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## PATENT LAW

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### Courts Place Limits on the Doctrine of Equivalents

But reports of the death of the patent system have been greatly exaggerated

In the early 1980s, a new federal appeals court was credited by many with resuscitating the U.S. patent system. Seemingly overnight, this new court — the U.S. Court of Appeals for the Federal Circuit — was being hailed for affirming big damage awards and allowing injunctions to put infringers out of business. So, for those of us who have observed the patent system over the long haul, it is more than a little ironic to read recent pronouncements in the press that the Federal Circuit is destroying the patent system.

What's going on? As the Federal Circuit celebrates its 20-year anniversary, has the near-total change in court personnel converted the court from champions of inventors to condoners of copycats?

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Not quite.

What has actually occurred is that the Federal Circuit — with the blessings of the U.S. Supreme Court — has placed a few clear limits on the “doctrine of equivalents.”

That doctrine is an ancient legal creature which *sometimes* gives *some* U.S. patents a scope of protection that goes *slightly* beyond the claims that are painstakingly negotiated between patent attorneys representing inventors and examiners employed by the U.S. Patent and Trademark Office.

#### Look to the Process

To understand the problem — and, perhaps, appreciate that it is not much of a problem at all — it is necessary to understand the patenting process.

An application on, say, a new machine, will have a detailed written description and a set of drawings illustrating how the machine operates. But the real challenge for the patent attorney is to write a set of “claims.” These are descriptions that succinctly set out the perceived boundaries of the invention and what distinguishes the invention from that which came before — the “prior art.”

For example, a claim on an

improved pencil might recite, “A cylindrical rod of wood; graphite extending through the center of the wooden rod; and a rubber eraser mounted on one end of the rod.” Claims must be narrow enough so that they do not “read” on (cover) the prior art. But they should also be broad enough to encompass competitive products that might differ only slightly from what the inventor has developed.

For example, in the claim above, perhaps the “rod” doesn't have to be cylindrical. Or perhaps the graphite needn't be right in the center — in fact, perhaps it doesn't even have to be graphite. A skilled patent draftsman tries to think of alternatives, and cover them with claims.

When a patent application is examined, the Patent and Trademark Office examiner will often reject some claims based on prior art or for other reasons. In most cases, attorneys amend the claims to overcome the problems cited by the examiner. (As we shall see, it is these amendments that created much of the controversy for which the Federal Circuit has been blamed for destroying the patent system.) After a couple of rounds of this give-and-take, the inventor, her attorney and the examiner are usually satisfied, and the patent issues.

Most patents sit in a drawer until they expire. But when an invention attracts the attention of competitors, the patent becomes the innovator's first line of defense. In some cases, competitors make products that come squarely within the claims of a patent.

This is called literal infringement, and it is relatively straightforward. (Actually, it's not: the biggest focus in patent litigation in the early 21st Century is on claim construction — that is, what do those claims really mean, and are they broad or narrow? But that's beyond this discussion.)

Where things get dicey is when the competitor's product is outside the claims of the patent, but the patent owner argues that it is close enough, and asserts infringement under the doctrine of equivalents.

Before there was a Federal Circuit, cases involving equivalency were free-wheeling dog fights, with experts pontificating to juries on how the defendant stole the "essence" or the "heart" of the patented invention, and never mind the claims, since the English language isn't rich enough to fully describe the invention.

### Expanding Claims

The Federal Circuit began to put serious limits on the doctrine of equivalents in *Wilson Sporting Goods Co. v. David Geoffrey & Assoc.*, 904 F.2d 677 (Fed. Cir. 1990). The *Wilson Sporting Goods* court ruled that the doctrine couldn't be used to obtain an "expanded" claim that is so broad that it covers the prior art.

The Federal Circuit suggested that trial courts do the following. First, take the actual patent claim that is not literally infringed because some element of the claim is missing from the defendant's product. Then, broaden out that limitation until the claim literally covers the defendant's product. And then, see if that hypothetical claim is patentable over the prior art. If it isn't, the patent owner can't use the doctrine of equivalents to capture the defendant's product.

*Do you see the foundations of the patent system crumbling?*

If not, read on.

The next blow came not from the Federal Circuit, but from the Supreme Court.

Remember how equivalency was established earlier: if the accused product as a whole was substantially similar to the patented invention, it must

infringe. But in *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997), the Supreme Court ruled that equivalency requires that every "element" of a patent claim must be present — literally or through an equivalent.

If a claim called for A, B, C and D, there could be no equivalency if the defendant's product had no feature which was the same as or equivalent to, say, element C.

*Is that noise in the distance the sound of the sky falling?*

Another supposed body blow to the patent system came in March of 2002, when the Federal Circuit, once again sitting en banc, decided *Johnson & Johnston Assocs. v. R.E. Serv. Co.*, 285 F.3d 1046 (Fed. Cir. 2002).

It held that when a patent specification — the drawings and the written description — discloses technical subject matter, and the claims fail to cover all of it, the doctrine of equivalents cannot be used to capture the "unclaimed" subject matter. Instead, the court said that the subject matter has been dedicated to the public.

The subtext of the court's holding being: if this material was right in front of you, and you chose not to claim it, you can't sucker a competitor into believing that the unclaimed material is in the public domain and then use the Doctrine of Equivalents to take it back.

*Will the last researcher who leaves the lab please turn out the lights?*

By far, the greatest hue and cry about the destruction of the patent system relates to a doctrine called "prosecution history estoppel." What it means in plain English is, typically, if you narrowed your claims to avoid prior art, you can't use the doctrine of equivalents to recapture territory that you gave up.

