

ARISTA NETWORKS, INC. v. CISCO SYSTEMS, INC., Appeal Nos. 2017-1525, 1577 (Fed. Cir. November 9, 2018). Before Prost, Schall, and Chen. Appealed from PTAB.

Background:

Arista petitioned for an IPR of certain claims of a patent owned by Cisco. While employed by Cisco, the inventor assigned his rights in the invention to Cisco and then left shortly thereafter to help found Arista. In response to the IPR petition, the Board declined to apply the doctrine of assignor estoppel, which Cisco had argued should have prevented Arista from challenging the patent's validity. The Board ultimately invalidated some of the claims.

Issue/Holding:

Did the Board err in declining to apply assignor estoppel? No, affirmed.

Discussion:

The question was whether assignor estoppel applies in an IPR context. Section 311(a) provides in relevant part:

(a) In General.—Subject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent. . . .

The Board provided two rationales for declining to apply assignor estoppel: (1) §311(a) "presents a clear expression of Congress's broad grant of the ability to challenge the patentability of patents through inter partes review," and (2) Congress has not expressly provided for assignor estoppel in the IPR context, where it has in other contexts.

Cisco's primary argument in favor of applying assignor estoppel was that assignor estoppel is a well-established common-law doctrine that should be presumed to apply absent a statutory indication to the contrary. The Federal Circuit found that even if assignor estoppel were a "well-established common-law doctrine" for purposes of the relevant case law, the explicit language of §311(a) should govern the intent of Congress. Arista contended that §311(a) unambiguously leaves no room for assignor estoppel in the IPR context, given that the statute allows any person "who is not the owner of a patent" to file an IPR. The Federal Circuit agreed reasoning that the plain language of the statutory provision is unambiguous.

In a final effort, Cisco contended that allowing assignor estoppel in other forums, such as in the ITC and in district court, while not allowing it in the IPR context, creates an inconsistency that invites forum shopping. The Federal Circuit, however, viewed this not as an inconsistency, but rather as an intentional congressional choice.

Thus, the Federal Circuit held that §311(a), by allowing "a person who is not the owner of a patent" to file an IPR, unambiguously dictates that assignor estoppel has no place in IPR proceedings.