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COMMENT:
THE IMPACT OF MAJOR CHANGES
BY THE FEDERAL CIRCUIT IN THE LAW
AFFECTING CLAIM SCOPE

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I. CLAIM CONSTRUCTION

I would like to consider the title of this Symposium, which addresses the past, present, and future of the Federal Circuit. Consider how the court's changes in the law of claim construction affect competition, patent policy, and procedure.

The parties in these cases, of course, are a patentee and an alleged infringer. Usually they are competitors. So we are also talking about competition, either with a copy of the patentee's product or a somewhat different product that is close enough to the patentee's product to have been accused of infringement.

As Mr. Filardi stated, the Federal Circuit adopted in *Markman v. Westview Instruments, Inc.* the new rule that claim construction was a matter of law for the court.¹ Accordingly, claim construction suddenly ceased to be a fact issue for the jury on which expert testimony was heard. In the past, the jury would resolve the conflicting views of the experts. The reasons given for the new rule were to promote the policies of clear notice to competitors and predictability of a determination of infringement. The Supreme Court essentially went along.²

Under *Markman*, one ordinarily expects a narrower claim scope than one would have gotten from a jury. Of course, a nar-

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¹ Edward V. Filardi, Remarks at the Case Western Reserve University School of Law Center for Law, Technology and the Arts Symposium: The Past, Present, and Future of the Federal Circuit (Nov. 14, 2003) (transcript on file with the Case Western Reserve Law Review).

² 517 U.S. 370, 387-88 (1996).

rower scope is good for alleged infringers, but is not good for patentees. It is good for encouraging competition with small differences from the patented product during the life of the patent. What about the effect on the basic policy of the patent system: the incentive to innovate? The *Markman* rule is not good as an incentive to encourage innovation, because it reduces the patent reward.

If one shifts to the discussion here about predictability of claim constructions and reversal rates, whether they are thirty percent, or one-third or more, that level suggests that reading claims is not all that predictable a task. On the other hand, as Judge Michel³ pointed out, there are a very large number of summary judgment decisions that come up to the court, which means that cases are being disposed of on motion without a trial.⁴ The Supreme Court thinks that is synonymous with judicial efficiency, a positive development.

The typical *Markman* procedure of a pretrial claim construction hearing is a dramatic change and, of course, previously did not exist. There are also a lot of newly articulated rules of construction. These create a whole set of tasks for practitioners and a whole new way of practicing.

In addition, I think Mr. Filardi and Mr. Griffith are both correct in that the use of dictionaries is a swing of the pendulum in favor of patentees, because it offers the opportunity for a broader reading than say perhaps the discredited *Gentry* case where the focus was on the embodiments in the specification.⁵

My main point is that the flexibility that the jury had is gone. The net effect, in general, is to narrow claim scope.

II. THE DOCTRINE OF EQUIVALENTS

The doctrine of equivalents is a better example of my point that the trend of the development of the law in the Federal Circuit has been to narrow patent scope. The narrowing has proceeded in several steps. First, the Federal Circuit began, in the early 1980s, talking about the doctrine of equivalents in terms of "the claimed invention as a whole."⁶ Second, equivalency was narrowed by the Circuit to the "element by element" rule.⁷ Third, the *en banc* ques-

³ The Honorable Paul Michel, Circuit Judge, United States Court of Appeals for the Federal Circuit.

⁴ The Honorable Paul Michel, *Judicial Constellations: Guiding Principles as Navigational Aides*, 54 CASE W. RES. L. REV. 757, 765-66 (2004).

⁵ *Gentry Gallery, Inc. v. Berklene Corp.*, 134 F.3d 1473, 1477-80 (Fed. Cir. 1998).

⁶ *Hughes Aircraft Co. v. United States*, 717 F.2d 1351, 1364 (Fed. Cir. 1983), *overruled by Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000).

