

AYLUS NETWORKS, INC. v. APPLE INC., Appeal No. 2016-1599 (Fed. Cir. May 11, 2017).
Before Moore, Linn, and Stoll. Appealed from N.D. Cal. (Judge Chen).

Background:

Aylus owned U.S. Patent No. RE 44,412 ("the '412 patent"), directed to systems and methods for implementing digital home networks having a control point located on a wide area network. Aylus filed suit against Apple in the District Court, alleging that Apple's AirPlay feature infringed the '412 patent. In response, Apple filed two Inter-Partes Review ("IPR") petitions challenging all of the claims of the '412 patent. However, the Patent Trial and Appeal Board denied institution of the IPRs as to claims 2 and 21.

Apple filed a summary judgment motion in the District Court for non-infringement of claims 2 and 21. The District Court granted the motion based on a narrow construction of the claim language. This construction was partially based on statements Aylus had made in its preliminary responses to Apple's petitions to initiate the IPR proceedings, which were deemed to create prosecution history estoppel. Aylus appealed.

Issues/Holdings:

Did the District Court err in holding that statements made in an IPR proceeding created prosecution history estoppel? No, affirmed.

Discussion:

The Federal Circuit held that statements made in an IPR proceeding can create prosecution history estoppel. The Federal Circuit first acknowledged that the doctrine of prosecution history estoppel originally applied to pre-issuance proceedings. However, they noted that it had been applied to post-issuance proceedings such as reissues and reexaminations. Based on that reasoning, the Federal Circuit held that the fact that IPRs are post-issuance proceedings should not preclude the application of prosecution history estoppel.

Aylus next argued that prosecution history estoppel should not arise in IPRs because they are judicial rather than administrative in nature. The Federal Circuit disagreed with this argument, noting the many procedural similarities between IPRs and reexaminations.

The Federal Circuit concluded by noting that the purpose of prosecution history estoppel is to prevent a patentee from arguing that claims have a first meaning to maintain patentability, and arguing they have a second meaning for enforcement against infringers. The Federal Circuit noted that in this case, the statements made by Aylus in the IPR proceedings concerning the scope of claims 2 and 21 had prevented the IPR proceedings of those claims from going forward. Thus, Aylus should be bound to those statements concerning the scope of the claims.