



# THINK FORWARD

## Case Law Suggests Use Of Expert Opinion For Determining IPR Estoppel Of Grounds That Petitioner "Reasonably Could Have Raised"

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Under 35 U.S.C. § 315(e), a final written decision in an inter partes review (“IPR”) by the Patent Trial and Appeal Board (“PTAB”) results in estoppel of certain actions by the petitioner. Specifically, under 35 U.S.C. § 315(e), with respect to a claim for which a final written IPR decision has issued, the petitioner and certain related parties may not request or maintain proceedings before the United States Patent & Trademark Office (“USPTO”), and may not assert before federal courts or the International Trade Commission that a claim is invalid, “on any ground that the petitioner raised or reasonably could have raised during that inter partes review.” The meaning and the scope of “reasonably could have raised” under 35 U.S.C. § 315(e) have been questioned in several cases before the Federal Circuit, district courts, and the PTAB. The relevant legislative history and recent case law provide helpful guidance as to the estoppel standard for grounds that the petitioner “reasonably could have raised.”

The relevant legislative history of 35 U.S.C. § 315(e) states that “[a]dding 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” and suggests that the petitioner is not expected to conduct “a scorched-earth search around the world [that] would have uncovered the prior art in question.” 157 Cong. Rec. S1375 (daily ed. Mar, 8, 2011) (statement of Sen. Kyl).

A few district court decisions have followed an approach consistent with the relevant legislative history. In *Clearlamp, LLC v. LKQ Corp.*, the court stated that the party claiming estoppel “must present evidence that a skilled searcher’s diligent search would have found the” prior art for which estoppel is requested. *Clearlamp, LLC v. LKQ Corp.*, 12 C 2533 (N.D. Ill. Mar. 18, 2016). The court noted that “[o]ne 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” (emphasis added).

In *Cobalt Boats, LLC v. Sea Ray Boats, Inc.*, 2:15cv21 (E.D. Va. June 5, 2017), the party seeking to estop certain references asserted that a simple search in a search engine, restricted by the filing date of the challenged patent, and using between three and five terms found in the challenged patent, returned the references within the top ten search results. On that basis, the court found that the references were reasonably available to the petitioner at the time they filed the IPR petition. Additionally for other references, i.e. manuals for prior art products from a larger competitor of the petitioner, the court weighed against the evidence in the record the petitioner’s assertion that the manuals were not reasonably available through searching. The record evidence showed that executives of the petitioner were familiar with the products at issue. The court found the evidence in the record more credible than

the petitioner's assertion, and thus found that the manuals were reasonably available through searching.

In *Oil-Dri Corp. v. Nestlé Purina Petcare Co.*, No. 15-cv-1067 (N.D. Ill. Aug. 2, 2017), the patent owner, Oil-Dri, asserted that the petitioner and defendant, Nestlé Purina Petcare ("Purina"), could not assert invalidity grounds that it could have raised in its IPR petition but did not. These grounds were referred to as "nonpetitioned grounds," and were contrasted with "instituted grounds," which are raised in an IPR petition and instituted by the PTAB, and "noninstituted grounds," which are raised in an IPR petition but not instituted by the PTAB. The court first noted that "[t]he Federal Circuit has not yet considered the precise issue of whether **nonpetitioned grounds** can give rise to estoppel" (emphasis added). Discussing several relevant district court and PTAB decisions, the court concluded that estoppel applies to grounds that a party failed to raise in an IPR petition that the party reasonably could have raised. The court reasoned:

while it makes sense that noninstituted grounds do not give rise to estoppel because a petitioner cannot-to no fault of its own-raise those grounds after the institution decision, when a petitioner simply does not raise invalidity grounds it reasonably could have raised in an IPR petition, the situation is different. Finally, [Petitioner]'s view of the IPR estoppel statute renders the "reasonably could have raised" language nearly meaningless. Under the [Petitioner]'s reading of the statute, the "reasonably could have raised" language would come into play where a petitioner raises a ground in a petition, the PTAB institutes IPR on that ground, the petitioner abruptly changes course and fails to pursue that ground before the PTAB post-institution, and then later the petitioner changes course once again and seeks to raise that invalidity ground in federal court. The Court has difficulty understanding why a party would pursue such a strategy. The far more sensible interpretation - in light of the text of the statute - is that estoppel applies to grounds that a party failed to raise in an IPR petition that the party reasonably could have raised.

Next the court considered what prior art references Purina as the IPR petitioner "reasonably could have raised." With respect to the nonpetitioned grounds, the court adopted the standard based on the relevant legislative history, i.e., "a skilled searcher conducting a diligent search reasonably could have been expected to [discover]" prior art references. With respect to the first set of prior art references, the court relied on declarations from the parties' respective experts in deciding, using the adopted standard, which nonpetitioned prior art references Purina reasonably could have raised. Oil-Dri's expert's declaration simply identified "various prior art references that he contend[ed] that a 'reasonably skilled patent searcher' would have located." However, Purina's expert's declaration did not respond, and admitted that "[a] reasonably skilled patent searcher may have identified" the references. On that evidence, the court estopped Purina from raising the first set of references identified in Oil-Dri's expert's declaration.

With respect to the second set of references, the court could not resolve whether those references reasonably could have been raised by Purina. Thus, the court ordered the parties to confer and choose **an agreed, independent, court-appointed expert** to offer an opinion on whether a skilled searcher conducting a diligent search reasonably would have discovered these references. *Oil-Dri Corporation of America v. Nestle Purina Petcare Company*, 1-15-cv-01067 (ILND August 14, 2017, Order) (St. Eve, USDJ). The court further indicated that the parties will split the cost of the expert evenly. *Id.*

The relevant legislative history and case law provide practice tips for preparing an IPR petition. Among other things, it is important to use a prior art searcher who can be qualified to perform a diligent search. Also, it is important to formulate a plan to work with a prior art searcher to document search sources, search key words and strings, search engines and any detail that supports an argument that a diligent search has been performed. Moreover, consulting an expert may need to be taken into consideration to ensure whether or not a diligent search for discovering particular prior art has been performed. An expert may also need to be consulted to obtain an expert opinion on whether a skilled searcher conducting a diligent search reasonably would have discovered particular prior art references prior to making an assertion that the IPR estoppel should or should not apply to invalidity arguments based on particular prior art references.

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