



Collateral Estoppel Causes PTAB to Reverse Course and Institute IPR

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The Patent Trial and Appeal Board granted a request for rehearing and instituted *inter partes* review of a web browsing patent in order to reconcile an inconsistency with a final judgment of unpatentability in the IPR of a related patent. The ultimate decision to institute review rested on a finding that patent owner was collaterally estopped from arguing against a factual finding about a prior art reference relevant to both IPRs.

After the PTAB denied institution of the present IPR, petitioner filed a request for rehearing. In their briefing, the parties discussed the final written decision in an earlier IPR finding unpatentable the claims of a related patent. In that decision, the PTAB found, and patent owner did not argue to the contrary, that a prior art reference disclosed a certain limitation related to ranking multiple websites. In the present IPR, petitioner argued that the PTAB overlooked this disclosure in the prior art reference. Both parties and the PTAB agreed that the final decision in the earlier IPR and the decision denying institution of the present IPR were inconsistent. Petitioner asserted that rehearing was necessary to resolve this conflict. Meanwhile, patent owner asked the current PTAB panel to maintain its decision despite the conflict.

The PTAB agreed with petitioner that rehearing was appropriate. Specifically, applying a four-element test, the PTAB agreed that collateral estoppel barred patent owner from relitigating the issue of whether the prior art reference discloses the website-ranking limitation. First, the PTAB found that the language of claims in the patent-at-issue and the related patent were sufficiently similar such that the issue of whether the reference disclosed the limitation was the same between the two IPRs. Second, the PTAB found that the issue was actually litigated in the first IPR. The PTAB rejected patent owner's argument that collateral estoppel should

not apply because patent owner did not introduce evidence or argument about the ranking limitation in the first IPR. Third, the issue of whether the limitation was present in the reference was essential to the final judgment of invalidity in the first IPR. Fourth, the PTAB found that patent owner had a full and fair opportunity to litigate the issue in the first IPR but failed to do so in either its response or its sur-reply.

Upon finding that collateral estoppel applied, the PTAB declined to consider patent owner's arguments as to why a combination including the prior art reference did not render obvious the claims of the patent-at-issue. Petitioner had therefore established a reasonable likelihood of showing that at least one challenged claim of the patent-at-issue was unpatentable, warranting institution of IPR.

Practice tip: It is well established that collateral estoppel applies to IPR proceedings and is not limited to patent claims that are identical. A party should take care in earlier litigations to preserve arguments and take positions that will not be to its detriment in later litigations. These considerations are especially germane to patent owners who may have large patent portfolios relating to a single subject matter and whose arguments in defense of one patent may limit what it can argue in subsequent proceedings.

Google LLC v. Parus Holdings, Inc., IPR2022-00279, Paper 16 (P.T.A.B. Sept. 18, 2023).

Categories

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