

MAY/JUNE 2020

VOLUME 26 NUMBER 3

DEVOTED TO
INTELLECTUAL
PROPERTY
LITIGATION &
ENFORCEMENT

*Edited by Gregory J. Battersby
and Charles W. Grimes*

IP *Litigator*[®]



Wolters Kluwer

Diligent and Skilled: The Changing Standard for IPR Estoppel

Zachary Ian Ruby, Brian Paul Gearing, and Michael H. Jacobs

Zachary Ian Ruby is a counsel in the Washington, D.C. office of Crowell & Moring and a member of the Intellectual Property Group. He focuses on patent litigation and has experience in all stages of litigation in various venues. He has practiced before the U.S. International Trade Commission (ITC), the Court of Appeals for the Federal Circuit, various district courts, and before the U.S. Patent and Trademark Office. Mr. Ruby also has experience advising clients on intellectual property licensing, patent due diligence, and other intellectual property matters.

Brian Paul Gearing, Ph.D. is a partner in the New York office of Crowell & Moring and a member of the Intellectual Property Group, focusing on patent litigation. He has experience in all stages of litigation, from pre-suit investigations through appeal in numerous jurisdictions, and before the ITC. Dr. Gearing has also advised clients on portfolio management and adversarial patent licensing negotiations and has prepared invalidity and non-infringement opinions. He has unique experience working in Tokyo, Japan, where he spent several years representing Asia Pacific-based clients in U.S. litigations and arbitrations.

Michael H. Jacobs is a partner in the Intellectual Property Group in the firm's Washington, D.C. office and currently serves as the Group's vice-chair. He focuses on patent, trademark, trade secret, and copyright litigation, post-grant patent proceedings, intellectual property portfolio management, patent procurement, counseling, and licensing. He also serves on the faculty of The Johns Hopkins University.

The authors would like to thank Mena Gaballah, PharmD for his helpful comments on this article.

I. Introduction

Whether to file a petition for *inter partes* review (IPR) is a critical decision patent-infringement defendants face after being served with a complaint. If instituted, an IPR can streamline a case by shining an early spotlight on patentability analyzed under standards that are more lenient

than the invalidity standards applied by the U.S. federal courts. The impact of this procedure on corresponding district court litigation, however, has been in flux due to how many federal courts are changing the way the estoppel provisions of 35 U.S.C. § 315(e) for IPR proceedings are being applied. Where courts once allowed infringement defendants to assert almost any prior art that was not previously at issue in the IPR, many courts now have significantly restricted that approach. Specifically, defendants are estopped in certain courts from asserting art in litigation that the defendant knew of prior to filing an IPR petition but chose not to assert in that IPR. More importantly, infringement defendants are also estopped in certain courts from asserting art in district court where “a skilled searcher conducting a diligent search reasonably could have been expected to discover” that art. This standard—adopted from statements made during debate on the floor of the U.S. Senate by then-Senator Jon Kyl (R-Ariz.)—effectively asks how difficult it would have been to find a reference. The more difficult to find, the less likely a defendant would be estopped from asserting that reference in district court.

This new interpretation of estoppel is being actively litigated. Although courts have generally agreed on this modified standard, this issue has been handled in different ways. Most commonly, the issue has arisen in the context of summary judgment or by way of a motion *in limine*. As of the date of this paper, there has also been one bench trial held on this issue, where the authors represented the defendant in that trial. This article will discuss (1) the state of the law regarding IPR estoppel, (2) the authors' experience gained from litigating this issue in a bench trial, and (3) important considerations when facing similar issues.

II. The State of The Law Regarding IPR Estoppel

A. Transitioning to a New Standard

In 2011, the Leahy-Smith America Invents Act (AIA) was signed into law, making significant changes to the

U.S. patent system, including new ways to challenge issued patents in the U.S. Patent and Trademark Office (USPTO). Among these challenges instituted by the AIA was *inter partes* review, a new, litigation-like procedure. Recognizing that IPRs presented patent-infringement defendants two fora to challenge whether a patent should have been issued in the first place, the AIA included estoppel provisions, generally described below:

The petitioner in an *inter partes* review . . . 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.¹

On their face, these provisions seem very broad in potentially limiting the use of prior art in subsequent litigation between the parties to the IPR,² but, until recently, courts had given patent infringement defendants a lenient interpretation of these standards,³ perhaps to encourage them to use IPRs to alleviate burden on the federal courts.

