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Keeping the Bar High:

The Doctrine of Equivalents in the Aftermath of the Supreme Court's *Festo* Decision

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BY KEVIN P.B. JOHNSON* AND BARAK D. JOLISH**

I. INTRODUCTION

¶1 The most striking aspect of the Supreme Court's opinion in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*¹ ("*Festo I*") is its rebuke of the Federal Circuit's assertion of broad policy-making power to shape patent law. Specifically, the Justices rejected the reasoning that, despite contrary precedent, the public's interest in "certainty as to the scope of patent protection" justifies an "absolute bar" to the doctrine of equivalents whenever a patentee has narrowed a claim so as to comply with the Patent Act.²

¶2 From a client's perspective, however, questions regarding the bounds of the Federal Circuit's authority are secondary to *Festo I*'s immediate impact on the value and strength of the client's patent portfolio. To this end, it is important to emphasize that, by creating a *rebuttable presumption* that the doctrine of equivalents is unavailable for narrowed claims, the Supreme Court has set the bar nearly as high as the Federal Circuit decision it vacated.

¶3 This article will focus on the latter impact of *Festo II*, with an emphasis on how outstanding questions regarding the rebuttable presumption impact the scope of patent protection. Included in this discussion are citations to several early cases that attempt to apply *Festo II* in the context of summary judgment. Finally, this article will briefly touch on strategies for avoiding the imposition of *Festo II* in the first place.

II. THE *FESTO* DECISIONS

A. *The Federal Circuit's Festo I Decision*

¶4 The primary focus of both *Festo II* and the Federal Circuit's *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*³ ("*Festo I*") decision is the doctrine of equivalents and the related law of prosecution history estoppel. The doctrine of equivalents allows a patentee to recover against an accused product that does not literally infringe on a patent's claim, but whose differences from the claim are "insubstantial."⁴ A difference is insubstantial if an element of the accused product performs substantially the same function in substantially the same way to obtain substantially the same result as the corresponding limitation in the claimed invention.⁵

¶15 Prosecution history estoppel serves as a limit on the doctrine of equivalents.⁶ Specifically, it prevents a patentee from asserting equivalence over subject matter surrendered during prosecution, at least if the patentee made such amendments for reasons related to patentability.⁷

¶16 Prior to *Festo I*, it was unclear whether only amendments made to overcome prior art triggered prosecution history estoppel, or whether estoppel could also result from amendments made to comply with 35 U.S.C. § 112's enablement requirement. Also unclear was the remaining range of equivalents available for narrowed patent claims.⁸ Specifically, while some courts applied a "complete bar" — permitting no range of equivalents — others applied a "flexible bar" which allowed some equivalents to survive.⁹ In the latter context, "[t]he patentee would draw the line just at or slightly short of the prior art, leaving a wide range of equivalents untouched by prosecution history estoppel. The accused infringer, however, would draw the line closer to the literal terms of the claims, leaving little or no range of equivalents."¹⁰

¶17 In *Festo I*, the Federal Circuit attempted to resolve these uncertainties. With respect to the types of amendments triggering estoppel, the court held that "a narrowing amendment made for any reason related to the statutory requirements for a patent will give rise to prosecution history estoppel with respect to the amended claim element."¹¹ With respect to the scope of equivalents available for narrowed patent claims, the court adopted the more stringent "complete bar" approach.¹²

¶18 The primary basis for the Federal Circuit's reasoning was the need to provide the public with clear notice as to the scope of patent claims.¹³ The court noted that, during its "nearly twenty years of experience in performing [its] role as the sole court of appeals for patent matters...., the notice function of patent claims has become paramount, and the need for certainty as to the scope of patent protection has been emphasized."¹⁴ The complete bar approach, it held, would enable all parties to ascertain "the true scope and value of the patent without having to resort to litigation" to determine the subject matter surrendered during patent prosecution.¹⁵

