

Keywords: *Festo*; *Warner-Jenkinson*; prosecution history estoppel; presumption; rebuttal; equivalents; unforeseeability; tangentiality

General: Question of law is presented by issue of whether patentee, having made narrowing claim amendment for substantial reason related to patentability, has successfully rebutted presumption that it has surrendered all territory between original claim limitation and amended limitation, since prosecution history estoppel is equitable in nature, and whether such estoppel applies presents question of law.

Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.
68 U.S.P.Q. 2d 1321 (Fed. Cir. 2003)
Decided September 26, 2003

I. Facts

In a previous rehearing *en banc*, the Federal Circuit held that: (1) a substantial reason related to patentability, which may give rise to an estoppel encompasses all statutory requirements for a patent, including 35 U.S.C. § 112; (2) a voluntary claim amendment may give rise to prosecution history estoppel; (3) no range of equivalents is available for an amended claim limitation when prosecution history estoppel applies; and (4) unexplained amendments are not entitled to any range of equivalents.

In reviewing the *en banc* decision of the Federal Circuit, the Supreme Court agreed that a narrowing amendment made to satisfy any requirement of the Patent Act may give rise to an estoppel. However, the Supreme Court disagreed that a complete bar to the doctrine of equivalents arises when prosecution history estoppel is found. The Supreme Court instead established a presumption that a narrowing amendment made for reasons related to patentability surrenders the entire territory between the original claim limitation and the amended claim limitation, and explained that a patentee may overcome that presumption by showing 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. Specifically, the Supreme Court enumerated three ways in which the patentee may overcome the presumption: (1) demonstrate that the equivalent would have been unforeseeable at the time of the amendment; (2) the rationale underlying the amendment bore no more than a tangential relation to the equivalent in question; or (3) some other reason that the patentee could not reasonably be expected to have described the insubstantial substitute in question.

On remand from the Supreme Court, the Federal Circuit is tasked with determining whether Festo can rebut this presumption.

II. Issues

- A. Did the Federal Circuit reinstate the holdings from its *en banc* decision that were undisturbed by the Supreme Court's decision?
- B. What are the roles of the judge and jury in determining whether a patentee can rebut the presumption?
- C. What factors may be taken into consideration in applying the Supreme Court's three rebuttal tests?
- D. What issues has the Federal Circuit remanded to the district court in this case?

III. Discussion

A. Yes. The Federal Circuit specifically reinstated the holdings from its *en banc* decision that were not disturbed by the Supreme Court's decision. First, the Federal Circuit recognized that the Supreme Court expressly endorsed its holding that a narrowing amendment made to comply with any provision of the Patent Act, including Section 112, may invoke an estoppel. Second, the Federal Circuit reinstated its holding that a voluntary amendment may give rise to prosecution history estoppel. Third, the Federal Circuit noted that the Supreme Court's *Warner-Jenkinson* presumption, which treats a narrowing amendment as having been made for a substantial reason related to patentability when the record does not reveal the reason for the amendment, remains intact after the Supreme Court's *Festo* decision, although the consequences of failing to overcome that presumption have been altered. In other words, a patentee is now entitled to rebut the presumption that an unexplained narrowing amendment surrendered the entire territory between the original and amended claim limitations.

The Federal Circuit noted that the *Warner-Jenkinson* and *Festo* presumptions operate together in the following manner: (1) the first question in a prosecution history estoppel inquiry is whether an amendment has narrowed the literal scope of the claim--if the amendment was not narrowing, then prosecution history estoppel does not apply; (2) if the amendment did narrow the scope of the claim, then the second question is whether the reason for that amendment was a substantial reason related to patentability--if the prosecution history reveals no reason for the narrowing amendment, *Warner-Jenkinson* presumes that the amendment was made for a substantial reason related to patentability, and the patentee may rebut this presumption based solely on evidence in the prosecution history record (this makes no sense); (3) if the narrowing amendment was made for a substantial reason related to patentability, then the third question addresses the scope of the subject matter surrendered by the narrowing amendment, with the presumption that the patentee has surrendered all territory between the original claim limitation and the amended claim limitation; (4) the patentee may then rebut this presumption by demonstrating that (a) the alleged equivalent would have been unforeseeable at the time of the amendment, (b) the rationale underlying the narrowing amendment bore no more than a tangential relation to the equivalent in question, or (c) some other reason suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question; and (5) if the patentee fails to rebut the presumption, the prosecution history estoppel bars the patentee from relying on the doctrine of equivalents for the accused element, or if the patentee successfully rebuts the presumption, the prosecution history estoppel does not apply and the question of whether the accused element is in fact equivalent to the limitation at issue is reached on its merits.

B. Because prosecution history estoppel has traditionally been viewed as equitable in nature, prosecution history estoppel is a matter that has traditionally been determined by the court. Accordingly, the Federal Circuit held that the rebuttal of the presumption of surrender is a question of law to be determined by the court, not by jury. The Federal Circuit did recognize that rebuttal of the presumption may be subject to underlying facts, but nevertheless concluded that the resolution of factual issues underlying a legal question may properly be decided by the court.