This landscape changed with the U.S. Supreme Court's decision in *SAS Inst. Inc. v. Iancu*.⁴ Prior to that decision, courts were split as to whether estoppel should apply to art that was never raised in a petition for IPR.⁵ Courts refusing to apply estoppel did so based on earlier precedent that had been set by the U.S. Court of Appeals for the Federal Circuit in *Shaw Indus. Grp., Inc. v. Automated Creel Sys., Inc.*, which held that an IPR did not “begin” until it was instituted.⁶ Because the USPTO's Patent Trial and Appeal Board (PTAB) had the authority to institute on some—but not all—grounds in a petition, courts reasoned that a petitioner could not reasonably have raised art “during that *inter partes* review” because the only art available “during that *inter partes* review” was art that the PTAB, in its discretion, chose to include.⁷ Prior to *SAS*, the PTAB acted as the true gatekeeper because it could exclude art from an IPR proceeding that an applicant included in its petition. Therefore, even if a petitioner might have asserted art in its petition, it could not have reasonably have raised that art during the IPR had the PTAB not included that art in its decision on institution.⁸

The Supreme Court eliminated the PTAB's discretion in *SAS*, thereby vitiating this line of reasoning.⁹ Left without *Shaw*'s guidance, courts sought a framework to determine what an IPR petitioner “reasonably could have raised” during the IPR. While the law is far from settled, courts have begun adopting a standard based on the statements of Senator Kyl, one of the architects of the AIA. As part of the floor debate over the statute, Senator Kyl stated:

The present bill also softens the could-have-raised estoppel that is applied by *inter partes* review

against subsequent civil litigation by adding the modifier “reasonably.” It is possible that the courts would have read this limitation into current law's estoppel. Current law, however, is also amenable to the interpretation that litigants are estopped from raising any issue that it would have been physically possible to raise in the *inter partes* reexamination, even if only a scorched-earth search around the world would have uncovered the prior art in question. Adding the modifier “reasonably” ensures that could-have-raised estoppel extends only to that prior art which a skilled searcher conducting a diligent search reasonably could have been expected to discover.¹⁰

In particular, courts have crafted the standard of what “reasonably could have been raised” during IPR around the last sentence of Senator Kyl's statement, concluding that IPR estoppel applies to “any patent or printed publication that a petitioner actually knew about or that ‘a skilled searcher conducting a diligent search reasonably could have been expected to discover.’”¹¹

This standard has been widely adopted. The USPTO¹² and the U.S. District Courts for the Northern District of California,¹³ Central District of California,¹⁴ Southern District of California,¹⁵ District of Delaware,¹⁶ Northern District of Illinois,¹⁷ District of Massachusetts,¹⁸ District of Minnesota,¹⁹ Northern District of New York,²⁰ Eastern District of Texas,²¹ Eastern District of Virginia,²² Western District of Washington,²³ Eastern District of Wisconsin,²⁴ and Western District of Wisconsin²⁵ have adopted the “skilled searcher” standard. In the words of the Northern District of California, “Almost all of the courts that have extended estoppel to non-petitioned grounds under the AIA examined whether a ‘skilled searcher conducting a diligent search reasonably would have been expected to discover’ the prior art references.”²⁶ The issue is currently under consideration by the Federal Circuit.²⁷

B. Application of the New Standard

Estoppel applies to art in one of two categories: (1) art the defendant actually knew of prior to the IPR and (2) art that “a skilled searcher conducting a diligent search reasonably could have been expected to discover.”²⁸ Courts applying the “skilled searcher” standard have thus far applied a consistent framework: First, courts look for evidence establishing the defendant's knowledge of the contested prior art reference prior to the IPR. This analysis is done under a subjective standard. Often, this evidence comes in the form of a declaration from counsel or senior management of the petitioner-defendant.²⁹ Alternatively, plaintiffs have relied upon filings of the

defendant (including those from other litigations) discussing the references in question—such as interrogatory responses or preliminary disclosures—dated prior to the IPR petition. Despite the attenuated connection between those disclosures and the IPR, Courts have often sided with plaintiffs and precluded the use of these previously-identified references.³⁰

Second, courts analyze how difficult the reference would have been to locate. In other words, courts consider whether a “skilled searcher conducting a diligent search” could reasonably have been expected to find that reference. This analysis is done under an objective standard and, as such, is typically analyzed by courts without reference to any searches actually performed by defendants.³¹ The Northern District of Illinois has articulated a framework for this inquiry:

One way to show what a skilled search would have found would be (1) to identify the search string and search source that would identify the allegedly unavailable prior art and (2) present evidence, likely expert testimony, why such a criterion would be part of a skilled searcher’s diligent search.³²

Following this framework, courts have often considered expert testimony to decide this issue.³³ Published opinions identified to date have maintained the burdens of proof and production on the plaintiff, the party seeking to establish estoppel.³⁴ In light of the fact that this is an objective standard, defendant’s searches are considered relevant only insofar as the defendant chooses to put them at issue.³⁵ When considered, courts have treated these searches as part of a defendant’s rebuttal case. And courts have found such evidence that skilled, diligent searchers were unable to find the references at issue prior to the IPR as informative as to whether a hypothetical skilled searcher could reasonably be expected to find those same references.³⁶ Courts have decided the estoppel issue as part of a motion *in limine*,³⁷ a motion for summary judgment,³⁸ and, as further discussed below, a bench trial held on IPR estoppel.³⁹

