



New Festo Decision – Federal Circuit Rules Festo Issues are Issues of Law

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In the latest decision in the groundbreaking Festo case in patent law,ⁱ the Federal Circuit Court of Appeals today issued a new opinion. Briefly, en banc, the Court determined that Festo issues are issues of law – that “the determinations concerning whether the presumption of surrender has arisen and whether it has been rebutted are questions of law for the court, not a jury, to decide.” The Court also:

- reinstated its holding that a “voluntary” amendment may give rise to prosecution history estoppel,
- clarified 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,
- clarified that the time when the narrowing amendment was made, and not when the application was filed, is the relevant time for evaluating unforeseeability,

- reinstated its earlier holding that a patentee's rebuttal of the Warner-Jenkinson presumption is restricted to the evidence in the prosecution history record,
- reinforced that whether prosecution history estoppel applies, and hence whether the doctrine of equivalents may be available for a particular claim limitation, presents a question of law,
- resolved that discussion of the relevant factors encompassed by each of the Festo rebuttal criteria is best left to development on a case-by-case basis,
- provided the following general guidance, regarding the application of the three Festo rebuttal criteria:
 - as to the possible showing that an alleged equivalent would have been "unforeseeable at the time of the amendment and thus beyond a fair interpretation of what was surrendered," 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,
 - usually, if the alleged equivalent represents 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,

- objective unforeseeability depends on underlying factual issues relating to, for example, the state of the art and the understanding of a hypothetical person of ordinary skill in the art at the time of the amendment,
 - in determining whether an alleged equivalent would have been unforeseeable, a district court may hear expert testimony and consider other extrinsic evidence relating to the relevant factual inquiries,
- the second criterion, as to whether a patentee has demonstrated that “the rationale underlying the narrowing amendment [bore] no more than a tangential relation to the equivalent in question,” 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 allowance of the claim,
 - whether the patentee has established a merely tangential reason for a 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,

- the third criterion, as to whether a patentee can establish “some other reason suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question,” is a vague, but narrow category; it is available in order not to totally foreclose a patentee from relying on reasons, other than unforeseeability and tangentialness, to show that it did not surrender the alleged equivalent,
 - thus, the third criterion may be satisfied when there was some reason, such as the shortcomings of language, why the patentee was prevented from describing the alleged equivalent when it narrowed the claim,
 - when at all possible, determination of the third rebuttal criterion should also be limited to the prosecution history record, and
 - a patentee may not rely on the third rebuttal criterion if the alleged equivalent is in the prior art.

The Court summarized 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 filed in the Patent and Trademark Office (“PTO”) has narrowed the literal scope of a claim. If the amendment was not narrowing, then prosecution history estoppel does not apply. But if the accused infringer establishes that the amendment was a narrowing one, then (2) the second question is whether the reason for that

amendment was a substantial one relating to patentability. When the prosecution history record reveals no reason for the narrowing amendment, Warner-Jenkinson presumes that the patentee had a substantial reason relating to patentability; consequently, the patentee must show that the reason for the amendment was not one relating to patentability if it is to rebut that presumption. If the patentee successfully establishes that the amendment was not for a reason of patentability, then prosecution history estoppel does not apply.

If, however, the court determines that a narrowing amendment has been made for a substantial reason relating to patentability — whether based on a reason reflected in the prosecution history record or on the patentee's failure to overcome the Warner-Jenkinson presumption — then (3) the third question in a prosecution history estoppel analysis addresses the scope of the subject matter surrendered by the narrowing amendment. At that point Festo imposes the presumption that the patentee has surrendered all territory between the original claim limitation and the amended claim limitation. The patentee may rebut that presumption of total surrender by demonstrating that it did not surrender the particular equivalent in question according to the criteria discussed below. Finally, if the patentee fails to rebut the Festo presumption, then prosecution history estoppel bars the patentee from relying on the doctrine of equivalents for the accused element. If the patentee successfully rebuts the presumption, then prosecution history estoppel does not apply and the question whether the accused element is in fact equivalent to the limitation at issue is reached on the merits.

In the specific case at issue, the Court concluded that Festo could not overcome a presumption of estoppel by demonstrating that the rationale underlying the narrowing amendments bore no more than a tangential relation to the accused equivalents or by demonstrating that there was “some other reason” such that the patentee could not reasonably have been expected to have described the accused equivalents. The Court remanded to the district court to determine whether Festo could rebut the presumption of surrender by establishing that the equivalents in question would have been unforeseeable to one of ordinary skill in the art at the time of the amendments.

The majority opinion by Judge Lourie was joined by Judges Michel, Plager, Clevenger, Rader, Schall, Bryson, Gajarsa, Linn, Dyk, and Propst. A concurring opinion was filed by Judge Rader. Concurring in part and dissenting in part were Judges Newman and Mayer.

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ⁱ In Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 533 U.S. 915 (2001) (“Festo VII”), the Supreme Court affirmed that “a narrowing amendment made to satisfy any requirement of the Patent Act may give rise to an estoppel.” Festo VIII, 535 U.S. at 736. Second, however, the Court established a presumption that a narrowing amendment made for a reason of 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.” Id. at 741. Specifically, the Court enumerated the three ways in which the patentee may overcome the presumption — *i.e.*, by demonstrating that “the equivalent [would] have been unforeseeable at the time of the [amendment],” that “the rationale underlying the amendment [bore] no more than a tangential relation to the equivalent in question,” or that “there [was] some other reason suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question.” Id. at 740-41. The Supreme Court remanded for the Federal Circuit or the district court to determine in the first instance whether Festo could demonstrate that narrowing amendments did not surrender the equivalents at issue. Id.