

Federal Circuit Determines Meaning of ‘Ground’ in IPR Estoppel Statute As Matter of First Impression

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The Federal Circuit decided Wednesday (May 7, 2025) an important issue of first impression: the meaning of the term “ground” in 35 U.S.C. § 315(e)(2). The opinion opens the door for more invalidity challenges in district court and ITC matters when a related IPR challenge has reached a final written decision.

Section 315(e)(2) provides:

Civil actions and other proceedings:

*The petitioner in an inter partes review (IPR) of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not assert either in a civil action arising in whole or in part under Section 1338 of title 28 or in a proceeding before the International Trade Commission under Section 337 of the Tariff Act of 1930 that the claim is invalid on any **ground** that the petitioner raised or reasonably could have raised during that IPR.*

The precedential opinion (*Ingenico Inc. et al. v. IOENGINE, LLC*, Case No. 2023-1367) resolves a split in district court interpretations and provides clarity into how estoppel applies to accused infringers in ITC or district court actions when post-grant (IPR/PGR) challenges have advanced to a final written decision stage.

The Federal Circuit panel (Judges Dyk, Prost, and Hughes, with Judge Hughes writing) started by noting that while the Patent Act does not expressly define “ground” (citing 35 U.S.C. § 100), other sections (such as 35 U.S.C. §§ 311 and 312) use the term “ground” in terms of “theories of invalidity available to challenge a claim under §§ 102 and 103” that are limited to “prior art consisting of patents or printed publications.”

The panel then determined that by using the term “ground” in Section 315(e)(2), as opposed to the term “prior art,” Congress intended that the IPR estoppel imposed by Section 315 is directed to the challenges (the “grounds”) advanced in an IPR and not necessarily the prior art publications used in those grounds.

Notably, the panel held that, based on these determinations, “IPR estoppel does not preclude a petitioner from asserting the same prior art raised in an IPR in district court, but rather precludes a petitioner from asserting grounds that were raised or reasonably could have been raised during an IPR.” The panel provided further clarity, explaining that “IPR estoppel does not preclude a petitioner from relying on the same patents and printed

publications as evidence in asserting a ground that could not be raised during the IPR, such as that the claimed invention was known or used by others, on sale, or in public use.”

The panel supported its determination by observing that under Section 312(a)(3), prior art references are “the evidence that supports the grounds” and thus prior art references are “not coextensive with a ground.”

The panel concluded by stating:

[W]e hold that IPR estoppel applies only to a petitioner’s assertions in district court that the claimed invention is invalid under 35 U.S.C. §§ 102 or 103 because it was patented or described in a printed publication (or would have been obvious only on the basis of prior art patents or printed publications). IPR estoppel does not preclude a petitioner from asserting that a claimed invention was known or used by others, on sale, or in public use in district court. These are different grounds that could not be raised during an IPR.

The panel applied this holding to reject the argument that a new trial was warranted in the underlying case on appeal. IOENGINE argued for a new trial, alleging that IPR estoppel should have barred Ingenico from presenting a “DiskOnKey System” invalidity challenge in the district court trial below through reference to a “Readme file and other printed publications.” Under the panel’s interpretation of “ground” in Section 315, “IPR estoppel did not preclude Ingenico from relying on the DiskOnKey System with related printed publications at trial to prove the claimed invention was known or used by others, on sale, or in public use.”

The panel cited *Prolitec Inc. v. ScentAir Techs., LLC*, No. 20-984-WCB (D. Del. Dec. 13, 2023) which observed there is “a split among district courts ... as to whether IPR estoppel extends to device art that is entirely cumulative of, i.e., materially identical to, prior art in the form of patents or printed publications that were or could have been raised in an IPR.” Some courts “have found IPR estoppel applicable in such situations [and] noted the importance of preventing defendants from ‘simply swapping labels for what is otherwise a patent or printed publication invalidity ground in order to ‘cloak’ its prior art ground and ‘skirt’ estoppel.” While other courts “have declined to apply IPR estoppel” because they interpret the statutory language to mean the “‘specific pieces of prior art’ that are ‘the basis or bases on which a petitioner challenges a claim.’”

The decision has important implications for practitioners. Most obviously, Section 315(e)(2) estoppel will not preclude patent challengers in district court cases or ITC investigations from relying on patents and printed publications as supporting evidence that an invention was on sale or in public use. Also, the decision may lead to more discretionary denials of IPR petitions because, under the Federal Circuit’s more restrictive view of the scope of Section 315(e)(2) estoppel it is more likely that the PTAB and district courts will address the merits of the same prior art references. Indeed, as we have previously reported [here](#), the Acting Director recently vacated an institution decision and ordered that institution be denied in part because the petitioner had relied on “overlapping prior art” in the district court and before the PTAB.

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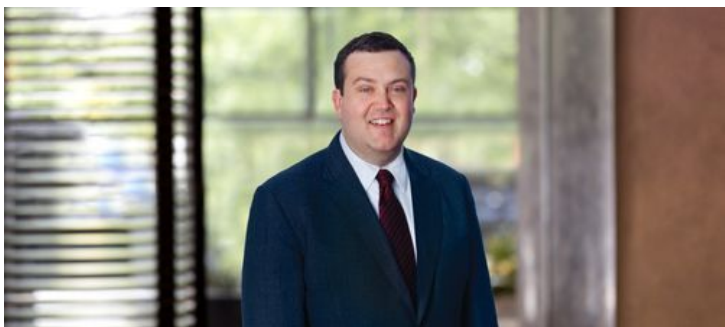
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