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## PANEL I: The End of Equivalents? Examining the Fallout from *Festo*

Moderator: John Richards<sup>\*</sup>

Panelists: J. Michael Jakes<sup>†</sup>  
Herbert Schwartz<sup>‡</sup>  
Harold C. Wegner<sup>§</sup>

PROFESSOR RICHARDS: Thank you, Dean Treanor.

What we are going to do first is have opening statements from each of our panelists here. They are going to talk for ten minutes or so on their views of the *Festo* situation, and then we are going to open up into a general discussion, and those in the audience who feel they want to contribute are heartily encouraged to do so.

Our first speaker will be Professor Wegner. Professor Wegner is a Partner at Foley & Lardner in Washington, D.C. For many years he ran the IP program at George Washington University in Washington, D.C. He is sometimes credited with opening up the knowledge of Japanese patent law in English-speaking countries by the work he did when he was a visiting professor in Tokyo several years ago. He has spoken widely and written widely on IP subjects, particularly in the patent field. He is a regular contributor to the Annual International Intellectual Property Law and Policy Conference that you have here at Fordham in the spring.

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With that introduction, Hal, if you would like to start off, please.

MR. WEGNER: Thank you very much.

I will make this introductory portion very brief to provide everyone with a little grounding on where we stand with *Festo*. Then, we'll turn the program over to these two distinguished panelists—trial litigators who have all sorts of insights of their own. Later, after you all have had a chance to talk, I would like to offer some comparative insights.

Just when we thought the *Festo* nightmare was over, on September 20, the Federal Circuit acted<sup>1</sup>—I don't know what water they are drinking inside the Beltway. You know, Washington, D.C. combines the best of the North and the South, northern charm and southern efficiency.

[laughter]

They have done it again. After all the scholarly criticisms that Rooklidge<sup>2</sup> and Tramposch<sup>3</sup> and others have had of the Federal Circuit for their judicial legislation, their en banc advice, look what's happened. (You know, you learned in law school, some of us many years ago, some of you now, that in the common law system you should take matters case by case and you don't have advisory opinions).

The Federal Circuit goes out of its way, it seems, to give en banc dictum. They can't wait to fill in the blank spaces. It has taken hundreds of years for the common law to develop, and they just can't wait to fill in every little blank space. After the *Festo* Supreme Court remand, they had some open spaces, so they were going to fill in the blanks.

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<sup>1</sup> *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 304 F.3d 1289 (Fed. Cir. 2002) (en banc), vacated by 535 U.S. 722 (2002).

<sup>2</sup> See William C. Rooklidge & Matthew F. Weil, *Judicial Hyperactivity: The Federal Circuit's Discomfort with Its Appellate Role*, 15 BERKELEY TECH. L.J. 725 (2000) (suggesting that the Federal Circuit should take care to avoid forms of decision-making best left to the trial courts).

<sup>3</sup> See Albert Tramposch, *The Dilemma of Conflicting Precedent: Three Options in the Federal Circuit*, 17 AM. INTELL. PROP. L. ASS'N Q.J. 323 (1989) (discussing ways in which conflicting precedent may be resolved in the Federal Circuit without resorting to en banc consideration).

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On May 28 the Supreme Court remanded the case to the Federal Circuit, saying: you are wrong about a flexible bar on equivalents and you are right about any narrowing amendment creating an estoppel, but now here are some loose ends.<sup>4</sup>

So on September 20, at least seven of the twelve members of the court were drinking this funny water, because they could have issued a simple panel opinion and remanded the case back to the district court, telling the court to take a look at the issues the Supreme Court has raised and answer their questions. Then, the issues could have percolated back up to the Federal Circuit. But, no! En banc—it takes seven of the twelve regular judges to create an en banc order—they told the parties to now brief four issues, and the bar, the public, to brief two general issues: whether juries or judges should decide some of the issues in *Festo* and what tests should be used.<sup>5</sup>

Already, the Bar Association of the District of Columbia has filed an amicus curiae brief.<sup>6</sup> The period is still open, I think until November 19, for other bar associations to file briefs. Maybe some of my co-panelists will shed some light on which groups are still actively considering such action. I see the smile on Mr. Jakes' face; maybe he is involved in one of them.<sup>7</sup>

My message to the court, if anyone is listening, is you can still undo your mistake. Nobody put their name on the en banc order. The grant of an en banc order is anonymous. It takes seven of the twelve regular judges to create an en banc order. So please, seven of you, would you please take this back? Please rescind this en banc order.

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<sup>4</sup> See *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 732–42 (2002).

<sup>5</sup> See *Festo*, 304 F.3d at 1290–91.

<sup>6</sup> Brief for Amicus Curiae in Support of Neither Party on Behalf of the Patent, Trademark, & Copyright Section of the Bar Association of the District of Columbia, *Festo*, 535 U.S. at 722 (No. 00-1543), <http://www.ipcreators.org/pdf-files/Merits%20briefs/dcbar.DOC>.

<sup>7</sup> See Brief For Amicus Curiae American Intellectual Property Law Association, *Festo v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir.) (No. 95-1066), *vacated by* 535 U.S. 722 (2002), <http://www.aipla.org/html/festo99.html>.

Just imagine what happens if the court now issues another en banc opinion. There is this en banc order for briefing, another en banc hearing. What's the difference? If you have an en banc decision called *Festo*, maybe the Supreme Court will take particular notice. Maybe if the Federal Circuit issued a decision in a case called "Jones v. Smith" or "Bob v. Mary" or something like that, maybe it would not get so much attention. But *Festo*! It would seem like almost a challenge to the Supreme Court to review the case one more time.

So where do we stand, briefly, on *Festo*? If you aren't familiar with *Festo*, the conference organizers in this wonderful book of symposium materials, in the first fifty or sixty pages, provide the several opinions of the court.<sup>8</sup> And then I have an outline called "Festering Questions After *Festo*," so you don't need to take notes.<sup>9</sup> I will just go through this as an outline before turning the microphone over to the co-panelists.

The first section is an overview that discusses the new September 20 en banc order.<sup>10</sup> The hearing is on February 6, 2003. And then who knows when a decision will come—2003 or 2004.

In the final two minutes before I turn the panel over to my colleagues, I would like to discuss the issue of equity. Ten years ago or so, in *Hilton Davis*, the Federal Circuit en banc, in a split opinion, said that equivalents is an issue for the jury, not an equity issue.<sup>11</sup> I think that the doctrine of equivalents should be an equity issue. I am saying that as a pragmatic answer, because if it is an equity issue, then it is a matter for the judge.

I would like to see the doctrine of equivalents handled by a judge and applied in rare situations, only where there is a very compelling case. I am not totally alone. Judge Plager, Judge Linn,

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<sup>8</sup> Opinions appearing in the symposium materials included *Festo*, 535 U.S. at 722; *Festo*, 234 F.3d at 558; and *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997).

<sup>9</sup> Harold C. Wegner, *Festering Questions after Festo*, 13 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 891 (2003).

<sup>10</sup> *See id.*

<sup>11</sup> *See Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512, 1522 (Fed. Cir. 1995) (en banc) (per curiam), *rev'd*, 520 U.S. 17 (1997).

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and some others agree with this position,<sup>12</sup> but the majority from a decade ago did not.<sup>13</sup>

So in my discussion at pages seven through eleven, I say reopen the equity door. My plea against en banc dictum is called “Clouding the Future with an En Banc Dictum,” at pages eleven through fourteen.

To me, as a student of the law, I think the Court of Appeals, as opposed to the Supreme Court, should be judging cases on a case-by-case basis when facts require it, and not to be prospectively, from the eighth and ninth floors of Madison Place, giving pronouncements as to what the law should be for all situations. The law should develop, in my opinion, in the way it has done for centuries in the common law system, on a case-by-case basis, where there is a holding necessary for the case.

With that as a background, I’d like to turn the panel over to John.

PROFESSOR RICHARDS: Okay.

The next person to give their brief introduction is Herb Schwartz, who is a Senior Partner at Fish & Neave, a strong supporter of the law school here and a regular speaker at our spring conferences. He is a Fellow of the American College of Trial Lawyers and the American Bar Foundation. He has written a textbook, *Principles of Patent Law*.<sup>14</sup> He is in *Who’s Who in IP*,<sup>15</sup> *Best Lawyers in America*,<sup>16</sup> *The One Hundred Most Influential Lawyers in America*,<sup>17</sup> and he is extremely well regarded throughout the patent profession.

MR. SCHWARTZ: Thank you, John.

As a practitioner rather than as an academic—although I dabble in academia at times—I will talk a little bit more about

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<sup>12</sup> See *id.* at 1536–45 (Plager, J., dissenting).

<sup>13</sup> See *id.* at 1521–22.

<sup>14</sup> DONALD S. CHISUM ET AL., *PRINCIPLES OF PATENT LAW* (2000).

<sup>15</sup> *Who’s Who in IP*, *LEGAL TIMES*, May 7, 2001, at 28.

<sup>16</sup> GREGORY W. SMITH & STEVEN W. NAIFEH, *THE BEST LAWYERS IN AMERICA 2003–2004* (10th ed. 2002).

<sup>17</sup> Margaret Cronin Fisk, *The 100 Most Influential Lawyers in America*, *NAT’L L.J.*, June 12, 2000, at A1.

some of the practical aspects of what has happened in *Festo* since it has come down, because that is something I have to deal with a little more. In terms of whether it is a good idea or a bad idea for the Federal Circuit to do what it has been doing, I think that is something I am not going to change in my lifetime, and therefore I am really not going to spend much time worrying about it at this point.

What is interesting to me is to see what has happened since *Festo* in terms of what they have asked to be considered en banc and what some district courts have done,<sup>18</sup> because the real issue ultimately is how this plays out in the district courts in the first instance, and then ultimately what happens on appeal.

Basically, it has been hornbook law for a long time that limitations on the doctrine of equivalents are a question of law,<sup>19</sup> whatever that means, or basically limitations on the doctrine of equivalents based on things happening in the file wrapper are questions of law.<sup>20</sup> I think people have assumed that file wrapper estoppel is a question of law.

But what has happened since the Supreme Court in *Festo* is that the Federal Circuit and some district courts are focusing on whether or not there are factual issues which underlie an ultimate determination of a question of file wrapper estoppel.<sup>21</sup> You are getting into something that almost sounds like you may have *Festo* hearings as well as *Markman* hearings<sup>22</sup> someday, and you may have *Festo* hearings which could even be factual.

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<sup>18</sup> See, e.g., *Glaxo Wellcome Inc. v. Impax Labs., Inc.*, 220 F. Supp. 2d 1089 (N.D. Cal. 2002) (holding that prosecution history estoppel barred infringement by the doctrine of equivalents, since the equivalents in question were known substitutes and the patent owner did not include them in the amendments to the claims); *Glaxo Wellcome Inc. v. Eon Labs Mfg., Inc.*, No. 00-CV-9089, 2002 U.S. Dist. LEXIS 14950 (S.D.N.Y. Aug. 13, 2002).

