



IEEE-USA HISTORICAL NOTE

IEEE-USA's Amicus Filing in *Festo Corp. vs. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 122 S. Ct. 1831 (2002)

In 2002, IEEE-USA successfully proposed the adoption of a “foreseeable bar” standard to the U.S. Supreme Court in a patent law case involving a conflict between prevailing legal norms concerning the enforcement of patent claims and the practice of “inventing around” a patent. IEEE-USA offered a solution designed to encourage innovation while protecting the reasonable expectations of patent holders.

The Supreme Court opinion held (emphasis added):

“This presumption is not, then, just the complete bar by another name. Rather, it reflects the fact that the interpretation of the patent must begin with its literal claims, and the prosecution history is relevant to construing those claims. When the patentee has chosen to narrow a claim, courts may presume the amended text was composed with awareness of this rule and that the territory surrendered is not an equivalent of the territory claimed. In those instances, however, the patentee still might rebut the presumption that estoppel bars a claim of equivalence. ***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.***”

Attached is an excerpt from a law review article discussing amicus briefs published in the *Stetson Law Review* (Vol. XXXII, p. 274), in which the authors highlight the IEEE-USA amicus brief as influencing the court to adopt a legal solution not offered by the parties to the case. See footnote 24.

Also attached is a client brief prepared by the law firm of **ReedSmith**, which discusses the Supreme Court’s decision and offers statements by IEEE-USA and its amicus as an important resource for interpreting the Supreme Court’s decision.

IEEE-USA issued the following statement in September 2001 to highlight the filing of the amicus brief:

IEEE-USA Files Brief before U.S. Supreme Court in Festo Patent Case

WASHINGTON (5 September 2001) - The Institute of Electrical and Electronics Engineers - United States of America (IEEE-USA) filed an amicus curiae brief last Friday, 31 August, before the U.S. Supreme Court in the Festo Corporation v. Shoketsu Kinzoku Kogyo Kabushiki Co., LTD patent case....

In Festo, the Court will be considering to what extent the holder of an amended patent is barred from asserting patent rights against another inventor whose design is substantially the same as the patented invention. As an alternative to the "flexible bar" and "absolute bar" standards advocated by the opposing sides in Festo, IEEE-USA is asking the Court to consider a "foreseeable bar," where holders of an amended patent give up protection for only those things that were foreseeable by persons familiar with the associated technology.

"This is a landmark case that will redefine intellectual property rights," IEEE-USA President Ned Sauthoff said. "IEEE-USA believes it's critical the Court understands how these legal doctrines affect engineers and the process of innovation in the real world."

According to Lee Hollaar, chair of IEEE-USA's Intellectual Property Committee, "the foreseeability standard strikes a reasonable balance by providing notice to those developing improvements to a patented invention, while not constraining a patent to current technologies when a new technology performs the same function." He added that IEEE-USA's proposal would "encourage innovation by protecting the interests of inventors, while setting clear and comprehensible guidelines for the next generation of technological improvement."

Carlton Fields, P.A. of Tampa (www.carltonfields.com) prepared the brief pro bono. Andrew Greenberg served as counsel of record and headed a team of 10 lawyers and legal assistants.

The *New York Times* (May 29, 2002, Section C, Page 4) reported on the Supreme Court's **Festo** decision, noting that "The Supreme Court today gave inventors more power to sue competitors for making modified versions of patented products. The 9-to-0 ruling partly overturns a ruling by the United States Court of Appeals for the Federal Circuit." The article noted that "The ruling may affect as many as 90 percent of the 1.2 million patents now in force, lawyers said."

AMICUS BRIEFS: FRIEND OR FOE OF FLORIDA COURTS?

