

No. 2023-1367

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

INGENICO INC.

Plaintiff / Counterclaim Defendant-Appellee,

INGENICO CORP., INGENICO GROUP S.A.,

Counterclaim Defendants-Appellees

v.

IOENGINE, LLC

Defendant / Counter-Claimant-Appellant.

Appeal from the United States District Court for the District of Delaware,
No. 1:18-cv-00826-WCB, Judge William C. Bryson.

**APPELLEES' RESPONSE TO APPELLANT'S PETITION FOR
REHEARING AND REHEARING *EN BANC***

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CERTIFICATE OF INTERESTError! Bookmark not defined.

Under Federal Circuit Rule 47.4, counsel for the Appellees, Ingenico Inc., Ingenico Corp., and Ingenico Group S.A. (collectively, Ingenico) certifies the following:

Under FCR 47.4(a)(1), the full name of every entity represented in this case by Appellee's counsel is:	Ingenico Inc.; Ingenico Corp.; Worldline IGSA (f/k/a Ingenico Group S.A.)
Under FCR 47.4(a)(2), the names of every real party in interest (if the real party named in the caption is not the real party in interest) represented by me are:	Banks and Acquirers International Holding S.A.S.
Under FCR 47.4(a)(3), all parent corporations and any publicly held companies that own 10 percent or more of the stock of the entities represented by me in this case are:	Ingenico Corp. (parent company of Ingenico Inc.); Banks and Acquirers Int'l Holding S.A.S. (parent company of Ingenico Corp.); Worldline S.A. (parent company of Worldline IGSA)
Under FCR 47.4(a)(4), the names of all law firms, partners, and associates that appeared for the entity now represented by me in the lower tribunal or are expected to appear in this court, other than those who have already entered an appearance in this Court, are:	Not applicable.

Under FCR 47.4(a)(5), other than the originating case numbers, the title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal:	<i>IOENGINE LLC v. PayPal Holdings, Inc.</i> , Civ. No. 1:18-452 (D. Del.); <i>Ingenico, Inc. v. IOENGINE, LLC</i> , No. IPR2019-00879 (PTAB); <i>Ingenico, Inc. v. IOENGINE, LLC</i> , No. IPR2019-00929 (PTAB)
Under FCR 47.4(a)(6), information regarding organizational victims in criminal cases and debtors and trustees in bankruptcy cases:	Not applicable.

Dated: August 25, 2025

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I. SUMMARY OF THE ARGUMENT

This Court’s statutory interpretation of the term “ground” as applied to *inter partes* reviews (“IPRs”) and IPR estoppel rests on sound footing and no rehearing is necessary. It is consistent with the statutory language found in 35 U.S.C. §§ 311(b) and 315(e)(2), congressional intent in crafting that language, and precedent set by this Court in previous decisions.

Appellant, IOENGINE LLC (“IOENGINE”), uses its Combined Petition for Rehearing and Rehearing *En Banc* (“Petition”) as a vehicle to rehash many of the same arguments that have now twice been rejected as incongruent with the law concerning IPR estoppel and the evidence Appellees—Ingenico Inc., Ingenico Corp., and Ingenico Group, S.A.’s (together, “Ingenico”)—presented at trial. In so doing, IOENGINE manufactures error where there is none by exaggerating the alleged impact of this Court’s interpretation of the term “ground” on future IPR proceedings and district court litigations and by misrepresenting the factual record and the District Court’s rulings below.

Importantly, reconsideration of the meaning of the term “ground” cannot change the outcome here because IOENGINE failed to meet threshold burdens in asserting IPR estoppel. IOENGINE failed to prove that Ingenico’s trial evidence was comprised of patents or printed publications that could constitute proper grounds for invalidity in an IPR proceeding. It likewise failed to prove that

Ingenico’s invalidity theories and trial evidence were merely cumulative and substantively identical to patents or printed publications that Ingenico could have asserted in IPR. These failures are fatal to IOENGINE’s IPR estoppel defense regardless of how the term “ground” is interpreted.

IOENGINE’s Petition should be denied.

