

SUPREME COURT RULES ON KEY PATENT INFRINGEMENT DOCTRINE

by

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On May 28, 2002, the Supreme Court vacated and remanded the U.S. Court of Appeals for the Federal Circuit's ("CAFC") decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2001), *cert. granted*, 533 U.S. 915. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 122 S. Ct. 1831 (2002). This much awaited decision revives the nearly lost doctrine of equivalents and has the patent bar breathing a collective sigh of relief. While the Supreme Court agreed with the CAFC's clarifications regarding what may constitute a narrowing amendment for purposes of triggering prosecution estoppel, the CAFC's choice of complete bar to equivalents for such amendments was not well received. The Supreme Court has returned the approach to the doctrine of equivalents to the status quo, resuscitating the flexible bar, and adding, arguably, a new twist of its own.

The CAFC's Decision. In the underlying decision, the CAFC held that all amendments made for reasons substantially related to patentability constitute prosecution history estoppel. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558, 566 (Fed. Cir. 2000), *cert. granted*, 533 U.S. 915 (2001). Prior to the CAFC's decision, it was unclear whether or not claim amendments made for reasons not directly related to overcoming prior art rejections, could create prosecution history estoppel. Such non-prior art rejections may include, *inter alia*, amendments made in response to rejections under 35 U.S.C. §112 and voluntary amendments. The CAFC held that all amendments are presumed to be related to patentability, unless there is some other evidence rebutting this presumption in the prosecution history. All ambiguities are to be decided in favor of the public, i.e., are presumed to create estoppel, since the public has only the written prosecution record to rely on in making decisions regarding how to avoid infringement of the patented claims.

Even more far reaching, was the CAFC's bright-line holding that in such instances where an amendment creates estoppel, the estoppel constitutes a complete bar, wherein the amended claim element is entitled to no protection whatsoever under the doctrine of equivalents. *Id.* at 576.

The Supreme Court's Decision. The Supreme Court held that prosecution history estoppel may apply to any claim amendment made to satisfy the Patent Act's requirements, not just to amendments made to avoid the prior art, but estoppel need not bar suit against every equivalent to the amended claim element.

The Supreme Court affirmed the CAFC's decision with regard to the possibility of creating prosecution history estoppel through any and all amendments related to patentability. More particularly, the Supreme Court held:

[w]e agree with the Court of Appeals that a narrowing amendment made to satisfy any requirement of the Patent Act may give rise to an estoppel. As that court explained, a number of statutory requirements must be satisfied before a patent can issue. The claimed subject matter must be useful, novel, and not obvious. 35 U.S.C. §§ 101-103 (1994 ed. and Supp. V). In addition, the patent application must describe, enable, and set forth the best mode of carrying out the invention. § 112 (1994 ed.). These latter requirements must be satisfied before issuance of the patent, for exclusive patent rights are given in exchange for disclosing the invention to the public. See *Bonito Boats*, 489 U.S., at 150-151, 109 S. Ct. 971.

Festo, 122 S. Ct. at 1839. The Court continued its reasoning stating, “[e]stoppel arises when an amendment is made to secure a patent and the amendment narrows the patent’s scope.” *Id.* at 1840.

Having made this clear, the Supreme Court disagreed with the CAFC’s complete bar to the application of the doctrine of equivalents to amended claim elements. Instead, the Supreme Court re-fashioned the post-*Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997) flexible bar, holding:

[j]ust as *Warner-Jenkinson* held that the patentee bears the burden of proving that an amendment was not made for a reason that would give rise to estoppel, we hold here that the patentee should bear the burden of showing that the amendment does not surrender the particular equivalent in question. This is the approach advocated by the United States, see Brief for United States as *Amicus Curiae* 22-28, and we regard it to be sound. The patentee, as the author of the claim language, may be expected to draft claims encompassing readily known equivalents. A patentee’s decision to narrow his claims through amendment may be presumed to be a general disclaimer of the territory between the original claim and the amended claim. *Exhibit Supply*, 315 U.S., at 136-137, 62 S. Ct. 513 (“By the amendment [the patentee] recognized and emphasized the difference between the two phrases and proclaimed his abandonment of all that is embraced in that difference”).

Id. at 1842. This flexible bar does not foreclose application of the doctrine of equivalents in the wake of a narrowing amendment made for patentability purposes. Where the equivalents were “unforeseeable at the time of the amendment and beyond a fair interpretation of what was surrendered,” or where the claim element has “only a peripheral relation to the reason the amendment was submitted,” the presumption that prosecution history estoppel bars a finding of equivalence may be rebutted. *Id.* As the Court was careful to point out,

[t]his presumption is not, then, just the complete bar by another name. Rather, it reflects the fact that the interpretation of the patent must begin with its literal claims, and the prosecution history is relevant to construing those claims. When the patentee has chosen to narrow a claim, courts may presume the amended text was composed with awareness of this rule and

that the territory surrendered is not an equivalent of the territory claimed. In those instances, however, the patentee still might rebut the presumption that estoppel bars a claim of equivalence. The patentee must show that at the time of the amendment one skilled in the art could not reasonably be expected to have drafted a claim that would have literally encompassed the alleged equivalent.