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I. INTRODUCTION

Good amicus curiae briefs — supposedly “friend-of-the court” briefs — can impact the court’s decision-making process, either with respect to the outcome of the case or the rationale expressed by the court for reaching that outcome. Yet appellate judges and appellate practitioners complain that, all too often, amicus briefs bring nothing new or of value to the court and instead merely reiterate the arguments advanced by one of the actual parties to the appeal. Those briefs are not truly amicus briefs and, unfortunately, they cause courts to be wary of the value of the amicus brief, even though — when properly written — it can be the court’s best friend in reaching the right decision.

We will begin this Article by discussing amicus briefs in general and the specific use of them in the United States Supreme Court. We will then explore the Florida experience with amicus briefs, both by examining Florida decisional law and by reflecting on interviews with Florida appellate judges and practitioners. We will conclude by considering the possible need for changes in the Florida rule on amicus briefs.

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Private amici have stepped into cases when the interest of the amici is differentiated from that of the litigants, or where amici want to introduce subtle variations of the basic argument or to raise emotive or even novel arguments that might result in a successful outcome but that are too risky for the principal litigant to embrace.²³ Groups with specialized knowledge are sometimes invited by the court to file an amicus brief. Of course, solicitors general (or state attorneys general) frequently are asked to express the views of the government (or governmental agency) on the issue before the court.

Obviously, not all reasons for filing an amicus brief are useful from the court's perspective. Perhaps the most useful amicus brief — and the one that is the closest to the historical model — is one that suggests to the court the practical effect of its decision in contexts in which the actual parties may be uninterested or unaware, raises arguments or legal authorities that the parties may not have raised themselves, or proposes a different or intermediate position than that proposed by the parties.²⁴ Amici who are representative of those who actually could be impacted by the court's decision can bring a rare perspective to the court and pragmatically explain the real-world effect of a decision.²⁵

Supreme Court: A Case Study, 8 S. Cal. Rev. L. & Women's Stud. 187 (1999) (analyzing the successful coordinated efforts of amici, including the National Organization for Women Legal Defense and Education Fund, in *Davis v. Monroe County Board of Education*, 526 U.S. 629 (1999)).

23. Krislov, *supra* n. 1, at 711–712; Smith & Terrell, *supra* n. 1, at 777.

24. As just one example, an amicus curiae brief on patent rights by the Institute of Electrical and Electronics Engineers of America (IEEE-USA) received prominent attention in oral arguments before the U.S. Supreme Court in the *Festo Corporation v. Shoketsu Kinzoku Kogyo Kabushiki Company* patent case. Oral Argument Tr., 2002 U.S. Trans LEXIS 1 at **5, 23–24, 34, *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 122 S. Ct. 1831 (2002). In *Festo*, the Court considered to what extent the holder of an amended patent is barred from asserting patent rights against another inventor whose design is substantially the same as the patented invention. *Festo*, 122 S. Ct. at 1835. As an alternative to the “flexible bar” and “absolute bar” standards advocated by the opposing sides in *Festo*, IEEE-USA asked the Court to consider a “foreseeable bar,” under which patent holders who amended their applications during the prosecution would give up protection for particular equivalents when that abandonment was reasonably foreseeable at the time of the amendment. Oral Argument Tr., 2002 U.S. Trans LEXIS 1 at **5, 23–24, 34, *Festo*, 122 S. Ct. 1831. Justice Sandra Day O'Connor asked both sides to compare and contrast their position with that of IEEE-USA's, while other justices quizzed the parties on IEEE-USA's proposed “foreseeable bar” standard. *Id.* In the end, although the Court did not specifically cite the IEEE-USA amicus brief, its decision largely tracked the reasoning advanced in that amicus brief. *Festo*, 122 S. Ct. at 1837–1843.

