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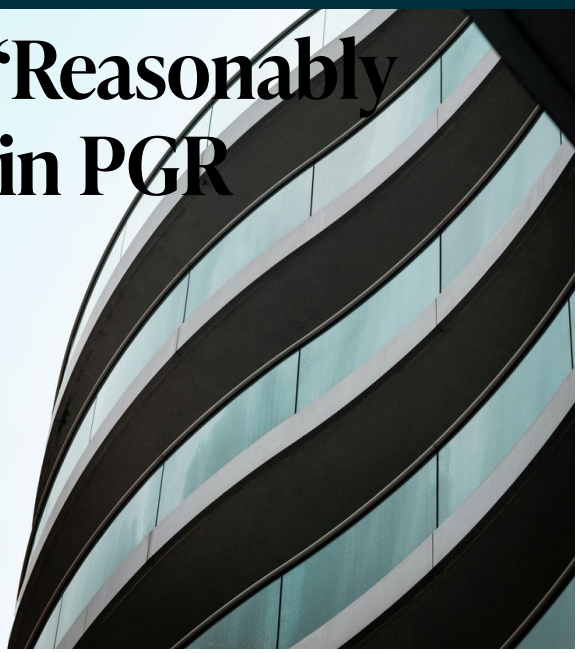
Ground Beef: What Does "Reasonably Could Have Raised" Mean in PGR Estoppel?



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On February 9, the fiery battle between grill manufacturers Traeger Pellet Grills LLC and GMG Products LLC heads to the Federal Circuit for oral argument. Appealing from a Section 337 determination, GMG has beef with the ITC's finding that post-grant review ("PGR") estoppel precluded it from relying on a prior art system (the "MAK" system) as an anticipatory reference. (Unlike in inter partes reviews ("IPRs"), anticipation in PGRs can be based on prior art devices, not just patents and printed publications.)

PGR is a rare process compared to IPR, so case law on PGR estoppel is thin. But because the IPR and PGR estoppel provisions each bar raising invalidity "on any ground that the petitioner raised or reasonably could have raised" during the proceeding, courts have imported IPR estoppel caselaw to the PGR context.

As of the ITC's determination, district courts had commonly held that a ground reasonably could have been raised if either the petitioner had actual knowledge of it or "a skilled searcher conducting a diligent search reasonably could have been expected to discover" it. *See, e.g.*, *Vaporstream, Inc. v. Snap Inc.*, No. 2:17-cv-00220-MLH (KSx), 2020 WL 136591, *23 (C.D. Cal. Jan. 13, 2020) (collecting cases). At ITC, GMG argued that although it knew about the MAK product when it filed its PGRs, it couldn't have reasonably relied on the product because it didn't know certain confidential information about how the product worked. ITC disagreed, roasting GMG

for its failure to buy or inspect the MAK product and finding that GMG hadn't diligently pursued more information about it.

After GMG filed its appeal, the Federal Circuit held that a ground reasonably could have been raised if the skilled searcher test is satisfied. *Ironburg Inventions Ltd. v. Valve Corp.*, 64 F.4th 1274, 1298 (Fed. Cir. 2023). Unlike the earlier district court opinions, however, *Ironburg* made no mention of whether the petitioner's actual knowledge could also suffice. In fact, the *Ironburg* panel noted that the skilled searcher test does not concern "what an actual researcher in fact did find." *Id.* at 1299.

Stoked by *Ironburg*, GMG now makes the tantalizing argument that ITC erred by assessing what GMG actually did (or did not do) instead of what a "skilled searcher" would have done.

So, does GMG's argument have any meat to it, or is it all smoke? Did the *Ironburg* panel mean to cut against the grain and chuck the "actual knowledge" prong? To add more fuel to the fire, a recent district court opinion quoted *Ironburg* as stating that "reasonably could have been raised" includes prior art "that a petitioner actually knew about." *Geig Tech East Bay LLC v. Lutron Elecs. Co.*, No. 18 Civ. 05290 (CM), 2023 WL 8827572, *1, *5 (S.D.N.Y. Dec. 21, 2023). One burning problem: that language doesn't actually appear anywhere in *Ironburg*.

Back in 2015, the PTAB took a stepwise approach to the issue: Once the petitioner's actual knowledge is proven, there's no need to flip to the "skilled searcher" test. *See Apotex Inc. v. Wyeth LLC*, No. IPR2015-00873, 2015 WL 5523393, *3-4 (PTAB Sept. 16, 2015). That's probably the most sensible approach. It would also mesh with the *Ironburg* opinion, which doesn't expressly reject actual knowledge.

We'll learn more when the Federal Circuit grills the patties—sorry, the *parties*—at oral argument.

> **GMG contends that it needed more information to include the MAK System in its [PGR] petition, but the record shows that GMG was not diligent . . . GMG did not even purchase and inspect a MAK Grill product.**
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