

REPORT

Recent Developments In Prosecution History Estoppel

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The U.S. Court of Appeals for the Federal Circuit's decision in Festo Corporation v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.¹ states an intent of the Federal Circuit to refuse to allow any doctrine of equivalents-based range of equivalents in many situations. In particular, the Court increased the number of situations in which prosecution history estoppel applies, and indicated that no range of equivalents is available when prosecution history estoppel applies. In subsequent cases such as Pioneer Magnetics, Inc. v. Micro Linear Corporation (Appeal No. 00-1012, Fed. Cir. January 23, 2001) and Litton Systems, Inc. v. Honeywell (Appeal No. 00-1241, Fed. Cir. February 5, 2001), the Federal Circuit has strictly applied Festo and refused to allow any range of equivalents for elements that were amended during prosecution, even when the prosecution record clearly showed that the amendments were not necessary to define over prior art.

While four judges dissented from parts of the Festo decision, as an *en banc* decision, Festo nonetheless should be followed by subsequent decisions of the Federal Circuit and lower courts. Additionally, Festo may still be appealed to and reviewed by the Supreme Court of the United States (the deadline for seeking Supreme Court review is March 27, 2001). Thus, some or all

aspects of Festo could be reversed by the U.S. Supreme Court.

However, the decision in Festo highlights the ever-present need to critically review all actions that are taken during patent application preparation and prosecution in order to reduce (and hopefully eliminate) the need to rely on the doctrine of equivalents. This Special Report provides a synopsis of Festo, Pioneer Magnetics and Litton Systems, identifies some unresolved issues arising from these cases, and outlines measures that should be considered during preparation and prosecution of patent applications in view of these cases.

I. Festo**A. Overview**

After the Supreme Court's 1997 decision in Warner-Jenkinson v. Hilton Davis,² various issues relating to the doctrine of equivalents remained unresolved. The Federal Circuit took the Festo appeal *en banc* to resolve some of these issues, apparently considering the Festo case an ideal case in which to resolve them because Festo rested squarely on these issues.

The questions addressed and answered by the Federal Circuit in Festo are:

Question 1: For the purposes of determining whether an amendment to a claim

¹ 234 F.3d 558, 56 USPQ2d 1865 (Fed. Cir. 2000).

² 520 U.S. 17, 117 S.Ct. 1040, 41 USPQ2d 1865 (1997).

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creates prosecution history estoppel, is "a substantial reason related to patentability" limited to those amendments made to overcome prior art under §102 and §103, or does "patentability" mean any reason affecting the issuance of a patent? **Answer:** Any narrowing amendment made for any reason related to the statutory requirements for a patent (i.e., 35 U.S.C. §§101, 102, 103 or 112) will give rise to prosecution history estoppel with respect to the amended claim element.

Question 2: Under Warner-Jenkinson, should a "voluntary" claim amendment—one not required by the examiner or made in response to a rejection by an examiner for a stated reason—create prosecution history estoppel? **Answer:** Yes.

Question 3: If a claim amendment creates prosecution history estoppel, what range of equivalents, if any, is available under the doctrine of equivalents for the claim element so amended? **Answer:** No range of equivalents is available.

Question 4: When no explanation for a claim amendment is established, thus invoking the presumption of prosecution history estoppel under Warner-Jenkinson, what range of equivalents, if any, is available under the doctrine of equivalents for the claim element so amended? **Answer:** No range of equivalents is available.

The Federal Circuit recognized that the Festo decision is contrary to most Federal Circuit cases involving the doctrine of equivalents since 1983. Those cases applied a flexible approach to prosecution history estoppel, permitting a range of equivalents that could vary depending on the facts of the case. However, the Federal Circuit explained that the flexible approach has become "unworkable," and that the Festo decision will improve the "notice" function of claims, thus promoting greater certainty in patent law.

