

Intellectual Property Litigation

A publication of the American Bar Association's Section of Litigation, Committee on Intellectual Property Litigation
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YOU DON'T SAY

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Is Festo Revolutionary or Evolutionary?

The usual justification offered for the *doctrine of equivalents* is that the doctrine is needed to catch sneaky "copyists" who practice a patented invention, but avoid literal infringement by playing just outside the boundary of what is literally claimed. I don't disagree with that explanation, but it is not the best explanation for the doctrine. A far better justification is that the English language is ill-suited to describe novel technologies (any technology really, but especially new technologies) without imperfections of expression. The doctrine, I would argue, serves society by compensating for the imperfections of language so that when a party practices a patented invention of another, he may not hide behind a defense that exploits the inherent limitation of words to perfectly describe the claimed invention.

Despite its benefits, the doctrine has been controversial. Critics argue that the doctrine is unfair because claims must mean what they say. They complain that the doctrine gives claims meaning that is broader than what the claim language literally covers. Yes, of course. But that is the point. Words often convey more than what they literally say. When applied correctly, the doctrine should always be co-extensive with what the claims say, but not merely with what they say literally.

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Of course, not everyone agrees with me, and the controversy surrounding the *doctrine of equivalents* rages on. In the last several years, most of the focus has been on the two key principles of law that limit the availability of the doctrine, namely, prosecution history estoppel and the "all elements rule."

In this article, I want to discuss prosecution history estoppel. It says that when a patentee surrendered coverage by making his claims narrower during prosecution of the patent, he may not later invoke the *doctrine of equivalents* to reassert coverage of the subject matter he surrendered. The patentee is said to be estopped from asserting a range of equivalents. Though the doctrine itself continues to be controversial, almost everyone agrees that file history estoppel is a good thing. The problem with estoppel has been when and how to apply it.

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Intellectual Property Litigation is published four times a year on a quarterly basis in spring, summer, winter and fall by the Intellectual Property Litigation Committee, Litigation Section of the American Bar Association, 750 North Lake Shore Drive, Chicago, IL 60611.

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Recently, the Federal Circuit resolved many of these questions in *Festo Corporation v. Shoketsu*, 234 F.3d 558, 56 U.S.P.Q. 1865 (2000), cert. petition pending.

Festo created quite a stir when the opinion was released late last year. It has been described by pundits as "a sea change" "revolutionary" and even "dangerous." Maybe the exaggerated tone of these quotes is explained by the need to say something eye-catching in order to be quoted in the newspaper. Or maybe it is explained by the fact that, as a group, patent lawyers are a conservative bunch who tend to dislike change no matter how enlightened or overdue.

Whatever the reason, I have to say that I don't agree. To me, *Festo* is the next logical step after *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997). See *Hilton Davis "For Dummies,"* Intellectual Property Litigation Vol. IX, No. 4 (Winter 1997).

In *Warner-Jenkinson*, the Supreme Court addressed a number of issues relating to when prosecution history estoppel limits the availability of the *doctrine of equivalents*. Among other things, the Court said that whenever claim language is amended to narrow a claim, then prosecution history estoppel will be presumed unless it is clear in the file history that the change to the claim language did not relate to section 102 or 103 patentability. This was an improvement over existing law, which was confused, but it left two gaping holes. First, *WJ* left unanswered what is the availability of the *doctrine* when claim language is amended for reasons other than 102 or 103 patentability? Second, it did not resolve what is needed for it to be clear in the file history that the amendment was not related to section 102 or 103 patentability?

Festo closes both of those loopholes. Let's consider the second loophole first. The problem here arises when an applicant amends claim language voluntarily (i.e. not in response to a rejection), but the amendment has the effect of narrowing the claim language in such a way that known prior art references thereafter are less pertinent. It could be argued that this sort of amendment is preemptive to avoid a rejection and, as such, logically ought to have the same effect as an amendment in response to a rejection. However, under *Warner-Jenkinson*, it did not work that

way. At least not all of the time.