II. ARGUMENT

A. This Court’s Interpretation of the Meaning of “Ground” is Correct

IPRs may be instituted “only on a ground that could be raised under section 102 or 103 *and only on the basis of prior art consisting of patents or printed publications.*” 35 U.S.C. § 311(b) (emphasis added). The only reasonable interpretation of this language is that congress intended to limit the grounds available to petitioners in IPR to those that can be brought *solely* on the basis of prior art and printed publications. *See Qualcomm Inc. v. Apple Inc. (Qualcomm II)*, 134 F.4th 1355, 1364, (Fed. Cir. 2025) (“[T]he basis of an IPR ground asserting unpatentability can only include prior art consisting of patents or printed publications.”) (cleaned up). As this Court noted in its Opinion, the plain language of § 311(b) makes clear that “Congress intentionally limited an IPR’s scope.” *Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1365-66 (Fed. Cir. 2025) (“By design, a petitioner has no opportunity to challenge that the claimed invention was known or used by others, on sale, or in public use at IPR”). IOENGINE’s interpretation would render the last

clause of § 311(b) —“and only on the basis of prior art consisting of patents or printed publications”—as superfluous language without any effect, running afoul of the surplusage canon of statutory interpretation. *See, e.g., Advocate Health Care Net. v. Stapleton*, 581 U.S. 468, 477-78 (2017) (there is a “presumption that each word Congress uses is there for a reason.... Our practice [] is to give effect, if possible, to every clause and word of a statute.”) (quoting *Williams v. Taylor*, 529 U.S. 362, 404 (2000)); ANTONIN SCALIA & BRYAN GARNER, *READING LAW: THE INTERPRETATION OF LEGAL TEXTS* 174–79 (2012) (discussing the surplusage canon of statutory interpretation).

Contrary to IOENGINE’s assertions, this Court has been clear and consistent on the grounds available to petitioners in IPR and other post-grant proceedings in its prior decisions. In *Lynk Labs, Inc. v. Samsung Elecs. Co.*, this Court considered whether a reference was both a printed publication and prior art that could be asserted in IPR. 125 F. 4th 1120, 1125-28 (Fed. Cir. 2025). In discussing the effect of the very same “patents or printed publications” language used in the 1980 Patent Act’s *inter partes* reexamination statute, this Court explained that:

The stated intent for this limitation was to allow the PTO to evaluate patents and printed materials...while excluding challenges to validity on other grounds (e.g., public uses or sales), which would remain the province of the courts.

(cleaned up) (quoting S. REP. NO. 96-617, at 2 (1980)). This Court went on to explain that the very same “patents or printed publications” language was included

in the 1999 American Inventors Protection Act (“AIPA”) and later in the IPR statute, § 311(b), with no apparent change in the congressional intent behind that language. *See id.* (“Congress again used the same phrase ‘consisting of patents and printed publications’ as was used in the 1980 Patent Act and left unchanged in the AIPA.”). This Court’s opinion in *Lynk Labs* is consistent with its previous decision in *Qualcomm Inc. v. Apple Inc. (Qualcomm I)*, where it explained that:

[O]ur understanding [is] that Congress sought to create a streamlined administrative proceeding that avoided some of the more challenging types of prior art identified in 35 U.S.C. § 102, such as commercial sales and public uses, by restricting the...basis of a ground to prior art documents.

24 F.4th 1367, 1376 (Fed. Cir. 2022). The United States Supreme Court’s view of the grounds available to be raised IPR accords with this interpretation, further evidencing consistency on this issue. *See Return Mail v. U.S. Postal Serv.*, 587 U.S. 618, 623 (2019) (“[T]he inter partes review provision permits a person other than the patent owner to petition for the review and cancellation of a patent on the grounds that the invention lacks novelty or nonobviousness **in light of patents or printed publications.**”) (emphasis added).

IOENGINE’s reliance on *California Inst. of Tech. v. Broadcom Ltd.* (“*CalTech*”) further illustrates the weakness of its Petition. IOENGINE presents this Court’s holding in *CalTech* in such a way that borders on fabrication: it asserts that this Court held that IPR estoppel applies to the “known or used” prong of § 102(a)

by pointing to language **from the district court**, not from this Court, as if this Court adopted or opined on that language. Pet. at 14. The only issue relating to IPR estoppel on appeal in *CalTech* was whether IPR estoppel applies solely to the grounds *actually* asserted in an IPR petition or to all grounds that *could have been* asserted in the IPR petition. 25 F.4th 976, 989-91 (Fed. Cir. 2022). This Court overruled *Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.* (817 F.3d 1293 (Fed. Cir. 2016)) and held that IPR estoppel applies to grounds that could have been asserted in the IPR petition but were not. 25 F.4th at 989-91. This Court never considered whether IPR estoppel applies to the “known or used” prong of § 102(a) in *CalTech* because that issue was never raised or even mentioned in any of the parties’ briefing, thus was not at issue in the appeal.

