

Axinn IP Update: Federal Circuit Confirms That Prosecution Disclaimer Is Not Binding on the Patent Office in an Ongoing PTAB Proceeding But Will Bind Future Proceedings

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ATTORNEYS

Doyle, Patrick

Sano, Jeannine

Wang, Don

PRACTICE AREAS

Intellectual Property

Jeannine Sano, Don Z. Wang, and Patrick Doyle

On November 16, 2022, the Federal Circuit issued a precedential opinion, *CUPP Computing AS v. Trend Micro Inc.*, No. 2020-2262, Op. at 10-13 (Fed. Cir. Nov. 16, 2022), holding that while a disclaimer made in an IPR proceeding is binding in later proceedings, it is not binding on the Patent Office in the ongoing IPR proceeding in which it is made. In *Aylus Networks v. Apple Inc.*, 856 F.3d 1353, 1361 (Fed. Cir. 2017), the Federal Circuit had held that statements made by a patent owner during an IPR proceeding may trigger a prosecution disclaimer. *Aylus* addressed the effect of a patent owner's statements made during a prior IPR proceeding and left open the question as to whether a patent owner may invoke such a disclaimer in an ongoing IPR proceeding to avoid an unpatentability determination. Subsequent PTAB decisions have generally rejected such attempts, reasoning that a patent owner cannot simply redefine a claim term by argument without amending the claim in an ongoing IPR proceeding. See, e.g., *Wargaming Grp. Ltd. v. Game & Tech. Co.*, IPR2017-01082, Paper 65 at 26 (PTAB Sept. 7, 2018). The Federal Circuit upheld this approach in *CUPP Computing*.

One of the disputes in the underlying *CUPP Computing* IPR proceeding centered on whether the claim term "mobile device processor different than the mobile security system processor" requires that the mobile security system processor be remote from the device. See *Trend Micro Inc. v. CUPP Computing AS*, IPR2019-00764, Paper 33 at 11 (PTAB Aug. 25, 2022). The patent owner CUPP first argued that the patentee's statements made during prosecution constitute a disclaimer that requires such a narrow construction, but the Board found the cited statements do not rise to the level of a "clear and unmistakable" disavowal. *Id.* at 14-17.

In a further attempt to obtain this narrow construction, CUPP proclaimed in its sur-reply that "to the extent, there remains any question, Patent Owner affirmatively disclaims any construction of this term that encompasses a

mobile security system processor located on the mobile device itself.” *Id.* at 24. CUPP argued that under *Aylus*, counsel statements made during an IPR proceeding are effective as a disavowal of claim scope. *Id.* The Board rejected the patent owner’s disclaimer argument, citing a 2014 opinion from the Federal Circuit in which the Federal Circuit held that “the PTO is under no obligation to accept a claim construction proffered as a prosecution history disclaimer.” See *Tempo Lighting, Inc. v. Tivoli, LLC*, 742 F.3d 973, 978 (Fed. Cir. 2014).

On appeal, the Federal Circuit agreed with the Board that a disclaimer made for the first time in an IPR proceeding is not binding in that particular IPR proceeding but will be binding in future PTO proceedings and in other courts. See *CUPP Computing*, No. 2020-2262, Op. at 11-12. Specifically, the Federal Circuit pointed out that the AIA set up a specialized process for patentees to amend their claims during an IPR, and a rule permitting a patentee to tailor its claims through argument alone would substantially undermine the IPR process by rendering the amendment process unnecessary. *Id.* The Federal Circuit reasoned that “[i]f patentees could shapeshift their claims through argument in an IPR, that would frustrate the Patent Office’s power to ‘revisit’ the claims it granted, and require focus on claims the patentee now wishes it had secured.” *Id.* at 11.

