

Litigation Alert:

Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd. (Festo XIII) - Prosecution History Estoppel and the Foreseeability of Equivalents

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On July 5, the Federal Circuit issued the latest in a line of decisions addressing the scope of prosecution history estoppel and its limits on the doctrine of equivalents, this time addressing whether an equivalent is foreseeable and thus subject to surrender. In finding the alleged equivalent accused by Festo was surrendered during prosecution of the patent in suit, the Federal Circuit adopted a broad view of foreseeability, holding that “[a]n alternative is foreseeable if one skilled in the art would have known that the alternative existed in the field of art as defined by the original claim scope, even if the suitability of the alternative for the particular purposes defined by the amended claim scope were unknown.”

Prosecution history estoppel is a legal limitation on the doctrine of equivalents, preventing a patent holder from claiming subject matter surrendered during prosecution of the patent. If an amendment was made during prosecution for reasons related to patentability, prosecution history estoppel bars the application of the doctrine of equivalents with respect to that element. A patent holder may prove that the amendment did not surrender a particular equivalent, however, if it demonstrates one of three exceptions: (1) the equivalent was unforeseeable at the time of the amendment, (2) the amendment was made for reasons tangential to the equivalent at issue, or (3) some other reasons suggests that the patentee could not reasonably be expected to have described the substitute in question.

Festo is the owner of a patent covering a device that requires a “sleeve made of a magnetizable material.” Festo appealed the district court’s finding that SMC’s device having a non-magnetizable aluminum alloy sleeve did not infringe under the doctrine of equivalents. The district court found that prosecution history estoppel applied to bar Festo from claiming the aluminum sleeve as an equivalent because use of an aluminum sleeve was foreseeable at the time Festo’s patent was amended to require the sleeve be made of a magnetizable material.

On appeal, Festo argued that the proper foreseeability test should ask not only whether the alternative was generally known in the field, but whether one of ordinary skill in the art would have foreseen use of that alternative to accomplish the claimed invention, i.e. perform the same function in substantially the same way to achieve the same result. The Federal Circuit disagreed, concluding that the foreseeability test does not require knowledge that the alternative would satisfy the function/way/result or insubstantial differences test.

In rejecting Festo’s argument, the Federal Circuit explained that the function/way/result test was designed to determine whether an alternative was close enough to the claimed invention to be an equivalent; it is not a test designed to determine whether subject matter was surrendered during prosecution of the patent. Moreover, use of the same test for determining foreseeability and equivalency would lead to inconsistencies requiring the patentee to argue that the alternative did not satisfy the function/

way/result test and was therefore unforeseeable, but later argue the alternative does satisfy the function/way/result test in claiming infringement under the doctrine of equivalents.

Most importantly, the Federal Circuit found that application of the function/way/result test to the question of foreseeability improperly focuses on the scope of the claims after the narrowing amendment, rather than the scope of the original broader claims prior to the amendment. The proper foreseeability inquiry asks whether the alternative was known in the pertinent prior art at the time the amendment was made. If an alternative was foreseeable in light of the broader claims, it does not become unforeseeable simply because the claim is narrowed. Therefore, the Federal Circuit concluded that “an alternative is foreseeable if it known in the field of the invention as reflected in the claim scope before amendment.”

Applying this test to the facts of the case, the Federal Circuit found that a non-magnetizable sleeve was clearly known in the prior art as available to perform the objectives of the claims before the amendment. Therefore, it found that the aluminum sleeve was a foreseeable alternative that was surrendered during prosecution.

In dissent, Judge Newman asserts that the Federal Circuit goes too far. Under the decision, an existing structure need not be recognized as an equivalent at the time of the patent application or amendment in order to be foreseeable if it is later used as an equivalent. Judge Newman takes the position that the panel’s decision strays from precedent which recognizes that if a particular technology is not recognized as an equivalent at the time of the amendment, that technology cannot be foreseeable.

The foreseeability test articulated by the Federal Circuit will likely broaden the application of prosecution history estoppel and its limitation on the doctrine of equivalents. The Federal Circuit’s decision may have particular impact in industries, such as biotechnology, where certain alternatives are known in the art, but the full range of its uses may not yet be discovered. Under the Federal Circuit’s decisions, a patentee may unwittingly surrender the undiscovered uses from the scope of its claims.

The opinion is available at <http://www.fedcir.gov/opinions/05-1492.pdf>.

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