No. 2020-2222 (Fed. Cir. Feb. 22, 2022).

²² 2022 WL 414252 (Fed. Cir. Feb. 11, 2022).

²³ *Id.* at *1-2.

²⁴ *Id.* at *4.

²⁵ *See id.* at *2.

²⁶ *Id.*

one IPR triggers estoppel for the later-decided IPR.²⁷ Although Intuitive argued that the combination of the 14,000-word limit on IPRs and the inability to add new grounds to an instituted IPR meant that the third IPR's grounds "could not reasonably have [been] raised" in the earlier two IPRs, the Federal Circuit rejected these arguments for several reasons.²⁸ The panel noted that Intuitive could reasonably have fit the three IPRs' grounds into just two petitions, used different petitions to challenge different claims, requested consolidation of the proceedings, or requested that the final written decisions of each IPR issue on the same day.²⁹ The panel thus characterized Intuitive's grievance as "largely a problem of its own making."³⁰

The *Caltech* and *Intuitive* decisions suggest some useful practice points. Regarding district court litigation, the broader reach of IPR estoppel underscores the need for strategic

coordination between district court and IPR teams. Pursuing invalidity defenses in district court that are not available in IPRs—such as invalidity grounds based at least in part on public use or on sale bars—ensures that IPR estoppel will not preclude all anticipation and obviousness defenses. For example, in the *Caltech* district court litigation, a failure to develop grounds beyond those based on patents and publications led to a loss of all invalidity defenses when IPR estoppel attached.³¹ With regard to estoppel between IPRs involving the same claims of the same patent, *Intuitive* provides a roadmap to avoiding problems: not only should petitions on the same claims be filed simultaneously, but petitioners should also timely request consolidation and/or coordinated schedules to ensure that final written decisions are issued on the same day, which the *Intuitive* decision suggests would avoid estoppel concerns.

As a final note, there remains a scenario that the *Caltech* and *Intuitive* decisions do not unambiguously address. Where petitioners file two (or more) petitions challenging the same claims, but the Patent Trial and Appeal Board (PTAB) exercises its discretion not to institute one of the two petitions,³² it is not clear whether estoppel would apply to the specific grounds in the petition the PTAB chose not to institute. Such a case would be more closely analogous to *Shaw*, as discretionary institution of only one of two petitions resembles partial institution in the context of a single petition. If the two petitions could not have reasonably been combined into a single petition given the word-limit restrictions, a discretionary denial to institute one of the petitions might be interpreted as meaning that the denied petition's grounds could not reasonably have been raised in the instituted proceeding.

²⁷ *Id.* at *3.

²⁸ *Id.* at *3-4.

²⁹ *Id.* at *4.

³⁰ *Id.*

³¹ See *Cal. Inst. of Tech. v. Broadcom Ltd.*, 2019 WL 8192255, at *12-14 (finding inadequate development of "known or used" invalidity grounds to avoid estoppel), *15-16 (granting summary judgment of validity).

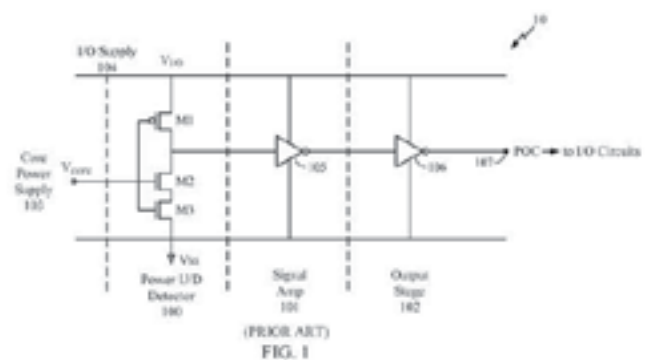
³² Cf. *PTAB Consolidated Trial Practice Guide* 59-61 (Nov. 2019) (suggesting such denials will remain common practice).

