

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

INTEL CORPORATION AND  
PATENT QUALITY ASSURANCE, LLC,  
Petitioners,\*

v.

VLSI TECHNOLOGY LLC,  
Patent Owner.

---

IPR2021-01229  
Patent 7,523,373 B2

---

Before THOMAS L. GIANNETTI, BRIAN J. MCNAMARA, and  
JASON W. MELVIN, *Administrative Patent Judges*.

MELVIN, *Administrative Patent Judge*.

DECISION  
Denying Patent Owner's Motion to Terminate

---

\* Intel Corporation, which filed a petition in IPR2022-00479, has been joined as a party to this proceeding. Paper 30.

## I. INTRODUCTION

This proceeding is an *inter partes* review (“IPR”) of claims 1–16 (“the challenged claims”) of U.S. Patent No. 7,523,373 B2 (Ex. 1001, “the ’373 patent”). *See* Paper 10 (instituting review). Although the Petition (Paper 1) was filed on July 7, 2021, by Patent Quality Assurance, LLC, we granted institution of a substantively identical petition filed by Intel Corporation, and granted Intel’s motion for joinder to add Intel as a petitioner in this proceeding. Paper 30 (granting institution in IPR2022-00479 and joining Intel here).

Prior to the July 7, 2021, Petition, litigation between VLSI Technology LLC (“Patent Owner”) and Intel resulted in a March 2, 2021, jury verdict that Intel infringed claims 1, 5, 6, 9, and 11 of the ’373 patent. *VLSI Technology LLC v. Intel Corp.*, 6:21-cv-57 (W.D. Tex.), Ex. 1031, 2. Invalidation of the ’373 patent was not presented to the jury. *See generally id.* On May 10, 2022, the district court entered final judgment including that Intel had not proven invalidity. Ex. 1515. Based on the district court’s final judgment, Patent Owner asserts that claim preclusion bars Intel from challenging the claims of the ’373 patent in this IPR. Patent Owner therefore seeks termination of the IPR as to Intel. *See* Patent Owner’s Motion to Terminate Based on Res Judicata, Paper 91, 1–2 (“PO Mtn. Terminate”; public version).

Patent Owner argues that the elements of claim preclusion are met because 1) “Intel and VLSI are parties to both cases;” 2) “the district court entered a final judgment of infringement, no invalidity,” and Intel did not appeal invalidity; and 3) “the effect of Intel’s challenge is to collaterally attack the First Case’s Final Judgment.” *Id.* at 11–14. Patent Owner contends that claim preclusion applies also to claims 1 and 21, which were not at issue before the district court. *Id.* at 14–15.

Intel responds that claim preclusion does not apply to IPRs under the America Invents Act (AIA). *See* Petitioner Intel Corp.’s Opposition, Paper 97, 4–6 (“Intel Opp. Mtn. Terminate”). Intel argues also that IPRs and district-court proceedings do not involve “the same claim or cause of action” because they do not both involve the same accused product and because they present different standards of proof. *Id.* at 6–7. We agree with Intel that estoppel does not apply and therefore we deny the motion. Our reasoning follows.

## II. ANALYSIS

### A. LEGAL STANDARD

Claim preclusion prevents relitigating issues that were or could have been raised during a first action resulting in a final judgment, when a second action involves the same claim as the first. *Lucky Brand Dungarees v. Marcel Fashions Grp.*, 140 S. Ct. 1589, 1594 (2020). A claim, or cause of action, is considered to be “the same” when it “aris[es] from the same transaction” or “involve[s] a common nucleus of operative facts.” *Id.* at 1595 (internal citations omitted). Preclusion operates to prevent a defendant in a first action from raising an issue in a second action “only if (1) the claim or defense asserted in the second action was a compulsory counterclaim that the defendant failed to assert in the first action, or (2) the claim or defense represents what is essentially a collateral attack on the first judgment.” *Nasalok Coating Corp. v. Nylok Corp.*, 522 F.3d 1320, 1323–24 (Fed. Cir. 2008). Patent Owner does not contend that the invalidity grounds here were a compulsory counterclaim in the district court; instead, it asserts that this IPR is a collateral attack on the infringement verdict. PO Mtn. Terminate 3–9.