B. The Supreme Court's Festo II Decision

¶19 The Supreme Court had little difficulty affirming the Federal Circuit's ruling that any amendment may give rise to prosecution history estoppel. The Court held that "[i]f a § 112 amendment is truly cosmetic, then it would not narrow the patent's scope or raise an estoppel. On the other hand, if a § 112 amendment is necessary and narrows the patent's scope — even if only for purpose of better description — estoppel may apply."¹⁶

¶10 In contrast, the Justices soundly rejected the Federal Circuit's holding that "the need for certainty as to the scope of patent protection" justifies the establishment of a complete bar to the doctrine of equivalents where a claim has been amended during prosecution.¹⁷ First, the Court found the complete bar to be

inconsistent with the purpose of applying the [prosecution history] estoppel in the first place — to hold the inventor to the representations made during the application process and to the inferences that may reasonably be drawn from the amendment. By amending the application, the inventor is deemed to concede that the patent does not extend as far as the original claim. It does not follow, however, that the amended claim becomes so perfect in its description that no one could devise an equivalent. After amendment, as before, language remains an imperfect fit for invention. The narrowing amendment may demonstrate what the claim is not; but it may still fail to capture precisely what the claim is.¹⁸

¶11 Second, the Justices found the Federal Circuit's complete bar inconsistent with Supreme Court precedent.

While this Court has not weighed the merits of the complete bar against the flexible bar in its prior cases, we have consistently applied the doctrine in a flexible way, not a rigid one. We have considered what equivalents were surrendered during the prosecution of the patent, rather than imposing a complete bar that resorts to the very literalism the equivalents rule is designed to overcome.¹⁹

¶12 Finally, the Supreme Court found the Federal Circuit's attempt at policy-making improper and insufficiently respectful of "the real practice before the PTO."²⁰

The Court of Appeals ignored the guidance of *Warner-Jenkinson*, which instructed that courts must be cautious before adopting changes that disrupt the settled expectations of the inventing community. In that case we made it clear that the doctrine of equivalents and the rule of prosecution history estoppel are settled law. The responsibility for changing them rests with Congress. Fundamental alterations in these rules risk destroying the legitimate expectations of inventors in their property.²¹

¶13 In place of the complete bar, the Supreme Court reiterated its finding in *Warner-Jenkinson* that "the patentee should bear the burden of showing that the amendment does not surrender the particular equivalent in question."²² To this end, a patent holder may rebut the presumption of prosecution history estoppel by showing:

- 1) that the equivalent was "unforeseeable at the time of the application;"²³
- 2) that "the rationale underlying the amendment [bore] no more than a tangential relation to the equivalent in question;"²⁴ or
- 3) "some other reason suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question."²⁵

III. THE DOCTRINE OF EQUIVALENTS IN LIGHT OF *FESTO II*

A. *Application of the Rebuttable Presumption*

¶14 It will likely be years before case law brings clarity to the issues raised by *Festo II*. The following questions have emerged thus far.

1. *The Foreseeability Factor*

¶15 Of the three rebuttable presumption factors, foreseeability is perhaps the most difficult to apply. First, there is the matter of the Supreme Court's inconsistent language. In articulating the factors that may rebut the presumption of estoppel, the Court states that the equivalent must have been unforeseeable "at the time of the *application*."²⁶ Only a few lines later, however, it writes that "[t]he 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."²⁷ This discrepancy is significant because the time between filing an application and its amendments often exceeds a year, during which much can change, especially in rapidly-developing fields such as biotechnology.