C. Relevant Law Regarding Privilege

The application of attorney–client privilege and work-product immunity as it relates to prior art searching has become an important issue when litigating IPR estoppel. For example, choosing to rely on searches performed by prior art search vendors as rebuttal evidence may open the door to a number of complicated privilege issues including the scope of protection over these searches, and when and how waiver may be appropriate. Attorney–client privilege and work-product

immunity protect different aspects of the attorney–client relationship. Attorney–client privilege protects “[c]onfidential disclosures by a client to an attorney made in order to obtain legal assistance.”⁴⁰ It is meant to protect the lawyer’s ability to openly communicate with his or her client. Work-product immunity, on the other hand, “shelters the mental processes of the attorney, providing a privileged area within which he can analyze and prepare his client’s case.”⁴¹ It is designed to ensure an attorney can freely plan his or her case, without fear that any notes, drafts, or other work product will need to be produced to opposing counsel. Both aspects of privilege⁴² are meant to be construed narrowly and are susceptible to waiver. Most relevant to the IPR estoppel inquiry is waiver via an application of the sword-and-shield doctrine.

Sword-and-shield waiver can occur in two forms. In the first case, it can occur when a party intentionally waives some portion of the protected information, such as by putting it at issue in a federal proceeding. In this case, the waiver may extend to undisclosed communications or information if (1) the waiver is intentional, (2) the disclosed and undisclosed information concern the same subject matter, and (3) they ought in fairness to be considered together.⁴³ Importantly, this rule applies only if the *waiver*—not just the *disclosure*—is intentional.⁴⁴ In the second case, work-product immunity can be waived when a party makes the protected information relevant to the case but maintains its protection. This is called a waiver by implication. It can occur where “(1) [the] assertion of the privilege was a result of some affirmative act, such as filing suit, by the asserting party; (2) through this affirmative act, the asserting party put the protected information at issue by making it relevant to the case; and (3) [the] application of the privilege would have denied the opposing party access to information vital to its defense.”⁴⁵ In this case, the information itself is discoverable. The overriding principle of this doctrine is fairness.

III. The *Palomar v. MRSI* Bench Trial on IPR Estoppel

On October 16–18, 2019, the Honorable F. Dennis Saylor IV, now-Chief Judge of the U.S. District Court for the District of Massachusetts, held, to the authors’ knowledge, the first bench trial on IPR estoppel.⁴⁶ The authors represented the defendant, MRSI Systems, LLC (MRSI) in the trial, which addressed both prongs of the IPR estoppel standard. As of the drafting of this article, the Court had not yet ruled on the IPR estoppel bench trial. On May 4, 2020, while this article was in press,

the Court's opinion came down, granting the requested relief to the authors' client, MRSI. *Palomar Techs. Inc. v. MRSI Sys. LLC*, 1:18-cv-10236 (D. Mass. May 4, 2020)

Regarding the first, subjective prong—the defendant's actual knowledge—the plaintiff, Palomar Technologies, Inc. (Palomar) argued that MRSI may have discovered two prior art references included in its invalidity contentions prior to filing its IPR, but that MRSI's claims of privilege and work product over those searches prevented Palomar from knowing. Palomar thus asked the court to adjust the burden of proof so that MRSI would have to show it *did not* know of the references prior to the IPR. Strictly speaking, the subjective standard of IPR estoppel should not require analysis as to how any prior art reference was found. Instead, it only requires that the court determine one fact, whether or not the defendant knew of the references at issue prior to filing IPR. Thus, in response, MRSI provided testimony from fact witnesses and corroborating documents that it had not discovered the two relevant references until years after the IPR was filed.

Regarding the second, objective prong—whether “a skilled searcher conducting a diligent search reasonably could have been expected to discover” the two references at issue—Palomar provided testimony from an expert witness, Stephen G. Kunin, a former Deputy Commissioner for Patent Examination Policy at the USPTO. Mr. Kunin described a search methodology that he argued would lead to the two references at issue. Specifically, Mr. Kunin testified that a hypothetical skilled searcher conducting a diligent search would have used search instructions provided by the USPTO entitled the “Seven-Step U.S. Patent Search Strategy Guide.” Mr. Kunin then asserted that the use of certain search terms and U.S. Patent classifications would have allegedly led to the discovery of the contested references.

MRSI provided its own expert, Robert L. Stoll, a former Commissioner for Patents at the USPTO. Mr. Stoll disputed the reasonableness of Mr. Kunin's search methodology and testified about the degree of difficulty in finding the two relevant references. Specifically, Mr. Stoll disputed whether the use of the USPTO's Seven-Step Guide was appropriate. In Mr. Stoll's view, a skilled searcher conducting a diligent search would not use the guide because it is actually a tool for those lacking experience with prior art searching tools. He also disputed Palomar's selection of search terms and highlighted the efforts made by MRSI's own searchers, even though those pre-IPR searches did not uncover the two references at issue.

