

There You Go Again



BY LAWRENCE B. EBERT¹

The en banc Federal Circuit in *Honeywell v. Hamilton Sunstrand* ruled that allowed dependent claims associated with independent claims that were not allowed fell within the scope of the Festo presumption of surrender:² “Following our recent decisions in *Deering Precision Instruments, L.L.C. v. Vector Distribution Systems, Inc.*, 347 F.3d 1314 (Fed. Cir. 2003), and *Ranbaxy Pharmaceuticals, Inc. v. Apotex, Inc.*, 350 F.3d 1235 (Fed. Cir. 2003), we hold that the rewriting of dependent claims into independent form coupled with the cancellation of the original independent claims creates a presumption of prosecution history estoppel.” Likely, other scenarios involving the presentation, without allowance, of a broader claim and the allowance of an included, narrower claim will also invoke the presumption of surrender. With the scenarios covered by the Festo presumption expanding, and thus areas wherein the doctrine of equivalents is applicable probably shrinking, it is worthwhile to review the foreseeability rebuttal criterion, currently the most likely method to rebut the presumption of surrender.

A COMMENT ON FORESEEABILITY

In “Foreseeability as a bar to the doctrine of equivalents,” 2003 B.C. Intell. Prop. & Tech. F. 103101 [hereafter denoted FAB] Jeremy T. Marr analyzed the unforeseeability test articulated by the U.S. Supreme Court in *Festo Corporation v. Shoketsu Kinzoku Kogyo Kabushiki Co.* [“SMC”], 535 U.S. 722, 122 S. Ct. 1831, 152 L. Ed. 2d 944 (2002) to rebut the presumption of surrender associated with a narrowing amendment substantially related to patentability. Certain inferences made in the FAB paper have become incorrect in view of later case law. For example, FAB posed the question *Does foreseeability apply to whether the limiting effect of the claim language was foreseeable, to whether the*

accused equivalent was foreseeable, or to both of these situations? and concluded “the cases suggest that courts should apply the foreseeability bar both to the foreseeability of asserted equivalents and to the foreseeability of the limiting effect of claim language.” Subsequent decisions of the Court of Appeals for the Federal Circuit have established that foreseeability applies only to the foreseeability of the accused equivalent in the context of the invention. Additionally, in terms of against whom foreseeability is measured, while the paper concluded “the Court meant the first half of the test to apply to the inventor and the second half to apply to the inventor’s patent counsel,” the subsequent decisions have established that foreseeability is measured against the knowledge of one of ordinary skill in the art at the time the amendment is made, and not to the inventor or the inventor’s patent counsel. Moreover, because the articulated test is foreseeability of the interchangeability of the accused element with the claimed element, and not the foreseeability of the accused element per se, one sees that prosecution history estoppel may be rebutted not only in cases of after-developed technology (the bondion example of the paper) but also for pre-existing technology wherein the interchangeability was not foreseeable by one of ordinary skill in the art at the time of the amendment, which distinction indicates that the doctrine of equivalents will be far more available than suggested in FAB. In the following, we review some of the areas in which the FAB paper requires updating.

• UNFORESEEABILITY REBUTS THE PRESUMPTION OF SURRENDER

The Supreme Court decision in *Festo*, 535 U.S. 722 (2002).

The Supreme Court in *Festo* addressed an assertion by the patent holder Festo that products of defendant SMC, while not falling within the literal scope of the patent claims, infringed under the doctrine of equivalents. One issue was the use by SMC of an aluminum sleeve, which although falling within the scope of an initial claim (which had no limit on the composition of the sleeve), did not fall within the scope of the issued claim, which required a magnetizable sleeve. No one disputed that aluminum is not magnetizable. SMC raised a

defense that because its products fell within the scope of the initial, as-filed, claims of Festo, but not within the scope of the amended claims as issued, SMC was entitled to rely on the surrender of claim scope by Festo and thus make products existing in the surrendered region. This general concept is termed prosecution history estoppel, reflecting the idea that a patentee is bound by the statements made in the public record (prosecution history) of the patent. Competitors are allowed to rely on patentee’s statements of what the patent claims don’t cover, and design products that fall within such interstices. In *Festo*, SMC argued that the aluminum sleeve, which was not magnetizable, had been expressly surrendered by Festo.