25. Although this Article's focus is the amicus curiae experience in Florida specifically,



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Supreme Court Festo; Equivalents Still Limited

In the May 28, 2002 Festo decision², the Supreme Court vacated the en banc decision of the Federal Circuit and replaced the "absolute bar" with a rebuttable presumption. The popular press proclaimed this as a victory for inventors over copycats.³ The Supreme Court was less than clear on the magnitude of the change in comparing its newly-created rebuttable presumption to the now-obsolete complete bar of the en banc Federal Circuit:

This presumption is not, then, just the complete bar by another name. Rather, it reflects the fact that the interpretation of the patent must begin with its literal claims, and the prosecution history is relevant to construing those claims. When the patentee has chosen to narrow a claim, courts may presume the amended text was composed with awareness of this rule and that the territory surrendered is not an equivalent of the territory claimed. In those instances, however, the patentee still might rebut the presumption that estoppel bars a claim of equivalence. 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.

If it were certain that the Supreme Court's decision were a major change from the en banc Federal Circuit decision, such text would not have been needed. In fact, although the Supreme Court did end the draconian complete bar, the court did not return patentees to the status quo ante of the flexible bar of Hughes-I but rather projected them into a new, and previously unknown, world wherein "the patentee should bear the burden of showing that the amendment does not surrender the particular equivalent in question."

Thus, where the Federal Circuit effectively had a conclusive, or irrebuttable, presumption that a narrowing amendment related to patentability as to a claim element foreclosed equivalents as to that claim element, the Supreme Court opened the door that while a "patentee's decision to narrow his claims through amendment may be presumed to be a general disclaimer of the territory between the original claim and the amended claim," "[there] are some cases, however, where the amendment cannot reasonably be viewed as surrendering a particular equivalent." The effective difference between the Supreme Court holding and the Federal Circuit holding resides in the identity of these "some cases" and the ease by which the patentee can establish that the presence of one of these "cases."

Of guidance on the identity of these "some cases," the Supreme Court wrote:

The equivalent may have been unforeseeable at the time of the application; the rationale underlying the amendment may bear no more than a tangential relation to the equivalent in question; or there may be some other reason suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question. In those cases the patentee can overcome the presumption that prosecution history estoppel bars a finding of equivalence.

Of these three situations, the Court summarized (or possibly re-stated the third situation) in the following paragraph of the decision [also mentioned above]: "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."

There are no footnotes which provide insight into the origin of these three situations. Elsewhere in the

Supreme Court decision, there is text:

By amending the application, the inventor is deemed to concede that the patent does not extend as far as the original claim. It does not follow, however, that the amended claim becomes so perfect in its description that no one could devise an equivalent. After amendment, as before, language remains an imperfect fit for invention. The narrowing amendment may demonstrate what the claim is not; but it may still fail to capture precisely what the claim is. There is no reason why a narrowing amendment should be deemed to relinquish equivalents unforeseeable at the time of the amendment and beyond a fair interpretation of what was surrendered. Nor is there any call to foreclose claims of equivalence for aspects of the invention that have only a peripheral relation to the reason the amendment was submitted. The amendment does not show that the inventor suddenly had more foresight in the drafting of claims than an inventor whose application was granted without amendments having been submitted. It shows only that he was familiar with the broader text and with the difference between the two. As a result, there is no more reason for holding the patentee to the literal terms of an amended claim than there is for abolishing the doctrine of equivalents altogether and holding every patentee to the literal terms of the patent.

There are no footnotes to this text. n4

Arguably, these new tests came from amici briefs. Separately, it may be the case that these tests may not be easy ones for the patentee to meet. If so, then the "new" Festo may not be significantly different from the "old"

Festo in practice, and patent applicants who amend claims may still be at significant risk as to loss of equivalent protection.

Of the tests, the Supreme Court may have looked to suggestions within both the brief of the Solicitor General and of the IEEE.

The suggestions within the SG's brief were as follows:

1. A patent holder should be allowed to assert that an accused device infringes under the doctrine of equivalents if the court finds that the assertedly equivalent element is itself an innovation that was not known to persons of ordinary skill in the art at the time the applicant amended his claim.