<sup>19</sup> See ROBERT L. HARMON, *PATENTS AND THE FEDERAL CIRCUIT* 345 (5th ed. 2001).

<sup>20</sup> See *id.* at 362 (explaining the equitable nature of file wrapper estoppel).

<sup>21</sup> See *Impax Labs.*, 220 F. Supp. 2d at 1093; *Eon Labs*, 2002 U.S. Dist. LEXIS 14923, at \*8.

<sup>22</sup> A *Markman* hearing is a court's review of the intrinsic and extrinsic evidence to construe the asserted patent claims as a matter of law. See *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996) (holding that claim construction is a matter for a judge and not a jury).

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To me, the most interesting situation that brings this up is illustrated by two very recent cases involving Glaxo Wellcome. Glaxo Wellcome was a plaintiff in two lawsuits against two different defendants in two different courts.<sup>23</sup> Here in the Southern District of New York, in *Glaxo Wellcome v. Eon Labs Manufacturing, Inc.*,<sup>24</sup> the court considered the question of what happens in the *Festo* situation;<sup>25</sup> the court decided that there was a triable issue of fact with respect to the foreseeability of a particular chemical as a sustained release agent, and denied summary judgment on the ground of file wrapper estoppel.<sup>26</sup>

In a suit on the very same patent two weeks later, in the United States District Court for the Northern District of California, a different federal judge with exactly the same facts before her, and having full well in mind what the Southern District of New York did, decided precisely to the contrary.<sup>27</sup> She held that there was nothing to try, that she could decide as a matter of law that there was file wrapper estoppel, and she essentially dismissed the complaint.<sup>28</sup>

So we now have the situation where what one district court decides—that, as a practical matter, not only is there something to look at from a factual point of view, but you are even entitled to a trial on it, maybe even possibly a jury trial.<sup>29</sup> For me, that is a startling consequence. That is something that seems to be just a simple engraftment on the doctrine of equivalents.

To me, if this is the beginning of the unraveling of all of this, it is just hard to know where it is going, other than possibly to make patent litigation even more expensive and complicated than it is now. I guess for a practitioner maybe that is a good thing; but for the system, I do not think it is a good thing that it is making the system even more expensive and complicated. And if we layer this sort of problem onto it, it will get even worse. Obviously, the

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<sup>23</sup> See *Impax Labs.*, 220 F. Supp. 2d at 1089; *Eon Labs*, 2002 U.S. Dist. LEXIS 14950.

<sup>24</sup> 2002 U.S. Dist. LEXIS 14950.

<sup>25</sup> See *id.*

<sup>26</sup> See *id.* at \*14.

<sup>27</sup> See *Impax Labs.*, 220 F. Supp. 2d at 1093.

<sup>28</sup> See *id.* at 1093–97.

<sup>29</sup> See *Eon Labs*, 2002 U.S. Dist. LEXIS 14923.



Federal Circuit has this in mind when they want to consider whether foreseeability, tangentialness, and reasonable expectations are questions of law or fact.<sup>30</sup> How they ultimately deal with that and what they say and whether they leave it a question of what you would call *Markman*-type mixed law and fact,<sup>31</sup> which is for a court to decide, or whether they would call it simply a question of true fact, which you would leave for a jury to decide, really remains to be seen.<sup>32</sup>

I will just finish very briefly. There are some glimmers of the court's meaning when you look in the *Johnson* decision,<sup>33</sup> a recent well-known decision, where Judge Rader thought that foreseeability is a factual issue,<sup>34</sup> and Judge Lourie said, if it is a factual issue, we are going to have jury trials on it.<sup>35</sup> This was not in the *Festo* context, but in the context of *Johnson*, about what was foreseeable—what happens as to what is disclosed in a specification, and whether you have to claim it.<sup>36</sup>

So you can already begin to see the sides forming in the Federal Circuit as to whether foreseeability is a question of fact or a question of law. Where it will come out, no one knows, other than, as far as I can tell, to increase the complexity and expense.

Thank you.

PROFESSOR RICHARDS: Thank you, Herb.

Our third panelist this morning is Mike Jakes, who is a Partner in Finnegan, Henderson, Farabow, Garrett & Dunner in Washington, D.C. He is also an adjunct professor, teaching patent law in Washington, D.C. He has a book on patents before the Federal Circuit, which is well used by those of us in the profession.

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<sup>30</sup> See *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 304 F.3d 1289 (Fed. Cir. 2002) (en banc), vacated by 535 U.S. 722 (2002).

<sup>31</sup> *Markman v. Westview Instruments Inc.*, 517 U.S. 370, 388–89 (1996).

<sup>32</sup> See *id.* (holding that judges are more capable of interpreting claims because of their special training, the technicality of the claims, and need for uniformity in the system). *But see* *SmithKline Diagnostics, Inc. v. Helena Labs. Corp.*, 926 F.2d 1161 (Fed. Cir. 1991) (holding that in patent cases, damages are a question of fact and properly reviewed by a jury).

<sup>33</sup> *Johnson & Johnston Assocs. v. R.E. Serv. Co.*, 285 F.3d 1046 (Fed. Cir. 2002).

<sup>34</sup> See *id.* at 1056–59 (Rader, J., concurring).

<sup>35</sup> See *id.* at 1063 (Lourie, J., concurring).

<sup>36</sup> *Id.*

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He has handled many, many appellate cases before the Federal Circuit and he wrote the AIPLA (American Intellectual Property Law Association) amicus brief on *Festo* itself,<sup>37</sup> so he is well suited to tell us about it.

MR. JAKES: Thank you very much. I am very pleased to be here this morning. Thank you for inviting me.

I did smile when Hal mentioned the amicus briefs that are currently being filed, because I had the opportunity to participate in the original briefing process as counsel for the amicus AIPLA.<sup>38</sup> Since then, unfortunately, clients have lined up on both sides of that issue, and because of positional conflicts, I have not been allowed to put anything in writing before the Federal Circuit, as I would like to. So I would like to take today to at least express some of my views.

MR. WEGNER: Hopefully, unfettered.

MR. JAKES: People who practice frequently in front of the Federal Circuit are usually concerned with the day-to-day of how to win a case, and so if you will indulge me, I would like to be a little more philosophical today because it is something that we do not often get to do.

I would like to start with why I think the Federal Circuit did what it did in *Festo*. In my opinion, the doctrine of equivalents has been the single issue of the court's jurisprudence that has defined it over its twenty-year existence. From the *Hughes Aircraft* case,<sup>39</sup> to *Pennwalt*<sup>40</sup> in the 1980s—and I was there for the *Pennwalt* episode, clerking for Giles Rich—to now the *Warner-Jenkinson*<sup>41</sup> and *Festo* cases,<sup>42</sup> the Federal Circuit has devoted more time, more

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<sup>37</sup> See Brief for Amicus Curiae American Intellectual Property Law Association, *Festo v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000) (No. 95-1066), vacated by 535 U.S. 722 (2002), <http://www.aipla.org/html/festo99.html>.

<sup>38</sup> See *id.*

<sup>39</sup> *Hughes Aircraft Co. v. United States*, 717 F.2d 1351 (Fed. Cir. 1983).

<sup>40</sup> *Pennwalt Corp. v. Durand-Wayland, Inc.*, 833 F.2d 931 (Fed. Cir. 1987).

<sup>41</sup> *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512, 1522 (Fed. Cir. 1995) (en banc) (per curiam), *rev'd*, 520 U.S. 17 (1997).

<sup>42</sup> *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 304 F.3d 1289 (Fed. Cir. 2002) (en banc); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000), vacated by 535 U.S. 722 (2002).

energy, and certainly more pages to the doctrine of equivalents than any other issue. While I think the court's effort has been very noble and they at times tried to do what they can to improve the doctrine, I believe it is still inherently uncertain and will always be that way.

I would like to read a quote by Judge Learned Hand—who was probably one of our greatest patent judges—from a 1929 opinion that I have quoted many times, *Claude Neon Lights*.<sup>43</sup> Speaking on the doctrine of equivalents, he said: “It is obviously impossible to set any theoretic limits to such a doctrine.”<sup>44</sup> And as for the hope of certainty, he said: “Each case is inevitably a matter of degree . . . and other decisions have little or no value. . . . Any decision is bound to have an arbitrary color . . . .”<sup>45</sup> I think that is as true today as it was in 1929.

Despite these warnings, the Federal Circuit has tried to set theoretical limits to the doctrine and I think *Festo* was just the latest example. But instead of going to the root of the problem, which is the inherent uncertainty of the doctrine, I think *Festo* went to a branch, which was prosecution history estoppel, and sawed it off.<sup>46</sup> And although the majority in *Festo* said that the flexible bar rule had become unworkable,<sup>47</sup> in my view it is certainly no worse than letting a jury decide the function-way-result test or insubstantial differences.

So the certainty, if any, that was gained by the Federal Circuit's decision was in simply eliminating a certain number of cases for which the doctrine of equivalents could apply.<sup>48</sup> I think the supporters of the Federal Circuit's absolute bar rule would agree with that.

There was an amicus brief filed by three very large companies, IBM, Ford, and Kodak, and they cited uncertainty as a policy

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<sup>43</sup> *Claude Neon Lights, Inc. v. E. Machlett & Son*, 36 F.2d 574 (2d Cir. 1929).

<sup>44</sup> *Id.* at 576.

<sup>45</sup> *Id.*

<sup>46</sup> *See Festo*, 234 F.3d at 567.

<sup>47</sup> *See id.* at 595.

<sup>48</sup> *See id.* at 566–67, 577–78.

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supporting an absolute bar.<sup>49</sup> But I really think it was the uncertainty of the doctrine itself that motivated them, rather than a focus on prosecution history estoppel. I think companies such as this benefit from not having a doctrine at all. They have large patent portfolios, they have large scopes of literal infringement that they can assert, and most often the doctrine of equivalents is used as a weapon against them than the other way around.

So what was wrong with the Federal Circuit's approach?

Well, first, it changed the rules for a million or more patents. In *Warner-Jenkinson*, Justice Ginsburg had given fair warning that this could be a problem.<sup>50</sup> She specifically wrote about upsetting the rules of patent prosecution and the settled expectations of patent owners.<sup>51</sup> And if we know one thing, the Supreme Court is usually a conservative body when it comes to property owners.

Second, the *Festo* decision, and even as it continues, complicates patent prosecution.<sup>52</sup> It makes the usual give and take between an applicant and examiner more difficult.<sup>53</sup> In this respect—and this is a particular notion of mine—it puts too much focus on the attorney, which is something I really do not like in litigation. I think the focus should be on the merits of the invention. So you can have two patent applications with identical claims prosecuted in two different ways and could end up with different scope, and that puts the focus on the attorney rather than the merits.