Four of the Court's twelve judges wrote opinions strongly dissenting from the majority with respect to its answer to some of these questions, especially with respect to Question 3. Additionally, as noted above, Festo may be appealed to the U.S. Supreme Court. For these and other reasons, despite its intent to "promote greater certainty", the Festo decision has, for the time being, created a good deal of uncertainty with respect to many issues.

B. Background

Festo involved two patents owned by Festo Corp.: the Stoll patent (U.S. Patent No. 4,354,125) and the Carrol patent (U.S. Patent No. 3,779,401). Both patents are directed to magnetic rodless cylinders, in which a piston is driven through the inside of a cylinder by pressurized fluid, and a magnetically coupled sleeve follows the piston along the outside of the cylinder.

Claim 1 of the Stoll patent includes "first sealing rings" and "second sealing rings," which create a seal between the piston and the cylinder. Claim 1 also recites that the magnetically coupled sleeve is made of "magnetisable material." Both the "sealing rings" features and the "magnetisable material" feature were added by an Amendment filed by the applicant in response to a prior art rejection.

Claim 1 of the Carroll patent originally did not recite sealing rings. However, the Carroll patent was reexamined, and during the reexamination claim 1 was replaced by claim 9 which includes a recitation of "a pair of resilient sealing rings situated near opposite axial ends of the central mounting member and engaging the cylinder."

Festo sued Shoketsu Kinzoku for infringement of the Carroll and Stoll patents. Shoketsu Kinzoku's accused devices only used a single sealing ring, in contrast to the plural sealing rings recited in the claims of both the

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Carrol and Stoll patents, and used a sleeve of non-magnetisable material, in contrast to the magnetisable material recited in the Stoll patent. Thus, there was no literal infringement of either patent. However, in the district court proceedings, the "first and second sealing rings" and "non-magnetisable material" features recited in the Stoll patent claims and the "pair of sealing rings" feature recited in the Carrol patent claims were found to be met under the doctrine of equivalents.

On appeal, Festo's only defense against a reversal of the district court's decision was its argument that the amendments that added the "first and second sealing rings" and "non-magnetisable material" features to the Stoll patent claims and the "pair of sealing rings" feature to the Carrol patent claims were made for reasons unrelated to patentability. Festo attempted this argument, but failed because the prosecution history did not support such an argument. Therefore, the Federal Circuit held that no range of equivalents was available for the plural "sealing rings" and "non-magnetisable material" features, and reversed the district court's finding of infringement.

II. Pioneer Magnetics and Litton Systems

During prosecution of the application that matured into the patent at issue in Pioneer Magnetics, Inc. v. Micro Linear Corporation, a dependent claim was indicated to be allowable in a first action on the merits. The applicant amended the independent claim to include all the features of the allowable dependent claim, and stated on the record that the amended claim corresponded to the allowable dependent claim rewritten in independent form. However, the amended independent claim also included one phrase, "switching analog," that was not included in the original dependent claim. The prosecution history provided no explanation for why this phrase was added. During trial, the applicant's patent attorney stated in a declaration that the

phrase had been added through inadvertence. The Court held that only the public record of the patent's prosecution, i.e., the patent's prosecution history, can be relied upon to explain the reason for an amendment. Therefore, citing Festo, the Federal Circuit held that the addition of the phrase, without any explanation during prosecution of why the phrase was not required for patentability, served to completely bar the availability of any range of equivalents for that claim element.

During prosecution of the application that matured into the patent at issue in Litton Systems, Inc. v. Honeywell, the term "ion beam source" was changed to "Kaufman-type ion beam source" in response to a rejection under 35 U.S.C. §112, second paragraph. Again citing Festo, the Federal Circuit held that the amendment completely barred any range of equivalents for the Kaufman-type ion beam source limitation.

III. Examples of Unresolved Issues

Unfortunately, these decisions leave a number of key issues unresolved, including:

(1) If an amendment merely places an allowable dependent claim in independent form, is this considered a "narrowing" amendment? The answer to this question is unclear, because the amendment would be narrowing with respect to the independent claim, but would not be narrowing with respect to the dependent claim. The specific facts of Festo do not correspond to the situation in which an amendment merely places an allowable dependent claim in independent form. The facts in Pioneer Magnetics were much closer to the situation in which a dependent claim is placed in independent form. However, the Court decided the case based on the fact that the feature in question ("switching analog") was narrower with respect to the original dependent claim feature, not based on the fact that the dependent claim feature as a

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whole was narrower than the broadest original claim.

