GOOGLE LLC v. HAMMOND DEVELOPMENT INTERNATIONAL, Appeal No. 2021-2218 (Fed. Cir. December 8, 2022). Before Moore, Chen, and Stoll. Appealed from Patent Trial and Appeal Board.

Background:

Hammond sued Google for infringement of several of its patents, including U.S. Patent No. 10,270,816 ('816 patent) and U.S. Patent No. 9,264,483 ('483 patent), which are in the same family and share the same specification. In response, Google requested an *inter partes* review (IPR) of the '483 patent. In the IPR, the Board held that all claims were obvious, and before the decision became final, Google requested an IPR of the '816 patent, the claims of which are at issue in the present case. In the IPR of the '816 patent, the Board found all claims were obvious, except for claims 14-19, where claim 14 is an independent claim. Google appealed on grounds of collateral estoppel, which prevents parties from relitigating an issue.

Issue/Holding:

Did the Board's invalidity finding on claims of the '483 patent render the surviving claims of the '816 patent invalid under the doctrine of collateral estoppel? Yes, reversed in part; and No, affirmed in part.

Discussion:

The Federal Circuit agreed with Google's argument that, based on the doctrine of collateral estoppel, the Board's determination on the invalidity of dependent claim 18 of the '483 patent rendered dependent claim 18 of the '816 patent invalid, and thereby rendered independent claim 14 of the '816 patent invalid. However, the Federal Circuit did not agree with Google's argument that dependent claims 15-17 and 19 were rendered invalid under the doctrine of collateral estoppel.

In this regard, a party invoking collateral estoppel must show: (1) the issue is identical to one decided in the first action; (2) the issue was actually litigated in the first action; (3) resolution of the issue was essential to a final judgment in the first action; and (4) [the party against whom collateral estoppel is being asserted] had a full and fair opportunity to litigate the issue in the first action. *In re Freeman*, 30 F.3d 1459, 1465 (Fed. Cir. 1994). In the present case, the parties only disputed the first requirement, namely, whether the issues were identical.

In regards to claim 18, the Federal Circuit found that the only difference between the claims of the two patents was the language describing the number of application servers. As such, the Federal Circuit concluded that claim 18 of the '816 patent and claim 18 of the '483 patent were materially identical for purposes of collateral estoppel, and thus the issues of patentability were identical. Accordingly, the Federal Circuit held that claim 18 of the '816 patent was invalid, and based on an agreement between the parties that independent claim 14 would rise or fall with claim 18, the Federal Circuit also held that claim 14 was invalid.

Regarding dependent claims 15-17 and 19, the Federal Circuit noted that Google failed to raise any collateral estoppel arguments against those claims in its brief. Furthermore, unlike claim 14, the parties did not agree that claims 15-17 and 19 would rise or fall with claim 18. Thus, in absence of any showing that those claims would have been obvious, the Federal Circuit affirmed the Board's determination that claims 15-17 and 19 were not invalid.