¶16 Given that general patent law principles hold that the filing date is the date for construing claim language, it would seem more logical to use the "time of application" to assess foreseeability. Thus far, however, many of the early published decisions interpreting *Festo II* have applied the "at the time of the amendment" standard.²⁸

¶17 There is also uncertainty as to the application of *Festo II* foreseeability within the larger framework of patent law – especially as *Festo II* appears to create incentives that are contrary to established principles. For instance, the fact that a foreseeable variation of an amended claim is not subject to equivalents protection may well encourage a competitor to create a product having such a foreseeable (and trivial) variation. A competitor's *innovative* variation, on the other hand, is more likely to be deemed unforeseeable, and thus subject to the doctrine of equivalents. In essence, the incentive is to copy, rather than to innovate. This is in stark contrast to the well-established line of precedent stemming from *Graver Tank & Mfg. Co. v. Linde Air Products*,²⁹ which put the public on notice that foreseeable (and trivial) variations to patent claims were subject to the doctrine of equivalents. To avoid this doctrine, a competitor was required to introduce innovative and non-trivial improvements.

2. *The Tangential Relation Factor*

¶18 Ambiguity also surrounds determination of whether “the rationale underlying [an] amendment bears no more than a tangential relation to the equivalent in question.”³⁰ As the Supreme Court set no standards for determining what is “tangential,” there will likely be a great deal of contention as to the type and weight of evidence sufficient to establish such a relationship. Early case law provides only limited guidance. In *Bosch v. Japan Storage Battery Co., Ltd.*,³¹ a patent-holder cited the remarks section of his patent application to support his “tangential relation” argument.³² Although some remarks and actions in the prosecution history supported the implication that the equivalent technology was tangential, other portions of the prosecution history suggested otherwise.³³ This, combined with an examination of the foreseeability prong,³⁴ led the court to maintain the presumption of estoppel. In at least one other case, however, a straightforward analysis of the “primary focus” of the amendments and of the areas upon which the PTO concentrated its examination led the court to find that the patent-holder had rebutted the estoppel presumption.³⁵

3. *The Catch-All Factor*

¶19 The Supreme Court provided no guidance as to application of the “catch-all” ground for rebutting the presumption of estoppel – *i.e.*, the existence of “some other reason suggesting the patentee could not reasonably be expected to have described the insubstantial substitute in question.”³⁶ Although this may eventually prove to be an active area of litigation, none of the early decisions applying *Festo II* have raised this factor.

4. *Additional Questions Regarding the Rebuttable Presumption*

¶20 More general questions concern whether the foreseeability, tangential relation, or the catch-all factors will be decided by a judge as a matter of law or by a jury as a question of fact. The early published decisions applying *Festo II* have all been summary judgments. Of these, at least two state clearly that foreseeability is a question of fact,³⁷ with the remainder rendering summary judgment without addressing the law/fact issue.³⁸

¶21 Another uncertainty concerns *how* parties will prove that an equivalent was unforeseeable or tangentially related. Thus far, at least two courts have determined unforeseeability through expert testimony,³⁹ while others appear to have discerned foreseeability and tangential relation solely from the prosecution history.⁴⁰ A related issue concerns the standard the Federal Circuit will apply in reviewing district court determinations.

¶22 Finally, it is unclear how the rebuttable presumption factors interrelate. At face value, the Supreme Court’s use of “or” in describing the factors implies that the successful assertion of only one factor is sufficient to overcome the presumption. In *Bosch*, however, the court appears to *balance* the strength of the foreseeability and tangential relation factors, and, in fact, to give the former more weight than the latter.⁴¹

¶23 Recognizing the importance of these questions, on September 20, 2002 the Federal Circuit asked the parties to the *Festo* case to submit briefs on:

1) Whether rebuttal of the presumption of surrender, including issues of foreseeability, tangentialness, or reasonable expectations of those skilled in the art, is a question of law or one of fact; and what role a jury should play in determining whether a patent owner can rebut the presumption; [and]

2) What factors are encompassed by the criteria set forth by the Supreme Court.⁴²

¶24 An *en banc* panel of the Federal Circuit heard oral argument on these matters on February 6, 2003.