Limits on Applicant Admitted Prior Art in IPRs

Applicant-admitted prior art (AAPA) may not form the basis of a ground in an IPR. So ruled the Federal Circuit earlier this month in *Qualcomm Inc. v. Apple Inc.*,³³ which vacated the PTAB's holdings³⁴ that claims in a Qualcomm patent³⁵ were unpatentable under 35 U.S.C. §103 over AAPA.

Apple filed two IPRs against U.S. Patent No. 8,063,674 (the '674 patent) in the summer of 2018. While each petition led with a ground based solely on patents and printed publications, each petition

further invoked AAPA as the basis for two other grounds of invalidity. For example, Apple pointed to the specification of the '674 patent, which acknowledged that a "standard" system for multiple supply voltage devices was known. The '674 patent also included a figure depicting such a system as "PRIOR ART." Apple noted that the



³³ *Qualcomm Inc. v. Apple Inc.*, Nos. 20-1558, 20-1559, (Fed. Cir. Feb. 1, 2022).

³⁴ IPR2018-01315 & IPR2018-01316, *Apple Inc. v. Qualcomm Inc.*, Paper 26 (P.T.A.B. 2020).

³⁵ U.S. Patent No. 8,063,674, *Multiple Supply-Voltage Power-Up/Down Detectors*, Issued November 22, 2011 to Kwon *et al.*

“only substantive difference from the perspective of the claims between the prior art [power on/off control, or] POC system 10 described in the AAPA and the purportedly inventive POC network 40 illustrated in FIG. 4 of the ‘674 Patent is the inclusion of a feedback network 310.”³⁶ Apple then pointed to a patent publication, as well as an issued patent, to fill the gap.

Qualcomm argued that the AAPA-based grounds were improper in view of 35 U.S.C. §311(b), which limits IPR to “ground[s] that could be raised under section 102 or 103 and **only on the basis of prior art consisting of patents or printed publications.**”³⁷ The PTAB concluded that “an admission in the patent that is the subject to an *inter partes* review—that is, applicant admitted prior art—can be used to challenge claims in an *inter partes* review.”³⁸ In its view, “[t]he only requirement is that the ‘prior art consist of patents or printed publications.’ Because AAPA is admitted to be prior art and is found in the ‘674 patent,” the board reasoned that AAPA “can be used to challenge the claims in an *inter partes* review.”³⁹

Accepting reliance on AAPA in an invalidity challenge is not unprecedented. The board, the CCPA,⁴⁰

and even the Federal Circuit⁴¹ have previously sanctioned the use of AAPA as asserted prior art. Notably, courts have previously come to different, and at times, opposite conclusions.⁴²

On August 18, 2020, well after the board issued its ruling in the IPRs at issue, then-Director of the Patent and Trademark Office Andrei Iancu released a memorandum on AAPA.⁴³ The memorandum stated:

[W]hile a variety of evidence is admissible for limited purposes, the focus—“the basis”—of every IPR must be “prior art consisting of patents or printed publications.” Consistent with USPTO’s longstanding practice in applying the materially-identical reexamination statute, statements of the applicant in the challenged patent do not qualify as “prior art consisting of patents or printed publications,” but fall into the category of evidence the Board may consider for more limited purposes.⁴⁴

On appeal at the Federal Circuit, Judges Taranto, Bryson, and Chen agreed with Qualcomm and adopted the PTO’s position that the “patents or printed publications’ that form the “basis” of a ground for IPR “must themselves be

prior art to the challenged patent. That conclusion excludes any descriptions of the prior art contained in the challenged patent.”⁴⁵ In his opinion, however, Judge Chen made clear that “it does not follow that AAPA is categorically excluded from an *inter partes* review.”⁴⁶ Rather, it may be employed for the limited purposes of, e.g., “furnishing a motivation to combine,” “supplying a missing claim limitation,” and “establishing the background knowledge possessed by a person of ordinary skill in the art.”⁴⁷

The *Qualcomm* ruling thus makes clear that AAPA should not be used as the “basis” of an IPR challenge, while leaving the door open to other strategic uses of AAPA moving forward, and appears to place the court and the current PTAB guidance in harmony.