The Supreme Court endorsed the concept of prosecution history estoppel in its decision. (“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.” 535 U.S. at 740; “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.” 535 U.S. at 741.) However, when claims are narrowed for a reason substantially related to patentability, the presumption of surrender is rebuttable. (“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.” 535 U.S. at 741.) The Supreme Court articulated three scenarios in which the patentee could rebut the presumption of surrender (unforeseeable; tangential; other). Of the unforeseeability scenario, the Supreme Court noted: . “There is no reason why a narrowing amendment should be deemed to relinquish equivalents unforeseeable at the time of the amendment and beyond a fair interpretation of what was surrendered.” 535 U.S. at 738. Thus, in this test, the court required unforeseeability of the equivalent at the time of the amendment to rebut prosecution history estoppel. Because there are two other tests, which don’t involve unforeseeability, the presence of foreseeability per se does not foreclose rebuttal of estoppel and thus is not a bar to equivalents.

The Federal Circuit decision, on remand. 344 F.3d 1359 (Fed. Cir. 2003).

Of the unforeseeability inquiry, the Federal Circuit wrote: "This criterion presents an objective inquiry, asking whether the alleged equivalent would have been unforeseeable to one of ordinary skill in the art at the time of the amendment." 344 F.3d at 1368. Significantly, on the facts of *Festo*, although the Federal Circuit acknowledged that the accused aluminum sleeve was made of a known material, it accepted an argument that there was no evidence as to the knowledge of interchangeability of the accused aluminum sleeve with the claimed magnetizable sleeve at the time of the amendment and stated: "Factual issues thus exist as to whether an ordinarily skilled artisan would have thought an aluminum sleeve to be an unforeseeable equivalent of a magnetizable sleeve in the context of the invention." 344 F.3d at 1371.

* UNFORESEEABILITY MEASURED AS TO ONE OF ORDINARY SKILL

Although FAB suggested that "the Court's test suggests the inventor's foresight is at issue," the test adopted is the unforeseeability to one of ordinary skill in the art at the time of the amendment.

The unforeseeability test could not have been a subjective test. Given that in a *Festo* case, the accused embodiment fell within the scope of an initial claim of the inventor, the inventor, in a *Festo* case, always foresees the equivalent in some sense. In the initial claim in *Festo*, there was no limitation on the composition of the sleeve, so the inventor "foresaw" that both magnetizable (as later claimed) and nonmagnetizable (including aluminum) sleeves would work.

The objective test, which was adopted, gives the patentee some hope. It does not matter what the patent applicant or the patent attorney thought, but rather whether the accused equivalent would have been unforeseeable to one of ordinary skill at the time of the amendment. On the *Festo* facts, if all the examples within the specification utilized magnetizable sleeves, perhaps one of ordinary skill, in the context of the invention disclosed by patent applicant, would not foresee the use of nonmagnetizable sleeves.

• UNFORESEEABLE EQUIVALENT

Although FAB states "the cases suggest that courts should apply the foreseeability bar both to the foreseeability of asserted equivalents and to the foreseeability of the limiting effect of claim language," a later



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decision by the Federal Circuit establishes that unforeseeability is analyzed only as to the accused equivalent. This was directly argued in *Ranbaxy Pharmaceuticals, Inc. v. Apotex, Inc.*, 350 F.3d 1235 (Fed. Cir. 2003), with the court concluding: "First, foreseeability relates to the equivalent, not to whether an amendment may result in prosecution history estoppel." 350 F.3d at 1241, citing to *Festo Corp.*, 344 F.3d at 1369.

• THE AMICI BRIEFS AT THE SUPREME COURT

Some of the uncertainty concerning the unforeseeability inquiry arises from the absence of any prior case law on point. The Supreme Court cited no authority for the unforeseeability inquiry. While it is likely, as suggested in FAB, that the Supreme Court was influenced by amici briefs by the IEEE and by the United States, FAB is incorrect in stating: "each of which [amici briefs] argued that the doctrine of equivalents should continue to protect a patentee from those equivalents that were unforeseeable at the time of amendment." The brief submitted by the Solicitor General [the brief by the United States] does not use the words "foreseeable" or "unforeseeable." For one test, it used the word "known": "A patent holder should be allowed to assert that an accused device infringes under the doctrine of equivalents if the court finds that the assertedly equivalent element is itself an innovation that was not known to persons of ordinary skill in the art at the time the applicant amended his claim." The brief submitted by the IEEE pertains to the foreseeability of "the limiting effect of the amended language" (not the equivalent), exactly the position rejected by the Court of Appeals for the Federal Circuit.