MRSI also provided testimony from certain vendors who had conducted searches before the IPR as part of its rebuttal case. MRSI argued these searchers were skilled

and diligent, but that the references were not located prior to MRSI's IPR. Palomar cross-examined these vendors to attempt to impugn their credibility as skilled searchers and questioned whether their searches were in fact diligent.

IV. Strategy Considerations When Litigating IPR Estoppel

Below, we offer considerations to inform litigation strategy regarding IPR estoppel. We believe that there are three important decision points: (1) prior to filing the IPR, (2) discovery after the IPR was litigated, and (3) the ultimate disposition of the estoppel issue.

A. Considerations Prior to Filing the IPR

The first and most important consideration is to determine whether or not to file an IPR. The adoption of the “skilled searcher” standard represents a sea change in the law: after *SAS*, an infringement defendant that files an IPR is now more likely to face an estoppel challenge than under *Shaw*. Post-*SAS*, there is a much greater risk that a patent infringement defendant will be estopped from using a reference in the litigation that was not used in the IPR. Thus, the cost savings and efficiencies presented by an IPR may be offset by the risk of effectively waiving all prior-art defenses in district court due to the newly expanded reach of IPR estoppel. Defendants should carefully consider whether filing an IPR is the best strategy to pursue.

Once a determination to pursue an IPR has been made, defendants should consider whether they intend to rely on their own searches as rebuttal evidence in the estoppel inquiry. While a complete victory obtained through an IPR is not uncommon, defendants should have a contingency plan in light of the new IPR estoppel standard. If a defendant would like to rely on its own searches, it should plan them knowing that they will most likely be before a court, or potentially a jury, and subject to examination by an opposing party. This may affect the selection of vendors, the searches conducted by those vendors, and, potentially, communications between counsel and the vendors as all of this information could end up being discoverable and potentially be presented to a judge or jury.

Regardless of whether a defendant intends to rely on its own searches, it should develop a strategy to provide opposing counsel the information it needs to determine what prior art it was and was not aware of prior to the IPR. As discussed above, this implicates the first prong

of the standard and requires careful consideration. For example, many companies have hundreds or thousands of employees. Does one employee's knowledge of a prior art reference impute knowledge of that reference to the corporation? Although there appear to be no published opinions on this issue from the courts, at least one decision from the PTAB says the answer is "no." In *Johns Manvill Corp. v. Knauf Insulation, Inc.*, IPR2016-00130, the PTAB refused to impute knowledge of a prior art reference by an employee to the corporation, calling the request "essentially a theory of vicarious liability."⁴⁷ This issue remains uncertain, however.

Therefore, we recommend keeping a clear record of the art the corporation and its counsel are aware of prior to filing the IPR petition. The first prong of the "diligent searcher" standard asks what art the corporation was actually aware of prior to filing the IPR. To properly address this portion of the test, a single person or entity within the company—preferably operating out of or at the direction of the general counsel's office—should be tasked with gathering information and documenting the corporation's awareness of all art with any relevance to the IPR and should maintain an organized list of the art. The point is to have an accurate record of what art the corporation was aware of prior to the IPR. These records should be stored in a confidential document database under control of the general counsel's office.

Although it is typically safer to engage with outside vendors to conduct searches, clients frequently search for prior art on their own, especially those companies whose employees are very knowledgeable concerning competitor patents and other literature. Unless these searches were done at the direction of counsel, they may not be privileged. Thus, if a client finds strong art using an unsophisticated search, the search may be discoverable and used in the estoppel inquiry. Whether or not such searches were conducted at the direction of counsel, the results need to be provided to the responsible people in the general counsel's office.

Selecting a proper prior art search vendor is important and can form the basis for a rebuttal argument. Search vendors vary in quality and price point. As discussed above, the quality and credentials of the search vendors used may well be put at issue in an IPR estoppel inquiry. Although it may seem tempting to save money by hiring an inexpensive vendor, doing so may make it harder to argue that the vendor is a "skilled searcher" conducting a "diligent search" and may, therefore, impact arguments that the vendor's search can inform the standard. Choosing to rely on searches conducted by a prior art vendor may implicate a limited waiver of privilege as well.⁴⁸

At this point, there is no clear standard of what level of searching is required or whether it is dependent on the specific patents at issue. Although it is intuitive that a search to invalidate a new patent on a profitable

technology should be much more extensive than one designed to invalidate an expiring patent on a technology with limited commercial application, no cases appear to have addressed this issue. Therefore, if a patent litigation defendant wants to rely on its own searches, it should be prepared to have them scrutinized in extensive detail, regardless of the technology at issue.