As an initial matter, the parties dispute what standard we should apply in determining whether claim preclusion applies here. Intel contends that we should determine whether, in passing the AIA, Congress demonstrated its intent that claim

preclusion not apply to IPRs. Intel Opp. Mtn. Terminate 4 (citing *Astoria Federal Sav. & Loan Ass'n v. Solimino*, 501 U.S. 104, 108 (1991)). Intel argues that “[t]he AIA specifically identifies the circumstances under which IPRs should be barred by parallel district court cases, and common-law claim preclusion is not one of those circumstances.” *Id.* Patent Owner, on the other hand, asserts that *Astoria*’s “lenient” rule—that a “clear statement” is unnecessary to abrogate common law preclusion—applies only in the context of whether an *agency* decision precludes a later *court* decision. Paper 98 (“PO Reply Mtn. Terminate”), 2. According to Patent Owner, for this case, where the court decision preceded the agency decision, we must follow “the usual rule” of preclusion by judicial decisions, which requires Congress’ “plainly stated” intention to overcome preclusion. *Id.* at 2–3 (citing *Kremer v. Chem. Constr. Corp.*, 456 U.S. 461, 485 (1982)).

Patent Owner misreads the case law. *Kremer* considered whether one *statute* may supersede the preclusion required by an earlier *statute*. *Kremer*, 456 U.S. at 463 (“The principal question presented by this case is whether Congress intended Title VII [of the Civil Rights Act of 1964] to supersede the principles of comity and repose embodied in [28 U.S.C.] § 1738.”). The *Kremer* Court noted that recognizing an exception to § 1738 would require either express or implied repeal of that statute, and recognized “a cardinal principle of statutory construction that repeals by implication are not favored.” *Id.* at 468 (quoting *Radzanower v. Touche Ross & Co.*, 426 U.S. 148, 154 (1976)). Thus, with no express repeal, the Court followed the rule that implied repeal requires either irreconcilable conflict or “clear and manifest” intent to repeal the earlier statute. *Id.* (quoting *Radzanower*, 426 U.S. at 154).

More pertinent to this case is the holding in *Astoria*. In *Astoria*, the Court considered whether departing from common-law preclusion rules also required a

“clear statement” of Congressional intent. *Astoria*, 501 U.S., at 108–09. It reasoned first that well-established common-law principles like preclusion impose a presumption that they apply. *Id.* at 108. The Court went on to explain that “[t]his interpretative presumption is not, however, one that entails a requirement of clear statement, to the effect that Congress must state precisely any intention to overcome the presumption's application to a given statutory scheme.” *Id.* The Court made it clear that such a heightened requirement applies in only limited circumstances, such as constitutional values or overlapping statutes. *See id.* at 108–09. Thus, the Court maintained the presumption of preclusion only to the extent “Congress has failed expressly or impliedly to evince any intention on the issue.” *Id.* at 109–10.

We recognize that *Astoria* involved potential preclusion of a court action by a prior administrative decision, the opposite of the relationship presented here. *See* PO Reply Mtn. Terminate 2. But *Astoria*'s rejection of the “clear statement” requirement to demonstrate Congressional intent did not focus solely on that aspect—the Court determined that there was no statutory conflict with § 1738. *Id.* at 109. Here, like *Astoria*, there is no statutory conflict at issue. Therefore, we conclude that the *Astoria* standard should apply, and the question becomes whether the passing of the AIA with its statutory estoppel provisions demonstrated Congress' intent that common-law claim preclusion should not apply to IPRs.

## B. AIA ESTOPPEL

The AIA's estoppel provisions are codified in 35 U.S.C. § 315(e). That section applies claim preclusion to petitioners after an IPR final written decision and prohibits a petitioner from “request[ing] or maintain[ing] a proceeding before the Office” or asserting in district court or the ITC that a claim is invalid “on any ground that the petitioner raised or reasonably could have raised” during the IPR.

§ 315(e). Section 315(e) applies to future proceedings in both the Office and a district court. *Id.* If common-law preclusion applied after IPR proceedings, there would be no need for the § 315(e) estoppel provisions, because the principle Patent Owner now asserts—claim preclusion—would prohibit a petitioner from raising arguments in a district court after a final written decision that it could have made during the IPR proceeding. Thus, the AIA expressly imposes claim preclusion in one direction—from an IPR to other proceedings—but not in the other direction—from district-court litigation to Office proceedings.