Id. It appears that the Supreme Court has fashioned a new and improved flexible bar. A patentee is barred by prosecution history estoppel from reclaiming equivalents that equate to the subject matter lying between the original claim and the amended claim, with the exception of those equivalents that were not foreseeable at the time of the amendment to "one skilled in the art." *Id.*

Going Forward in Practice. The Supreme Court has in essence returned the doctrine of equivalents to the status quo and added what appears to be a pro-patentee twist. Although claim amendments are (1) presumed to be have been made for reasons related to patentability, and consequently (2) the amended claim elements are presumed to be limited by prosecution history estoppel to less than a full range of equivalents, these presumptions are rebuttable. Further, even claim elements subject to prosecution history estoppel are not precluded from covering, via the doctrine of equivalents, a range of unforeseeable equivalents.

Determining this unforeseeable range of equivalents is not as easy as the Supreme Court would have patent practitioners believe. Once again, the test for ascertaining the acceptable range of equivalents is not entirely clear and, as was the case after the Supreme Court's decision in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997), the burden falls on the District Courts, and ultimately the CAFC, to determine the flexible bar parameters. Obviously the apparent return of the doctrine of equivalents to the status quo should allow patent drafters to feel more comfortable making amendments during prosecution. For patent litigators, the unforeseeability prong appears to offer a sliver of hope to patent holders who, even under the flexible bar, would have been barred by prosecution history estoppel. Further, while the unforeseeability prong is an obvious addition to the patent holder's arsenal, the Supreme Court has opened the door to a potentially new argument for rebutting the presumption — that the claim element for which the patent holder seeks a range of equivalents was only peripherally related to the amendment(s) made during prosecution. The Supreme Court even discusses the presumption being rebutted by "some other reasons suggesting the patentee could not reasonably be expected to have described the insubstantial substitute in question." *Festo*, 122 S. Ct. at 1842.

Setting the Record Straight. The importance and seriousness of the Court's decision in *Festo* cannot be overstated. In the month since their decision, the Supreme Court has granted *certiorari* and vacated and remanded nine CAFC cases decided prior to the Supreme Court's *Festo* decision.¹ The

¹*Pioneer Magnetics, Inc. v. Micro Linear Corp.*, 238 F.3d 1341 (Fed. Cir. 2001); *Senior Techs., Inc. v. R.F. Techs., Inc.*, 2001 WL 392091 (Fed. Cir. March 12, 2001); *Insituform Techs., Inc. v. CAT Contr., Inc.*, 58 U.S.P.Q.2d 1392 (Fed. Cir. 2001); *Mycogen Plant Sci., Inc. v. Monsanto Co.*, 252 F.3d 1306 (Fed. Cir. 2001); *Creo Prods. Inc. v. Dainippon Screen Mfg. Co.*, 2001 WL 506626 (Fed. Cir. May 14, 2001); *Semitool, Inc. v. Novellus Sys., Inc.*, 2001 WL 638452 (Fed. Cir. June 8, 2001); *Lockheed Martin Corp. v. Space Sys./Loral, Inc.*, 249 F.3d 1314 (Fed. Cir. 2001); *AccuScan, Inc. v. Xerox Corp.*, 2001 WL 599700 (Fed. Cir. May 31, 2001); *Pall Corp. v. PTI Techs. Inc.*, 259 F.3d 1383 (Fed. Cir. 2001).

cases, each involving the application of the doctrine of equivalents after the underlying *en banc* decision by the CAFC, are remanded to the CAFC for reconsideration in light of the Court's *Festo* decision. While this does not necessarily mean that the ultimate result will differ from the original CAFC holdings, the Supreme Court is not taking any chances. The Supreme Court is aware of the profound affect that the application of the CAFC's complete bar may have had on recent cases and has chosen to set the record straight. This of course begs the question, what about those cases decided through the application of the CAFC's complete bar that were denied *certiorari* prior to the *Festo* decision? Fortunately, no such cases appear to exist.

More interestingly, how will the *Festo* decision affect the original result in the case at issue? Although the Supreme Court leaves the ultimate decision to the courts below, they offer the following comment:

On the record before us, we cannot say petitioner has rebutted the presumptions that estoppel applies and that the equivalents at issue have been surrendered. Petitioner concedes that the limitations at issue—the sealing rings and the composition of the sleeve—were made in response to a rejection for reasons under § 112, if not also because of the prior art references. *As the amendments were made for a reason relating to patentability, the question is not whether estoppel applies but what territory the amendments surrendered.* While estoppel does not effect a complete bar, the question remains whether petitioner can demonstrate that the narrowing amendments did not surrender the particular equivalents at issue. *On these questions, respondents may well prevail, for the sealing rings and the composition of the sleeve both were noted expressly in the prosecution history.* These matters, however, should be determined in the first instance by further proceedings in the Court of Appeals or the District Court.

Festo, 122 S. Ct. at 1842 (emphasis added). Nonetheless, it is not for the Supreme Court to decide the outcome of the underlying case. All eyes will now turn to the lower courts, and particularly the CAFC, for guidance in interpreting and applying the Supreme Court's resuscitated flexible bar.