In any case, either the vendor or the defendant should keep detailed records of the searches conducted. These can include the time spent on the search, the amount of money paid for the search, the credentials of the searchers, the databases searched and terms used, and references found. This information should be kept in preparation for eventual production and should therefore be separated from any opinion work product, such as opinions on the strength of the references. As a reminder, this information will likely maintain its protection if the defendant chooses not to rely on its own searches, thereby not putting them at issue.

B. Considerations during Discovery of IPR-Related Issues

The main concern when addressing IPR estoppel during discovery is to develop the important evidence while avoiding protracted litigation as to privilege and waiver. Good planning prior to filing for the IPR may make this phase more manageable. The IPR estoppel doctrine necessarily addresses issues that come close to invading the attorney-client privilege and work-product immunity. For example, the first question under the doctrine is whether the defendant knew about a contested reference prior to filing IPR. In the majority of cases, a defendant likely will have learned about a prior art reference through communications with counsel, thereby implicating concerns of attorney-client privilege. It is important to remember the limited scope of the attorney-client privilege in this context, however. Attorney-client privilege prevents disclosure of communications between clients and counsel; it does not prevent disclosure of the underlying facts.⁴⁹ Witnesses can testify as to what prior art references they were aware of prior to the IPR without waiving attorney-client privilege. Alternatively, the parties can seek to negotiate a limited waiver to establish the date of the defendant's first knowledge of the references in question, thereby limiting potentially extensive discovery disputes. As discussed above, if a client has clear records of the art it was aware of and has a witness—perhaps designated under Rule 30(b)(6) of the Federal Rules of Civil Procedure—prepared to testify about when it became aware of certain references, this portion of the inquiry should be straightforward and cost-effective to satisfy.

Similarly, reliance on prior art searches conducted before the IPR may amount to a waiver of any work-product

immunity associated with those searches. Counsel should therefore be clear on whether they intend to make such reliance as soon as possible, ideally before filing the IPR. As with its first knowledge, defendants may want to negotiate a limited privilege waiver to avoid extensive privilege disputes. For example, defendants could try to reach an agreement with plaintiffs to limit the scope of any questions asked to search vendors in depositions or to limit the number and types of documents produced subject to any subpoena. The parties may also agree to allow for the production of redacted copies of certain documents to preserve work-product immunity.

C. Considerations Prior to and during Disposition of the IPR Estoppel Issue

The ultimate disposition of IPR estoppel presents many strategic considerations. This article addresses several of those considerations. Specifically, we address considerations regarding the procedural posture of the issue, considerations associated with the first portion of the standard, the defendant's actual knowledge of the references, and considerations associated with the second portion of the standard, what a skilled searcher conducting a diligent search could reasonably be expected to find.

First, as discussed above, courts have addressed the estoppel issue using different procedural tools. While courts will make the decision as to how to ultimately resolve the issue, litigants can choose how first to raise it. If possible, a bench trial format, similar to a *Markman* hearing, may be a beneficial way for parties to proceed. Although it may have more upfront costs, it stands as the most efficient, effective way to litigate the issue over the long run. As discussed above, both prongs of the estoppel inquiry can implicate complicated factual and privilege questions. By conducting this inquiry with live witnesses, the court can participate, asking direct questions of the witnesses, and can bring the expertise of the court to bear on complicated issues related to attorney–client privilege and work-product immunity. Another advantage of litigating the issue in a bench trial is the schedule. The IPR estoppel inquiry may significantly impact defendant's invalidity case because it can potentially decide what, if any, references a defendant can rely on. Without a decision on the issue early in the case, both parties stand to waste time and money relying on experts to opine on references that may ultimately be eliminated from the case by way of estoppel. By addressing the estoppel issue up front, the case may proceed more efficiently.

IPR estoppel has also been decided by summary judgment motion and motions *in limine*. Although these may

be acceptable approaches to decide the issue, they may limit the inquiry necessary to decide nuanced factual issues related to the quality of the underlying prior art search. In addition, a motion for summary judgment may not resolve the issue. As was the case in *Palomar v. MRSI*, rather than deciding the issue outright, a court could simply find there exists “a genuine question of material fact” and reserve judgment until a later point in the case.⁵⁰

Second, parties should attempt to reach early agreement regarding the first prong of IPR estoppel, the defendant's actual knowledge of the references. Whether a defendant did or did not know of certain prior art references before filing IPR is a discrete factual issue, which the defendant should be aware of. The defendant should make every effort to negotiate a stipulation on this issue with the plaintiff. This will save costs and prevent the court from wasting resources on this issue. If the issue is litigated, a defendant should elicit testimony from the appropriate witness, as discussed above, establishing that the defendant was unaware of the art in question prior to the IPR.

