

Final Judgment

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Supreme Court Sees *Festo* Bar and Says, ‘Absolutely’ Not

Last month, the Supreme Court weighed the dual functions of patents—broadly protecting innovations and clearly establishing boundaries for individual patents—and partially readjusted the balance between them.

In its May 28 opinion in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, the Court considered, as it has before, the application of what is known as the doctrine of equivalents. This doctrine attempts to ensure patent protection over subject matter that falls outside the literal language of a patent’s claims, but that is insubstantially different from the subject matter of those claims. Findings of infringement in patent litigation often rest on whether or not a particular product is deemed such an “equivalent.”

In its November 2000 ruling in *Festo*, the U.S. Court of Appeals for the Federal Circuit had arguably reduced to zero the range of equivalents available for all patent claims narrowed during the application process at the Patent and Trademark Office. This absolute bar on the application of the doctrine of equivalents to narrowed

claims applied retroactively to all patents, including those that had been prosecuted under earlier case law that had not so completely foreclosed the range of equivalents. Further, the Federal Circuit held that all narrowing claim amendments made for purposes of patentability (including those made to address issues of claim definiteness and clarity) triggered the bar.

A unanimous Supreme Court, in vacating and remanding the Federal Circuit decision, ruled that there is a presumption against application of the doctrine of equivalents to broaden the scope of a claim element where that element has been narrowed by amendment during prosecution of a patent. But the Court was careful to clarify that this estoppel is *not* absolute and that patentees have both the burden and the opportunity (during infringement litigation) to rebut the presumption of estoppel.

Last month’s ruling also affirmed that almost all narrowing amendments—including those made for reasons other than to overcome prior art, but excluding those that are purely “cosmetic”—give rise to the presumption.

The implications of the Supreme Court’s

ruling will affect the practice of patent owners, of businesses accused of patent infringement, and of drafters of patent applications. Each of these groups will have to reconsider how to approach the doctrine of equivalents under the balance articulated by the high court.

THOSE WHO OWN

According to the Supreme Court, it is the patentee’s burden in infringement litigation to rebut the presumed bar to asserting the doctrine of equivalents. The patentee must demonstrate why its narrowing claim amendment should not be considered to have surrendered the equivalent at issue.

The Court provided some guidance to patentees as to how to meet their burden. The guidance suggests that a patent holder must show that an applicant of ordinary skill and knowledge in the same field as that of the patent could not have reasonably foreseen, at the time of the amendment, the equivalent at issue and therefore could not have drafted claim language that would have literally encompassed the accused product.

To make such a showing, the patent

holder may have to introduce evidence as to what an applicant of ordinary skill in the art would have thought was the broadest scope reasonably available vis-à-vis the amendment. Such evidence could come from expert testimony or from the prosecution history itself—thus the need for patent applicants to carefully consider their comments to the PTO when amending a claim.

Under the Supreme Court's decision in *Festo*, all narrowing amendments, even those made at the request of the PTO simply to render claim terms more clear, will bring about the presumption that the doctrine of equivalents is not applicable to those terms. Therefore, patent applicants should attempt to amend their claims only so far as is absolutely necessary to address the PTO's objections.

Those who opposed the Federal Circuit's absolute bar have argued that such a bar negatively affected the value of many of the patents and license agreements currently in force. The Supreme Court's decision, which affords patent owners at least the opportunity to argue that a narrowing amendment should not give rise to estoppel, may partially address some of these concerns. Nevertheless, patent owners and licensees may still need to consider the existence of the presumption of a bar to the doctrine of equivalents for their own patents and evaluate their chances of showing to a court that the bar should not apply.

Ultimately, though, the range of equivalents available to a narrowed claim element may likely be determined only vis-à-vis a particular potentially infringing product. A patent owner can now determine whether a presumption of estoppel exists, but without a particular product in mind, the owner may only be able to speculate generally as to its chances of rebutting the presumption.

THOSE WHO MAY INFRINGE

Given the prior uncertainty as to how

the Supreme Court would rule in *Festo*, and given that more than a year has passed since the Court granted cert in the case, some patentees surely delayed final decisions on just how to proceed with current or prospective infringement actions pending the recent ruling. Now they can act on the Supreme Court's decision.

Some of those patentees may interpret the removal of the Federal Circuit's complete bar as empowering them against an alleged infringer. New infringement



actions may be filed, and current actions may be amended. Thus, currently accused infringers (and competitors) will want to watch out for a rash of new equivalents allegations—whether or not they are, in fact, justified by the high court's ruling.

Likewise, some businesses that secured opinions from patent counsel addressing infringement issues during the time between the Federal Circuit's decision and the Supreme Court's decision may now choose to revisit the applicability of those opinions. Especially if those opinions relied solely on the lower court's complete bar against applying the doctrine of equivalents, a new opinion may be sought.

THOSE WHO APPLY

The doctrine of equivalents was developed, among other reasons, to attempt to ensure for patentees some protection even when the literal scope of their claims does not cover an accused product. Such extended protection is especially important where a failure of coverage is due merely to unanticipatable events, such as later-developed technology being used in an otherwise arguably equivalent product. The Supreme Court acknowledged in

Festo that such unforeseen events could indeed provide the basis for a patentee to rebut the presumption that the doctrine of equivalents would not be available. That means that drafters of patent applications today are arguably free to describe an invention using present-day knowledge with some assurance that claims so drafted could at least potentially cover events not foreseeable at the time of writing.

Nevertheless, even though the Supreme Court has vacated the per se nature of the estoppel created by amendment, a presumption of estoppel still exists whenever claim elements are narrowed. Thus, drafters of patent applications should still take care in drafting their original claims so as to reduce the chances that the PTO will require narrowing amendments to be made during prosecution—narrowing amendments that may later raise the presumed bar.

In short, patent holders, accused infringers, and patent applicants all have seen their playing field change a little. Adjustments need to be made after *Festo*, but the Supreme Court's decision has not freed any group to stop worrying.

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