### C. CONGRESSIONAL INTENT

Petitioner submits that “applying common-law claim preclusion principles would be contrary to Congress’ intent as evidenced by the statutory scheme established for patents.” Intel Opp. Mtn. Terminate 3. Patent Owner counters that the AIA did not “abrogate[] common-law claim preclusion by Article-III district-court judgments upon IPRs.” *See* PO Reply Mtn. Terminate 1 (emphasis omitted). With the AIA, Congress intended “to create a timely, cost-effective alternative to litigation.” 77 F. Reg. 48680–01 (Aug. 14, 2012); *see also* *Cuozzo*, 579 U.S. at 278 (citing legislative history). Despite that potential, the AIA does not require that district courts stay litigation pending Office review. Thus, the AIA inherently accepts the reality that parallel proceedings in a district court and the Office may address overlapping issues relating to asserted invalidity or unpatentability.

Further, the AIA imposes a lower burden of proof for IPRs, in which unpatentability must be shown by a preponderance of the evidence rather than the clear and convincing evidence required for district-court invalidity. *Compare* § 316(e) (applying the preponderance standard to IPRs), *with* § 282(a) (applying a presumption of validity to issued patents), *and* *Microsoft Corp. v. i4i Ltd. P’ship*, 564 U.S. 91 (2011) (holding § 282 requires proving invalidity by clear and

convincing evidence). Although some courts have held that different evidentiary burdens do not overcome claim preclusion if applicable (*see* PO Reply Mtn. Terminate 4), the difference between IPRs and district-court invalidity provides context to Congress adopting claim preclusion in only one direction.<sup>2</sup> To be clear, we do not rely on the different evidentiary burdens as itself a reason not to apply claim preclusion, but rather as evidence regarding Congress' intent.

Congress' adoption of unidirectional preclusion (*see supra*) is significant and distinguishes AIA proceedings like this case from other PTO proceedings also providing for statutory preclusion. The AIA contrasts with the predecessor statute defining *inter partes* reexamination. That statute included former 35 U.S.C. § 317, which included a "two-way" claim preclusion. In addition to an estoppel running against the unsuccessful requester (§ 315(c)), the statute provided that a final decision "against a party in a civil action . . . that the party has not sustained its burden of proving the invalidity of any patent claim in a suit" precluded the party from requesting or maintaining *inter partes* reexamination of such claims on any basis the party "raised or could have raised." *See* Pub. L. 106–113, Appendix I, 113 Stat. 1501A-570 (pre-AIA § 317). When Congress replaced *inter partes* reexamination with *inter partes* review, it did not maintain the prior statute's express claim preclusion against an unsuccessful party in litigation.

According to Patent Owner, the AIA adds only "enhanced estoppels" and in no way reduces estoppels that are imposed by the common law. PO Reply Mtn.

---

<sup>2</sup> The Supreme Court has noted the differing evidentiary burdens present an inherent possibility of inconsistent results. *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 282 (2016) ("As we have explained above, *inter partes* review imposes a different burden of proof on the challenger. These different evidentiary burdens mean that the possibility of inconsistent results is inherent to Congress' regulatory design.").

Terminate 3 (quoting 157 Cong. Rec. S5429 (daily ed. Sept. 9, 2011)). Those enhanced estoppels provided by the AIA relate to prohibitions that limit litigation arguments after an IPR. *See* 157 Cong. Rec. S5429 (noting that the “enhanced estoppels” justify extending the IPR filing deadline from six months to one year after a petitioner is sued for infringement). Thus, they directly bear on the types of restrictions imposed by common-law claim preclusion. In other words, the “enhanced estoppels” overlap with common-law preclusion and therefore signal which common-law aspects Congress intended for the AIA.

