

Fed. Circ. Ingenico Ruling Pivotal For IPR Estoppel Landscape

By **Joseph Marinelli and Bailey Sanders** (July 22, 2025)

Since inter partes review proceedings were introduced in 2012, courts have wrestled with the extent to which IPR estoppel bars patent challengers in district court litigation from raising invalidity arguments based on prior art that was or reasonably could have been raised, during IPR proceedings. On May 7, the U.S. Court of Appeals for the Federal Circuit addressed this issue in *Ingenico Inc. v. Ioengine LLC*.

In an IPR, the petitioner may request cancellation of patent claims "only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications." [1] District courts, however, were split as to whether IPR petitioners could then raise in litigation prior art in the form of physical devices when they had raised patents or printed publications that described the physical prior art devices in an IPR.

Some district courts broadly estopped petitioners from asserting invalidity based on physical devices that were described by patents or printed publications that the petitioner raised or reasonably could have raised in the IPR. Other district courts more narrowly limited estoppel to the specific patents and publications on which the IPR invalidity grounds were actually based.

The Federal Circuit's recent *Ingenico* decision resolved this split, holding that under Title 35 of the U.S. Code, Section 315(e)(2), "ground" refers to the theory of invalidity being asserted, such as anticipation or obviousness, rather than the prior art itself. [2]

The result of *Ingenico* is that a patent challenger may rely on a prior art patent or publication to support an anticipation or obviousness argument in an IPR proceeding and use the same prior art to support a different invalidity theory, such as a public use or on-sale bar, in a district court case without encumbrance by IPR estoppel.

Federal Circuit Provides Clarity

Ingenico stemmed from a patent infringement suit in which Ioengine sued PayPal Holdings Inc. *Ingenico*, the supplier of the accused products, filed a declaratory judgment action and several IPR petitions challenging the asserted patents.

At trial, *Ingenico* introduced evidence of a prior art device known as the DiskOnKey device, which was accompanied by a user guide that described the function of the device. *Ingenico* argued that the device invalidated Ioengine's asserted claims as anticipated or obvious because the device had been "on sale" or "in public use" under Title 35 of the U.S. Code, Section 102(b) (pre-America Invents Act), or "known or used by others ... before the invention" under Section 102(a) (pre-AIA). A jury found the claims invalid.

On appeal, Ioengine argued to the Federal Circuit that IPR estoppel should have precluded *Ingenico* from relying on the DiskOnKey device, claiming the device was "entirely cumulative and substantively identical" to printed publications, i.e., the device user guide,



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that reasonably could have been raised by Ingenico during the IPR proceedings.

The Patent Act does not define the term "ground,"[3] so the court turned to other parts of the Patent Act as an interpretative aid.

The court first noted that Section 311(b) states that a petitioner may challenge a patent only on "a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications." The court emphasized that Congress intentionally restricted the scope of IPR proceedings to challenges based solely on patents and printed publications, and thus excluded challenges to an invention on the basis that it was known or used by others, on sale, or in public use.

The court further noted that Congress could have precluded patent challengers from asserting in subsequent district court proceedings that a claim is invalid on the basis of any prior art that was raised or reasonably could have been raised during the IPR, but that Congress did not do so.

The court then turned to the use of the term "ground" in Section 312(a)(3), which specifies that "the evidence that supports the grounds ... include[s] — (A) copies of patents and printed publications that the petitioner relies upon in support of the petition." The court explained that this provision reinforces the view that in an IPR, patents and printed publications serve as evidentiary support for a ground, i.e., a specific invalidity theory under Sections 102 or 103. In other words, "prior art is evidence of a ground, not coextensive with a ground."

Building on this interpretation, the court concluded 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 patents or printed publications)." Thus, a petitioner is not estopped from asserting in district court that a claimed invention was known or used by others, on sale, or in public use.

This conclusion led the court to hold that Ingenico was permitted to rely on both the DiskOnKey device and the user guide to prove that the claimed invention was invalid as being known or used by others, on sale, or in public use. IPR estoppel did not apply as long as Ingenico used the prior art to support an invalidity theory other than one based on the invention being described in a patent or printed publication.

The Road Ahead for Estoppel and Patent Strategy

Ingenico brings clarity to the scope of IPR estoppel, confirming that a patent challenger is not precluded from relying on the same or substantially similar prior art in both IPR and district court proceedings, so long as the evidence is used to support a different invalidity theory.

Put simply, even if the Patent Trial and Appeal Board upholds a patent's claims, those same claims may still be challenged and potentially invalidated in district court proceedings if the prior art is introduced as evidence to support a different legal theory, such as prior knowledge, prior use or prior sale.

Ingenico Harmonizes Estoppel Law

The Ingenico decision carries significant practical and strategic implications, particularly for petitioners litigating in districts that had previously adopted a broad interpretation of IPR estoppel. A petitioner sued in such a district might have had to carefully weigh the risks of initiating an IPR, knowing that doing so could bar them from later raising critical prior art in the district court.