Further, of the text in FAB: "Although the Court in *Festo II* indicated that unforeseeability barred prosecution history estop-

pel, it did not as clearly indicate that foreseeability barred the doctrine of equivalents," the unforeseeability in the context of the invention to one of ordinary skill of the equivalent at the time of the amendment is one way to rebut the presumption of estoppel, but it is not the only way. It does not follow from this test that foreseeability bars the doctrine of equivalents. More importantly, the Supreme Court has recognized that known interchangeability may be used to establish equivalents. *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17, 25, 137 L. Ed. 2d 146, 117 S. Ct. 1040 (1997) ("An important factor is whether persons reasonably skilled in the art would have known of the interchangeability of an ingredient not contained in the patent with one that was.") (quoting *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 609, 94 L. Ed. 1097, 70 S. Ct. 854 (1950)). In turn, *Graver Tank* cites *Gould v. Rees*, 82 U.S. (15 Wall.) 187, 21 L. Ed. 39 (1872), which is on all fours for the proposition that known substitutes may be equivalents, and substitutes not invented at the time may not be equivalents. For the proposition that known substitutes may be equivalents, see also *Goodyear Vulcanite v. Davis*, 102 U.S. 222, 227 (1880), cited by the Supreme Court in *Festo*. These Supreme Court cases call into question text within FAB: "This suggests the Court might disallow equivalency claims against foreseeable equivalents not literally encompassed by the original claim language."

• POLICY ARGUMENTS AGAINST THE UNFORESEEABILITY TEST

FAB noted that opponents of the foreseeability test argued "that it would substantially raise the costs of prosecuting and defending patents." Unmentioned were previously made arguments that the fore-

seeability test deterred innovation, as discussed in the following: “Separately, unforeseeable equivalents offer perverse incentives to a competitor seeking to design around a patented invention. Knowing that foreseeable embodiments do not enjoy equivalent protection, the competitor can safely adopt a foreseeable (and trivial) variation of an amended claim element and thereby avoid infringement. In this, unforeseeable equivalents are as much a roadmap to copying as may have existed in the en banc Federal Circuit decision. To the extent the competitor contemplates an innovative variation, he runs the risk of adopting an unforeseeable embodiment, for which equivalent protection does exist. Thus, unforeseeable equivalents encourage trivial changes by competitors rather than step-out changes. In the Graver Tank world of foreseeable equivalents, the competitor was on notice that foreseeable (and trivial) variations would be captured by the doctrine of equivalents. If the competitor wished to design around, innovative and non-trivial improvements were required.” (Lawrence B. Ebert, “Supreme Court Festo; Equivalents Still Limited,” *Intellectual Property Today*, p. 10 (July 2002) [Available LEXIS]; this article, published before FAB, recognized that the Supreme Court decision pertained to a foreseeable equivalent, in distinction to the position of the IEEE brief (“an unforeseeable equivalent (Supreme Court) or on the foreseeability of the effect of the amendment (IEEE)”)).

Separately, in terms of dealing with the foreseeability test, FAB states: “If he discovers that his patent failed to encompass a foreseeable equivalent, he can take advantage of rules allowing him to amend its claims or file a continuation even after the patent issued.” If at the time of amendment, the patent applicant recognizes the existence of a foreseeable equivalent, he most likely will have to file a continuation-in-part application, to introduce the new matter associated with the newly discovered equivalent. New matter cannot be introduced by amendment. See *SmithKline Beecham v. Excel*, 356 F.3d 1357 (Fed. Cir. 2004) and *Glaxo Wellcome v. Impax*, 356 F.3d 1348 (Fed. Cir. 2004). After the patent has issued, the patent statute forecloses filing a continuation application on the patent (see 35 U.S.C. 120), so one cannot “file a continuation even after the patent issued.”

MORE FREE SPEECH?

When there are disagreements, the “solution is to augment rather than censor the available truthful information,” as Judge Sand stated in the Gordon Breach case.³ Here, we had submitted the above as a manuscript to the Boston College Intellectual Property and Technology Forum in April 2004, but never received even an acknowledgment. Last year, we had attempted to correct the misimpression given in the Harvard Law Review that the USPTO was granting 97% of submitted applications, a form of “madness” which needed to be stopped.⁴ The manuscript submitted to Harvard Law Review was not acknowledged⁵ and the misimpression was never corrected.⁶

Recently, a Japanese television station asked to interview me about the scientific fraud incident involving Jan-Hendrik Schon.⁷ Although there has been a perception within the U.S. that the Schon incident showed that the system worked, the Japanese are interested in the potential liability of Bell Labs, the co-authors, and the journals which published the fraudulent work to all those who read the work, believed in the work, and invested resources based on a belief in the work. Part of the unresolved problem is the unwillingness of the scientific journals to publish criticisms of trendy work, as happened, for example, in the failure of Nature to publish the work of Solomon of IBM concerning Schon, a critique that proved to be correct.⁸ Independently of the ultimate resolution of “who is right,” the publication of well-reasoned commentaries alerts the readership of potential issues. Apparently, scientific journals and law reviews alike can be aware of problems with their published material, and yet do nothing to correct it.

