# Anything You Say may be Used Against You in a Court of Law

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PRACTICES Patents, Patent Prosecution and Counseling, Intellectual Property

For patent practitioners, prosecution disclaimer is an often forgotten patent law principle that can find its way back into the formalistic claim construction adhered to in many Federal Circuit decisions. In some cases, patentees may disclaim more than is necessary to overcome cited art during prosecution. That was exactly the case in *Technology Properties Ltd. v. Huawei Tech, et al.* (Case Numbers 2016-1306, 2016-1307, 2016-1309, 2016-1310, and 2016-1311, Fed. Cir. March 3, 2017) ("Tech. Prop. Ltd."), where a patentee's remarks during prosecution ultimately led to narrowing limitations being read into the issued claims.

In *Tech. Prop. Ltd.,* Technology Properties Limited LLC, Phoenix Digital Solutions LLC, and Patriot Scientific Corp. ("Technology Properties") asserting U.S. Patent No. 5,809,336 ("'336 patent") against several defendants, including Huawei Technologies Co., Samsung Electronics Co., Nintendo Co., and LG Electronics, Inc. ("Appellees"). The '336 patent is directed to decoupling a variable frequency system clock connected to a CPU from a fixed frequency clock connected to an I/O system interface. By decoupling the fixed and variable frequency clocks, the patent purports to provide improvements to the microprocessor by disposing the variable frequency system clock, in the form of a ring oscillator, on the same substrate as the CPU, allowing the variable frequency system clock and the CPU to react similarly to external factors (e.g., temperature, voltage, etc.) and provide the maximum possible processing speeds. During a *Markman* hearing at the District Court level, several statements made by the patentees during prosecution were introduced. The portions of representative claim 6 at issue, as well as some of the exemplary prosecution statements, are reproduced below.

A microprocessor system comprising: …*an entire oscillator* disposed upon said integrated circuit substrate and connected to said central processing unit … (Claim 6, Emphasis added).

During prosecution, when arguing the patentability of the claims in the application over U.S. Patent No. 4,503,500 to Magar ("Magar"), the patentee made the following statements:

> [C]rystal oscillators have never, to Applicant's knowledge, been fabricated on a single silicon substrate with a CPU, for instance. Even if they were, as previously mentioned, crystals are by design fixed-frequency devices whose oscillation frequency is designed to be tightly controlled and to vary minimally due to variations in manufacturing, operating voltage and temperature. The oscillation frequency of a crystal on the same substrate with the microprocessor would inherently not vary due to variations in manufacturing, operating voltage and temperature in the same way as the frequency capability of the microprocessor on the same underlying substrate, as claimed. *Tech. Prop. Ltd.* at 8-9.

Additionally, when attempting to differentiate the claims in the application from U.S. Patent No. 4,670,837 to Sheets ("Sheets"), the patentee stated:

> Even if the Examiner is correct that the variable clock in Sheets is in the same integrated circuit as the microprocessor of system 100, that still does not give [sic] the claimed subject matter. In Sheets, a command input is required to change the clock speed. In the present invention, the clock speed varies correspondingly to variations in operating parameters of the electronic devices of the microprocessor because both the variable speed clock and the microprocessor are fabricated together in the same integrated circuit. No command input is necessary to change the clock frequency. *Tech. Prop. Ltd.* at 11.

These statements were interpreted by the District Court in a manner that provided for a construction of the claims that resulted in the parties stipulating to non-infringement. *Tech. Prop. Ltd.* at 3. The District Court construed "an entire oscillator disposed upon said integrated circuit substrate and connected to said central processing unit" to require "an oscillator located entirely on the same semiconductor substrate as the central processing unit that does not require a control signal and whose frequency is not fixed by any external crystal." *Id*. at 6. While the parties agreed to the first portion of the construction, the parties disputed the second portion, "that does not require a control signal and whose frequency is not fixed by any external crystal." *Id*.

The Federal Circuit broke up this construction into two separate prosecution disclaimer issues. First, the District Court construed the "entire oscillator" to require one "whose frequency is not fixed by any external crystal" based on the prosecution statements made while arguing that the claims were patentable over the Magar reference. *Tech. Prop. Ltd.* at 13. In litigation, the patent owner attempted to argue that the statements made during prosecution were not necessary to overcome the Magar reference and, rather, it was only necessary to argue that Magar required an off-chip crystal oscillator while claim 6 "generates the CPU clock signal on-chip." *Id.* The Federal Circuit was not swayed by this argument, stating that "the scope of surrender is not limited to what is absolutely necessary to avoid a prior art reference; *patentees may surrender more than necessary*… When this happens, we hold patentees to the actual arguments made, not the arguments that could have been made." (Emphasis added). *Id*. at 15.

However, the Federal Circuit also found that the District Court erred in a portion of their claim construction. *Tech. Prop. Ltd.* at 15. During the *Markman* hearing District Court originally construed the patentee's disclaimer statements, when arguing over Sheets, to require an "entire oscillator" "that does not require a control signal." The Federal Circuit instead reviewed the disclaimer statements made by the patentee and concluded that proper construction required that the proper construction is instead, "entire oscillator… that does not require a command input *to change the clock frequency*." (Emphasis added). *Id.* In order to support this construction, the Federal Circuit reviewed the entire statements made by the patentee when arguing over the Sheets reference, as well as the context that such statements were made during prosecution, and found the patentee only disclaimed use of the control signal "to change to clock frequency." *Id.* at 16. Thus, the Federal Circuit vacated the District Court's claim construction and remanded for further proceedings consistent with the Federal Circuits construction. *Id.* at 16-17.