And finally, I do not think the Federal Circuit's decision could be labeled anything other than judicial activism. The doctrine of equivalents is purely a judicial doctrine, and what the court gives,

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<sup>49</sup> See Brief of Amicus Curiae International Business Machines Corp. et al., *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722 (2002) (No. 00-1543).

<sup>50</sup> *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 41 (1997) (Ginsburg, J., concurring).

<sup>51</sup> See *id.*

<sup>52</sup> See Noreen Krall & Celeste B. Filoia, *The Doctrine of Equivalents: An Analysis of the Festo Decision*, 17 SANTA CLARA COMPUTER & HIGH TECH. L.J. 373, 383 (2001) (concluding that the application of prosecution history estoppel as delineated by the Federal Circuit in *Festo* will increase the number of claims filed in a given application and alter the scope of claim coverage to avoid narrowing amendments that would trigger the *Festo* effect).

<sup>53</sup> See *id.*

it can certainly take away. But it is nothing more than a balancing of economic interests, and no one elected Federal Circuit judges to make these important decisions of industrial policy. So I think that the decision had problems from the start.

What about the Supreme Court's decision? Did it do any better? Here I have a couple of other quotes I would like to read.

In one article, a member of the bar was quoted as saying that the rumors of the "demise of the doctrine of equivalents have been greatly exaggerated, much to the relief of the holders of the approximately 1.2 million patents still in force."<sup>54</sup>

Another member of the bar, quoted on approximately the same day or two after *Festo*, said that the Supreme Court has only "tweaked" the Federal Circuit's decision, replacing the absolute bar with a presumption that "will be difficult to overcome."<sup>55</sup>

What is the correct position? Well, as you might expect, I think there is certainly an element of truth in both. I think patent owners relying on equivalents today are better off than they were right after *Festo*, but certainly no better off than they were before the original *Festo* decision.

For the particular issue at hand, the Supreme Court, I believe, is following the path that it set out in *Warner-Jenkinson*, creating another rebuttable presumption, this time holding that the presumption of surrender could be rebutted if the equivalent was unforeseeable, tangential to the amendment, or not "reasonably be expected to have [been] described"<sup>56</sup>—I particularly like that phrase.

These exceptions will require case-to-case development. I agree with Hal that that is the way it should be and that the Federal Circuit's attempts to answer broad questions en banc have not usually been very successful.

Now, there are a couple of inklings in other cases as to how these exceptions might go. One that I will cite to you is

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<sup>54</sup> Gary Young, *High Court Buttresses Patent Rule*, NAT'L L.J., June 3, 2002, at A11 (quoting Albert Keyack, partner at the Philadelphia office of Schnader Harrison Segal & Lewis LLP).

<sup>55</sup> See *id.* (quoting Gregory Castanias of the Washington, D.C., office of Jones Day).

<sup>56</sup> *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 740 (2002).

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*SmithKline Beecham Corp. v. Excel Pharmaceuticals, Inc.*<sup>57</sup> This is an Eastern District of Virginia case decided after the *Festo* Supreme Court decision, where the court took a very narrow view of the unforeseeability exception, holding that the failure of a patentee to draft an intermediate claim that would have covered both the disclosed species of the inventions and the accused product flunked the *Festo* test, and so held that there was prosecution history estoppel.<sup>58</sup>

But there is some hope with this tangential relationship test. In another case, *Vardon Golf v. Karsten Manufacturing Corp.*, out of the Northern District of Illinois, the court held that the presumption had been rebutted; the limitation for which equivalents was asserted was not the focal point of the narrowing amendment.<sup>59</sup> So maybe there is some promise there.

These cases are interesting, but the real question is what the Federal Circuit is going to do. I don't know how good a job the court will do in addressing these en banc questions. But the truth is, I think it is just the beginning.

As Herb Schwartz mentioned, there are other questions that we are going to be faced with, for example: What type of evidence is going to be allowed to rebut the presumption; will we be seeing extrinsic evidence, maybe expert testimony, on foreseeability? Are we headed toward *Festo* hearings, similar to *Markman* hearings?<sup>60</sup> Are we going to hear from experts who are skilled in the art, or are we going to have to put patent attorneys on the stand to explain what a reasonable person drafting claims would have done in this circumstance? I do not view that as a good development.

But to return to where I started, for answering these questions, I don't know that the application of the doctrine of equivalents will be any more certain. In fact, I do not believe that it will, and I think that is the lesson the Federal Circuit has taught us over the

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<sup>57</sup> 214 F. Supp. 2d 581 (E.D. Va. 2002).

<sup>58</sup> See *id.* at 588–89, 592.

<sup>59</sup> *Vardon Golf v. Karsten Mfg. Corp.*, No. 99-CV-2785, 2002 U.S. Dist. LEXIS 11802, at \*15 (N.D. Ill. June 27, 2002).

<sup>60</sup> See *supra* note 22.

last twenty years, that no matter how hard you try, there is inherent uncertainty in the doctrine.<sup>61</sup>

So the fundamental question to ask ourselves, and one that we may discuss this morning, is: are we prepared to live with that uncertainty? The Federal Circuit, at least in the *Festo* case, seemed to say that it was not.<sup>62</sup> Should we be thinking about alternatives to the doctrine of equivalents? Should we abolish the doctrine of equivalents as not being worth the effort?

As you may or may not know—and Hal Wegner wrote an excellent paper on this subject about ten years ago—the doctrine of equivalents has a long history, dating back to at least the 1800s, before patents even had formal claims, and it was a doctrine of equity.<sup>63</sup> I agree with him on that view.

But today, inventors are allowed to draft their claims more broadly than the specification discloses. They are allowed to get whatever coverage they can, consistent with the statute and the prior art and the examination process, and maybe that should be enough.

Well, occasionally mistakes are made. Attorneys do make mistakes. Inventors do not appreciate the full scope of their invention. So maybe we do need the doctrine of equivalents, or something like it.

One thing we might discuss or consider is whether broadening reissue is an available option that should be expanded to allow people to correct their mistakes. The current practice for valuable applications is to continue filing applications, one after another, to keep an application pending in the Patent Office, to in effect do

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<sup>61</sup> The Federal Circuit has redefined the doctrine of equivalents over the last twenty years. See *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000) (en banc), *vacated by* 535 U.S. 722 (2002); *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 64 F.3d 675 (Fed. Cir. 1995); *Kinzenbaw v. Deere & Co.*, 741 F.2d 383, 389 (Fed. Cir. 1984); *Hughes Aircraft Co. v. United States*, 717 F.2d 1351 (Fed. Cir. 1983).

<sup>62</sup> *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558, 577–78 (Fed. Cir. 2000).

<sup>63</sup> Harold C. Wegner, *Equitable Equivalents: Weighing the Equities to Determine Patent Infringement in Biotechnology and Other Emerging Technologies*, 18 RUTGERS COMPUTER & TECH L.J. 1, 6–16 (1992).

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that, keep correcting the mistakes, broadening the claims so that they cover new devices as they come out.<sup>64</sup> That, itself, ameliorates a lot of the harshness of the doctrine of equivalents.

So I would ask you to consider whether or not it has outlived its usefulness and whether the whole debate over prosecution history estoppel is really just a question of whether we should have a doctrine at all.

PROFESSOR RICHARDS: Thank you. That is a very provocative ending there.

The Supreme Court, of course, in *Festo*, itself went through these uncertain issues and came to the conclusion that this is one of the prices we have to live with.<sup>65</sup>

Hal, do you want to make any comments?

MR. WEGNER: Yes.

You know, normally you want a panel where you have people fighting, scratching, and clawing against each other. I totally agree with everything that Herb and Mr. Jakes have said.

There are two ways to look at post-*Festo*. One is in litigation, which we will probably want to spend most of our time on, but also in solutions and how do we deal with things as a practical matter.

Two things were suggested by what Mr. Jakes said. First, we could fix the reissue statute.<sup>66</sup> The reason the reissue statute does not work is because intervening rights are keyed to the grant date.<sup>67</sup> So when is it that you start to spend a lot of time worrying about the scope of your patent? You file hundreds of patents. But then, when you start to commercialize a product, then you start to spend

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<sup>64</sup> See Toshiko Takenaka, *The Best Approach for Patentees to Prevent Competitors' Trivial Modifications*, CENTER FOR ADVANCED STUDY & RES. ON INTELL. PROP. NEWSL. [CASRIP] (Univ. Wash. Sch. L.), Winter-Spring 1999, <http://www.law.washington.edu/casrip/newsletter/newsv5i4us3.htm>.

<sup>65</sup> See *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 740 (2002) (“[T]he doctrine of equivalents and the rule of prosecution history estoppel are settled law . . . . Fundamental alterations in these rules risk destroying the legitimate expectations of inventors in their property.”).

<sup>66</sup> See 35 U.S.C. § 252 (2000).

<sup>67</sup> See *id.*



some real money—do we have an ironclad situation here? And if you do not have the right scope of protection, at this time you are the pioneer; there are no intervening rights at that time because nobody else is playing in the game. If intervening rights were keyed to the filing date, then there would be no problem. But the way the statute is constructed, intervening rights are keyed to the date of the grant of the reissue,<sup>68</sup> which could take several years.

So I would very much like to see intervening rights keyed to the filing date of the reissue. If Finnegan Henderson or Fish & Neave prosecutes every case, we would not have to worry about the problem too much. They would have some nice claims. But not everybody can afford to go first class. We've got to think of the little inventors who cannot find their way to New York to do that. So once the troops come in and they see that a patent has a little technical defect that could be fixed by reissue, we should encourage correction. I think that is a very admirable solution that we should seriously consider, just moving the intervening rights date to the filing date and not to the grant date, and maybe extending the length of time for seeking reissue.

The other thing is also the Jakes solution, the continuing cases.<sup>69</sup> I call them *Vogel*<sup>70</sup> trailers. Did you know that pork is not meat? Did you know that? I didn't either, until 1970, when the Court of Customs and Patents Appeals (CCPA), the predecessor court of the Federal Circuit, said that pork is not meat, or they are not the same invention.<sup>71</sup> So you take whatever claims you can, you file a continuation with a disclaimer, and then you keep that new case pending forever and ever and ever, and then you add claims when you need them. Now, that is not a very good public policy. But, it is something that is an effective way to deal with the problem. We do it all the time.

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<sup>68</sup> *See id.*

<sup>69</sup> *See supra* text accompanying note 64.

<sup>70</sup> *In re Vogel*, 422 F.2d 438 (C.C.P.A. 1970).

