



# THINK FORWARD

## Recent Federal Circuit Decision Sheds Light On The Scope Of AIA Estoppel

Under 35 U.S.C. § 315(e), a petitioner in an *inter partes* review that results in a final written decision is estopped from asserting in litigation or before the PTO any ground “raised or [that] reasonably could have [been] raised during that *inter partes* review.” On March 23, 2016, the Federal Circuit interpreted for the first time the scope of these provisions in [\*Shaw Industries Grp., Inc. v. Automated Creel Sys., Inc.\*, No. 2015-1116 \(Fed. Cir. Mar. 23, 2016\)](#).

In *Shaw*, the Federal Circuit rejected an interpretation of § 315(e) that would prevent petitioner from litigating grounds raised in a petition that are not instituted for *inter partes* review. *Shaw*, slip op. at 5-6. According to the Court, the statute’s requirement that a ground be raised “during th[e] *inter partes* review” prohibits such a result:

Both parts of § 315(e) create estoppel for arguments “on any ground that the petitioner raised or reasonably could have raised *during* that *inter partes* review.” *Shaw* raised its Payne-based ground in its petition for IPR. But the PTO denied the petition as to that ground, thus no IPR was instituted on that ground. The IPR does not begin until it is instituted. See *Cuozzo*, 793 F.3d at 1272 (“IPRs proceed in two phases. In the first phase, the PTO determines whether to institute IPR. In the second phase, the Board conducts the IPR proceeding and issues a final decision.” (citations omitted)).

*Id.* at 6 (emphasis in original). Thus, the Court determined that § 315(e) estoppel does not apply to grounds considered, but not instituted for review by the PTAB, because such grounds are neither raised, nor can they reasonably be raised, “during” the *inter partes* review. *Id.*

The *Shaw* decision reflects a relatively narrow interpretation of the AIA estoppel provisions, effectively limiting estoppel to grounds addressed, or that could have been addressed, in a final written decision under the statute. This decision will likely encourage petitioners to use post-grant procedures both as an alternative to litigation, and as part of a patent infringement defendant’s litigation strategy.

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