

LITIGATION | MARCH 22, 2016

## N.D. III. Decision Defines the Scope of Estoppel Arising Out of an Inter Partes Review

On March 18, 2016, Judge Lefkow of the U.S. District Court for the Northern District of Illinois held that the estoppel provision of 35 U.S.C. § 315(e)(2) does not extend to prior art that was not reasonably available during an *inter partes* review (“IPR”), even if that prior art is cumulative of prior art that was used during the IPR. This is a key decision addressing an issue of first impression. If affirmed by the Federal Circuit, or adopted as persuasive by other district courts, it could have a profound effect on IPR practice and patent litigation as a whole because, under certain circumstances, it gives petitioners an opportunity to retry in district court nearly the same invalidity arguments that they lost on in an earlier IPR.

Clearlamp, LLC (“Clearlamp”) filed suit against LKQ Corporation (“LKQ”) alleging infringement of U.S. Patent No. 7,297,364 (the “364 patent”), which relates to a process for salvaging damaged motor vehicle headlamps. LKQ filed an IPR petition, which eventually resulted in a final written decision by the Patent Trial and Appeal Board (“PTAB”) that claims 13 and 14 are unpatentable, but that claims 11, 12 and 15–24 are not unpatentable.

LKQ then moved for summary judgment in district court that claims 15, 16, 17, and 24, each of which depended from claim 13, were invalid as obvious. LKQ relied on the prior art that was before the PTAB in the IPR, in combination with a new reference—a datasheet describing a product referred to as UVHC3000. Clearlamp responded to LKQ’s summary judgment motion by arguing that LKQ was estopped under 35 U.S.C. § 315(e)(2) from challenging the validity of those claims because (1) LKQ reasonably could have raised the UVHC3000 datasheet during the IPR, and (2) the UVHC3000 datasheet was cumulative of references that LKQ had already relied upon in the IPR proceeding. 35 U.S.C. § 315(e)(2) provides in relevant part:

The petitioner in an inter partes review of a claim in a patent under this chapter 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.

The court, however, disagreed with Clearlamp, holding Clearlamp had failed to meet its burden of showing that the datasheet was reasonably available to LKQ by, for example, providing evidence that a skilled searcher’s diligent search would have located it. The court further opined that Section 315(e)(2) does not estop a petitioner with respect to grounds that are cumulative or redundant of those previously raised in an IPR. For this issue, the court found persuasive the PTAB’s decision in *Apotex Inc. v. Wyeth LLC*, No. IPR2015-00873, 2015 WL 5523393 (P.T.A.B. Sept. 16, 2015) concerning the scope of estoppel against future post-grant challenges under 35 U.S.C. § 315(e)(1). In that decision, the PTAB held that a petitioner was not estopped from raising a ground in an IPR petition that the PTAB had previously found to be redundant of the ground on which trial was instituted in an earlier IPR proceeding. According to the PTAB in the *Apotex* proceeding, the petitioner could raise the redundant ground in a subsequent IPR because it could not have reasonably been raised during the prior IPR. Following this same logic, the *Clearlamp* court reasoned that Section 315(e)(2) does not estop petitioners with respect to cumulative or

redundant grounds that could not reasonably have been raised during an earlier IPR. Having found that estoppel did not apply, the court granted Clearlamp's motion for summary judgment of invalidity.

This decision is one of the first to address the question of whether and under what circumstances a petitioner may rely on patents or printed publications in a subsequent validity challenge after losing an IPR. Moreover, the *Clearlamp* court endorsed the PTAB's decision in *Apotex*, finding that a petitioner could rely, in a subsequent proceeding, on prior art found to be redundant in an earlier institution decision. This could have profound effects on IPR and litigation practice, since the PTAB routinely refuses to adopt grounds in its institution decisions that it finds to be redundant of adopted grounds. Under the *Clearlamp* court's reasoning, petitioners would not be estopped to argue invalidity based on these "redundant" references in a later district court proceeding.

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