

***Festo Corp. v Shoketsu Kinzoku Kogyo Kabushiki Co., 535 U.S. 722 (2002)***  
***United States Supreme Court***

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## **Case Summary**

The United States Supreme Court (hereinafter: the Court) ruled that amending (i.e. narrowing) a patent claim during prosecution does not necessarily result in a complete bar to the doctrine of equivalents. It rejected the Federal Circuit's decision that a complete bar to equivalents always results when a claim is narrowed during prosecution and thereby confirmed its own case law.

## **The facts**

Festo Corporation owned two patents related to magnetically coupled rodless cylinders, *the Stoll patent* and *the Carroll patent*. The United States Patent and Trademark Office (USPTO) rejected the claims of the Stoll Patent, under title 35 of the United States Code (U.S.C.) § 112, for failing to disclose how the invention operated. The Carroll patent application was also rejected based on § 102 (lack of novelty) and § 103 (lack of non-obviousness/inventive step) of 35 U.S.C.

In response to the rejection, amendments were made to the patent claims during a reexamination proceeding, narrowing them down. A second requirement was added to the Stoll patent, specifying that a cylindrical sleeve was made of magnetizable material. The claims of the Carroll patent were also amended to more specifically define the invention and to distinguish it from the prior art references. The examiner allowed the amended claims, stating that *"the prior art does not teach or render obvious the claimed combination which includes the plurality of magnets, end members, and cushion members in the claimed relationship."*<sup>1</sup>

After Festo began marketing its device, Shoketsu Kinzoku Kogyo Kabushiki Co. (hereinafter SMC) began to operate a device that contained all of the elements claimed in the Stoll and Carroll patents, except that SMC's device had only a single, two way sealing ring and did not use sleeves that were made of a magnetizable material like the Stoll patent disclosed.

Festo filed suit against SMC claiming that SMC's device was sufficiently similar and therefore infringed Festo's patents under the doctrine of equivalents. The parties agreed that the SMC device did not literally infringe the Festo patents. The district court in charge found patent infringement under the doctrine of equivalents. On appeal, the Federal Circuit ordered a rehearing and reversed the district court's ruling. It held that any narrowing amendment to claims

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<sup>1</sup> See the decision of the Federal Circuit in: *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 172 F.3d 1361 (Fed. Cir. 1999), at paragraph 67.

made by a patent applicant during the patent prosecution process affected a complete bar to the doctrine of equivalents for the amended claim element. The Supreme Court vacated the Federal Circuit's decision for the reasons below.

### **The legal issue**

The legal issue before the Supreme Court related to the question of whether the narrowing of claims by a patent applicant during patent prosecution at the USPTO would automatically give rise to prosecution history estoppel, thus barring the patent holder from invoking the doctrine of equivalents in the context of a patent infringement action. The doctrine of equivalents seeks to accommodate the difficulty of patent applicants to foresee every possible infringement of their claims. The doctrine helps establish a case of patent infringement even where the accused action does not fall literally within the scope of the claimed invention, provided the accused action may be considered equivalent to the claimed invention. As a matter of principle, it may appear contradictory for a patent applicant to narrow its claims to secure the grant of the patent but to subsequently seek an expansion of the same claims to reach a finding of patent infringement. SMC argued that Festo was barred from invoking the doctrine of equivalents by the doctrine of prosecution history estoppel. SMC relied on prior Supreme Court and Federal Circuit case law, according to which an amendment presumptively bars invocation of the doctrine of equivalents subject to three exceptions, one of those being that the equivalent was unforeseeable at the time of the amendment.

The Supreme Court in this case held that a narrowing amendment does not affect a complete bar but instead raises a rebuttable presumption that the complete bar applies. The Court declined to adopt the Federal Circuit's "absolute bar" standard but, instead, confirmed its precedent case law on a "presumption of an absolute bar." The Court held:

*"The patentee should bear the burden of showing that the amendment does not surrender the particular equivalent in question."*<sup>2</sup>

The Court held that the burden is on the patentee if s/he desires protection under the doctrine of equivalents for an amended element to show that for some reason s/he could not have drafted a claim which would have been broad enough to literally cover the accused equivalent. The Court further held:

*"The patentee must show that at the time of the amendment one skilled in the art could not reasonably be expected to have drafted a claim that would have literally encompassed the alleged equivalent."*<sup>3</sup>

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<sup>2</sup> See id. at. 725

<sup>3</sup> See id. at. 741

In this regard the Court stated that, if the original claim literally covered the accused device, the patentee cannot argue that he could not draft a claim to cover the accused device.

*"Where the original application once embraced the purported equivalent but the patentee narrowed his claims to obtain the patent or to protect its validity, the patentee cannot assert that he lacked the words to describe the subject matter in question."*<sup>4</sup>

The Court concluded its decision by stating that SMC could well prevail.

*"While estoppel does not effect a complete bar, the question remains whether petitioner can demonstrate that the narrowing amendments did not surrender the particular equivalents at issue. On these questions, respondents may well prevail, for the sealing rings and the composition of the sleeve both were noted expressly in the prosecution history."*<sup>5</sup>

### **Points of significance**

- For the doctrine of equivalents: see case summary of *Scripps Clinic Research Foundation v. Genentech Inc Scripps Clinic & Research Foundation (1991)*, available in this database.
- The doctrine of equivalents may be limited by prosecution history estoppel, but prosecution history estoppel is not a "complete bar" to the doctrine of equivalents.
- A patent holder that during patent prosecution defends its claims by narrowing them down is presumed to have surrendered any equivalent claims. If the patent holder in subsequent patent litigation wishes to rely on the doctrine of equivalents, it needs to prove that the amendment cannot reasonably be viewed as surrendering a particular equivalent.
- Such proof may succeed (*the presumption is rebutted*) if the patentee can prove that:<sup>6</sup>
  - The equivalent was unforeseeable at the time of the amendment.
  - The rationale underlying the amendment bore no more than a tangential relation to the equivalent in question.
  - There is some other reason suggesting that the patentee could not reasonably be expected to have described the alleged equivalent when it narrowed the claim.
- Such proof will fail where the original patent application literally covered the accused device, as opposed to the amended application.

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<sup>4</sup> See id. at. 734

<sup>5</sup> See id. at. 741

<sup>6</sup> See id. at 740-741

**Key words**

Product-by-process claims, product claims, open-ended claims, patent prosecution, patent claim amendment, prosecution history estoppel, patent infringement, patent litigation, patent validity, enablement, anticipation, doctrine of equivalents.

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