For example, if a petitioner possessed strong evidence that a product embodying the claimed invention had been publicly used or on sale before the critical date, they might have opted not to file an IPR at all. Filing one could trigger estoppel that would prevent them from later asserting the on-sale bar in court, even though that theory was legally unavailable in the IPR proceeding.

After Ingenico, petitioners can initiate IPR proceedings with greater confidence that presenting prior art in one forum will not foreclose its use in another, so long as it is introduced under a distinct legal theory.

Ingenico Eliminates Forum Shopping for Broader Estoppel

The Federal Circuit's resolution of the district court split also eliminates a reason for patent holders and patent challengers to favor one district over another.

Before Ingenico, patent holders might have preferred filing in districts whose interpretation of IPR estoppel may have limited a challenger's ability to reuse prior art across forums.

After Ingenico, patent holders no longer have the ability to take advantage of the district split by filing in a district that had adopted the broader interpretation of "ground." Still, a district court that had favored the broader interpretation of "ground" might approach the issue from a different angle when it comes to the challenger's request for a stay of district court litigation pending an IPR.

Given that patent challengers can now rely on the same prior art evidence across the PTAB and districts, district courts might now require that a challenger stipulate that they will not raise prior art presented in an IPR in support of any ground of invalidity in the district court before the court will consider staying the district court case.

In addition, although after Ingenico IPR estoppel does not extend to theories of invalidity under Section 102, such as the public use or on-sale bars, proof of these defenses requires more than simply repackaging a printed publication to serve as evidence of different theories of invalidity.

For example, Ingenico reframed the evidence in the district court to support a use-based invalidity theory that required a different, fact-intensive showing of public use of the invention. The user manuals were part of that evidence, but Ingenico also introduced additional evidence of public accessibility and commercial exploitation, including internal emails announcing the launch of the DiskOnKey system and encouraging employees to share information with customers, as well as a press release promoting the system's launch and a website page indicating the system was available for downloads.

In this way, Ingenico reminds parties to cast a wider evidentiary net to support multiple theories of invalidity based on the same core prior art.

Implications for PTAB Filings and Discretionary Denials

With respect to PTAB practice, the full impact of the Federal Circuit's decision in *Ingenico* is still unfolding. The decision increases the potential for duplicative litigation, as patent challengers may reuse the same prior art in the district court under different legal theories than presented in the IPR proceedings. This, in turn, may lead to the PTAB increasing its use of discretionary denial under Section 314(a) and related doctrines, such as those articulated in the PTAB's 2020 *Apple v. Fintiv* ruling.^[4]

These dynamics also create uncertainty around the use of so-called *Sotera* stipulations. In a *Sotera* stipulation, a petitioner agrees not to pursue any invalidity grounds in district court that it raised or could have raised in the IPR if the PTAB institutes the IPR, rather than if the PTAB issues a final written decision. The petitioner makes the stipulation as a strategy to avoid discretionary denial under *Fintiv* by demonstrating to the PTAB that the IPR will be the most efficient and comprehensive forum for resolving validity.

After *Ingenico*, even if a petitioner stipulates not to pursue grounds in the district court that could be raised in the IPR, the petitioner could raise in the district court prior art that it raised in the IPR as long as the prior art was raised in support of a theory of invalidity that the petitioner could not have raised in the IPR, such as an on sale or public use theory of invalidity. Given that possibility of duplicative litigation, it remains to be seen how the PTAB will view *Sotera* stipulations and discretionary denials.

Should the PTAB use this decision to further expand discretionary denial, petitioners would need to weigh the benefits of filing an IPR against the potential for discretionary denial. For patent holders, meanwhile, the decision complicates the litigation landscape, removing a tool that narrowed the scope of post-IPR invalidity challenges.

Conclusion

The Federal Circuit's decision in *Ingenico* marks a pivotal moment in the evolution of IPR estoppel, providing long-awaited clarity.

In its interpretation of Section 315(e)(2), the Federal Circuit confirmed estoppel does not extend to physical device prior art or evidence of prior public use or sale, even if the evidence is materially identical to the patents or printed publications available during the IPR.

Ultimately, patent holders and challengers will need to recalibrate their strategies, both before the PTAB and in district court, to adjust for this change in the IPR estoppel landscape.

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[1] 35 U.S.C. § 311(b).

[2] Ingenico Inc. v. IOENGINE, LLC, No. 2023-1367 (Fed. Cir. May 7, 2025).

[3] See 35 U.S.C. § 100.

[4] Apple v. Fintiv, IPR2020-00019 (P.T.A.B. Mar. 20, 2020), 2020 WL 2126495, at *3 (designated precedential: May 05, 2020).