

IGT v. ZYNGA INC., Appeal No. 2023-2262 (Fed. Cir. July 22, 2025). Before Prost, Reyna, and Taranto. Appealed from the PTAB.

Background:

IGT owns expired U.S. Patent No. 7,168,089, which issued in January 2007 from an application filed in 2002. In 2003, after the IGT application was published, a predecessor of Zynga initiated an interference proceeding by including claims in its own application copied from the IGT application. However, the interference was terminated because the claims in the Zynga application were not supported by the written description of its application. When terminating the interference, the PTAB stated that the PTAB will not consider Zynga's contention that IGT's claims are unpatentable over the prior art.

In 2021, Zynga petitioned the USPTO to institute an inter partes review of the claims in the IGT patent alleging obviousness based on a combination of prior art references that Zynga had not relied upon in the previous interference. IGT promptly argued that Zynga is estopped from raising the obviousness challenge under 35 U.S.C. § 103 on the basis of interference estoppel. The PTAB declined to apply interference estoppel, and the Director of the USPTO, upon reviewing this determination, likewise rejected the application of interference estoppel. The PTAB proceeded with the inter partes review and concluded that the challenged claims were unpatentable under 35 U.S.C. § 103. IGT then timely appealed.

Issues/Holdings:

Is the PTAB's determination on interference estoppel reviewable? Did the PTAB improperly rely on a new argument instead of those advanced by a party? No and no. Affirmed.

Discussion:

The Federal Circuit held that the interference estoppel determination is within the general rule of unreviewability. In its determination, the Federal Circuit relied upon the America Invents Act, in which Congress granted the Director of the USPTO the discretion on the question of whether to institute inter partes review, and Congress additionally protected the Director's exercise of this discretion from judicial review. The Federal Circuit concluded that determining whether the PTAB erred in rejecting the application of interference estoppel would be so closely tied to the application and interpretation of statutes related to the PTAB's decision to grant inter partes review. In essence, had the PTAB agreed with IGT that interference estoppel barred Zynga from raising the obviousness challenge, there would have been no remaining ground for unpatentability on which the PTAB could institute inter partes review. Therefore, the decision to reject interference estoppel is so inextricably linked to the PTAB's decision to grant inter partes review that it falls under the jurisdiction of unreviewability.

The Federal Circuit also ruled the PTAB did not impermissibly rely on a new argument in coming to its decision. IGT argued that the PTAB relied on portions of the applied references not adequately identified by Zynga in its petition. The Federal Circuit noted that IGT did not lack notice of the PTAB's argument because (1) the PTAB cited elements within the applied references that IGT itself raised in its patent owner response, and (2) the thrust of the PTAB's argument did not substantially deviate from Zynga's argument. Thus, the Federal Circuit upheld the PTAB's decision deeming IGT's claims as being unpatentable over the prior art.