Third, the second prong of the IPR estoppel issue likely will come down to a battle of the experts. With this in mind, it is vital to select an appropriate expert who can testify to the details of a proper patent search and has the credentials to speak with authority on the issue. Although the litigants in the *Palomar v. MRSI* trial used former executives from the USPTO, other litigants have used declarations from professional search companies.⁵¹ Regardless of the expert used, a plaintiff should be careful to limit the use of hindsight in any opinion. A plaintiff's expert will consider whether certain art could have been located by a skilled searcher, but will know the references to be found at the outset. The hypothetical “skilled searcher,” of course, will not. Defendants can attack expert testimony by exploiting this potential for hindsight bias and attempting to highlight points in which the plaintiff's expert took shortcuts to “find” the reference.

V. Conclusion

While the law remains uncertain, courts are consistently trending toward implementation of the “skilled searcher” standard, a standard far stricter than previous law. Application of the standard is complicated, incorporating many specific issues of fact and difficult privilege choices. Prior to filing an IPR, patent infringement defendants should carefully consider this standard and tailor their strategy accordingly from the outset. Failing to do so can needlessly multiply costs and undermine an invalidity case in subsequent district court litigation.

1. 35 U.S.C. § 315(e)(2).
2. See, e.g., *Parallel Networks Licensing, LLC v. Int'l Bus. Machines Corp.*, No. CV 13-2072 (KAJ), 2017 WL 1045912, at *11 (D. Del. Feb. 22, 2017), *aff'd*, 721 F. App'x 994 (Fed. Cir. 2018) (“The PTAB has recognized that estoppel under § 315(e) is broad . . .”).
3. See, e.g., *Asetek Danmark A/S v. CoolIT Sys. Inc.*, No. 19-CV-00410-EMC, 2019 WL 7589209, at *5 (N.D. Cal. Dec. 30, 2019) (“Some courts interpret *Shaw* as holding that estoppel narrowly applies only to those grounds that were both petitioned for and instituted.”); *Biscotti Inc. v. Microsoft Corp.*, No. 2:13-cv-01015-JRG-RSP, 2017 WL 2526231, at *5 (E.D. Tex. May 11, 2017) (“Two decisions from the Federal Circuit have interpreted the IPR estoppel provisions more narrowly.”).
4. 138 S. Ct. 1348 (2018).
5. *Koninklijke Philips N.V. v. Wangs All Corp.*, No. CV 14-12298-DJC, 2018 WL 283893, at *4 (D. Mass. Jan. 2, 2018).
6. 817 F.3d 1293, 1300 (Fed. Cir. 2016).
7. 35 U.S.C. § 315(e)(2) (emphasis added); *Koninklijke Philips*, 2018 WL 283893, at *3–*4.
8. *Id.*
9. *SAS*, 138 S. Ct. at 1354; see also, e.g., *Trustees of Columbia Univ. in the City of New York v. Symantec Corp.*, 390 F. Supp. 3d 665, 676, 678–679 (E.D. Va. 2019).
10. 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl).
11. *SiOnyx, LLC v. Hamamatsu Photonics K.K.*, 330 F. Supp. 3d 574, 602 (D. Mass. 2018) (quoting 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl)).
12. Rules of Practice for Trials before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 48612-01, 48649, 2012 WL 3276879 (proposed Aug. 14, 2012) (to be codified at 37 C.F.R. Parts 1, 42, and 90) (response to Comment 211); see also e.g., *Johns Manville Corp. v. Knauf Insulation, Inc.*, No. IPR2016-00130, Paper 35, 2017 WL 1948130, at *6 (P.T.A.B. May 8, 2017) (final written decision).
13. *Asetek Danmark*, 2019 WL 7589209, at *8.
14. *California Inst. of Tech. v. Broadcom Ltd.*, No. CV 16-3714 GW (AGRX), 2018 WL 7456042, at *8 (C.D. Cal. Dec. 28, 2018).
15. *WI-LAN Inc. v. LG Electronics, Inc.*, No. 18-CV-01577-H-AGS, 2019 WL 5698259, at *8 (S.D. Cal. Nov. 4, 2019).
16. *Parallel Networks Licensing, LLC*, 2017 WL 1045912, at *11–*12; *f'real Foods, LLC v. Hamilton Beach Brands, Inc.*, No. CV 16-41-CFC, 2019 WL 1558486, at *2 (D. Del. Apr. 10, 2019).
17. *Clearlamp, LLC v. LKQ Corp.*, No. 12 C 2533, 2016 WL 4734389, at *7 (N.D. Ill. Mar. 18, 2016), *judgment entered*, No. 12 C 2533, 2016 WL 7013478 (N.D. Ill. Nov. 30, 2016).
18. *SiOnyx, LLC*, 330 F. Supp. 3d at 602; *Palomar Techs., Inc. v. MRSI Sys., LLC*, 373 F. Supp. 3d 322, 331 (D. Mass. 2019).