IN PASSING

Arguments before the CAFC in the RIM/NTP case over the BlackBerry were heard on June 7. To learn of the potential downside in university/industrial relationships, one might check out the case involving Professor John B. Goodenough (formerly of Oxford University, now at University of Texas), Hydro-Quebec, and Nippon Telegraph & Telephone pertaining to lithium batteries.⁹ An interesting case of co-author responsibility involving professors at Columbia University was reported by Bob Park in the June 4 *What’s New*; the senior author, a department chair, asserted he provided only “editorial assistance.”

ENDNOTES

1. The opinions are those only of the author, who may be reached at ebert@email.com or c8asf5@yahoo.com. The author received a J.D. from the University of Chicago and a Ph.D. from Stanford University.
2. *Festo v. Shoketsu Kinzoku*, 344 F.3d 1359, 68 USPQ2d 1321 (CAFC 2003), on remand from *Festo*, 535 US 722 (2002).
3. *OPA v. American Institute of Physics [AIP] and the American Physical Society [APS]*, 1997 U.S. Dist. LEXIS 12842 (SD NY).
4. See Letter, *Intellectual Property Today*, p. 6, July 2003 and L. B. Ebert, “Good-night, Gracie,” *Intellectual Property Today*, pp. 26-28, August 2003. Separately, of footnote 20 in 16 *Berkeley Tech. L.J.* 1045 (2001), which says: Among the inventors who did not recognize the potential of their ideas are Marconi, who expected the radio to be used only for point-to-point communications rather than mass broadcast; the inventors of the transistor, who anticipated its use in hearing aids; and the inventors of the VCR, who anticipated it would only be used by television stations. Id. Relying only on pioneering inventors to commercialize their technologies may miss many useful improvements and applications, as it would have done in these cases. , we note that although we had shown each of these examples not to illustrate non-recognition by the inventors (e.g., L. B. Ebert, “Pioneering, Innovation and Festo Last Looks,” *Int. Prop. Today*, p. 12, June 2002; “Supreme Court Festo: Equivalents Still Limited,” *Int. Prop. Today*, p. 10, July 2002), the same text about Marconi, Shockley et al., and Dolby et al. appeared later on page 43 of “Ex ante vs. ex post justifications for intellectual property,” UC Berkeley Public Law Research Paper 144. It may sometimes be, as suggested in Endnote 4 of “Gracie,” that the current state of legal scholarship is a wasteland.
5. See Endnote 3 at page 28 of “Good-night, Gracie,” *Intellectual Property Today*, pp. 26-28, August 2003.
6. Current debate seems to center on an approximated grant rate of 85% (for example, Lemley and Moore, 84 B.U. Law Rev. 63 (2004) at footnote 22 based on Quillen and Webster, 12 Fed. Cir. Bar J. 35 (2002)) compared to 74% (Robert Clarke, 85 JPTOS 335 (2003)). Clarke did not assume that every continuation led to a patent, contrary to an assertion in footnote 22. This author has work submitted on the grant rate issue, and finds that the analysis of Clarke is more credible than that of Quillen and Webster. The note at 116 *Harv. Law Rev.* 2164 (2003) conflated a numerical approximation (upper bound) of 97% with an actual grant rate and failed to note that the 97% figure had been retracted by Quillen and Webster in 2002. Inquiries to Professor Moore (editor of the Fed. Cir. Bar J.) and the Boston University Law Review about footnote 22 have not been acknowledged to date.
7. See for example discussion in L. B. Ebert, “Walking on Sunshine?,” *Int. Prop. Today*, pp. 34-36, Nov. 2002 and “Taking a Walk on the Wild Side?,” *Int. Prop. Today*, pp. 38-39, Dec. 2002. The previous time this author was on television was in an interview on October 24, 2001 by Todd Quinones of KYW concerning the anthrax scare in Hamilton, New Jersey.
8. The letter of Paul Solomon is reproduced in L.B. Ebert, “Say Goodnight, Gracie,” *Intellectual Property Today* (June 2003). The Ph.D. of Schon from the University of Konstanz has been revoked, an interesting result in view of previous advice from managers to Schon’s peers to be more like Schon.
9. This author conducted research on high energy density batteries and wrote an article (while a patent attorney) on the carbon/lithium system: “The Interrelationship of hydrogen-containing carbon and lithium,” *Carbon*, 34, 671-672 (1996).