Here is why. Even before *Warner-Jenkinson*, it was a common practice for attorneys prosecuting patents to make self-serving statements about their reasons for making voluntary amendments. Often these were boilerplate recitations ala' "this amendment is for purposes of clarification only and not to avoid any purported prior art." Amazingly, these self-serving incantations sometimes seemed to work. District courts, not knowing any better, took the file history at face value and accepted the patentee's argument that the amendment was only to clarify the invention even when the ulterior motive would have been transparent to patent sophisticates. One example where something like this may have happened is *James River Corporation v. Hallmark Cards*, 43 U.S.P.Q.2d 1422 (E.D. Wis. 1997)(examiner changed his mind and allowed claims after amendments, but in view of an ambiguous record, court accepts patentee's argument that the amendments were only to define the structure of the invention more clearly) citing *Pall Corp. v. Micron Separations, Inc.*, 66 F.3d 1211, 1220 (Fed. Cir. 1995).

Festo slams this door shut. Indeed, *Festo* expressly overruled *Pall Corp. Festo*, 234 F.3d at 613-14 (Michel, J. dissenting in part). After *Festo*, if the amendment relates to patentability, whether or not in response to a rejection, then prosecution history estoppel is presumed. This is true even if the amendment is only to clarify because, absent something truly extraordinary, clarification always relates to patentability, though not necessarily 102 or 103 patentability. Thus, after *Festo*, it is presumed that the amendment was for reasons of patentability whether the amendment narrowed the claim or simply clarified the invention.

In this way, *Festo* fixed *Warner-Jenkinson*. Patent lawyers could draft around *Warner-Jenkinson*. They could voluntarily narrow claims to avoid prior art, but characterize the amendments as being for clarification only. While this was hardly foolproof under *Warner-Jenkinson*, it is impossible after *Festo*. The only gambit that I have heard suggested so far to avoid prosecution history estoppel post-*Festo* is a strategy where claims that need narrowing are cancelled altogether and the same subject matter is reclaimed later more narrowly in a continuation application. Hmmm. I don't know, but this sounds like a lot of trouble just to preserve a range of

equivalents.

Finally, let's consider the other loophole. *Festo* holds that estoppel arises even when the amendment is for purposes of section 112 patentability. Often, 112 issues will relate to concerns regarding indefiniteness under 112/2. As can be seen from the discussion above, as long as it was possible for patentees to argue that their narrowing amendments were for clarification only and not suffer the consequences of prosecution history estoppel, the door was open for "drafting around" *Warner-Jenkinson*. By expanding the presumption to include amendments relating to section 112 patentability, *Festo* makes it that much more difficult to "draft around" file history estoppel.

This seems right to me, and not particularly surprising. If you believe that the *doctrine of equivalents* is a good thing and that file history estoppel is a sensible way to limit the availability of the doctrine, then you should like *Festo*. The court seems to have struck a good balance between preserving the doctrine and limiting its availability. And, importantly, the right of the public to rely on the inventor's statements in the file history is preserved.

Of course, there are other important issues in *Festo* too. A key one relates to whether a patentee is estopped from asserting all equivalents, or just those forfeited via amendment. The answer after *Festo* is that all equivalents are forfeited. Reasonable people can disagree about this and I expect that we will continue to hear a lot about it over the next year or so.

As for me, I like the rule as *Festo* has restated it, if only because it will be easier for the district courts to apply consistently. Consistency enhances respect for the law. And respect for law is the best deterrent against infringement.

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Computer Fraud & Security Breaches

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The Criminal Issues and Security Breaches Subcommittee sponsored a panel discussion for the Section of Litigation meeting in May. The panel discussion is titled "Law Enforcement and Attorneys Team Up Against Computer Fraud and Security Breach." The panel will be moderated by Thomas W. Mills, Jr. Panelists include Ty Cobb of Hogan & Hartson, Paul Coggins, former US Attorney for the Northern District of Texas (now with Fish & Richardson), and D. Jean Veta of Covington & Burling. The discussion focused on how corporate America and the government can better secure information on the Internet from unwanted intrusions. For more information on the program or the Subcommittee, contact Tom Mills at tmills@millspresby.com.

Internet and Domain Names

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The Internet and Domain Names Subcommittee recently solicited input from its members regarding a number of proposed projects. Based on input from its members, the Subcommittee has begun one project, and intends to proceed with two others in the coming months. Already up and running is a list-serve discussion group for