Nothing about this Court’s decision would permit patent challengers to “swap labels” or “cloak” invalidity grounds to bring disguised patent or printed publication grounds before district courts after IPR. As this Court explained in its Opinion, “patents and printed publications are evidence that support a ground..., they are not coextensive with a ground.” 136 F.4th at 1366. Invalidity grounds asserting that a patented invention was known or used by others, on sale, or in public use requires additional elements and different evidence not typically found in patents and printed publications, for example sales data that companies routinely keep as confidential or testimony concerning the nature of the prior use. As this Court explained in *Lynk*

Labs:

[evidence of] sales and public use often requires substantial discovery or fact finding into how the alleged prior-art product at issue operates, how it was formed, what it comprises, and the circumstances surrounding the alleged sale or use. Patents and printed publications, on the other hand, generally do not require such additional discovery or fact finding.

125 F.4th at 1128. Notably, IOENGINE’s Petition does not address the different elements and evidence needed to establish that a patented invention was known or used by others, on sale, or in public use compared to that required to establish anticipation and obvious. Given that these types of invalidity grounds require—and in this case included—evidence that is different from the evidence needed to establish anticipation or obviousness in view of patents and printed publications, it is hard to envision, as a practical matter, how they could be cumulative and substantively identical to any grounds that do not require any evidence of prior sales or public use.

B. IOENGINE’s Interpretation Creates Inefficiency and Procedural Unfairness

IOENGINE’s Petition imagines hyperbolic consequences of this Court’s Opinion but ignores the very real consequences of its own interpretation of § 311(b). If the language of § 311(b) was interpreted the way IOENGINE suggests—that there is no limitation on the grounds available in IPR—patent challengers and accused infringers would be forced to litigate certain grounds with incomplete evidence in

IPR, including that challenged patent claims were known or used by others, on sale, or in public use. *See id.* (unlike anticipation and obviousness grounds, invalidity grounds based on prior sales or public use “require substantial discovery or fact finding”). Indeed, as was the case for Ingenico at trial, proof that an invention was known or used by others, on sale, or in public use often *requires* evidence not found in patents or printed publications. *See id.* For example, at trial, Ingenico relied on testimony from former M-Systems employees, documents produced by M-Systems’ successor-in-interest, Western Digital, that could only be obtained through discovery in district court and are marked “Confidential – Attorneys’ Eyes Only”, and a physical DiskOnKey USB device. *See, infra* § II.C. That evidence was essential to establish Ingenico’s invalidity defenses, yet none of it could be used in an IPR.

IOENGINE’s interpretation of § 311(b) is counterproductive to Congress’ “inten[t] to remove current disincentives to current administrative processes.” *See* H. REP. NO. 112–98, 40, 48 (2011). Instead of furthering judicial economy, it would create new disincentives in that patent challengers would not be able to present critical evidence for certain grounds in IPR—including that a patented invention was known or used by others, on sale, or in public use—forcing them bring all their invalidity grounds in district court, which carries a higher burden of proof for invalidity. *Novartis AG v. Noven Pharm. Inc.*, 853 F.3d 1289, 1294 (Fed. Cir. 2017) (explaining different burdens of proof for invalidity in IPRs and district court

litigations). The obvious practical effect of IOENGINE's interpretation would be that litigants who contend that a patented invention was known or used by others, on sale, or in public use would avoid IPR entirely to negate the risk of being estopped from presenting their best evidence in district court. This is not a sensible or efficient framework for validity challenges.

C. IOENGINE's Petition is Essentially Moot Due to its Failure to Meet its Burdens of Proof on IPR Estoppel

IOENGINE, as the party seeking the benefit of IPR estoppel, bears the burden of proving that Ingenico's trial evidence consisted of patents and printed publications that could have been used in IPR. *E.g., Ironburg Inventions Ltd. v. Valve Corporation*, 64 F.4th 1274, 1298 (Fed. Cir. 2023). IOENGINE likewise bears the burden to show that Ingenico's invalidity theories and trial evidence were cumulative and substantively identical to patents or printed publications that Ingenico could have used in IPR. *Boston Sci. Corp. v. Cook Grp. Inc.*, 653 F.Supp.3d 541, 553 (S.D. Ind. 2023) (citing *Clearlamp LLC v. LKQ Corp.*, No. 12 C 2533, 2016 WL 4734389, at *8-10 (N.D. Ill. Mar. 18, 2016)). That IOENGINE bears these burdens "is consistent with the general practice that a party asserting an affirmative defense bears the burden to prove it." *Ironburg Inventions*, 64 F.4th at 1299. IOENGINE failed to meet these burdens regardless of the precise definition of "ground."