⁷ See *Pennwalt Corp. v. Durand-Wayland, Inc.*, 883 F.2d 931, 938 (Fed. Cir. 1987) ("[T]he district court correctly relied on an element-by-element comparison to conclude that

tions in *Hilton Davis Chemical Co. v. Warner-Jenkinson Co.* asked whether the doctrine of equivalents was not a jury question, but rather a question of equity in the discretion of the trial court.⁸ The answers might have further narrowed the doctrine, except the majority for that position could not be mustered. We ended up, at that point, with essentially the same “substantially the same function, way, result,” or “insubstantial difference” rule that we had before.⁹

Prosecution estoppel, of course, is an aspect of the doctrine of equivalents which bars its application where the equivalent was surrendered in prosecution. In a fourth step in this history, the Supreme Court in *Warner-Jenkinson* created a presumption which eased application of estoppel to block equivalence. The Supreme Court held that where the file history did not provide the reason for an amendment, the presumption was that an estoppel arose.¹⁰

The prosecution estoppel doctrine was also involved in the decisions of the Federal Circuit and Supreme Court in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.* Prior to *Festo* it was a “flexible” rule.¹¹ *Festo*, at the Federal Circuit level, created a fifth change. The court adopted a new rule completely barring equivalence for claims that had been narrowed for reasons relating to patentability.¹² The Supreme Court rejected that rule, but, in a sixth step, created a new set of rules that narrowed estoppel from the pre-*Festo* flexible rule. The Court created a presumption of surrender for narrowed claims that could be overcome if the equivalent was unforeseeable at the time of application or only tangentially related to the amendment, or if there was “some other reason” why the equivalent could not reasonably have been described.¹³ The Federal Circuit is now fleshing out the procedures. In what may be viewed as a seventh step, the procedural impact so far, based on the remand in *Festo* to the Federal Circuit,¹⁴ is that two of the three ways to overcome the presumption which follows

there was no infringement under the doctrine of equivalents.”).

⁸ *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512, 1516 (Fed. Cir. 1995) (en banc), *aff'd in part & rev'd in part on other grounds*, 520 U.S. 17 (1997).

⁹ *Id.* at 1518-19.

¹⁰ *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 33-34 (1997).

¹¹ See *Hughes Aircraft Co.*, 717 F.2d at 1362 (rejecting the prosecution estoppel doctrine as a “wooden application of estoppel”).

¹² *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.* (*Festo I*), 234 F.3d 558 (Fed. Cir. 2000), *vacated by Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722 (2002).

¹³ *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.* (*Festo II*), 535 U.S. 722, 738-40 (2002).

¹⁴ *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.* (*Festo III*), 344 F.3d 1359 (Fed. Cir. 2003).

from the narrowing amendment (tangential and “some other reason”) require a decision limited to the prosecution record. Evidence may be taken on the third (unforseeability). I believe it is up to the court to decide whether the prosecution history estoppel presumption will be overcome.¹⁵ The vitiation doctrine surfaced in some older cases. The Federal Circuit called it “specific exclusion.” *Dolly, Inc. v. Spalding & Evenflo Cos.*¹⁶ was the leading case in that group. The idea was that if something was specifically excluded in the claim it would not be an infringing equivalent. The doctrine was hard to distinguish from the exclusion of everything not literally claimed—which would bar *all* equivalents. The court retreated from that position in *Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp.*¹⁷ The court explained in *Ethicon Endo-Surgery* that, looking back, the holdings in the “specific exclusion” cases should be understood as situations where, on the facts, no reasonable jury could have found equivalence.¹⁸ In other words, the “specific exclusion” principle was abandoned. Perhaps we will have pretrial prosecution estoppel hearings as we now have *Markman* hearings. Certainly, we will have partial summary judgment motions as a result.

Once again, the net effect of all of this is to narrow the scope of the patent. Again, that is good for the alleged infringer, but not good for the patentee. It is good for the kind of competition you get from copying and close designing around. It is not good from the perspective of the incentive to create unobvious inventions. In the longer term, a more dramatic kind of competition comes from invention than from close copying. In short, I think the doctrine of equivalents is a particularly interesting manifestation of the trend toward narrowing patent scope and reducing the related incentive to innovate.

CONCLUSION

My closing plea to the court of appeals judges is that they pay more attention to the patent as a reward for invention and as an incentive to invent.

¹⁵ *Festo III*, 344 F.3d. at 1370-71.

¹⁶ 16 F.3d 394 (Fed. Cir. 1994).

¹⁷ 149 F.3d 1309 (Fed. Cir. 1998).

¹⁸ *Id.* at 1317-19.