<sup>71</sup> *See id.*

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And then, we also encourage secrecy of inventions.<sup>72</sup> You would like to encourage people to file and publish and let the public in on things. But the ironclad rule in most corporate environments, which are concerned about the scope of protection, is you file today, you file early and often, and then you keep things secret for eighteen months. That is the magic date when there is a publication of the first application.<sup>73</sup> But by keeping things secret for eighteen months, you file a matrix of cases to flesh out every possible, conceivable area in the interval. That is not good public policy either. It is expensive and it takes a lot of time and effort. That is what we, as a pragmatic matter, are doing.

I have not prospectively relied on the doctrine of equivalents in any filing strategy ever. You do not do that. When it is fourth and twenty-seven, then you are going to try to get relief through equivalents. It's a last ditch remedy, something one does not prospectively rely upon.

PROFESSOR RICHARDS: Herb.

MR. SCHWARTZ: I do not have much to add.

The one observation that I would make, which goes I think even a little further than Mike's, is to look back to when the Federal Circuit was started, and see what it was trying to accomplish. The first thing that it accomplished was a sea of change in the increase in the validity of patents in the patent system.<sup>74</sup> It really turned day into night or night into day, however you want to characterize it, in terms of making patents something that were respected and would be sustained, and at the same time greatly increasing their value.

At the same time, and shortly thereafter, I believe that the court embarked on a conscious policy, that once you have a valid only patent, you should try to get as much certainty as you can into determining what its scope was, so that people could understand

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<sup>72</sup> See, e.g., 35 U.S.C. § 122 (2000) (stating that the patent application should be kept confidential by the Patent and Trademark Office, and that no information regarding the patent application should be given to anyone without the authority of the applicant).

<sup>73</sup> See *id.*

<sup>74</sup> See John R. Allison & Mark A. Lemley, *How Federal Circuit Court Judges Vote in Patent Validity Cases*, 27 FLA. ST. U. L. REV. 745, 754 (2000).

what their metes and bounds were.<sup>75</sup> I think an awful lot of the decisions of the court have really been directed to that aim over the last ten years, and I believe that that is where they are still going.

I think that is what is really driving all of this. It is driving the notion within the court that, in exchange for valid patents, since they don't throw things out for obviousness unless a stiff burden is met,<sup>76</sup> we are going to make you have claims that people can understand and respect. Big corporations have been pushing this because they want to know the metes and bounds of issued patents. I agree with Mike that they can afford to get many patents of limited scope.

I think that this drives a lot of this. I am in sympathy with the notion that we should have a limited doctrine of equivalents. I think that the court, given its druthers, falls back upon every mechanism they can to convert infringement issues to questions of law.

PROFESSOR RICHARDS: Do you see the Federal Circuit's views on written description being tied in with this approach that you have just outlined?

MR. SCHWARTZ: Oh, yes, very much so. It is the very same thing. The written description enablement<sup>77</sup> is the same thing; they do not want to allow you to have claims that are any broader than what you exactly teach. It is going to be part and parcel of the same notion—yes, we'll give you valid patents, but you better stake it out, you better describe it, you better enable it, and you

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<sup>75</sup> See 35 U.S.C. § 112 (requiring the presence of one or more claims “particularly pointing out and distinctively claiming the subject matter which the applicant regards as his invention”).

<sup>76</sup> See *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966) (stating that the obviousness or nonobviousness of the subject matter is determined by a tripartite test: “the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved”).

<sup>77</sup> Enablement requires the inventor to disclose the method pursued in creating the invention so that “any person skilled in the art or science to which the invention or discovery appertains” could duplicate the invention. See 37 C.F.R. § 1.71(a) (2003).

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better claim it in the way that anyone can understand when they read it.<sup>78</sup>

MR. WEGNER: Both Herb and Mike have pointed to a very important aspect of how the Federal Circuit views patents. There is a large corporate mentality: “We can afford to get blanket coverage of many, many, many patents.” Look at the team that did the amicus brief against the patent system in *Festo*.<sup>79</sup> You had Ford, IBM, and Kodak. They are distinguished by filing enormous numbers of patents.<sup>80</sup> They throw them against the wall and see what will stick. “Here’s my portfolio of thousands of patents, literally thousands of patents, now you will take a nonexclusive license from me. If you don’t, I will find a patent and sue you.”

“Well, it might be invalid.”

“I do not care. I’ll find another one.”

“So here I’ve got a matrix of huge numbers of patents where I don’t care which one is valid, I don’t care what the scope of any one patent is. I have so many; it is going to be cheaper for you to pay two percent on all your products. I do not care what the scope of my patents are.”

At the same time, I don’t want to have individual patents that are both valid, as Herb was saying, and have an indefinite scope, because you might grab me. You might be a small inventor. You might have your one project and you might have your one or two patents. I do not want to be hamstrung. I want to be able to design around you. I do not gain anything. If I never enforce my patents for exclusivity, then I do not want to have broad patents.

Then, on the other side of the coin, you have innovators in pharmaceuticals and biotechnology, where one patent may be the

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<sup>78</sup> See *id.*; *Gentry Gallery, Inc. v. Berkline Corp.*, 134 F.3d 1473, 1477–81 (Fed. Cir. 1998) (finding that claims broader than the original description may be held to be invalid, especially where the claim excludes an essential feature and the inventor admits doing so after seeing the products of competitors).

<sup>79</sup> Brief of Amicus Curiae International Business Machines Corp. et al., *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722 (2002) (No. 00-1543).

<sup>80</sup> See, e.g., Barnaby J. Feder, *Eureka! Labs With Profits*, N.Y. TIMES, Sept. 9, 2001, at C1 (illustrating that in 2000, IBM was issued 2,922 U.S. patents and Kodak was issued 876 patents).

be-all and end-all, and then you absolutely want to have this more amorphous protection.<sup>81</sup>

PROFESSOR RICHARDS: Any more comments from the panel?

MR. JAKES: I agree with Hal that not having a doctrine of equivalents does favor large corporate interests, most of whom I represent. But I do think that there are those situations where there needs to be something to redress the problem where you have a small start-up company that has one or two patents and perhaps does not really appreciate the scope of what they have. That is why I was suggesting something like broadening reissue, maybe throughout the life of the patent.<sup>82</sup> I could deal with that.

I agree with Hal that the intervening rights problem needs a solution. What the well-heeled patent interests do is they keep continuations pending and they get around the reissue statute.<sup>83</sup> They continue to file new claims. That is a practice that I am engaged in all the time on behalf of our clients because it is available to us.

Now, I do not want to suggest that the Federal Circuit should abolish the doctrine of equivalents. Even they are probably not that bold, having been instructed by the Supreme Court on a couple of occasions that they have strayed too far.<sup>84</sup> And, to be honest, I really think any solution of that type would have to be a legislative solution for it to be legitimate.

These are important questions of public policy and economic interests, balancing between certainty on one side and the rights of

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<sup>81</sup> See Brief of Amicus Curiae International Business Machines Corp. et al., *Festo* (No. 00-1543).

<sup>82</sup> See, e.g., Brief of Amicus Curiae Chiron Corp., *Festo* (No. 00-1543). For a discussion of broadening reissue, see Paul Heckel, *Possible New Patent Bills*, International Property Creators, at <http://www.ipcreators.org/Issues/posleg.htm> (May 15, 2001).

<sup>83</sup> See 35 U.S.C. § 251 (2000) (“No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent.”).

<sup>84</sup> See *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997); *Festo*, 535 U.S. at 722.

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inventors on the other side. I think to truly be legitimate, something like that would have to be legislated.

MR. WEGNER: Absolutely. I agree with you.

PROFESSOR RICHARDS: Hal, would you care to put this in an international context?

MR. WEGNER: Yes. I think it is an unmitigated disaster. The United States is used as a comparative model throughout the world, particularly in patent law.<sup>85</sup>

If you take Japan alone, Japan has looked to the United States as a model for reform of its own law.<sup>86</sup> If you look at Prime Minister Koizumi's own web site,<sup>87</sup> there is an intellectual property policy outline which has a dramatic blueprint for the salvation of the Japanese economy based upon reforms of the Japanese system—to focus on intellectual property.<sup>88</sup> It borrows from what we did twenty years ago with both *Bayh-Dole*,<sup>89</sup> which is not relevant here, and more importantly, the Federal Circuit.<sup>90</sup> The Japanese have restructured their court system to consolidate

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<sup>85</sup> See, e.g., Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, Apr. 15, 1994, LEGAL INSTRUMENTS—RESULTS OF THE URUGUAY ROUND vol. 1 (1994), 33 I.L.M. 1125 (1994); U.S. Pat. & Trademark Off. [U.S. PTO], *GATT Uruguay Round Patent Law Changes*, at <http://www.uspto.gov/web/offices/com/doc/uruguay/SUMMARY.html> (last modified Mar. 1995) (outlining the amendments to 35 U.S.C. § 104 “to provide that evidence of inventive activity in the territory of a WTO member country be treated the same as inventive activity in the United States”).

<sup>86</sup> See, e.g., STRATEGIC COUNCIL ON INTELL. PROP., INTELLECTUAL PROPERTY POLICY OUTLINE ch. 1.1, at [http://www.kantei.go.jp/foreign/policy/titeki/kettei/020703taikou\\_e.html#1-1](http://www.kantei.go.jp/foreign/policy/titeki/kettei/020703taikou_e.html#1-1) (July 3, 2002) (noting that as early as the end of the nineteenth century, Japan was observing the US system).

<sup>87</sup> Official Web site of the Prime Minister of Japan, at <http://www.kantei.go.jp/foreign/index-e.html> (last visited Mar. 13, 2003).

<sup>88</sup> See STRATEGIC COUNCIL ON INTELL. PROP., *supra* note 86.

<sup>89</sup> The Bayh-Dole Act, enacted in 1980, encourages the transfer of university research findings to the commercial markets, thus triggering the development of effective patenting and licensing of inventions within universities and colleges nationwide. 35 U.S.C. §§ 202–212 (2000).

<sup>90</sup> The U.S. Court of Appeals for the Federal Circuit was created in 1982 and it assumed the jurisdiction of the U.S. Court of Customs and Patent Appeals and the appellate jurisdiction of the U.S. Court of Claims. Federal Courts Improvement Act of 1982, 28 U.S.C. § 1295 (2000).

patents in one or two fora and are moving forward to consolidate all appeals to the Tokyo High Court.<sup>91</sup>

Around the world people look to see what we do. In the Uruguay Round, we were saying we want to have strong patents.<sup>92</sup> In the Geneva harmonization discussions, we were saying the United States is a model; we insist upon a strong doctrine of equivalents.<sup>93</sup> We proposed a draft treaty on the doctrine of equivalents in the 1980s which we do not even live up to today.<sup>94</sup>

It is terribly disruptive and it makes us look very bad internationally when we have these sudden jolts of judicial activism, or what Bill Rooklidge calls “judicial hyperactivity.”<sup>95</sup> It is awful.

Now, as a practical matter, a lot of the countries around the world have seen TRIPS (Trade-Related Intellectual Property Rights)<sup>96</sup> as a heavy-handed American approach to shove patents down people’s throats.<sup>97</sup> There is still not an appreciation for patents.