19. *Polaris Indus., Inc. v. Arctic Cat Inc.*, No. CV 15-4475 (JRT/TNL), 2019 WL 3824255, at *3 (D. Minn. Aug. 15, 2019).
20. *ICM Controls Corp. v. Honeywell International, Inc.*, No. 5:12-CV-1766-LEK-ATB, 2020 WL 1649881, at *2 n.2 (N.D.N.Y. Apr. 3, 2020).
21. *Biscotti*, 2017 WL 2526231, at *3; *Network-1 Techs., Inc. v. Alcatel-Lucent USA, Inc.*, No. 6:11-CV-00492-RWS, 2017 WL 4856473, at *2 (E.D. Tex. Oct. 27, 2017); *Tinnus Enterprises, LLC v. Telebrands Corp.*, No. 6:17-CV-00170-RWS, 2018 WL 3993468, at *2 (E.D. Tex. Aug. 21, 2018); *GREE, INC. v. SUPERCCELL OY*, No. 2:19-CV-00071, 2019 WL 5677511, at *4 (E.D. Tex. Oct. 30, 2019).
22. *Columbia Univ.*, 390 F. Supp. 3d at 677.
23. *Ironburg Inventions Ltd. v. Valve Corp.*, No. C17-1182 TSZ, 2019 WL 5862790, at *4 (W.D. Wash. Nov. 8, 2019).
24. *Milwaukee Elec. Tool Corp. v. Snap-On Inc.*, 271 F. Supp. 3d 990, 1029 (E.D. Wis. 2017).
25. *Douglas Dynamics, LLC v. Meyer Prods. LLC*, No. 14-cv-886-JDP, 2017 WL 1382556, at *4 (W.D. Wis. Apr. 18, 2017), *reconsideration granted in part on other grounds*, No. 14-cv-886-JDP, 2017 WL 2116714 (W.D. Wis. May 15, 2017).
26. *Asetek Danmark*, 2019 WL 7589209, at *8.
27. *Network-1* was appealed to the Federal Circuit and is docketed as No. 18-2338. Oral arguments were held on November 4, 2019. T-Mobile has filed an amicus brief.
28. *SiOnyx, LLC*, 330 F. Supp. 3d at 602 (quoting 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl)) (internal quotation marks omitted).
29. E.g., *Johns Manville*, No. 2017 WL 1948130, at *6 (relying on a declaration of counsel of record to establish a lack of knowledge); *SiOnyx*, 330 F. Supp. 3d at 602 (relying on declarations from Deputy General Manager of the Intellectual Property Department and in-house counsel that defendant first learned of the references in litigation, after the IPR).
30. E.g., *Network-1 Techs., Inc.*, 2017 WL 4856473, at *2 (finding defendant HP knew about certain prior art references prior to IPR because it disclosed them in invalidity contentions filed prior to the IPR); *Parallel Networks Licensing, LLC*, 2017 WL 1045912, at *11 (finding defendant IBM knew about certain prior art references because it disclosed them in invalidity contentions prior to the IPR); *Polaris Indus., Inc.*, 2019 WL 3824255, at *3 (applying estoppel to references disclosed in invalidity contentions filed before the IPR was filed).
31. E.g., *Cobalt Boats, LLC*, 2017 WL 2605977, at *3 (finding estoppel where certain references were readily accessible through a Google search using terms from the asserted patent); *Clearlamp, LLC*, 2016 WL 4734389, at *9, n.12 (finding plaintiff's suggested class search met its prima facie showing of search strings and sources relevant to determine what a reasonable search would be expected to discover); *Palomar Techs., Inc.*, 373 F. Supp. 3d at 331–32 (D. Mass. 2019) (refusing to apply estoppel where plaintiff failed to present any evidence that it should apply).
32. *Clearlamp*, 2016 WL 4734389, at *9.
33. E.g., *f'real Foods, LLC*, 2019 WL 1558486, at *2 (relying on declarations of skilled search vendors to show that the reference at issue was difficult to locate); *Oil-Dri Corp. of Am. v. Nestle Purina Petcare Co.*, No. 15-CV-1067, 2017 WL 3278915, at *10 (N.D. Ill. Aug. 2, 2017) (relying on unrebuted testimony in a declaration of a patent agent with 41 years of patent search experience to find a skilled searcher conducting a diligent search would reasonably be expected to find some, but not all, asserted references).