In Patent Owner’s view, the Federal Circuit has determined that “common law estoppel” applies to *inter partes* reexamination, which included statutory estoppel “more muscular than common law collateral estoppel.” PO Reply Mtn. Terminate 3 (quoting *SynQor, Inc. v. Vicor Corp.*, 988 F.3d 1341, 1347–48 (Fed. Cir. 2021)). The court in *SynQor* noted that the statutes at issue, as noted above, codified common-law claim preclusion. *SynQor*, 988 F.3d at 1348. It held that the statutory issue preclusion, while expressly directed at district-court proceedings, applied also to future reexamination proceedings. *Id.*

We do not find Patent Owner’s arguments persuasive. The issue here is different from that in *SynQor*. First, this proceeding involves claim preclusion, not issue preclusion. *SynQor*, 988 F.3d at 1347. Second, that case considered the scope of a particular preclusion, not whether to recognize preclusion operating in an entirely different direction. *Id.* Patent Owner here seeks a more fundamental departure from the statute’s express provisions. We conclude that the statute’s express estoppel provisions, in light of the difference in evidentiary burdens, show that Congress intended that claim preclusion not restrict IPR petitioners.

Beyond the estoppel provisions discussed, § 315, “Relation to other proceedings or actions,” imposes other limitations on IPR proceedings. It bars



institution based on a petitioner having “filed a civil action challenging the validity of a claim of the patent” before filing its petition for IPR (§ 315(a)(1)<sup>3</sup>) or one filing “more than 1 year after” being served with a complaint alleging infringement of the patent” (§ 315(b)<sup>4</sup>). Section 315’s institution restrictions indicate that Congress spoke to how district-court proceedings may limit the Office. And by not including claim preclusion from decisions in those proceedings, Congress further signaled its intent that such claim preclusion not apply to IPRs.

#### D. SUMMARY

Because the AIA’s predecessor statute expressly included claim preclusion arising from district-court final decisions, while the AIA provisions governing IPRs include claim preclusion operating only in the other direction, passage of the estoppel provision of the AIA expresses Congress’ intent that claim preclusion not apply in the circumstances here. As a result, Patent Owner’s motion for termination is not persuasive and is denied.<sup>5</sup>

#### III. CONCLUSION

As discussed above, we conclude Patent Owner has not shown that common-law claim preclusion applies to this proceeding such that we should terminate as to petitioner Intel. We therefore deny Patent Owner’s Motion to Terminate as to Intel.

---

<sup>3</sup> A “civil action challenging the validity” does not include an invalidity counterclaim. § 315(a)(3).

<sup>4</sup> The one-year later bar does not apply in cases of joinder. § 315(b).

<sup>5</sup> We do not reach Petitioner’s arguments that the motion was untimely, that patent claims not at issue in the district court would not be subject to claim preclusion, or that this IPR does not concern the same “claim” that could have been raised in the district court. Intel Opp. Mtn. Terminate 2–3, 6–9, 13–14.

IPR2021-01229  
Patent 7,523,373 B2

#### IV. ORDER

It is:

ORDERED that Patent Owner's Motion to Terminate as to Intel is denied.

IPR2021-01229  
Patent 7,523,373 B2

PETITIONER:

Benjamin S. Fernandez  
David L. Cavanaugh  
Steven J. Horn  
Dominic E. Massa  
WILMER CUTLER PICKERING HALE AND DORR, LLP  
ben.fernandez@wilmerhale.com  
david.cavanaugh@wilmerhale.com  
steven.horn@wilmerhale.com  
dominic.massa@wilmerhale.com

Bruce W. Slayden II  
Tecuan Flores  
Truman Fenton  
SLAYDEN GRUBERT BEARD PLLC  
bslayden@sgbfirm.com  
tflores@sgbfirm.com  
tfenton@sgbfirm.com

PATENT OWNER:

Baback Redjaian  
IRELL & MANELLA LLP  
bredjaian@irell.com

Kenneth J. Weatherwax  
Bridget Smith  
Flavio Rose  
Edward Hsieh  
Parham Hendifar  
Patrick Maloney  
Jason C. Linger  
LOWENSTEIN & WEATHERWAX LLP  
weatherwax@lowensteinweatherwax.com  
smith@lowensteinweatherwax.com  
rose@lowensteinweatherwax.com  
hsieh@lowensteinweatherwax.com

IPR2021-01229  
Patent 7,523,373 B2

hendifar@lowensteinweatherwax.com  
maloney@lowensteinweatherwax.com  
linger@lowensteinweatherwax.com