Well, in those countries, how is the judiciary going to interpret a patent? They are never going to have a doctrine of equivalents at this point in time. They do not need to for TRIPS. And, if anything, they are going to do what the Japanese did twenty or thirty years ago, providing no equivalents, and going further to

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<sup>91</sup> See STRATEGIC COUNCIL ON INTELL. PROP., *supra* note 86.

<sup>92</sup> See U.S. PTO, *GATT Uruguay Round Patent Law Changes*, at <http://www.uspto.gov/web/offices/com/doc/uruguay/SUMMARY.html> (last modified Mar. 1995).

<sup>93</sup> For a brief discussion on the changes brought to the doctrine of equivalents at the Geneva Harmonization talks, see World Intell. Prop. Org. [WIPO], *Standing Committee on the Law of Patents*, at [http://www.wipo.org/scp/en/documents/session\\_4/pdf/scp4\\_2.pdf](http://www.wipo.org/scp/en/documents/session_4/pdf/scp4_2.pdf), at 12 (Sept. 25, 2000).

<sup>94</sup> See Ray D. Weston, Jr., *A Comparative Analysis of the Doctrine of Equivalents: Can European Approaches Solve an American Dilemma*, 39 J.L. & TECH. 35 (1998), available at [http://www.idea.piercelaw.edu/articles/39/39\\_1/2.Weston.pdf](http://www.idea.piercelaw.edu/articles/39/39_1/2.Weston.pdf).

<sup>95</sup> See Rooklidge & Weil, *supra* note 2, at 729.

<sup>96</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, LEGAL INSTRUMENTS—RESULTS OF THE URUGUAY ROUND vol. 31, 33 I.L.M. 81 (1994).

<sup>97</sup> See, e.g., Biplab Dasgupta, *Patent Bills: Why this Hurry*, Features: Legislation, at <http://www.ganashakti.com/old/1998/981221/featureeco.htm> (last visited Mar. 13, 2003) (stating that the U.S., the WTO, and the World Bank pressured the Indian parliament to enact patent legislation).

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exclude literally infringed embodiments by what is said in the specification. This is almost what we are doing in the Federal Circuit in some panels right now.<sup>98</sup>

As a practical matter, however, there is a different answer. When you have an international portfolio, we have to rely on strictly literal coverage.<sup>99</sup> That has been the way it has been before and it will continue, so it does not really have much of an impact in that sense.

PROFESSOR RICHARDS: Having grown up in a literal infringement-only environment, because I started off in England in my professional career, which never had a doctrine of equivalents until the European Patent Convention came along twenty years ago,<sup>100</sup> it is not such a bad environment to live with. It is unfair to a small inventor in some cases. That is, I think, the balancing act we have to face: where does the certainty—which is normally desirable in economic law—end, and the justice that is deserved by the small inventor take over?

The European Patent Convention was amended two years ago.<sup>101</sup> The draft of the Convention added a specific doctrine of equivalents<sup>102</sup> instead of the mumbo-jumbo there at the moment, and it was going to add prosecution history estoppel<sup>103</sup> and say that the doctrine of equivalents is determined by whether everything has the same function.<sup>104</sup>

At the very last minute, just as I think the first *Festo* decision came down, they scrapped two-thirds of that, and in effect said, we

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<sup>98</sup> See, e.g., *Home Diagnostics, Inc. v. Lifescan, Inc.*, 37 Fed. Appx. 516 (Fed. Cir. 2002).

<sup>99</sup> See, e.g., Malcolm Royal & Ivan B. Ahlert, *International Standard for Claim Drafting*, WIPO Conference on the International Patent System (Mar. 25–27, 2002) (stating that in the draft treaty, the literal wording of the claims shall provide the primary basis for their interpretation), <http://patentagenda.wipo.int/meetings/2002/presentations/ahlert.pdf>.

<sup>100</sup> Convention on the Grant of European Patents, October 5, 1973, 1065 U.N.T.S. 199.

<sup>101</sup> See Act Revising the Convention on the Grant of European Patents, 2001 O.J. E.P.O. SPEC. ED. 3, available at [http://www.european-patent-office.org/epo/pubs/oj001/12\\_01/12\\_spe1.pdf](http://www.european-patent-office.org/epo/pubs/oj001/12_01/12_spe1.pdf).

<sup>102</sup> See *id.*

<sup>103</sup> See *id.*

<sup>104</sup> See *id.*



are going to have a doctrine of equivalents and we are not going to tell you what it is—which is very unhelpful, I think. That, of course, has not yet gone into effect.

Does anybody in the audience want to add or ask or contribute in some way?

QUESTIONER: Lori Greendorfer. I am an associate at Salans Hertzfeld Heilbronn Christy & Viener. I am working this weekend on an amicus brief on behalf of FICPI [*Fédération Internationale des Conseils en Propriété Industrielle*], and we filed amicus briefs in the Supreme Court.

My question is about the importance of the harmonization of the doctrine of equivalents between the United States and other countries, where the Federal Circuit's *Festo* decision upset any hope of harmonization. Now, with their questions, are they suggesting that they are trying to return to a complete bar rule? At least that is how I read the September 20 decision.

MR. WEGNER: Well, it is interesting. If you take the Japan comparative model, America bashed Japan in the 1980s in the harmonization round in Geneva.<sup>105</sup> Some people would say that Japan now has a doctrine of equivalents.

There is the famous *Tsubakimoto v. THK* case—it is too hard to pronounce Tsubakimoto, so we say the Ball Spline case.<sup>106</sup> The Supreme Court in Japan has a very tortuous test of the doctrine of equivalents which narrowly follows the harmonization model that we had in the 1980s.<sup>107</sup> But the interesting point is the Japanese Supreme Court still, today, has never, ever found infringement in any case under the doctrine of equivalents. The *Tsubakimoto* case resulted in a remand and there was no infringement.<sup>108</sup>

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<sup>105</sup> See, e.g., MINDY L. KOTLER & GARY W. HAMILTON, A GUIDE TO JAPAN'S PATENT SYSTEM (1995) (outlining differences between U.S. and Japanese patent systems), <http://www.ta.doc.gov/Reports/JapanPatent/pages.pdf>.

<sup>106</sup> *Tsubakimoto Seiko Co. v. THK K.K.*, 52 MINSHŪ 113 (Sup. Ct. Feb. 24, 1998) (outlining the test for the doctrine of equivalents).

<sup>107</sup> See *id.*

<sup>108</sup> See *id.*

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I was involved in one case where there was infringement in the Osaka District Court, *Genentech v. Sumitomo*,<sup>109</sup> where I was an expert declarant. Really now, in hindsight, you could say the relief was granted in that case under an equivalents doctrine because of pressure through our trade representative.

Equivalents rulings in Japan are very few in number. One colleague said that there are about ten cases in the lower courts on the doctrine of equivalents in the history of Japan. So there is really no equivalents there.

Germany still is thinking back to the good old days of *der allgemeine Erfindungsgedanke*—which predated the European Patent Convention—providing infringement for those taking the broad “inventive thoughts.”<sup>110</sup> This was abolished by treaty, but German courts still seem to find a broader interpretation than the British do.

Being in these harmonization debates in the 1980s, I went to Geneva one or two weeks a year for five years, as punishment or whatever, and listened in the U.N. to people debating their own laws. Most people who are the legislators and who are the patent office officials do not know anything about equivalents; it is outside their expertise. The patent office officials dominate these discussions, and they don't have anything to do with equivalents, because they just grant the patents, they do not enforce them. It is sort of like *Saturday Night Live* to hear everybody talk about their own laws. So that is about where I think harmonization will go internationally on equivalents.

PROFESSOR RICHARDS: I would agree with that.

Are there any other comments or questions from the audience?

QUESTIONER: My name is Larry Coury. I am a patent agent at Fish & Neave and also an editor of the *Intellectual Property Law Journal* here.

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<sup>109</sup> See *Genentech Inc. v. Sumitomo Seiyaku K.K.*, 1586 HANREI JIHO 117 (Osaka High Ct. Mar. 29, 1996) (invoking the doctrine of equivalents to find infringement).

<sup>110</sup> See Frithjof E. Müller & Harold C. Wegner, *The 1976 German Patent Law*, 59 J. PAT. OFF. SOC. 89, 121 & n.146 (1977) (discussing this German conception of “the general inventive concept”).

If you can accept the premise that the Federal Circuit is trying to put certainty back into the patent system, I think there is still a very high reversal rate of district court decisions by the Federal Circuit. So maybe the certainty is not there, because the district courts do not know what to do. I am wondering—where should the court go from here to get to certainty?

PROFESSOR RICHARDS: Mike, do you want to answer?

MR. JAKES: You make a very good point. You are probably referring to the numbers that are often spoken about, that the Federal Circuit reverses district courts close to fifty percent of the time on claim interpretation issues.<sup>111</sup> Part of that is a function of the Federal Circuit's de novo review, and that whatever the district court says is more like a suggestion than anything else.

I was on a conference call with a district court judge. I will not mention her name, but she is one who happens to hear lots of patent cases. We talked about the trial and other items that we were scheduling. During the course of that conversation, she did make a very funny comment. She said, "You know, I really do not decide cases. I just make the record for the Federal Circuit."

There is a high reversal rate, and there is that element of uncertainty just in the claim interpretation process as it is.<sup>112</sup> Now, you layer that with the doctrine of equivalents, and it is virtually impossible to give any meaningful advice in certain situations to clients who want to know what their business prospects are, whether they should design around, and how they can design around, when you compound that reversal rate.

Now, that reversal rate is also somewhat dependent on who the particular Federal Circuit judges are. Some take a more charitable view towards the district courts' opinions and some have appointed themselves as the final arbiter on all matters that have to do with claim construction. And I do not think that the goal of certainty has been achieved there as well, and I do not know that it will be.

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<sup>111</sup> Christian A. Chu, *Empirical Analysis of the Federal Circuit's Claim Construction Trends*, 16 BERKELEY TECH. L.J. 1075, 1104 (2001).

<sup>112</sup> *Id.* at 1080–81.

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MR. WEGNER: I have a question for Mike and Herb. As we know from the *Vornado* case,<sup>113</sup> there are odd situations where appellate jurisdiction goes to the regional circuit in patent cases. If you had one of those odd situations and you had a very compelling equitable case for equivalents, do you think there would be any chance that a regional circuit would take the minority view in *Warner-Jenkinson* and say it is a matter for a judge and create a conflict?<sup>114</sup>

MR. SCHWARTZ: I am not very sanguine that that would happen. I think most of the regional courts are really happy they are not in the business anymore.

MR. JAKES: I think in those rare instances where a regional circuit is going to hear a patent case, I think they will follow the Federal Circuit down the line because it is the easiest thing to do.