B. *Strategies for Avoiding Festo II Altogether*

¶25 Given the Federal Circuit’s hostility toward the doctrine of equivalents, it is likely that many of the uncertainties discussed above will be resolved in favor of the more restrictive interpretations

of *Festo II*. Ultimately, then, the Supreme Court's rebuttable presumption standard may grant only marginally more patent protection than the Federal Circuit's complete bar approach.

¶26 In this context, litigants have continued to use strategies first employed to avoid *Festo I*. Specifically, they have challenged the assumption underlying both *Festo* standards, that the claims (or, at the very least, the claim elements) at issue were narrowed for reasons related to patentability.⁴³

¶27 The first strategy for avoiding estoppel issues altogether is to exploit ambiguity as to how *Festo* applies to a claim clause containing several limitations, only some of which were amended. Specifically, there is room to argue that prosecution history estoppel impacts only the changed limitations, rather than the entire clause. This strategy was used successfully in *ACLARA Biosciences, Inc. v. Caliper Technologies Corp.*⁴⁴ *ACLARA* was, however, soon contradicted by *Lockheed Martin Corp. v. Space Systems/Loral, Inc.*,⁴⁵ wherein the Federal Circuit held that permitting such carve-outs would amount to a revival of the "flexible bar" standard.⁴⁶ Although at least one court has attempted to reconcile the logic of these rulings,⁴⁷ the process of identifying the relevant limitations for a narrowing analysis remains unclear.

¶28 Other litigants have exploited ambiguities as to whether an amendment is narrowing in the first place. In *Bosch*,⁴⁸ *Bose Corp. v. JBL, Inc.*,⁴⁹ and *Interactive Pictures Corp. v. Infinite Pictures, Inc.*,⁵⁰ the Federal Circuit deemed amendments to be "clarifications," as opposed to narrowing amendments. In *TurboCare Division of Demag Delaval Turbomachinery Corp. v. General Electric Co.*,⁵¹ the Federal Circuit found an amendment to be only a redefined limitation.⁵² In *Honeywell International Inc. v. Hamilton Sundstrand Corp.*,⁵³ the District Court of Delaware declined to find a narrowing where the patentee's amendment consisted of transforming dependent elements into independent claims.

¶29 Of course, the surest way to avoid *Festo II* is to avoid amending patent applications in the first place. To that end, patent prosecutors should consider conducting more thorough prior art searches, submitting narrower claims, and writing multiple claims that include a broad range of foreseeable embodiments. This could, however, conflict with the Patent and Trademark Office's proposed efforts to limit the number of claims in a patent.⁵⁴ Patentees may also prefer to appeal an examiner's rejection instead of acquiescing to an amendment.

IV. CONCLUSION

¶30 Regardless of how the issues surrounding the rebuttable presumption and attempts to circumvent *Festo II* altogether are resolved, the process of addressing these matters is likely to have a profound effect on the practice of patent law. Whereas the focus in recent years has been on interpretation of the patent at issue and of the PTO record, interpreting *Festo II* will require a closer examination of what the patent should have said and what could have been written. Ironically, then, *Festo II* may serve to reopen dormant areas of conflict and uncertainty, areas that may well undermine both the Federal Circuit's and Supreme Court's efforts to bring clarity to the doctrine of equivalents.

* Kevin P.B. Johnson is a partner at the law firm of Fish & Neave. Mr. Johnson received his J.D. from the Hofstra Law School, where he was an editor of the Law Review, and his B.S. in electrical engineering from Cornell University. Mr. Johnson's practice focuses on patent, trademark and copyright litigation. Mr. Johnson is resident in the Palo Alto office, and can be reached at kjohnson@fishneave.com.

** Barak D. Jolish is an associate at the law firm of Fish & Neave. A graduate of Hastings College of the Law, Mr. Jolish has published a wide range of articles about intellectual property and technology issues. Mr. Jolish is resident in the Palo Alto office and can be reached at bjolish@fishneave.com.

¹ 535 U.S. 722, 122 S. Ct. 1831 (2002) ("*Festo II*").

