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Federal Circuit Patent Bulletin: *Aylus Networks, Inc. v. Apple Inc.*

May 15, 2017

"[S]tatements made by a patent owner during an IPR proceeding can be relied on to support a finding of prosecution disclaimer during claim construction."

On May 11, 2017, in *Aylus Networks, Inc. v. Apple Inc.*, the U.S. Court of Appeals for the Federal Circuit (Moore, Linn, Stoll) affirmed the district court's summary judgment that Apple did not infringe U.S. Patent No. RE 44,412, which related to implementing digital home networks having a control point located on a wide area network. The Federal Circuit stated:

We must initially determine an issue of first impression for this court: whether statements made by a patent owner during an IPR proceeding can be relied on to support a finding of prosecution disclaimer during claim construction. As explained below, we hold that they can.

Prosecution disclaimer "preclud[es] patentees from recapturing through claim interpretation specific meanings disclaimed during prosecution." "[F]or prosecution disclaimer to attach, our precedent requires that the alleged disavowing actions or statements made during prosecution be both clear and unmistakable." "Thus, when the patentee unequivocally and unambiguously disavows a certain meaning to obtain a patent, the doctrine of prosecution history disclaimer narrows the meaning of the claim consistent with the scope of the claim surrendered." Such disclaimer can occur through amendment or argument. . . .

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Practice Areas

Intellectual Property

This doctrine is deeply rooted in Supreme Court precedent. As the Supreme Court has explained, "when a patentee, on the rejection of his application, inserts in his specification, in consequence, limitations and restrictions for the purpose of obtaining his patent, he cannot after he has obtained it, claim that it shall be construed as it would have been construed if such limitations and restrictions were not contained in it."

Over time, prosecution disclaimer has become "a fundamental precept in our claim construction jurisprudence," which "promotes the public notice function of the intrinsic evidence and protects the public's reliance on definitive statements made during prosecution." The doctrine is rooted in the understanding that "[c]ompetitors are entitled to rely on those representations when determining a course of lawful conduct, such as launching a new product or designing-around a patented invention." Similarly, we have explained that the prosecution history "provides evidence of how the [PTO] and the inventor understood the patent." Ultimately, the doctrine of prosecution disclaimer ensures that claims are not "construed one way in order to obtain their allowance and in a different way against accused infringers."

Though this doctrine arose in the context of pre-issuance prosecution, we have also applied the doctrine in other post-issuance proceedings before the PTO. We have, for example, applied the doctrine based on statements made during reissue proceedings, holding that "all express representations made by or on behalf of the applicant to the examiner to . . . reissue a patent . . . limit[] the interpretation of claims so as to exclude any interpretation that may have been disclaimed or disavowed during prosecution in order to obtain claim allowance."

We have also applied the doctrine based on statements made in reexamination proceedings, holding that a "patentee's statements during reexamination can be considered during claim construction, in keeping with the doctrine of prosecution disclaimer." It follows that we should apply the doctrine in IPR proceedings before the PTO. Extending the prosecution disclaimer doctrine to IPR proceedings will ensure that claims are not argued one way in order to maintain their patentability and in a different way against accused infringers. In keeping with the underlying purposes of the doctrine, this extension will "promote[] the public notice function of the intrinsic evidence and protect[] the public's reliance on definitive statements made during" IPR proceedings. . . .

Because an IPR proceeding involves reexamination of an earlier administrative grant of a patent, it follows that statements made by a patent owner during an IPR proceeding can be considered during claim construction and relied upon to support a finding of prosecution disclaimer. Of course, to invoke the doctrine of prosecution disclaimer, any such statements must "be both clear and unmistakable." We note that many district courts have addressed this issue and have likewise concluded that statements made by patent owners during an IPR can be considered for prosecution disclaimer.

Aylus next argues that its statements were not part of an IPR proceeding because they were made in a preliminary response before the Board issued its institution decision. We disagree. . . . We have said that an "IPR does not begin until it is instituted," but for the purposes of prosecution disclaimer, we find the differences between the two phases of an IPR to be a distinction without a difference. A patent owner's preliminary response filed prior to an institution decision and a patent owner's response filed after institution are both

official papers filed with the PTO and made available to the public. In both official papers, the patent owner can define claim terms and otherwise make representations about claim scope to avoid prior art for the purposes of either demonstrating that there is not a reasonable likelihood that the claims are unpatentable on the asserted grounds or demonstrating that the challenger has not shown by a preponderance of the evidence that the claims are unpatentable on the asserted grounds. Regardless of when the statements are made during the proceeding, the public is "entitled to rely on those representations when determining a course of lawful conduct, such as launching a new product or designing-around a patented invention." In conclusion, we hold that statements made by a patent owner during an IPR proceeding, whether before or after an institution decision, can be considered for claim construction and relied upon to support a finding of prosecution disclaimer.