At trial, the District Court found that IOENGINE did not meet its burden to

prove that Ingenico’s trial evidence was comprised of printed publications that could be used in IPR:

IOENGINE [did] not establish[] that each of the documents on which Ingenico sought to rely was publicly available (i.e., was a printed publication) that would have been a proper ground of invalidity in an IPR proceeding.

Appx51. For example, Ingenico relied on an M-Systems presentation that disclosed a “public key infrastructure” and “ARM 7 microprocessor.” Appx11282. Ingenico also relied on financial data that evidenced sales of DiskOnKey in the U.S. as early as 2002 (Appx1118-1120) and internal M-Systems’ emails concerning the DiskOnKey and its firmware upgrader application (Appx11174). IOENGINE never argued that these were printed publications that could be used in IPR, which makes sense given that each document had to be obtained via subpoena and each were produced by Western Digital marked “Confidential – Attorneys’ Eyes Only”. Appx11282, Appx1118-1120; Appx11174, Appx52 (“IOENGINE has not argued [that Appx11282] is a printed publication.”). Other key evidence of invalidity at trial included a DiskOnKey executable file (Appx11171) and ReadMe file (Appx11177), which were not publicly available at the time Ingenico filed its IPR petitions thus were not printed publications that could be used in IPR. *See, e.g., Weber, Inc. v. Provisur Techs., Inc.*, 92 F.4th 1059, 1067 (Fed. Cir. 2024) (“The touchstone of whether a reference constitutes a printed publication is public accessibility.”). Of course, the testimony from former M-Systems employees

(Appx9695-9709, 699:20-713:9; Appx9709-9721, 713:20-725:22; Appx9723-9740, 727:4-744:21) and the DiskOnKey device itself (Appx11044-11049) could not be used in IPR. *Microchip Tech. Inc. v. Aptiv Servs. US LLC*, No. 1:17-cv-01194-JDW, 2020 WL 4335519, at *4 (D. Del. July 28, 2020) (“Section 311 [] does not estop references based on physical prior art, whether standing alone or in combination with a printed reference.”).

Ingenico’s invalidity theories and trial evidence were likewise not cumulative of or substantively identical to that which could have been raised in IPR, the second burden IOENGINE failed to meet. Appx52-53. With respect to Appx11282, the disclosed “public key infrastructure” was direct evidence that DiskOnKey device anticipated the “verification” limitations of ’969 patent claim 3 and ’703 patent claims 56 and 105. Appx52-53. The “ARM 7 microprocessor” proved that the DiskOnKey contained a processor, which all of the asserted patent claims required. *Id.* The sales figures (Appx1118-1120) provided evidence that the DiskOnKey, including all of its anticipatory features, had been on sale in the U.S. since 2002. This evidence “added substance to Ingenico’s invalidity case” and, together with the DiskOnKey, formed invalidity grounds that were “substantively different from the grounds that were raised or reasonably could have been raised by Ingenico in its petitions for IPR.” Appx51-52.

IOENGINE failed to meet its burdens to show that Ingenico’s trial evidence

in support of its invalidity theories consisted of patents and printed publications that could have been used in IPR, or otherwise that Ingenico's trial evidence in support of its invalidity theories were cumulative of evidence that could have been used in IPR. Thus, regardless of the precise definition of "ground", estoppel cannot apply to the evidence Ingenico used to prove that IOENGINE's asserted patent claims were known and used by others, on sale, and in public use.

III. CONCLUSION

For the foregoing reasons, Appellees respectfully request that this Court deny Appellant's Combined Petition for Rehearing and Rehearing *En Banc*.

Dated: August 25, 2025

Respectfully submitted,

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CERTIFICATE OF FILING AND SERVICE

I hereby certify that on August 25, 2025, I electronically filed the foregoing with the Clerk of Court for the United States Court of Appeals for the Federal Circuit by using the CM/ECF system. I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

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CERTIFICATE OF COMPLIANCE

1. This response complies with the relevant type-volume limitations of Federal Circuit Rules (“FCR”) and Federal Rules of Appellate Procedure (“FRAP”) because this brief contains 2,537 words, excluding the parts of the brief exempted by FRAP 27(d)(2), FRAP 32(f), and FCR 32(b)(2).

2. This brief complies with the typeface requirements of FRAP 32(a)(5) and the type style requirements of FRAP 32(a)(6) because it has been prepared in a proportionally spaced typeface using Microsoft Word in Times New Roman 14-point font.

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