

# Del. Ruling Features Valuable Analysis For IPR Estoppel Args

By **Chris Ponder** (January 26, 2024, 4:19 PM EST)

The America Invents Act created inter partes review in 2012. Statutory estoppel is one of the features of the statute that balances the interests of patent owners and patent challengers.

The statute simply states that an IPR petitioner may not later assert in court that a claim "is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review" under Title 35 of the U.S Code, Section 315(e)(2).



Chris Ponder

While there is no dispute that a petition can only be based on prior art patents and printed publications, courts have twisted themselves into knots deciding whether a petitioner can assert invalidity based on a prior art system or device in district court when there is a patent or printed publication available that describes the system or device — and thus presumably could have been raised during inter partes review.

Surprisingly, this question has still not been decided by the [U.S. Court of Appeals for the Federal Circuit](#).

However, a December 2023 decision by U.S. Circuit Judge William Curtis Bryson sitting by designation in the [U.S. District Court for the District of Delaware](#) provides a valuable insight on how the issue may turn out.

In the *Prolitec Inc. v. ScentAir Technologies, LLC* decision, the plaintiff argued that statutory estoppel should bar the defendant from raising a prior art device that was materially identical to a patent the defendant could have raised in inter partes review.[1]

The defendant disputed that the device was materially identical, and argued that estoppel does not apply to device prior art even if it is materially identical to a patent or printed publication that could have been raised.

Judge Bryson held that "IPR estoppel does not apply to device art, even when that device art is cumulative of patents and printed publications that were or could have been asserted in a prior IPR." [2]

Judge Bryson did a thorough analysis of the two competing lines of district court authority that have reached opposite conclusions on this question, and explained that the divergence stems from inconsistency on the interpretation of "grounds" as that term is used in the statute.

The courts applying estoppel broadly are concerned with preventing defendants from "swapping labels" on their prior art to avoid estoppel.[3] Courts that reach the opposite conclusion focus on the statutory language.

Judge Bryson explained that there are two interpretations of "grounds." The first interpretation is that "'grounds' refers to the underlying legal arguments, which incorporate patents, printed publications, and cumulative device art."

The second interpretation is that "'grounds' are the particular patents and printed

publications ... and that the supporting affidavits, declarations, and the like are evidence, not 'grounds.'"

Judge Bryson found that the weight of authority supported the second interpretation, and that it is consistent with related statutory language and how the Federal Circuit has used the term "grounds" in discussing IPRs.

In particular, Title 35 of the U.S. Code, Section 312 "states that an IPR petition must be based on 'grounds ... and the evidence that supports the grounds for the challenge to each claim,' thus distinguishing between 'grounds' and the evidence supporting those grounds." [4]

He also pointed to examples where the Federal Circuit used "grounds" in the sense of "a legal argument based on a specific combination of references." [5]

Patent owners are likely to complain that this decision will be less efficient because defendants will be able to rely upon a prior art system or device in an IPR challenge using patents and printed publication grounds, and later rely upon the same prior art system or device in district court.

But as a practical matter, it is rather unlikely that this would ever arise in the real world for several reasons.

First, the only time it would arise is if the IPR failed.

It is unlikely that a jury is going to find the challenged claims invalid based on the same system or device that is identically described in a patent or publication that the Patent Office considered and found insufficient to invalidate the challenged claims. This is particularly the case if the court permits the jury to be informed that the Patent Office applied the preponderance of the evidence standard, and that the jury is to apply the clear-and-convincing evidence standard and the presumption of invalidity.

Second, it ignores the reality that patents and printed publications describing a system, such as user manuals, are rarely a perfect substitute for relying on a prior art system or device itself.

For example, a patent is likely to only describe those aspects of a system that are relevant to what the system's creator sought to claim in their own patent, which is not necessarily the same as the claimed subject matter of the asserted patent. A printed publication may also have a truncated description of the system depending upon the purpose of the printed publication.

One example is a user manual, which is likely to only include enough of a description for the user to operate the system. Some features of a system or device may not be found in a patent or printed publication at all, and require reviewing non-public evidence of a system's operation, such as source code.

Finally, using patents and printed publications as a proxy for a system may further limit the challenger's ability to present evidence because each patent or printed publication must be established as prior art in its own right, even if there is no dispute that the system or device predates the asserted patent.

This decision also helps to alleviate the unfairness to patent challengers that intend to only

rely on system prior art in the district court.

Currently, a patent challenger that has strong system prior art has to worry about the specter that the patent owner will seek to exclude system art on the basis that a related patent or incomplete printed publication can be used as a hook to claim that estoppel applies in jurisdictions that broadly interpret IPR estoppel.

No patent challenger should have to face this concern because Congress clearly barred patent challengers from raising system prior art in inter partes review, and yet creative patent owners seek to preclude patent challengers from using system prior art in district court.

The current hazy line drawn by courts that apply estoppel broadly incentivizes patent owners to frivolously claim system prior art could have been presented in an inter partes review.

Until the Federal Circuit directly addresses the issue, the Prolitec decision is a welcome beacon of analysis shining a light on how IPR estoppel arguments should be decided.

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*Chris Ponder is a partner at Sheppard Mullin Richter & Hampton LLP.*

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[1] Prolitec Inc. v. ScentAir Technologies, LLC page 48.

[2] Id.

[3] Id. Page 49-50} (quoting Cal. Inst. of Tech. v. Broadcom Ltd., No. CV 16-3714, 2019 WL 8192255, at \*7 (C.D. Cal. Aug. 9, 2019), aff'd, 25 F.4th 976 (Fed. Cir. 2022).

[4] Id. Page 51.

[5] Id. page 52 (collecting cases).