MR. SCHWARTZ: I would like to go back to Larry Coury's question and echo further what Mike said. The whole system basically is really hung up on claim construction. I mean, that has really turned—at least from a litigation point of view—the practice of law inside-out and upside-down, and everything else flows from that, because there is really no way to know where you are until the claims are interpreted, and the claims do not get interpreted until you get to the Federal Circuit. I mean, it is just as simple as that.

The judges who try lots of patent cases I think are even more concerned about it. I think I may have in mind the same judge you do. It doesn't much matter. We were before her about a month ago and she said that the Federal Circuit had reversed it again, had reversed the claim construction and everyone was back. This was not our case. She didn't understand it, the parties didn't understand it, and they were not sure what to do with it.

MR. WEGNER: So what should be done?

MR. SCHWARTZ: What I think, which is sort of heresy, is that there needs to be some deference given to the district judges' interpretation.

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<sup>113</sup> See *Holms Group, Inc. v. Vornado*, 535 U.S. 826 (2002).

<sup>114</sup> *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 14 (1997) (Ginsburg, J., concurring).

MR. WEGNER: You mean you should defer to the judge? My goodness!

MR. SCHWARTZ: Which is what was done in the practice of law in this field in my childhood. You actually paid some attention to what the district judge did, and you at least gave them some credence for sorting out some sensible interpretations.

MR. WEGNER: How do we get to that result as a bar, as individual litigants or as a bar? How do we teach Madison Place that they should? I agree with you totally, but how do we get there?

MR. SCHWARTZ: I think by just more pressure from practitioners and jawboning judges, not when they're before them but off the bench and in other matters, to try to leave more to the courts, because that will lead to more certainty than basically deciding anew.

MR. WEGNER: Right, and it would certainly deter settlement if you know that you've got a wild-card chance to go up to Madison Place and "go fish."

MR. SCHWARTZ: Well, it deters settlement. And, more importantly, as Mike said, it deters giving meaningful advice. Really, in an awful lot of matters, you cannot give clients any meaningful advice. When I was younger, you could give meaningful advice. The whole purpose of being a lawyer was to give advice. Now you just cannot do that. That overrides all of the equivalence issues, it seems to me.

MR. JAKES: Absolutely.

PROFESSOR RICHARDS: Do you think that in order to achieve this you need specialist patent courts?

MR. SCHWARTZ: No. I think that would make it worse.

PROFESSOR RICHARDS: Okay.

MR. WEGNER: Senator Grassley had proposed a few years ago shrinking the number of judges in the Federal Circuit down to

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seven.<sup>115</sup> Another solution is to merge it with the D.C. Circuit. That is one solution that has been discussed over the last several years—merging the two courts.

MR. JAKES: I am not sure what the answer is, how to turn back the clock, at least with the Federal Circuit, and give more deference to the district courts' decisions.

In my clerkship for Judge Rich, I have to say that he was not particularly deferential to any district court judge, or to the Patent Office, or really to anybody else.

He was entitled to that because he was usually right. But that is not always the case. My hope—and I don't know whether the bar can have much influence on this—my hope is that the Federal Circuit is going to get tired of doing claim construction. The closest analogy I can think of is in my days in law school, when my constitutional law professor told me about the cases in the 1970s dealing with pornography. The Supreme Court in those days felt that they had to decide every case themselves—they had to look at the facts, and they had to consider every case as a matter of constitutional law.<sup>116</sup>

This went on for a number of years, where there were just hundreds of cases that they all had to look at. They had a procedure whereby they would do thumbs-up or thumbs-down, even without an opinion. This went on for several years. Finally, they just got tired of it, and then the community standards opinion was issued and they got out of the business.<sup>117</sup> They just couldn't do it anymore. So my hope is that maybe the Federal Circuit, after ten years of deciding every claim construction issue, will think this isn't such a great thing.

PROFESSOR RICHARDS: Any other questions or comments?

QUESTIONER: My name is David Perry-Campf. I am one of the editors for the *Journal*.

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<sup>115</sup> See SENATE JUDICIARY SUBCOMM. ON ADMIN. OVERSIGHT & THE CTS., 106TH CONG., REPORT ON THE APPROPRIATE ALLOCATION OF JUDGESHIPS IN THE UNITED STATES COURTS OF APPEALS (1999), <http://www.senate.gov/~grassley/graphics/federal.pdf>.

<sup>116</sup> See, e.g., *Ginsberg v. New York*, 390 U.S. 629 (1968).

<sup>117</sup> See *California v. LaRue*, 409 U.S. 109, 127 (1972) (citing *Memoirs v. Massachusetts*, 383 U.S. 413 (1966); *Roth v. United States*, 354 U.S. 476 (1957)).

I have a question, being a novice in this area. In Professor Richards' wonderful patents class we discussed *Festo* last week. I took the Supreme Court's decision to be struggling with the very question this panel is struggling with—whether the doctrine of equivalents is worth it and whether the uncertainty is worth it. They come to the conclusion, echoing to some degree Judge Rader's dissent from the Federal Circuit, that it is worth it, because otherwise you have copyists making insubstantial changes to get around the patent if you do not have equivalents, and therefore to allow infringement, and the patent holder would have no redress or claim against that copyist. So the Supreme Court decides to keep equivalents.

I am just wondering whether reissue would actually solve that problem. I am thinking about a situation where if I have a patent and I am in a world where there is no equivalents and copyist X changes something insubstantial; then I have to reissue. I mean, it sounds funny to say that equivalents is efficient, but it seems like a much more efficient blanket that covers potential situations. I am just wondering if getting rid of it, as opposed to limiting it, which is what I think the Supreme Court intended to do in *Festo*, is actually a good idea. All the panelists seemed to agree with Mr. Jakes when he suggested that. I am wondering if that is actually true.

MR. JAKES: You raise a good point about the efficiency of it. I do not know that it is the solution because of one particular problem, and that is the U.S. Patent and Trademark Office. Reissue sounds good as a philosophical matter. But in practice, getting something through the Patent Office in time for it to be meaningful is a problem.

But I can tell you from my own experience using the continuation practice, that you can get very strong literal coverage after a number of years, after you have really figured out what the invention is worth, where the industry is going, and what your competitors are doing. You do not need the doctrine of equivalents if you follow that practice.

What a reissue allows you to do—or for a patentee who either did not have the foresight to file a continuation or did not have the

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money to keep that going—is give you an option later in the patent term.<sup>118</sup>

MR. WEGNER: The public gets nailed by the present practice. If you think about the dynamics, the examiner is in a game of trying to narrow your claims and giving you just narrow claims and getting a disposal. Now, as Mike says, if you have many years of *Vogel* trailers,<sup>119</sup> keeping these continuations alive, the examiner is in “examiner Disneyland.” They are getting disposal after disposal after disposal.

And then, all of a sudden, you want this little, very narrow claim. It can’t hurt anybody, can it? It is one that is fingerprinting the accused infringing embodiment.

I think Mike is right that there is a frustration with going through reissue, that in some industries you would like to get a patent right away so you could bring a suit, but there are other areas where you do not absolutely need to have the patent right away. I am thinking particularly where you have a small company. You cannot afford this *Vogel* trailer practice, cannot afford this matrix of patents, and they come up to Fish & Neave or to Finnegan & Henderson after they have gone to a mom-and-pop patent shop to get their patent allowed, and they are so proud of it. They give their beautiful sealed instrument to Mr. Schwartz, and he gives it to one of his associates, and they say, “Oh, look, you’ve got this little mistake that’s going to narrow it,” and then you have to tell them, “You don’t have anything.”

That is just an unacceptable situation. If the system does not work for the small inventor, it is not going to work for the rest of us, and you are going to get all these angry universities and angry small inventors railing against every change—irrationally so—but they are very upset they have been burned by the system.

So if the small inventor comes to Fish & Neave or Finnegan & Henderson and they are trying to get some capital together to

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<sup>118</sup> 35 U.S.C. § 251 (2000) (“No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent.”).

<sup>119</sup> *In re Vogel*, 422 F.2d 438 (C.C.P.A. 1970). See *supra* text accompanying notes 70–71 for a discussion of *Vogel* trailers.



develop something, and the invention is still being kept secret and there is no competitor, the statutory change would help: Now, if you simply do two things to the reissue statute, the inventor can be helped—you say that intervening rights are keyed to the filing date and you unblock the deadline for filing a broadening reissue. Now, Mr. Schwartz and Mr. Jakes can say: “Well, we can save you. There are no intervening rights so far. We can file a reissue and we will get this reissue eventually, and you will be all right.”

PROFESSOR RICHARDS: If you do that, will you have to beef up the circumstances in which you can claim intervening rights?

MR. WEGNER: Oh, yes. You’ve got to get rid of all this garbage. I’m sorry. That goes without saying. You don’t have to plead original sin and that you didn’t have adultery in your heart and everything else. You’ve got to get rid of all that stuff. Yes, of course.

QUESTIONER [Mr. Perry-Campf]: I have a follow-up question. If reissue is the Madame Chang horse, is that really what we want to rely on, especially given the PTO’s recent new fee structures and things it is issuing, which seem to illuminate intention by the PTO to deter future activity with the PTO, or limit its amount of work, especially given our interest in protecting small inventors who might not be able to afford these new fees?

PROFESSOR RICHARDS: I think reissue is going to be the only way you can afford it with some of these new fees, isn’t it?

MR. JAKES: I do believe that the fees have some effect, they do influence people, but most patents are never used for anything, they never go anywhere. Reissue, even if it were relatively expensive, and you are still talking about probably significant attorney’s fees to conduct something like that, would probably not be enough of a deterrent that it could not be a solution. But I view that as more of a nicety than an absolute bar to the problem.

PROFESSOR RICHARDS: With reissue you’ve got the situation where you are paying the money when you know it is something that is really worth spending the money on. When you are filing the patent application, you really just have to hope that something is going to happen.

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MR. JAKES: You know, of course, this whole discussion of reissue is Justice Black's dissent in *Graver Tank*,<sup>120</sup> so it is not like it is entirely an original thought. Other people have expressed this as well.<sup>121</sup>

PROFESSOR RICHARDS: Does anybody else have any questions or comments from the floor?

Can I bring foreseeability into the discussion? Exactly what do we mean by foreseeability? Professor Adelman has been pushing this very hard, particularly at conferences here for the last three or four years, as being the test for doctrine of equivalents.<sup>122</sup>

MR. JAKES: The Judge Rader test?

PROFESSOR RICHARDS: Yes. This was the test adopted by Judge Rader in *Johnson*.<sup>123</sup>

MR. WEGNER: Go ahead, Herb. He is your friend.

MR. SCHWARTZ: I don't know really how to comment on it. Foreseeability in this context, as I said, gives rise to another factual issue, which I do not think we ought to have. That is my problem with it. And it is also ultimately a clash of experts who decide it. So it leads to uncertainty rather than certainty, so I think I have problems with it.