³⁶ IPR2018-01315, *Apple Inc. v. Qualcomm Inc.*, Paper 2 (P.T.A.B. 2018), 38-39; IPR2018-01316, *Apple Inc. v. Qualcomm Inc.*, Paper 2 (P.T.A.B. 2018), 46-47.

³⁷ See IPR2018-01315 & IPR2018-01316, Paper 26, 15-16; see also 37 C.F.R. §42.104(b)(2) (2009) (requiring that an IPR petition identify “the patents or printed publications relied upon for each ground”).

³⁸ IPR2018-01315 & IPR2018-01316, Paper 26, 15-16, 18-22.

³⁹ *Id.*

⁴⁰ See, e.g., *In re Nomiya*, 509 F.2d 566, 570-71 (C.C.P.A. 1975) (“We see no reason why the patentee’s representations in their application should not be accepted at face value as admissions that...may be considered ‘prior art’ for any purpose, including use as evidence of obviousness under 35 U.S.C. 103.”).

⁴¹ See, e.g., *B/E Aerospace, Inc. v. C&D Zodiac, Inc.*, 962 F.3d 1373, 1379-81 (Fed. Cir. 2020) (affirming PTAB decision holding claims obvious in view of AAPA, while not reaching the question of whether the Board ran afoul of §311(b) by considering the AAPA); *Papst Licensing GMBH & Co. v. Samsung Elecs. Am., Inc.*, 924 F.3d 1243, 1246 (Fed. Cir. 2019) (similar).

⁴² See, e.g., *Return Mail, Inc. v. U.S. Postal Serv.*, 139 S. Ct. 1853, 1860 (2019) (noting prior art used in an IPR includes “‘patents or printed publications’ existing at the time of the patent application”); *Sony Corp v. Collabo Innovations Inc.*, IPR2016-00940, Paper 7 (P.T.A.B. 2016), 30 (declining to institute *inter partes* review on a ground based on AAPA because the ground “does not identify any patents or printed publications [and thus] fails to comply with Section 331(b) or Rule 42.104(b)(4)”; *Cardiovascular Sys., Inc. v. Shockwave Med., Inc.*, IPR2019-00405, Paper 75 (P.T.A.B. 2020), 35-36 (rejecting that AAPA could not be used alongside prior art patents and printed publications in an IPR for a §103 ground); see also *In re Leonardo*, 119 F.3d 960, 966 (Fed. Cir. 1997) (interpreting 35 U.S.C. § 301(a), which includes the identical §311 (b) language “prior art consisting of patents or printed publications,” as excluding patents which themselves are not prior art).

⁴³ U.S. Patent and Trademark Office, *Memorandum on Treatment of Statements of the Applicant in the Challenged Patent In Inter Partes Reviews Under § 311(b)* (August 18, 2020).

⁴⁴ *Id.* at 1-2; *id.* at 6 (noting “[p]ermissible uses” of AAPA include “(1) supplying missing claim limitations that were generally known in the art... (2) supporting a motivation to combine... or (3) demonstrating the knowledge of the ordinarily-skilled artisan”).

⁴⁵ *Qualcomm*, *10-11.

⁴⁶ *Id.* at *13.

⁴⁷ *Id.* at *15.

Judge Stark Set to Join the Federal Circuit

On February 9, 2022, the Senate confirmed District Judge Leonard Stark's appointment to the U.S. Court of Appeals for the Federal Circuit. He is scheduled to succeed Circuit Judge Kathleen O'Malley, the only former-district judge currently sitting on the Federal Circuit, upon her March 11 retirement. Judge Stark has served in the U.S. District Court for the District of Delaware since 2010, when he was appointed by then-President Obama, and as Chief Judge of the District of Delaware from July 2014 through July 2021. The District of Delaware has one of the nation's busiest patent dockets. Judge Stark thus comes to the Federal Circuit with an extensive record of patent rulings, having presided over more than 2,500 patent cases, including 31 jury and 30 bench trials.



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