Say you invented the stage coach and submitted a patent claim for "a frame for seating at least one person, and a 'plurality' (that is, two or more) of wheels mounted thereunder." Suppose the examiner cited a prior art patent on a bicycle and rejected the claim because it "reads on" (covers) the prior art bicycle.

The inventor might amend the claim to require four wheels (instead of a plurality) to distinguish over the bicy-

cle, and the claims would be allowed. Under prosecution history estoppel, the patentee cannot later assert that a two-wheeled vehicle is an equivalent to his patented invention; he is estopped because he gave up that territory in obtaining the patent.

In 2000, the Federal Circuit sitting en banc held that where a claim amendment is made to avoid a prior art rejection, the patentee is completely barred from covering anything in between the original claim and the amended claim. *Festo Corp. v. Shoketsu Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000), vacated, 122 S. Ct. 1832 (2002). In our example, it would mean that the inventor — who deliberately amended his claim from a plurality of wheels to four wheels — could not claim infringement by a device with three wheels.

Are you outraged yet? This is the decision that critics of the Federal Circuit cite as prosecution Exhibit A when they accuse the court of killing the patent system — the inability of our hypothetical patentee to stop a three-wheeled vehicle where the patentee started out with a claim that would cover it (a plurality of wheels) and deliberately narrowed the claim so that it no longer covers it (four wheels).

When *Festo* was appealed to the U.S. Supreme Court, there were dozens of "friend of the Court" briefs filed. They were almost unanimous in condemning the Federal Circuit's opinion.

And when the Supreme Court set aside the Federal Circuit's decision in May of 2002, the commentators declared the patent system saved. But was it?

Actually, what the Supreme Court did was to fine tune the Federal Circuit's ruling. Instead of declaring that our fictitious patentee could never claim equivalency by a three-wheeled vehicle, the Supreme Court created a presumption that this was the case.

To overcome the presumption, the patentee had the burden of proving, for example, that the alleged equivalent was new technology that was not foreseeable when the narrowing amendment was made. If our hapless hypothetical inventor can show that a three-wheeled vehicle was unforeseeable, he's back in the ball game.

### Literal Infringement Is Best

Let's put *Festo* and the other decisions discussed above in proper perspective. Every one of these cases grew out of a situation where the accused product fell outside the literal scope of patent claims. That may have occurred because the later equivalent was truly new and unforeseeable.

But, more likely, it resulted because the inventor and her attorney concluded that the claims the examiner was allowing were broad enough, and a decision was made not to expend more resources on further amendments, continuations, appeals and the like. And in some cases, it resulted from the patent attorney failing to be as creative as the inventor, by leaving unnecessary limitations in claims.

Which bring us to the dirty little secret about the patent system: Most patent infringement cases are won not in a courtroom, but on the desk of the patent lawyer writing and prosecuting the application.

The surest way to avoid all these limitations on the doctrine of equivalents is to obtain patent claims that are *literally* infringed. And that requires front-loading your efforts with a view toward obtaining a patent portfolio that allows you to forget about the doctrine of equivalents altogether.

From the outset, it requires that every invention worth protecting receive not just a set of claims, but a claim strategy. For example, a new machine with six key features will often suggest a claim requiring all six fea-

tures, elements A, B, C, D, E and F. But it may be possible to write a perfectly proper and patentable claim to just B, C, D, E and F. Or maybe elements C, D, E in combination with an element you hadn't focused on — G.

Another part of a claiming strategy may require that you think beyond the apparatus that the inventor considers his real invention and realize that operation of the apparatus may be a patentable process or method.

Another way to win tomorrow's infringement suit may involve digging in one's heels at the Patent and Trademark Office. When an examiner rejects broad claims and you think he's wrong, you don't have to cave in and narrow your claims. You can request reconsideration and, if that doesn't work, you can appeal.

Yet another strategy used by many patentees is to file a "continuation" before a patent issues. Then, if a competitive product pops up, and you realize that your first patent doesn't literally cover it, you may be able to craft new claims in the continuation that literally cover the competing product.

But if you don't want to incur the expense of a continuation because it may prove to be unnecessary, remember that the patent laws give patentees an opportunity — through "reissue" — to fix patents that prove to be unduly narrow due to an error. Although there are certain restrictions, one can apply for a reissue with broader claims up to two years after issuance of the original patent.

All of these tools give inventors and their patent attorneys numerous

opportunities to obtain a patent — or a patent portfolio — with an assortment of claims of varying scope that build a wall of protection around your innovations. And in most cases, one need not lose sleep over all the limitations on the doctrine of equivalents because competitors will be literally infringing — if they dare.

The patent system is not dead. It's not even sick. The obsession among commentators over the doctrine of equivalents — and its limitations — ignores the fact that infringement by equivalency should not be a routine second bite at the apple. It is reserved for unusual situations with compelling facts.

Would research dollars dry up because our hypothetical inventor, who claimed four wheels, couldn't stop a competitor from using three wheels? I doubt it. And will those dollars start flowing again because there is only a presumption against our hypothetical inventor? Just as doubtful.

Does it make sense to spend millions on a lawsuit in which high-priced litigators and experts clash over whether three is equivalent to four, and whether the patentee lost the right to make the argument? Wouldn't it make a lot more sense to put a fraction of those resources into smarter patent prosecution?

Maybe our hypothetical inventor and his attorney would have thought to claim "at least three wheels" at the outset. And we could forget all about *Wilson Sporting Goods*, *Warner-Jenkinson*, *Johnson & Johnston* and — yes — *Festo*. ■