

Federal Circuit Resolves Split on Scope of IPR Estoppel in Favor of Petitioners: *Ingenico Inc. v. IOENGINE, LLC*

May 9, 2025

On May 7, 2025, the Federal Circuit settled an important, years-long split among federal district courts regarding the scope of IPR estoppel under § 315(e)(2), in turn interpreting the meaning of “ground” under that provision for the first time.¹

Background. In an Inter Partes Review (IPR), a petitioner asks the Patent Trial and Appeal Board (PTAB) to reconsider the validity of an issued patent based on “patents or printed publications.” 35 U.S.C. § 311(b). After the PTAB renders a final decision, the petitioner is estopped from arguing in federal district court that the patent is invalid “on any ground” that the petitioner “raised or reasonably could have raised during” the IPR. 35 U.S.C. § 315(e)(2). That estoppel prevents challengers from getting a second bite in district court on an argument they could have raised at the PTAB.

In recent years, district courts have disagreed on whether the estoppel prevents a petitioner from raising grounds based not just on patents or printed publications, but also on prior art systems that correspond to those patents or printed publications.

The Federal Circuit held that IPR estoppel is limited to arguments that a claim is invalid “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).” As a result, after losing in an IPR on the merits, a patent challenger is barred only from arguing that a claim is invalid because it was patented or described in a printed publication (or would have been obvious in view of such patents and printed

If you have any questions concerning this memorandum, please reach out to your regular firm contact or to the Cleary authors below.

WASHINGTON

Steven W. Peters
+1 202 974 1813
speters@cgsh.com

BAY AREA

S. Giri Pathmanaban
+1 650 815 4140
gpathmanaban@cgsh.com

Gregory K. Sobolski
+1 415 796 4390
gsobolski@cgsh.com

Thomas W. Yeh
+1 415 796 4350
tyeh@cgsh.com

NEW YORK

Clement Naples
+1 212 225 2516
cnaples@cgsh.com

¹ *Ingenico Inc. v. IOENGINE, LLC*, No. 2023-1367 (Fed. Cir. May 7, 2025).



publications). But patents and printed publications *can* be used in district court to support *other* grounds of invalidity, such as to support knowledge or use by others, prior sale, or public use—even if those patents and printed publications were cumulative of those used in IPR.

I. *Ingenico Inc. v. IOENGINE, LLC.* In a precedential decision, the Federal Circuit held 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).”² The panel clarified that the 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,” because these qualify as “grounds” unavailable in an IPR.³

As background, in the district court, a jury found IOENGINE’s asserted patent claims infringed but invalid based on prior knowledge, sale, or public use of a prior art product known as Firmware Upgrader. Ingenico had previously challenged various claims from the asserted patents in IPRs. On appeal, IOENGINE argued that Ingenico should have been estopped from presenting the Firmware Upgrader at all at trial. In particular, IOENGINE argued that the alleged prior knowledge, sale, or use based on Firmware Upgrader “was entirely cumulative of and substantively identical” to literature (including instructions and screenshots) that Ingenico reasonably could have been raised in an IPR.⁴ Anchoring itself in statutory interpretation of the term “ground” in § 315(e)(2), as well as § 311(b) and § 312(a)(3), the panel concluded that “[b]y design, a petitioner has no opportunity to challenge that the claimed invention was known or used by others, on sale, or in public use at IPR.”⁵

Animating the Federal Circuit’s first foray into the interpretation of “ground” in this context was the

recognition of a “split among district courts” about the scope of the estoppel.⁶ District courts were divided on whether § 315(e)(2) estoppel reaches prior-art systems described in printed publications. Under an expansive view, a “ground” relates to the prior art itself, estoppel would reach prior art systems that are described in printed publications. But under a narrower view of estoppel, a “ground” only relates to the legal basis for invalidity and does not extend to the prior art system, estoppel would not cover prior art patents or printed publications if they are used to show prior knowledge, sale, or use, because no theory based on prior knowledge, sale, or use could reasonably have been raised in an IPR.

The Federal Circuit has now resolved that split: it adopted the narrower view of “ground” based on related sections of the statute, including §§ 311 and 312. The panel also found that “ground” does not mean the prior art used in an IPR. Thus, “IPR estoppel does not preclude a petitioner from asserting the same prior art raised in an IPR in district court” so long as the prior art advances a legal theory of invalidity (e.g., prior use or sale of a system) that was not available in the IPR.

II. Key Implications. The *Ingenico* decision brings greater certainty in patent litigation as to which invalidity arguments are allowable at trial after an IPR. The ruling favors IPR petitioners because it limits the implications of an unsuccessful IPR final written decision. Petitioners will be allowed to litigate invalidity theories in district court that draw on printed publications as evidence of prior knowledge, use, or sale. In other words, patent claims that survive at the PTAB may still be found invalid in district court based

² *Id.* at 15-16.

³ *Id.* at 16.

⁴ *Id.* at 11.

⁵ *Id.* at 12.

⁶ See *Prolitec Inc. v. ScentAir Techs., LLC*, No. 20-984-WCB, 2023 WL 8697973, at *21-*23 (D. Del. Dec. 13, 2023) (collecting cases).

on the same or substantially similar evidence—but under a theory of prior knowledge, use, or sale.

Conversely, the decision will likely favor discretionary denial of institution at the PTAB. Discretionary denial is a rapidly-changing area of PTAB law. Reversing three years of USPTO policy, Acting Director Coke Morgan Stewart has indicated that, as of March 2025, the possibility of using system prior art in a district court trial can weigh in favor of exercising discretion to deny an IPR petition.⁷ The Federal Circuit has now held that such possibilities were intended by Congress and preserved in the statute.⁸ Nevertheless, the PTAB may begin to cite *Ingenico* to further swing the pendulum in favor of discretionary denial. In response, petitioners may start stipulating not to pursue system-based invalidity arguments once a petition is instituted. Petitioners that plan to submit, or have already submitted, *Sotera*-type stipulations (which generally use the same language as the statute) should be aware of *Ingenico*'s holding as it may affect the scope of such stipulations.

...

CLEARY GOTTLIB

⁷ *Motorola Sol'ns, Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3–4 (Stewart Mar. 28, 2025).

⁸ *Ingenico* at 12–14.