**Statements that Give Rise to Prosecution Disclaimer**

The basic tenants of claim construction, and the evidentiary sources used during claim construction, are described and clarified in *Phillips v. AWH Corp.*, which sets precedent for a flexible approach to construing claims during litigation. These basic canons tell us that words in a claim are generally given their "ordinary and customary meaning" and, as such, the meaning of the claim terms is not otherwise limited where the claim language is obvious "even to lay judges." *Phillips* at 1313-1314.

However, unlike the flexible approach provided by *Phillips* to claim construction, prosecution disclaimer may limit the meaning of claim terms based on evidence extrinsic to the patent claims, such as that found in the prosecution history when statements made in the prosecution history are "clear and unmistakable." *Tech. Properties Ltd.* at 12 citing *Elbex Video, Ltd. v. Sensormatic Electronics. Corp.,* 508 F.3d 1366, 1371 (Fed. Cir. 2007) (*see also Omega Engineering, Inc. v. Raytek Corp.,* 334 F.3d 1314, 1325–26 (Fed. Cir. 2003) and *Standard Oil Co. v. American Cyanamid Co.*, 774 F. 2d 448, 452-453 (Fed. Cir. 1985)). The Federal Circuit has stated that "[i]f the challenged statements are ambiguous or amendable to multiple reasonable interpretations, prosecution disclaimer is not established." *Tech. Properties Ltd.* at 12.

The patentee in *Tech. Prop. Ltd.* attempted to argue that Magar required an "off-chip crystal oscillator, while claim 6 of the '336 patent generates the CPU clock signal on-chip." *Tech. Prop. Ltd.* at 13. They then went on to argue that proper interpretation of the references, and corresponding prosecution disclaimer, was that the Magar reference required a clock signal generated off-chip, while the "entire oscillator" at issue instead generates the clock signal on-chip and is not limited to having a frequency that is "not fixed by any external crystal." The Federal Circuit responded that, while that argument "may have been sufficient to traverse the Magar rejection and avoid a narrower construction," the arguments made by patentee on appeal were not the same as those made during prosecution. *Id.*

The Federal Circuit found the repeated arguments that the "entire oscillator" was not fixed-frequency, including the argument that "[t]he Magar microprocessor in no way contemplates a variable speed clock as claimed," and that the Magar crystal clock rate "is at a fixed, not a variable, frequency," were sufficient to properly exclude a "fixed-frequency crystal oscillator." *Tech. Prop. Ltd.* at 14. Similarly, further arguments that the "entire oscillator" did not require an external crystal, such as the argument that "Magar's clock generator relies on an external crystal… to oscillate," and that the claimed invention was novel because "it oscillates without external components (unlike the Magar reference)," were sufficient to exclude an external crystal from fixing the frequency of the "entire oscillator." *Id.* Thus, the Federal Circuit found that, although the arguments presented by the patentee on appeal may have had merit in overcoming the Magar reference during prosecution, "the patentee likely disclaimed more than was necessary to overcome the examiner's rejection" during that prosecution. The Federal Circuit framed the controlling question as "what a person of ordinary skill would understand the patentee to have disclaimed during prosecution, not what a person of ordinary skill would think the patentee needed to disclaim during prosecution." *Id.* at 15.

The second portion of the Federal Circuit's decision is also noteworthy for the rigid test that was applied when determining the scope of prosecution disclaimer. The Federal Circuit went out of its way to note that the District Court erred in its claim construction by not considering the totality of the arguments made by the patentee during prosecution. *Tech. Prop. Ltd.* at 15. For example, the Federal Circuit cited the patentee's arguments that no "command signal" was used "to change the clock speed," and "[n]o command input is necessary to *change the clock frequency.*" *Id.* at 15-16. The Federal Circuit felt that, because every mention of a control signal or command input was "only in the context of using a command input to modify the frequency of the CPU clock," the patentee had only disclaimed a particular use of the control signal, and a proper interpretation required that the "entire oscillator" "does not require a command input to change the clock frequency." *Id.* at 16.

At the outset, it is noteworthy (but not surprising) that the prosecution history was used to read additional limitations into the claims in this case. Where arguments of this nature are made during prosecution, the patentee runs a gamble of how the claims will be construed during litigation. During prosecution, if these types of arguments are necessary to convince the Examiner of the novelty of the invention, patent applicants should be conscious of how these types of arguments

may affect and limit the claims. If a potential risk such as this presents itself, reconsideration of the applicant's strategy, amendments, and arguments may be appropriate.

An alternative approach may include avoiding such strong, characterizing arguments of this nature, and instead letting the claim language speak for itself. Additionally, other strategic considerations may be given to alternative prosecution strategies, including Examiner interviews and other Examiner-applicant discourse. Of course, for patent practitioners, persuasive prose and shorter file histories are goals that are often at odds with each other.