(2) If independent claim A including elements X and Y and independent claim B including elements X, Y and Z are both filed as original claims, and claim B is allowed but claim A is canceled in response to a rejection, are equivalents available for element Z of claim B? On the one hand, it can be argued that all elements of claim B are entitled to equivalents because claim B was not amended. On the other hand, it can be argued that element Z of claim B is not entitled to any equivalents because claim A was canceled in view of the prior art, and element Z is the only difference between claims A and B. We believe that the Federal Circuit would hold that Applicant is estopped from obtaining any equivalents for element Z. To hold otherwise would clearly exalt form over substance, a result that the Federal Circuit has consistently indicated is not acceptable. See, for example, Builders Concrete, Inc. v. Bremerton Concrete Products, Inc., 757 F.2d 255, 225 USPQ 240 (Fed. Cir. 1985) (holding that amendments adding language to an independent claim not in suit relinquished subject matter and effected an estoppel as to the scope of the same language originally present in another independent claim that was in suit, because to hold otherwise would exalt form over substance).

(3) If a claim element is deleted by one amendment, but then reinstated by a subsequent amendment, is the subsequent amendment considered a narrowing amendment?

(4) Does an amendment that provides antecedent basis to a claim element preclude equivalents? For example, changing "the [claim element]" to --a [claim element]-- can be considered as a broadening amendment. However, the reverse change (changing "a" to --the--) could be considered a narrowing amendment because it defines "the" claim

element as corresponding to a previously recited claim element. The harsh effect of an amendment made to satisfy 35 U.S.C. §112 was exemplified in Litton, discussed above.

(5) Is filing a Continuation or a Continuation-In-Part with amended claims an amendment that triggers prosecution history estoppel?

IV. Recommendations

While future Federal Circuit decisions may resolve some of these issues, it is presently difficult to give a comprehensive set of recommendations for patent practice in the wake of Festo and the few post-Festo cases. Some writers suggest that if placing a dependent claim in independent form is considered a narrowing amendment, it can be argued that, from the standpoint of losing equivalents, it would be better not to file broad original claims that are likely to be initially rejected. However, from an overall standpoint, we believe that broad literal claim scope is more important than a broad range of equivalents, and thus it still seems advisable to try to obtain the broader claims. If placing a dependent claim in independent form is not considered a narrowing amendment, then it is logical to recommend that all possible "fallback" features of an invention, even down to the most trivial, should be listed in original claims so that equivalents are not lost when incorporating them into broader claims. In the above-mentioned "claim A and claim B" example, if equivalents are available for element Z, then it seems reasonable to recommend that many independent claims of varying scope should be included as original claims. If equivalents are not available for element Z, we would recommend broadening element Z in claim B as much as possible in order to obtain a broader literal scope for claim B.

Despite the uncertainty, the Festo decision underscores several principles of effective patent

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prosecution that we have long advocated, including:

(1) All parts of a patent prosecution record are important, and it is unwise to focus only on the claims. Specifications should be drafted to include explicit examples of as many equivalents as possible, and care should be taken that such equivalents fall within the literal scope of the claims. Specifications should also describe the invention in varying degrees of generality (e.g., very general, somewhat specific, and more specific) to support claims of varying breadth and minimally narrowing amendments. Drawings should be added if necessary to properly explain alternatives.

(2) Examiner interviews should be used extensively to attempt to reach agreement without amendment and/or extensive arguments on the record. The interviewing attorney should try to control the content of the Interview Summary Record prepared by the Examiner to ensure that it does not include potentially damaging statements, and only includes helpful statements.