2. A patent holder should be entitled to assert that an accused device infringes under the doctrine of equivalents if the court concludes that, owing to the nature of the subject matter at issue, it was not possible for one of ordinary skill in the art to draft a claim amendment that literally encompassed the allegedly equivalent element while disclaiming the surrendered subject matter.

The amicus brief of the IEEE opposed the absolute bar of Festo and proposed a bar based on foreseeability. n5 The IEEE foreseeability test would hold that, notwithstanding a patentability-related amendment to a patent's claims during prosecution, the doctrine of equivalents will be applied UNLESS the limiting effect of the amended language with respect to the accused device would have been foreseeable at the time of the amendment to a reasonable person skilled in the art. The brief further stated: "a foreseeable bar asks the trial judge only whether the limiting effect of an amendment's language as applied to exclude an accused device from literal infringement was foreseeable at the time of the amendment." Thus, the IEEE foreseeable bar spoke of the foreseeable effect of the amendment, but the Supreme Court spoke of foreseeable equivalents. n6

The foreseeable bar might be in conflict with text in *Graver Tank & Mfg. Co. v. Linde Air Products*, 339 U.S. 605, 85 USPQ 328, 332 (1950) and in *Halliburton Oil Well Cementing v. Walker*, 329 U.S. 1,13 (1946), n7 and, more importantly, in conflict with the policy reasons underlying the previous rule of foreseeable equivalents (as distinct from the new rule of unforeseeable equivalents). With foreseeable equivalents, patent law gives to the patentee equivalent protection for that which was objectively understood to be a counterpart of a claim element at the time of filing, but which for some reason was not within the literal scope of the element. This viewpoint is consistent with the basic quid pro quo of patent law: limited protection in exchange for full disclosure. Foreseeable equivalents are objectively disclosed. One of ordinary skill understands them to be substitutes at the time of filing. In contrast, with unforeseeable equivalents, patent law gives the patentee equivalent protection for that which was unknown to the patentee and not foreseeable to one of ordinary skill. In this model, patent protection is extended to that which was not disclosed and which was not knowable. The public is shortchanged in this bargain.

Separately, unforeseeable equivalents offer perverse incentives to a competitor seeking to design around a patented invention. Knowing that foreseeable embodiments do not enjoy equivalent protection, the competitor can safely adopt a foreseeable (and trivial) variation of an amended claim element and thereby avoid infringement. In this, unforeseeable equivalents are as much a roadmap to copying as may have existed in the en banc Federal Circuit decision. To the extent the competitor contemplates an innovative variation, he runs the risk of adopting an unforeseeable embodiment, for which equivalent protection does exist. Thus, unforeseeable equivalents encourage trivial changes by competitors rather than step-out changes. In the *Graver Tank* world of foreseeable equivalents, the competitor was on notice that foreseeable (and trivial) variations would be captured by the doctrine of equivalents. If the competitor wished to design around, innovative and non-trivial improvements were required.

It is too early in the game to know how the new Festo will play out. One does not know how wide a window has been opened by the rebuttable presumption. Until the case law on the presumption evolves, the wisest course remains a cautious course as to claim amendments, even under the regime of the new Festo.

Endnotes

n1 The opinions are those only of the author, and should not be imputed to any employer, past, present, or future. The author may be contacted at ebert@email.com. An earlier version of this paper, "Meet the new Festo; same as the old Festo?", was submitted to the newsletter of the NYIPLA. A senior partner at a previous employer once said it was impossible to predict Supreme Court decisions in patent cases. In 2001, Stephen Kelber wrote of Festo in "Prosecution Parallax": "This Decision will be modified by the Supreme Court. The actual nature of the modification remains for discussion in a later seminar, but it is at least predictable on the basis of recent history including *Markman* and *Hilton Davis* that the modification will take the form of a softening of the bright line rule enunciated by the Federal Circuit, into a presumption of some type. Even if it