MR. WEGNER: Foreseeability came in the 1980s from Heinz Bardehle in the Geneva patent discussions as a rallying cry for why we need equivalents altogether,<sup>124</sup> not that it should be limited to

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<sup>120</sup> *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 614–15 (1950) (Black, J., dissenting).

<sup>121</sup> See, e.g., Martin J. Adelman & Gary L. Francione, *The Doctrine of Equivalents in Patent Law: Questions that Pennwalt Did Not Answer*, 137 U. PA. L. REV. 673, 719 (1989) (“The use of the doctrine of equivalents to upset [the reissue procedure] cannot be justified.”); Matthew J. Conigliaro et al., *Foreseeability in Patent Law*, 16 BERKELEY TECH. L.J. 1045, 1055 n.25 (2001).

<sup>122</sup> See Martin Adelman, *Is the Use of the Doctrine of Equivalents to Fix Mistakes a Mistake?*, 27 N. KY. L. REV. 1021, 1023 (2000) (“It is my opinion that covering after-arising equivalents should be the central function of a judicially administered doctrine of equivalents.”).

<sup>123</sup> *Johnson & Johnston Assocs. v. R.E. Serv. Co.*, 285 F.3d 1046, 1056–60 (Fed. Cir. 2002) (Rader, J., concurring).

<sup>124</sup> See Bardehle, Pagenberg, Dost, Alenburg & Giessler, *Heinz Bardehle*, Bardehle: Publications, at <http://www.bardehle.com/en/publications.html#bardehle> (last visited Apr. 10, 2003).

foreseeability. Heinz Bardehle, who was the general patent counsel at Siemens many years ago and has been a leading private patent practitioner for the last generation or so, gave the example—what happens if you turn the clock back before the transistor when you had radio tubes. At that time, what happened if you had a new improvement in an invention that had nothing to do with the tubes, but you had a claim to a combination of vacuum tubes plus X, Y, or Z, and now what happens when the transistor is invented? If you do not have equivalents, you cannot foresee this, then all the patents to new innovations that were tied in a combination claim to a vacuum tube would be obsolete.

That is where a lot of this came from in the 1980s, and this spread through the literature. But it was never an idea that Heinz or I had that this should be the only area where equivalents should apply.

I go back. Mike mentioned what I was doing ten years ago, wasting time writing on things that nobody was reading.<sup>125</sup>

PROFESSOR RICHARDS: I was reading it.

MR. WEGNER: Well, you wrote on it, too.<sup>126</sup>

I go back. If you want to talk a little history of great jurists, in this generation we think of his judge, Judge Rich, who was truly a great person. But in the context of history there are two people who would compete very heavily as great patent jurists. He mentioned Learned Hand.

The other one is Joseph Story. Joseph Story, if you look at his portrait in the Supreme Court, you will see a plaque explaining what he has done. It goes on forever and ever. It does not even mention patent law. He was appointed to the Supreme Court in 1813 and had a remarkably long career, until 1845.<sup>127</sup> He was the Dane Professor of Law at Harvard University. In the old days, each Justice rode circuit. They spent very little of their time in Washington. He was picked to be the Circuit Justice for Boston

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<sup>125</sup> See, e.g., Wegner, *supra* note 63, at 7–8.

<sup>126</sup> See John Richards, *International Aspects of Patent Protection for Biotechnology*, 4 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 433 (1993).

<sup>127</sup> R. KENT NEWMYER, *SUPREME COURT JUSTICE JOSEPH STORY: STATESMAN OF THE OLD REPUBLIC* (1985).

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and he had all these trials in Boston. This is where the doctrine of equivalents was born.

So it is dismissed. Some of Story's work, like in the case of experimental use, is dismissed as just being some case law maybe of some odd, obscure judge. This was Joseph Story, who really created the patent law, more so than any one person in this country.

He had an advantage over Judge Rich and Learned Hand. There was pretty much a blank slate on which to write. But he created the doctrine of equivalents in 1814 and it was an equitable doctrine.<sup>128</sup>

I would love to see us go back to Story's philosophy. He said that you should not permit a colorable variation.<sup>129</sup> If you look at the contemporaneous meaning of colorable, it connotes deviousness, it means cheating, it means stealing.<sup>130</sup> You should not be able to permit somebody to just carve around the niches of a claim, where it is obvious that the inventor had sought more protection. As Mike said, in those days, they didn't even have claims.

MR. JAKES: I would like to make a couple of comments on foreseeability.

There are several open questions that I think are likely to be addressed. For example, one that comes to mind is the timeframe at which foreseeability will be determined. As I recall from the Supreme Court's opinion, it mentioned both time of the amendment and time of the application.<sup>131</sup> That is an ambiguity in the Court's opinion as to when that foreseeability determination will be made.

More likely, I think that the foreseeability determination is going to break down into a discussion of after-developed

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<sup>128</sup> See *Odiorne v. Winkley*, 18 F. Cas. 581 (C.C.D. Mass. 1814) (No. 10,432).

<sup>129</sup> *Id.* (charging the jury to consider "whether the machines used by the defendant are substantially, in their principles and mode of operation, like the plaintiff's machines").

<sup>130</sup> See III OXFORD ENGLISH DICTIONARY 503 (2d ed. 1989) (defining colorable as "[c]overt, pretended, feigned, counterfeit, collusory, done for appearance' sake" and providing contextual references contemporary to Justice Story demonstrating such a denotation).

<sup>131</sup> *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 739-40 (2002).

technology. If something was currently available at the time of the application, then my guess is that it may be deemed foreseeable and something that was developed later will not.

We faced some of this debate already in a case that I argued this May, which was decided fairly recently, which involved a claim that was directed to two pieces of an assembly for a cable filter.<sup>132</sup> “A front cap and a rear insert” was the way it was claimed.<sup>133</sup> The accused infringer in the case uses a single piece. After the decision came out, there was some debate with the Federal Circuit, with my opponent submitting authority saying that the foreseeability test should be applied.<sup>134</sup> So I suspect that in front of the district court we are going to see that argument as to whether a one-piece assembly was actually foreseeable.

But, as Herb says, this will complicate the litigation by creating a potentially new factual issue. And how do you prove it? What type of evidence do you allow? Is it a person skilled in the art? Is it a reasonable patent attorney who should have known that he should have drafted claims of a certain breadth?

I do not know that we will see *Festo* hearings, like *Markman* hearings, but I would not have told you ten years ago that we would have *Markman* hearings.

Thank you.

PROFESSOR RICHARDS: Yes?

QUESTIONER: My name is Dave Torrente. I am a patent agent for a suburban firm and also a student here at the Law School.

Mr. Wegner, you just mentioned about the copyist carving around a niche of the claim. If it seems like the general feeling of the panel is that if we can find a way to get rid of the doctrine of equivalents, that would not be all bad.

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<sup>132</sup> *Eagle Comtronics, Inc. v. Arrow Communications Labs., Inc.* 305 F.3d 1303 (Fed. Cir. 2002).

<sup>133</sup> *Id.* at 1307–08.

<sup>134</sup> Submissions by Arrow led to a substituted opinion. *Eagle Comtronics, Inc. v. Arrow Communications Labs., Inc.*, 64 U.S.P.Q.2d (BNA) 1481 (Fed. Cir. 2002), *cert. denied*, 123 S. Ct. 995 (2003). The case was remanded to the district court.

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Is it absolutely necessary that the prosecution history be public record? It seems to me that that is one tool that a copyist will frequently use is to go to the prosecution history and see where the applicant tried to get broader claims but was forced to narrow to get it past the examiner.

MR. WEGNER: That is a very good question.

First, I want to make it clear that I would favor a doctrine of equivalents. I am explaining that some industries do not like equivalents.

But with respect to prosecution history estoppel, one of the most refreshing new scholars on the scene is Professor John R. Thomas, who just recently went to Georgetown University Law Center. He has something over almost everyone else in the academic and practice world. He is a comparative scholar. He has been at the Max Planck Institute for a year, and then at Chizaiken in Tokyo for a considerable period of time. So, he looks at things from a comparative standpoint.

He had a debate with Don Dunner a year ago at the Giles Sutherland Rich American Inn of Court, where he said, let's burn the file wrappers. That is a radical thought, but it is something to consider. Even though I have lived abroad, too, and done some comparative scholarship, this shocked me. I am not saying I am ready to go that far, to burn the file wrappers.

But Canada's Supreme Court recently said they've looked at our prosecution history estoppel and they repudiate it.<sup>135</sup>

Sir Robin Jacob, a bit ago, wrote an opinion where he had to interpret American law—he had to interpret *Festo*.<sup>136</sup> Can you imagine anyone so careless to draft a license agreement (a) to be interpreted under British law by British courts, and (b) where the grant clause is tied to the scope of an American patent? That is

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<sup>135</sup> Free World Trust v. Electro Santé, Inc., [2000] 2 S.C.R. 1024 (finding that the greater the level of discretion left to the courts to look beyond the claim language in a search for the spirit of the invention, the less the claims perform their public notice function and the greater the resulting level of uncertainty and unpredictability).

<sup>136</sup> Celltech Chiroscience Ltd v. MedImmune Inc., [2002] E.W.H.C. 2167 (Ch. Patents Ct.) (Eng. & Wales), available at <http://www.bailii.org/ew/cases/EWHC/Patents/2002/2167.html>.

exactly what Sir Robin faced. He did a very nice job analyzing *Festo* and artfully shows the weakness of the American law. He, in essence, says as to the application of such law to the United Kingdom, that they're not going to touch that over in their country.<sup>137</sup>

It is an interesting concept. We will never unilaterally in the foreseeable future eliminate prosecution history estoppel. My own feeling is if someone says to the examiner that something is disclaimed, something is not covered, that he should be stuck with that. To me, prosecution history estoppel has been an invaluable tool. The classic prosecution history estoppel has been an invaluable tool to predict with certainty a pathway to design around inventions, and I would be horrified to lose that tool.

PROFESSOR RICHARDS: I think if we don't, we go back to the claiming "nose of wax"<sup>138</sup> of 120 years ago, so there is an issue there.

The Supreme Court of Canada regarded the prosecution history estoppel as a can of worms, I think they said, in the *Electro Santé* case.<sup>139</sup> Is that right?

Anybody else have anything?

MR. JAKES: I am not sure I would know how to practice without being able to look at the file history. But I guess I am open to new suggestions as well, and I did hear Professor Jay Thomas's speech on that.

Just to make myself clear, I am not necessarily advocating abolishing the doctrine of equivalents. I think it deserves some

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<sup>137</sup> See *id.*

<sup>138</sup> See *White v. Dunbar*, 119 U.S. 47 (1886). This case presents the famous "nose of wax" analogy, where the Supreme Court stated that:

Some persons seem to suppose that a claim in a patent is like a nose of wax, which may be turned and twisted in any direction, by merely referring to the specification, so as to make it include something more than, or something different from, what its words express. . . . The claim is a statutory requirement, prescribed for the very purpose of making the patentee define precisely what his invention is; and it is unjust to the public, as well as an evasion of the law, to construe it in a manner different from the plain import of its terms.