(3) Unnecessary elements should be eliminated from independent claims, both during patent drafting and when responding to Office Actions. For example, if an amendment adding an element to a claim does not result in allowance, consider deleting that element in a subsequent amendment. In addition, unnecessary arguments should not be made on the record.

(4) For important cases, keep at least one continuation application pending. This will provide an opportunity to obtain broader literal claim scope if necessary.

Additionally, the following measures should now be considered or given renewed emphasis on a case-by-case basis:

(5) Significant care should be taken in addressing §112 issues. Amendments that add elements, even elements that do not seem to

unduly limit claim scope, should be avoided if possible. Some §112 rejections can be overcome by simply deleting words from the claims, which, in most cases, is a broadening amendment. Amendments addressing §112 issues should be critically examined to ensure that, if possible, the amended claim encompasses an equal or broader claim scope than the unamended claim.

(6) If an amendment is made for reasons unrelated to patentability, an explanation should be given on the record as to why the amendment is being made, and indicating that the amendment is not related to patentability. For example, an "editorial" amendment should be identified in the record as being editorial and made by applicant's own choice without narrowing the scope of the claims. If claims are amended only to eliminate means-plus-function terminology, that purpose should be expressly stated, along with a statement that the amendments are not being made for patentability or to narrow the claims. It is expected that voluntary narrowing amendments would be rare; i.e., if a narrowing amendment is not required to address a §101, §102, §103 or §112 issue, generally it is better not to make the amendment. However, certain situations may warrant a narrowing amendment. For example, in some instances, narrowing amendments are made to method claims to avoid a Restriction Requirement. Of course, the applicant should consider whether to file a divisional application to pursue the broader, original method claims.

(7) When filing a U.S. patent application that is a counterpart of a non-U.S. application, it is advisable to have the U.S. version revised prior to filing to better conform to U.S. practice and to avoid potential §112 rejections. Although revision by a U.S. patent attorney is not a guarantee against §112 rejections, significantly fewer §112 rejections are imposed in cases we have revised than in cases we have filed directly without revision.

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One particularly problematic issue involves PCT applications. Since U.S. applications based on PCT applications filed in other countries must be literal translations and thus cannot be revised, it appears that there is no way to reduce potential §112 issues in such applications. One procedure that might avoid this issue is to file the application in the United States as a continuation or CIP of the international application. This will enable the application to be revised prior to filing in the United States. However, it is not certain whether presentation of new claims in a continuation or CIP will be treated differently than if presented in a voluntary amendment in a regular application.

(8) Be careful in accepting allowable dependent claims. It is particularly tempting when a dependent claim is deemed allowable to rewrite the dependent claim in independent form in order to obtain allowance. However, such dependent claims should be critically examined to consider whether their literal scope is adequate, since equivalents might be lost. For example, consider whether the "allowable" feature can be expressed more broadly if it is to be placed into the independent claim. If the dependent claim includes more than one feature, or depends from an intervening claim (e.g., claim 3 depends from claim 2 which depends from claim 1), determine (possibly in an Examiner Interview) whether any of the other features can be eliminated, rather than simply incorporating all of the dependent claim subject matter into the rewritten independent claim.

(9) Consider appeal, rather than amendment, when an Examiner will not withdraw an unreasonable rejection.

(10) Include more independent claims (either initially or when responding to an Office Action) that are patentable for different reasons. Omit the "critical" feature of one independent claim from other independent claims that should

be allowable without that feature for other reasons. For example, if a first independent claim includes feature A, which was added/argued to distinguish over the prior art, a second independent claim should not include feature A if the second claim is patentable for some other reason. This should make it more difficult for competitors to avoid all claims of the resulting patent.

V. Conclusion

More than ever before, patent applicants and their patent attorneys must ensure that patent specifications are as complete and clearly written as possible. It is important for applicants to hold a long-term view of the patent process, and not succumb to short-term considerations during patent preparation and prosecution. Although the Festo line of decisions create considerable uncertainty regarding significant issues, most of the fundamental principles of effective patent preparation and prosecution, designed to maximize literal claim scope, remain intact.

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