C. Regarding the first criterion of foreseeability, the Federal Circuit stated that this criterion presents an objective inquiry which asks whether the alleged equivalent would have been unforeseeable to one of ordinary skill in the art at the time the amendment was made. If the alleged equivalent represents a later-developed technology or technology that was not known in the relevant art, then it would not have been foreseeable. In contrast, old technology, while not always foreseeable, would more likely have been foreseeable. Indeed, if the alleged equivalent was known in the prior art in the field of the invention, it certainly should have been foreseeable at the time the amendment was made. In determining whether an alleged equivalent would have been foreseeable, a district court may hear expert testimony and consider other extrinsic evidence relating to the relevant factual inquiries.

In regard to the second criterion of tangentiality, this criterion asks whether the reason for the narrowing amendment was peripheral, or not directly relevant to the alleged equivalent. An amendment made to avoid prior art that contains the equivalent in question is not tangential--it is central to the allowance of the claim. The Federal Circuit noted that the inquiry into whether a patentee can rebut the *Festo* presumption under the tangential criterion focuses on the patentee's objectively apparent reason for the narrowing amendment. Under *Warner-Jenkinson*, this reason should be discernable from the prosecution history record if the public notice function of a patent and its prosecution history is to have significance. Thus, whether the patentee has established a merely tangential reason for narrowing amendment is for the court to determine from the prosecution history record without the introduction of additional evidence, except, when necessary, testimony from those skilled in the art as to the interpretation of that record.

In regard to the other criterion, the Federal Circuit noted that this category, while vague, must be a narrow one. It is available in order not to foreclose totally a patentee from relying on reasons, other than unforeseeability and tangentially, to show that it did not surrender the alleged equivalent. Thus, the third criterion may be satisfied when there was some reason, such as short comings of language, why the patentee was prevented from describing the alleged equivalent when it narrowed the claims. When at all possible, determination of the third rebuttal criterion should also be limited to the prosecution history record. The Federal Circuit also notes that a patentee may not rely on third rebuttal criterion if the alleged equivalent is in the prior art, for then there could be no other reason the patentee could not have described a substitute in question.

D. In regard to the criterion of foreseeability relating to the "magnetizeable" amendment, the Federal Circuit found that it did not have enough evidence to determine whether *Festo* can show that the amendment relating to a cylindrical sleeve made of a magnetizeable material did not surrender the territory occupied by SMC's aluminum sleeve. *Festo* argued that one skilled in the art at the time of the amendment would not have foreseen the interchangeability of an aluminum-alloy sleeve with a magnetizeable alloy sleeve. Accordingly, the Federal Circuit held that factual issues exist as to whether one of ordinary skill in the art would have thought an aluminum sleeve to have been an unforeseeable equivalent of a magnetizeable sleeve in the context of the invention. Accordingly, the Federal Circuit remanded this issue to the district court.

In regard to the second criterion of tangentiality of the “magnetizeable” amendment, the Federal Circuit found that the amendment was made in response to a Section 112 rejection and that the file history failed to explain why this amendment was only tangential to the rejection or the accused device. Therefore, the Federal Circuit held that Festo could not rebut the presumption under the second criterion.

In regard to the third criterion relating to the “magnetizeable” amendment, Festo argued that it could satisfy the third criterion by showing that it could not reasonably have been expected to have drafted a claim to cover what was thought to be an inferior and unacceptable design. However, the Federal Circuit held that this argument does not help Festo because it suggests that the patentee could have described an aluminum sleeve but chose not to because that inferior element was not part of his invention.

In regard to the first criterion relating to the “sealing ring” amendment, the Federal Circuit found that it could not determine from the current record whether the accused sealing ring element would have been objectively unforeseeable at the time the amendment was made. Accordingly, the Federal Circuit remanded this issue to the district court.

In regard to the second criterion relating to the “sealing ring” amendment, the Federal Circuit again focused solely on the prosecution history and found that the amendment was made in response to a Section 112 rejection. As above, the Federal Circuit found that nothing in the prosecution history suggested that the “sealing ring” amendment was tangentially related to SMC’s accused sealing ring. Accordingly, the Federal Circuit held that Festo could not rebut the presumption using the second criterion.

In regard to the third criterion relating to the “sealing ring” amendment, Festo again relied on the “inferior design” argument, and the Federal Circuit again was unpersuaded by this argument. Furthermore, the Federal Circuit noted that the original “sealing means” limitation literally encompassed structural equivalents of the dual sealing ring amendment under Section 112, paragraph 6. Therefore, if SMC’s single two-way sealing ring is, in fact, equivalent to the claimed dual sealing rings, it would have fallen within the literal scope of the original claim, thus preventing Festo’s reliance on the third criterion from succeeding.

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