

Adam Fowles in Law360: Rule 36 Affirmance Can Have Preclusive Effect at PTAB Too

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The Federal Circuit has affirmed that a Rule 36 judgment may serve as a basis for collateral estoppel in Patent Trial and Appeal Board proceedings, in addition to district court proceedings. In *VirnetX Inc. v. Apple Inc.*, the Federal Circuit affirmed the PTAB's determination in two *inter partes* reviews that a prior art document was a printed publication. While the PTAB's final written decision did not reach the merits of any collateral estoppel argument, the Federal Circuit affirmed the PTAB's determination in those two IPRs that a prior art document was a printed publication expressly on the basis of collateral estoppel in view of a Rule 36 affirmance.

How Did We Get Here?

Apple challenged U.S. Patent No. 8,504,696 (the '696 Patent), owned by VirnetX, in two IPR proceedings (IPR2016-00331 and IPR-2016-00332). In IPR2016-00331, and in the companion case IPR2016-00332, the PTAB acknowledged in its final written decision a collateral estoppel argument raised by Apple in regard to construction of a claim term, but declined to address the merits of the argument. Instead, the PTAB stated that the holding that all of the claims were unpatentable removed any need to address the collateral estoppel argument.

Relevant to the Federal Circuit appeal, Apple relied upon a nonpatent literature reference titled RFC 2401 (request for comments regarding internet standards) in all of its grounds of invalidity in both IPRs. The PTAB determined that RFC 2401 was a printed publication on the basis of the testimony of Apple's expert regarding the public accessibility of RFCs in general, as well as the documentary evidence Apple provided.

After VirnetX appealed to the Federal Circuit, other pending appeals between VirnetX and Apple were decided in *VirnetX Inc. v. Apple Inc.* The Federal Circuit issued a Rule 36 affirmance of the PTAB's determination in those IPRs that the claims were unpatentable based on the same RFC 2401 reference in some combination. ...

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