



## Timing is Everything: Accused Infringer's IPR Victory Estops Its Own Prior Art Invalidity Defenses, but Does Not Estop Plaintiff from Asserting Infringement

Jul 9, 2021

Reading Time : **2 min**

By: Andy Rosbrook, Daniel L. Moffett, Rubén H. Muñoz

While litigation was pending in *TrustID, Inc. v. Next Caller Inc.*, the defendant challenged the asserted patent claims in a parallel IPR proceeding. The defendant won and the Patent Trial and Appeal Board (PTAB) issued a final written decision finding the asserted claims unpatentable. The plaintiff appealed and, while the appeal was pending, the parties filed motions *in limine* in the district court litigation based on the PTAB's decision.

The plaintiff's motion *in limine* sought to bar the defendant from raising six prior art references at trial based on IPR estoppel under 35 U.S.C. § 315(e)(2), which bars an IPR petitioner from raising invalidity grounds in district court that it raised, or reasonably could have raised, in the IPR proceeding. Importantly, IPR estoppel attaches as soon as the PTAB issues a final written decision. The court granted plaintiff's motion, finding that estoppel applied because a final written decision had been entered in the IPR and because the references were either known to the defendant or could have been found by a diligent searcher.

At the same time, the defendant moved to apply traditional collateral estoppel to preclude the plaintiff from asserting the patent claims that the PTAB found unpatentable. The court denied the defendant's motion. For collateral estoppel to apply, there must be a final judgment in place; according to the court, an unaffirmed final written decision in an IPR is not sufficiently final to trigger collateral estoppel. Drawing on the Federal Circuit's rationale across multiple cases, the district court explained that "an IPR decision does not have preclusive effect until that decision is either affirmed or the parties waive their appeal rights." Thus,

because the plaintiff had not yet exhausted its appellate rights, collateral estoppel did not bar the plaintiff from asserting claims that the PTAB found unpatentable. The court also included a footnote detailing an alternate basis for refusing to apply collateral estoppel, explaining that because the burden of proving unpatentability in an IPR is not as high as the “clear and convincing evidence” standard applied in district court, the issues in the two proceedings were not identical.

The court acknowledged that it seems counterintuitive that a PTAB finding of unpatentability could result in a plaintiff continuing to assert infringement while barring the defendant from raising prior art invalidity defenses. Nevertheless, according to the court, because different types of estoppel attach at different times, “it is a permissible result that follows from the statute and relevant case law.” Moreover, while the court recognized that any perceived asymmetry could be resolved by staying the case pending the appeal of the PTAB’s decision, the court declined to do so given the late stage of the long-pending case and the “significant inefficiencies” that a stay might cause.

*Practice Tip:* Multi-venue patent disputes carry with them the inherent potential for issues of estoppel to arise. Thus, parties involved in patent litigation should take into account the timing and the effect that any given ruling from one venue may have on a parallel proceeding. Accused infringers, in particular, should recognize the triggering points for statutory and collateral estoppel to plan and time their challenges at the PTAB in the most effective manner.

*TrustID, Inc. v. Next Caller Inc.*, C.A. No. 18-172 (D. Del. Jul. 6, 2021) (Noreika, J.).

## Categories

Patent Trial & Appeal Board

Inter Partes Review

Prior Art

35 U.S.C. § 315(e)(2) estoppel

© 2025 Akin Gump Strauss Hauer & Feld LLP. All rights reserved. Attorney advertising. This document is distributed for informational use only; it does not constitute legal advice and should not be used as such. Prior results do not guarantee a similar outcome. Akin is the practicing name of Akin Gump LLP, a New York limited liability partnership authorized and regulated by the Solicitors Regulation Authority under number 267321. A list of the partners is available for inspection at Eighth Floor, Ten Bishops Square, London E1 6EG. For more information about Akin Gump LLP, Akin Gump Strauss Hauer & Feld LLP and other associated entities under which the Akin Gump network operates worldwide, please see our Legal Notices page.