² *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 234 F.3d 558, 575 (Fed. Cir. 2000) ("*Festo I*"), *vacated in part by Festo II*. For a discussion the Federal Circuit's invocation of its "special expertise" in interpreting the Patent Act, see James E. Hopfield, *Festo: A Jurisprudential Test for the Supreme Court?*, 1 J. MARSHALL REV. INTELL. PROP. L. 69 (2001).

³ *Festo I*, 234 F.3d 558.

⁴ *Warner-Jenkinson Co. v. Hilton-Davis Chem. Co.*, 520 U.S. 17, 24 (1997).

⁵ *See id.* at 39-40; *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 608-09 (1950).

⁶ See Warner-Jenkinson Co., 520 U.S. at 30.

⁷ See, e.g., *Cybor Corp. v. F.A.S. Techs., Inc.*, 138 F.3d 1448, 1460 (Fed. Cir. 1998). Prosecution history estoppel also arises when a patentee is unable to establish any reason for the narrowing amendment. Warner-Jenkinson, 520 U.S. at 33 (“Where no explanation is established, . . . the court should presume that the patent applicant had a substantial reason related to patentability for including the limiting element added by amendment.”).

⁸ Festo I, 234 F.3d at 570.

⁹ *Id.* at 574-75.

¹⁰ *Id.* at 575.

¹¹ *Id.* at 566.

¹² *Id.* at 569.

¹³ *Id.* at 574-75.

¹⁴ *Id.*

¹⁵ *Id.* at 577.

¹⁶ Festo II, 122 S. Ct. at 1840.

¹⁷ Festo I, 234 F.3d at 575.

¹⁸ Festo II, 122 S. Ct. at 1840-41.

¹⁹ *Id.* at 1841.

²⁰ *Id.*

²¹ *Id.* (citations omitted).

²² *Id.* at 1842.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.* (emphasis added).

²⁷ *Id.* (emphasis added).

²⁸ See *Glaxo Wellcome, Inc. v. Impax Labs., Inc.*, 220 F. Supp. 2d 1089, 1094-95 (N.D. Cal. 2002) (“Glaxo CA”); *Glaxo Wellcome, Inc. v. Eon Labs. Mfg.*, 2002 WL 1874831, at *3 (S.D.N.Y. 2002) (“Glaxo NY”); *SmithKline Beecham Corp. v. Excel Pharms. Inc.*, 214 F. Supp. 2d 581, 591 (E.D. Va. 2002); *cf. Bosch v. Japan Storage Battery Co., Ltd.*, 223 F. Supp. 2d 1159, 1171 (C.D. Cal. 2002) (holding that the equivalent “was foreseeable to one of skill in the art” without addressing the temporal issue).

²⁹ 339 U.S. 605 (1950). In *Graver Tank*, the Court explained that a patent would be “a hollow and useless thing” if “the unscrupulous copyist” could simply “make unimportant and insubstantial changes” to remain “outside the reach of law.” *Id.* at 607.

³⁰ Festo II, 122 S. Ct. at 1842.

³¹ 223 F. Supp. 2d 1159.

³² *Id.* at 1171.

³³ *Id.*

³⁴ *Id.*

³⁵ See *Vardon Golf Co., Inc. v. Karsten Mfg. Corp.*, 2002 WL 1424567, at *4-5 (N.D. Ill. 2002).

³⁶ Festo II, 122 S. Ct. at 1842.

³⁷ See *Glaxo NY*, 2002 WL 1874831, at *5 (“Because plaintiff has raised a triable issue of fact as to whether HPC could have been claimed at the time the claims were amended, defendant’s motion for partial summary judgment is denied.”); *SmithKline Beecham Corp.*, 214 F. Supp. 2d at 591 (“For the purpose of this motion for summary judgment, the court assumes the truth of [the patent-holder’s] assertions with regard to the state of technology at the time of the claim amendments.”).