34. E.g., *f'real Foods, LLC*, 2019 WL 1558486, at *1 (“It is undisputed that Plaintiffs bear the burden of establishing estoppel.”); *Oil-Dri Corp. of Am.*, 2017 WL 3278915, at *9 (“Oil-Dri bears the burden of establishing estoppel, as it admits”); *Clearlamp, LLC*, 2016 WL 4734389, at *9 (“In arguing that it performed an adequate search, LKQ, at least initially, takes on an unnecessary burden. It is the proponent of an estoppel argument that bears the burden.”); *Milwaukee Elec. Tool Corp.*, 271 F. Supp. 3d at 1032 (“Plaintiffs have not met their burden to show that a skilled searcher's diligent search would uncover the underlying printed publications for the physical devices in question.”); *SiOnyx*, 330 F. Supp. 3d at 602–03 (D. Mass. 2018) (“Despite having the burden to show that estoppel applies, SiOnyx has presented no factual evidence showing that a skilled searcher would have found Adkisson.”); *Palomar Techs., Inc.*, 373 F. Supp. 3d at 331–32 (D. Mass. 2019) (“But despite having the burden to show that estoppel applies, it has presented no expert affidavits or other factual evidence as to that issue.”); *WI-LAN Inc.*, 2019 WL 5698259, at *8 (“The party asserting estoppel bears the burden to show that estoppel applies.”).
35. See, e.g., *Clearlamp, LLC*, 2016 WL 4734389, at *9 (“In arguing that it performed an adequate search, LKQ, at least initially, takes on an unnecessary burden.”).
36. See, e.g., *f'real Foods, LLC*, 2019 WL 1558486, at *1–*2 (relying on defendant's own searches to “rebut any suggestion that the [prior art] reference could reasonably have been discovered by a skilled searcher conducting a diligent search.”); *Palomar Techs., Inc.*, 373 F. Supp. 3d at 332 (“MRSI, by contrast, has submitted evidence that suggests it hired at least two patent search firms—KramerIP Search and TechMark Global LLC—to conduct searches for relevant prior art. There thus appears to at least be a genuine question of material fact as to whether a diligent, skilled searcher would have found the relevant references at the time the IPR was filed.”); see also *Milwaukee Elec. Tool Corp.*, 271 F. Supp. 3d at 1033 (“Given [Plaintiff's] own failure to locate these references, the Court cannot say that the evidence shows that Snap-On should have been able to.”).
37. E.g., *f'real Foods, LLC*, 2019 WL 1558486, at *2.
38. E.g., *SiOnyx, LLC*, 330 F. Supp. 3d 574 at 604.
39. *Palomar Techs., Inc. v. MRSI Sys., LLC*, 18-cv-10236 (D. Mass. May 17, 2019) (oral order granting motion for bench trial on IPR estoppel).
40. *Fisher v. United States*, 425 U.S. 391, 403 (1976).
41. *United States v. Nobles*, 422 U.S. 225, 238 (1975).
42. As used herein, “privilege” refers to both the attorney-client privilege and work-product immunity.
43. Fed. R. Evid. 502(a).
44. E.g., *Bear Republic Brewing Co. v. Cent. City Brewing Co.*, 275 F.R.D. 43, 47 (D. Mass. 2011) (“The Rule provides that the “waiver” rather than the disclosure has to be intentional to meet the provision of subdivision (a) of the Rule. This means that a party must intend to waive the privilege or protection in order for there to be a waiver of undisclosed information pursuant to Rule 502(a).”).
45. *Cue, Inc. v. Gen. Motors LLC*, No. CV 13-12647-IT, 2015 WL 4750844, at *7 (D. Mass. Aug. 10, 2015) (quoting *Savoy v. Richard A. Carrier Trucking, Inc.*, 178 F.R.D. 346, 350 (D. Mass. 1998)) (internal quotation marks omitted).
46. Because of the equitable nature of estoppel, the litigants agreed the issue should be handled by a short bench trial, well before the ultimate trial on the merits.
47. IPR2016-00130, Paper 35, 2017 WL 1948130, at *5 (P.T.A.B. May 8, 2017) (Final Written Decision)
48. Such waiver may amount to only (1) the actual terms used by the prior art search vendors, (2) the results of the searches performed, and (3) the amount of time the search vendors spent conducting searches. *Palomar Techs. Inc. v. MRSI Sys. LLC*, 1:18-cv-10236 (D. Mass. Nov. 20, 2018) (order re motion to quash subpoenas).
49. *Upjohn Co. v. United States*, 449 U.S. 383, 395 (1981) (“The privilege only protects disclosure of communications; it does not protect disclosure of the underlying facts by those who communicated with the attorney.”).
50. *Palomar Techs., Inc.*, 373 F. Supp. 3d at 332.
51. E.g., *f'real Foods, LLC*, 2019 WL 1558486, at *2 (relying on declarations of skilled search vendors to show that the reference at issue was difficult to locate).

Copyright © 2020 CCH Incorporated. All Rights Reserved.
Reprinted from *IP Litigator*, May/June 2020, Volume 26, Number 3, pages 11–17,
with permission from Wolters Kluwer, New York, NY,
1-800-638-8437, www.WoltersKluwerLR.com