*Id.* at 51–52.

<sup>139</sup> *Free World Trust v. Electro Santé*, [2002] 2 S.C.R. at 1024.

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thought, though, because of the problems with it. I think there is a problem that the doctrine of equivalents addresses, but I have watched the Federal Circuit struggle for twenty years trying to make it workable.<sup>140</sup> It is probably the best we have, at least at the moment, and so I think we should think about alternatives if it truly is unworkable.

Looking at the file history, though, I just do not think that is going to change, at least in the near future, at least for claim interpretation purposes, because there is valuable information in the file history if your goal is certainty, to look at it. I do not have any problems with competitors picking apart the file history and using it as a way to determine how they should structure their actions, because, if anything, I think more information is helpful in that circumstance.

PROFESSOR RICHARDS: Would you draw any distinction between prosecution history estoppel and using the file history for interpretation of the claims?

MR. JAKES: Certainly the Federal Circuit draws a distinction. Sometimes I fail to see the difference.

MR. SCHWARTZ: I was going to go back to your comment about the doctrine of equivalents. I, too, do not want to abolish it. The problem I have is the way it has been interpreted and used.

I think one other thing that has driven the Federal Circuit is the jury system in this country, which, as we all know, is unique in the patent world with the initial strengthening of patents and the use of the doctrine of equivalents by juries. At least in jury trials probably in the early 1980s, the doctrine of equivalents was the vehicle to right any wrong, basically.<sup>141</sup> That is really where a lot of this stems from.

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<sup>140</sup> See Jay I. Alexander, *Cabining the Doctrine of Equivalents in Festo: A Historical Perspective on the Relationship Between the Doctrines of Equivalents and Prosecution History Estoppel*, 51 AM. U. L. REV. 553 (2002).

<sup>141</sup> See, e.g., *Molinaro v. Hart Elecs. Corp. of Scranton*, 209 U.S.P.Q. (BNA) 735, 747-50 (M.D. Pa. 1982) (finding that the exact scope of protection given by means of the doctrine of equivalents tends to vary depending upon the circumstances), *aff'd*, 646 F.2d 983 (3d Cir. 1982). However, in the mid-1990s, the doctrine was under attack as granting too much power to the patentee. An inventor with a challenged patent had a



I think no person who is knowledgeable in the field would think that the doctrine of equivalents is just out there to rewrite the patent by any jury that wants to and then just leave it, in effect, immune from attack on appeal on the reviewing standard of clear and convincing error.

That is what has really driven all of this, the jury system in combination with essentially otherwise-valid patents. The Federal Circuit has just really been cutting back on that, poking at it here, there, and everywhere, and it has just made a crazy-quilt pattern that is almost impossible to deal with.

MR. WEGNER: Yes. And that is exactly why I want an equity solution, because I completely agree with what Herb says, that it is the jury that is driving us all crazy by determining what the equivalents are. So that is why I wanted to have equivalents determined as a matter of equity, where the judges could in very rare, limited circumstances apply the doctrine. It would be much as in the case of Potter Stewart and pornography, to know it when one sees it.<sup>142</sup> Only in some very clear equitable situation would you apply the doctrine of equivalents. It should be a very, very narrow application. But you leave it to a jury, and then you get the mess we're in today.

I was on a panel in Melbourne a year ago. A British barrister said, "You Americans, you are always getting so involved with mens rea." When you get into equivalents with a jury you are always going to favor the patent owner against the big, bad infringer, thinking about enablement and what is going on in the mind of the infringer.

We are uniquely crazy in our mens rea fascination. I would love to have reform—that is why I want equity. I mean, Herb is absolutely right on the jury thing.

PROFESSOR RICHARDS: What would you put into the analysis?

MR. SCHWARTZ: Potter Stewart.<sup>143</sup>

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difficult task in trying to ascertain just what a court might not find to be an equivalent. See *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997).

<sup>142</sup> See *Jacobellis v. Ohio*, 378 U.S. 184, 197 (1964) (Stewart, J., concurring).

<sup>143</sup> See *id.*

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PROFESSOR RICHARDS: Just when you see it?

MR. SCHWARTZ: Right now it is a question of fact for the jury. Without all of the engrafting that the Federal Circuit has done, in theory the jury could do almost anything. When you think about it, the jury really, in most of the other areas, has something to compare it against, if they are dealing with anticipation, if they are smart enough to understand that. Even in obviousness, there is something to understand. On equivalents, it is the first and last time in their life that they ever see it. The arguments are purely equitable, and the so-called legal tests are something that even scholars do not understand. How a jury is supposed to understand what is right or wrong in the one time in their life they see it is really very difficult, and I think driven by the equity above and beyond what the patent system allows.

MR. WEGNER: You really have to go through a trial with a jury to see this stuff. I had a failed marriage counselor as my jury consultant about six years ago to prepare me as an expert witness. He was explaining how ninety-four percent of the effectiveness of the witness is how you look and feel and act. He is now known as Dr. Phil, after he prepped Oprah Winfrey. He was admitting that he was a failed marriage counselor. He played a major role in the trial. But, that is not how justice should be done. It should not become a talk show.

MR. JAKES: I think of a concurring opinion that Judge Plager wrote.<sup>144</sup> He often has a cynical view of the doctrine of equivalents, or you can draw that from his opinions. In that particular case, the court was remanding back for a factual determination on equivalency. Judge Plager in his opinion said, "May the best lawyer win."<sup>145</sup>

MR. WEGNER: Yes.

PROFESSOR RICHARDS: Hal, would you have a go at trying to wrap up what you think we have accomplished this morning?

MR. WEGNER: Well, we can each take a turn at that.

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<sup>144</sup> See *Caterpillar Inc. v. Deere & Co.*, 224 F.3d 1374, 1381 (Fed. Cir. 2000) (Plager, J., concurring).

<sup>145</sup> *Id.*

I think the bottom line on *Festo* from a practical standpoint is that it really does not change too much in the way top-of-the-line law firms and lawyers have practiced in terms of procurement. We have never prospectively ever, ever, ever relied upon the doctrine of equivalents.

What we need to do as practitioners is to have the humility to understand that we cannot always write the most perfect application, and we should take the benefit of hindsight to criticize our own work. As long as we keep an invention secret during the eighteen-month time window after filing, every time we pick up an application, for whatever reason—to respond to an office action, to do an information disclosure statement, discuss it with a client—we should look at the claims from the standpoint of the pirate, the third party who might want to chisel around our invention: Where are the weak points in my application? Where does my client not cover something that could be covered?

And when we find some mistake that we have made, a mistake in hindsight, we file another case and another case. We file as many cases as we can in this eighteen-month period and get a matrix of protection and go forward with that.

And we follow what Mike Jakes said at the tail end of the procurement road. When we pay our issue fee, we file a *Vogel* trailer. *In re Vogel*<sup>146</sup>—remember, this is the case that taught us that pork is not meat. (Isn't that odd? Did you know that pork isn't meat? I am still fascinated by that case.)

So that is what I see for procurement. I will leave it to Herb to talk about what he thinks about the litigation consequences.

MR. SCHWARTZ: I would actually like to go back to something which I didn't mention earlier, but which I was reflecting on in listening to all of this.

I had the unusual pleasure of being the Special Master who tried *Festo* in the initial instance.<sup>147</sup> It was referred to me by Judge

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<sup>146</sup> *In re Vogel*, 422 F.2d 438 (C.C.P.A. 1970). See also *supra* text accompanying notes 70–71 for a discussion of *Vogel* trailers.

<sup>147</sup> *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, No. 88-CV-1814, 1994 WL 1743984 (D. Mass. Feb. 3, 1994), *aff'd*, 72 F.3d 857 (Fed. Cir. 1995), *vacated by* 520 U.S. 1111 (1997).

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Mazzone in Boston. I was given Judge Harrington's courtroom and tried it for three weeks. My decision is referred to in the reported decision when you see it.<sup>148</sup> When it was before me, it was something that I figured would be gone in two weeks or a year. That shows you how little I knew about it.

I formed definite views on the equivalents issues as a matter of fact, just in my own mind, as to what was fair and what was reasonable. I concluded, at that time, that one of the patents was barred on file wrapper estoppel and the second one was not,<sup>149</sup> which is a split that nobody else has come up with since, basically. I actually had a view that, reading the file history, a reasonable person would assume that the patent owner had given away the magnetic limitation on the Stoll patent, and therefore it wasn't fair for him to recapture it.<sup>150</sup> Whereas, the other limitation of two versus one was trivial and was really plainly a design-around of the claims that had no meaning of substance.<sup>151</sup>

Now, that is a type of result you could get by looking at it simply on the equity, which is what I did at the time and which you could do under the law then. This was eleven years ago, amazingly enough.

But if you look through the opinions now, the tests that are going to come up probably would not allow that result at all. The way they are interpreting foreseeability and the other doctrines, they are going to either throw it all in or throw it all out. To me, it gets rid of what I would think the initial purpose of that doctrine was: to do equity in the rare case.

MR. WEGNER: In the rare case.

MR. SCHWARTZ: Yes, which is where I am with Hal.

And so I think that the sum of it is that the doctrine has lost or is losing its way in terms of what it really should accomplish, especially in this particular case.

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<sup>148</sup> See *id.* at \*1-\*6.

<sup>149</sup> See *id.* at \*2.

<sup>150</sup> See *id.* at \*4.

<sup>151</sup> See *id.* at \*6.

MR. JAKES: I, too, would like to see the doctrine returned to its equitable roots and be a question for the judge.

One thing I would like to mention in closing is that, for all the attention that we have focused on *Festo*, the Supreme Court's opinion leaves intact a large body of Federal Circuit law on the doctrine of equivalents. It is relatively untouched. Following the cases, as I have and many others have over the years, the Federal Circuit has taken an increasingly restrictive view of the doctrine of equivalents, regardless of what it did in *Festo*, *Festo* being just one manifestation, I think, of its efforts in that area.<sup>152</sup>

So the Supreme Court has left most of that law intact and embraced it in the *Warner-Jenkinson* case.<sup>153</sup> So we do have today a fairly narrow doctrine of equivalents, which I believe is its appropriate role.

I would also prefer to see it addressed by a judge rather than a jury, because I think we would get better results in that circumstance. But if we are going to have a doctrine—and we do need something to address those situations where the application is not perfect—then having it very narrowly circumscribed I think is the best thing.

PROFESSOR RICHARDS: Thank you all.

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<sup>152</sup> See Alexander, *supra* note 140.

<sup>153</sup> See *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997).