³⁸ See *Glaxo CA*, 220 F. Supp. 2d 1089; *Bosch*, 223 F. Supp. 2d 1159; *Vardon Golf Co.*, 2002 WL 1424567.

³⁹ See *Glaxo CA*, 220 F. Supp. 2d at 1094; *Glaxo NY*, 2002 WL 1874831, at *5.

⁴⁰ *Bosch*, 223 F. Supp. 2d at 1171 (foreseeability); *Vardon Golf Co.*, 2002 WL 1424567, at *4-5 (tangential relation).

⁴¹ *Bosch*, 223 F. Supp. 2d at 1171-72. This may have been due to the conflicting evidence regarding tangential relation.

⁴² *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 304 F.3d 1289, 1290 (Fed. Cir. 2002). The court also asked two additional questions regarding whether it would be necessary to remand to the district court for further fact-finding and whether the patentee (*Festo*) could overcome the rebuttable presumption to estoppel. *Id.* at 1290-91.

⁴³ See, e.g., *Bosch*, 223 F. Supp. 2d at 1163 (stating, after the *Festo II* decision, that whether there was a narrowing amendment was the “central question”); *Glaxo NY*, 2002 WL 1874831, at *3 (patent-holder arguing that “none of its claims were narrowed when they were amended and no subject matter was surrendered”).

⁴⁴ 125 F. Supp. 2d 391 (N.D. Cal. 2000).

⁴⁵ 249 F.3d 1314 (Fed. Cir. 2001).

⁴⁶ *Id.* at 1326-27.

⁴⁷ See *Cardiac Pacemakers, Inc. v. St. Jude Med., Inc.*, 2001 WL 912767, at *4 (S.D. Ind. 2001), holding:

ACLARA might be distinguished from *Lockheed Martin* on the basis that *Lockheed Martin* casts doubt only on intra-limitation parsing of the claim language. Under this view, *Lockheed Martin* leaves open the possibility that, if a court can identify distinct “components” of the claim that an applicant can manipulate independently (*i.e.*, narrow and/or

broaden), then the court may properly treat those components as separate “limitations” for purposes of the *Festo* analysis.

⁴⁸ 223 F. Supp. 2d at 1163 (arguing that prosecution history estoppel does not apply because the limitation was not narrowed).

⁴⁹ 274 F.3d 1354, 1359 (Fed. Cir. 2001) (finding that adding the phrase “having a major diameter” to the word “ellipse” in a claim so as to provide an antecedent basis for the occurrence of the term in a later claim was not narrowing, but rather only added precision to the claim).

⁵⁰ 274 F.3d 1371, 1377 (Fed. Cir. 2001) (finding amendment was not narrowing “because [it] did nothing more than make express what had been in the claim as originally worded”).

⁵¹ 264 F.3d 1111 (Fed. Cir. 2001).

⁵² The original claim language describing “a small diameter position corresponding to . . . small clearance of the seal ring with regard to the rotating shaft or rotor,” was rejected based on prior art. *Id.* at 1125. The patentee then cancelled that claim and added a new independent claim that specifically defined the “small diameter” or “small clearance” position with reference to contact between certain surfaces. *Id.* The court held that, though the patentee did not specifically state the contact limitation in the original claims, the specification and illustrations had made this limitation clear from the outset. *Id.* at 1125-26.

⁵³ 2001 WL 66348 (D. Del. 2001).

The patent examiner rejected substantially all of the original claims based on the prior art. However, the remaining dependent claims would be allowed if rewritten into independent form. Since the examiner had rejected all of the other claims, these claims had to be rewritten because they would no longer make sense as written in dependent form. In this case, the elements at issue were not surrendered at all. *Id.* at *6.

⁵⁴ United States Patent and Trademark Office, 21st Century Strategic Plan and Fee Legislation, available at <http://www.uspto.gov/web/offices/com/strat21/index.htm> (last visited Feb. 18, 2003).