

Fed. Circ. Conveys Breadth Of IPR Claim Amendment Process

By **Paul Stewart** (December 22, 2022)

The U.S. Court of Appeals for the Federal Circuit has recently issued two decisions regarding patent owners' efforts to change claim scope during inter partes review proceedings that should be of interest to patent practitioners.

Together, the cases make clear that patentees are given wide latitude to propose amendments to their claims during an IPR proceeding, but that the amendment procedure is the exclusive means of changing claim scope.



Paul Stewart

First, take the Nov. 14 American National Manufacturing Inc. v. Sleep Number Corp. decision. In this case, American National commenced IPRs against two Sleep Number patents relating to air mattresses that allow for rapid and accurate pressure adjustment.

The Patent Trial and Appeal Board determined that the independent claims were unpatentable, but that certain dependent claims requiring a limitation known as the "multiplicative pressure adjustment factor" were patentable.

In both proceedings, Sleep Number filed a motion to amend contingent on a finding that the challenged claims were unpatentable. Each of the proposed claims added the multiplicative pressure adjustment factor limitation.

The proposed amended claims also included additional changes which the Federal Circuit described as "non-substantive," and which were made to bring about "consistency with terms used in the industry and in related patents." As one example, Sleep Number proposed changing the claim term "chamber" to "bladder."

American National challenged the amendments because they included subject matter that was not directed to the grounds of unpatentability at issue in the proceedings.

The board rejected the challenge, finding that an amendment that addresses the substantive ground of unpatentability is proper even if the amendment also addresses other matters. Accordingly, the board found the amendments to be proper, and also found the amended claims to be patentable.

American National appealed and the Federal Circuit affirmed.

Whether claim amendments in IPR proceedings may include matter not directed to an unpatentability ground was an issue of first impression before the Federal Circuit.

The court's starting point was a U.S. Patent and Trademark Office regulation, Title 37 of the Code of Federal Regulation, Section 42.121, which declares that "[a] motion to amend may be denied where ... [t]he amendment does not respond to a ground of unpatentability involved in the trial."

In construing this regulation, the Federal Circuit relied heavily upon the 2019 board decision in Lectrosonics Inc. v. Zaxcom Inc., which the Federal Circuit described as having a

"thoughtful analysis of this issue."

In *Lectrosonics*, the board held that the regulation "does not require that every word added to or removed from a claim in a motion to amend be solely for the purpose of overcoming an instituted ground." Instead, the *Lectrosonics* opinion explained, "once a proposed claim includes amendments to address a prior art ground in the trial, a patent owner also may include additional limitations to address potential § 101 or § 112 issues."

The Federal Circuit agreed and adopted the *Lectrosonics* holding as its own. In doing so, the court rejected American National's argument that this holding improperly allows patent owners to address concerns that are proper only in reexamination, not IPRs.

American National argued that it would be "asymmetrical" and "unfair" to allow a patent owner to address Section 112 issues in an IPR because a petitioner cannot challenge claims under Section 112 in an IPR. The Federal Circuit explained, however, that petitioners are free to challenge proposed amended claims under Section 112.

Indeed, American National did so in this very case. Accordingly, the Federal Circuit squarely rejected this argument.

Thus, under the American National decision, amendments to claims in an IPR need not be directed entirely to an unpatentability ground. As long as the amendment is directed in part to an unpatentability ground, other amendments to the same claims to address other issues are appropriate. In other words, once the door to amendments is open, it is open completely.

The second recent IPR decision of note is the Federal Circuit's Nov. 18 *Cupp Computing AS v. Trend Micro Inc.* decision. In this case Trend Micro instituted three IPR proceedings against Cupp, challenging three of Cupp's patents as obvious.

All three patents related to a mobile security system for protecting cellphones and other mobile devices from malicious attacks. The challenged claims required a "mobile device having a mobile device processor different than the mobile security processor."

During the IPRs, Cupp sought to construe the phrase "different than" to mean "remote from," so that the mobile device processor was required to be remote from the mobile security processor. Cupp even submitted a disclaimer of claim scope, purporting to limit its claims to the "remote from" language.

But the board held the disclaimer to be ineffective and construed "different than" in accordance with its plain and ordinary meaning. Accordingly, the board found all claims to be unpatentable as obvious.

On appeal, the Federal Circuit affirmed, explaining that a "rule permitting a patentee to tailor its claims in an IPR through argument alone would substantially undermine the IPR process."

The court continued, saying:

Congress designed inter partes review to give the Patent Office significant power to revisit and revise earlier patent grants, thus protecting the public's paramount interest in seeing that patent monopolies are kept within their legitimate scope ... If patentees could shapeshift their claims through argument in an IPR, they 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.

Perhaps more importantly, the Federal Circuit emphasized that "Congress created a specialized process for patentees to amend their claims in an IPR." Through this process, Congress provided accused infringers with intervening rights so that amended claims have only prospective effect.

Allowing patentees to amend their claims in IPRs through disclaimers would completely undermine the statutory scheme and effectively allow retrospective amendments. Accordingly, the Federal Circuit squarely held that "Disclaimers in an IPR proceeding are not binding in the proceeding in which they are made."

The Federal Circuit confirmed, however, that disclaiming arguments made during an IPR are binding in subsequent proceedings, such as district court litigation.

Thus, as with arguments made during original examination or reexamination, a patentee's arguments during IPRs may limit the scope of the claims when the patent is enforced. But the patentee cannot evade the IPR amendment process by attempting to create a disclaimer that is binding during the IPR itself.

Together, American National and Cupp make clear that the amendment process is the only way to narrow claims during an IPR; but this process allows patentees to address a broad range of issues, including Section 112 issues, provided that the amendments are directed at least in part to unpatentability grounds raised in the IPR.

Paul Stewart is a partner at Knobbe Martens.

The opinions expressed are those of the author(s) and do not necessarily reflect the views of their employer, its clients, or Portfolio Media Inc., or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.