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## New Considerations For File Wrapper Estoppel

Law360, New York (January 22, 2015, 10:30 AM ET) -- The newness of inter partes review means that the process is potentially beset with estoppel minefields in as yet untested legal waters. A potential good-news, bad-news story would be a patent owner granted denial of a patent challenger's IPR petition at the Patent Trial and Appeal Board, but later faced with a reduced scope of claim coverage because of statements it made in the preliminary response or otherwise in the proceeding.

In an IPR petition, the petitioner sets forth grounds for challenging the validity of the patent claims over prior art. 35 U.S.C. § 312(a). The PTAB reviews the petition, as well as the owner's optional preliminary response and issues a decision whether there is a "reasonable likelihood that petitioner would prevail" on one or more of the petition grounds. 35 U.S.C. § 314(a). If so, the IPR is instituted and the trial proceeds until settlement or a final written decision on the validity of the claims is reached.



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Much has been written about the IPR's estoppel provision for the petitioner (or the "real party in interest or privy of the petitioner"), but relatively little regarding the effect of statements by the patent owner where the IPR is not instituted. As set forth in 35 U.S.C. § 315(e), the IPR's estoppel provision only addresses the attachment of estoppel to the petitioner when a final written decision under 35 U.S.C. § 318(a) is rendered, so as to preclude the petitioner from subsequently raising any grounds for invalidity that was raised or "reasonably" could have been raised during the IPR proceeding. However, the patent rules and laws are silent with regard to estoppel provisions extending to the patent owner in PTAB proceedings generally.

The federal regulations governing trial practice before the PTAB state that the patent applicant or patent owner is precluded from "taking action inconsistent" with an "adverse judgment." 37 CFR § 42.73(d). The federal regulations define a judgment as a decision, except for a termination, which "disposes of all issues that were, or by motion reasonably could have been, raised and decided." 37 CFR § 42.73(a). A party may request an adverse judgment against itself at any time during a proceeding, including (1) disclaimer of the involved application or patent; (2) cancellation or disclaimer of a claim such that the party has no remaining claim in the trial; (3) concession of unpatentability or derivation of the contested subject matter; and (4) abandonment of the contest. 37 CFR § 42.73(b). Although it may be anticipated that a party will rarely request an adverse judgment against itself, such a situation is not entirely unheard of.

For example, Hospira filed an IPR petition challenging Janssen's patent covering Eprex (epoetin alfa), a biologic used to treat anemia. *Hospira Inc. v. Janssen Pharm. Inc.*,

IPR2013-00365. In its preliminary response, Janssen, as patent owner, chose to disclaim all of the challenged claims. As a consequence, the PTAB determined that an adverse judgment against the patent owner was appropriate and terminated the proceeding before instituting trial. This effectively dedicated to the public — including Hospira — the subject matter of the challenged claims.

However, the IPR statute and rules are silent with regard to whether estoppel applies in the instance of a patent owner who obtains a denial of the IPR petition. Facially, the denial of the IPR petition is a positive result for any patent owner, but well-established legal history concerning prosecution history estoppel counsels that a patent owner should be prepared to live with the consequences of its statements made during an IPR. This would logically extend to those statements made in a preliminary response or otherwise during the IPR proceeding.

It is well established that in construing patent claims a court should examine the “prosecution history” of the patent, i.e., the undisputed public record of the proceedings before the U.S. Patent and Trademark Office. The prosecution history was created by a patentee in attempting to explain and obtain a patent, and provides evidence of how the USPTO and the patentee understood the scope and meaning of the patent. Thus, it can often inform the meaning of claim language by demonstrating how the inventor understood the invention and whether the inventor limited the scope of the invention in the course of prosecution. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1317 (Fed. Cir. 2005).

Moreover, a patent applicant can indicate in the prosecution history that a term should have a special meaning. *Vitronics Corp. v. Conceptronc Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996). Just as the record of an interference involving a patent may be considered part of that patent’s file wrapper, it would be logical to expect that the record of an IPR proceeding is part of a patent’s file wrapper. Accordingly, it may be anticipated that any statements made by the patent owner during IPR proceedings will be given the force of file history estoppel if the same patent claims are construed in future by a court. And even if patentee statements are not deemed to be an estoppel, then they could certainly be an admission as to the scope or meaning of the patent.

The above issue may create a conundrum for the patent owner. For example, when confronted with an IPR petition, the patent owner may want to carefully consider the impact of filing a preliminary response on claim coverage, particularly since the PTAB affords any unexpired claim the “broadest reasonable construction in light of the specification of the patent in which [the claim] appears.” 37 CFR § 42.100(b). This is in contrast to district courts, which typically give the words of patent claims their “ordinary and customary meaning.” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-13 (Fed. Cir. 2005).

Therefore, there is a risk in persuading the PTAB to adopt a more narrow construction to overcome the prior art in the IPR, since this may lead to weakened claim coverage. Accordingly, any statements made in a patent owner’s preliminary response or other filing should be carefully considered. Otherwise, the patent owner may inadvertently win the battle but lose the war.

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