is reduced to a presumption, and a rebuttable one, no litigator likes to start under the thumb of presumption." See also L. B. Ebert, *Pioneering, Innovation, and Festo Last Looks*, Int. Prop. Today, 12-14 (June 2002) which predicted the outcome of the two Festo questions. Of relevance to endnote 11 in L. B. Ebert, "Abstracting Festo: Which Line to Draw," IPT, 44-46 (Oct. 2001) [about the Schon work on superconducting oxidized buckyballs], note M. Stroh, "Darling of the physics world now suspected of fraudulent research," Milwaukee Journal Sentinel (June 16, 2002), K. Chang, "A sudden host of questions on Bell Labs breakthroughs," NY Times, F1 (May 28, 2002); R. F. Service, "Pioneering physics papers under suspicion for data manipulation," Science, 2002 May 24, 296, 1376-1377. Separately, see June 5, 2002 issue of JAMA on not believing everything you read.

n2 *FESTO CORPORATION v. SHOKETSU KINZOKU KOGYO KABUSHIKI*, 62 USPQ2d 1705 (2002), 2002 WL 1050479. The court refers to a patent as a monopoly and certain text is relevant to arguments made by Lawrence Lessig [Supreme Court: "The monopoly is a property right; and like any property right, its boundaries should be clear."] Patents are rights to exclude. Separately, a week after Festo, the Supreme Court overturned a Federal Circuit ruling in *Holmes v. Vornado*.

n3 Boston Globe, *RULING IN PATENT CASE IS A VICTORY FOR INNOVATION*, C5 (June 2, 2002: "The Supreme Court overturned an earlier decision by the US Court of Appeals for the Federal Circuit that threatened the strength and value of more than a million existing patents, just as intellectual property rights are coming of age as critical factors in the development and growth of key high-technology sectors." Wall St. Jour., *High Court Sets Aside Decision That Imperiled Inventor Rule*, A4 (May 29, 2002). There were some puzzling comments. Electronic Engineering Times, 4 (June 3, 2002): "Industry observers termed the decision a victory for inventors because it effectively prevents patent holders from using their monopoly to close off entire areas of technology innovation." ABA Journal E-Report, 8 (May 31, 2002): "Instead, the court called for a rebuttable presumption, placing the burden on the plaintiff -- in this case, Festo -- to show that its amendments were for a purpose other than trying to gain a patent." Separately, T. Mauro, "Justices shed some light on cloudy patent law," Fulton County Daily Report, Vol 113(107) (June 3, 2002) speaks of the "foreseeability compromise approach."

n4 Note this text discusses unforeseeability at the time of amendment, but that other text discusses unforeseeability at the time of application.

n5 See also Matthew J. Conigliaro, Andrew C. Greenberg, and Mark A. Lemley, "Foreseeability in Patent Law," 16 Berkeley Tech. L.J. 1045 (Fall 2001): "Where the limiting effect of an amendment with respect to an accused device should have been foreseen by a person reasonably skilled in the art, the law should not permit the patentee to ignore that effect by utilizing the doctrine of equivalents to expand a patent's claims to encompass subject matter that the patentee abandoned during prosecution. Instead, the patentee should be estopped from asserting equivalence. . . . The foreseeable bar prohibits use of the doctrine of equivalents only where the objective inference to be drawn from the patentee's acts shows that the equivalent subject matter in

the infringing device was in fact abandoned during the patent's prosecution, thus opening the door to competitors' lawful use of that subject matter." In *PIONEERING, INNOVATION, AND FESTO LAST LOOKS*, Intellectual Property Today, 12 (June 2002), I questioned the factual accuracy of the contents of footnote 20 of 16 BTLJ 1045. As to text in the footnote "the inventors of the VCR, who anticipated it would only be used by television stations," certain text in the Nobutoski Kihara interview by IEEE is of relevance ["At that time, following from the discussions with Ampex, we [Sony] achieved a form of agreement which said that Ampex would develop a transistorized video tape recorder for professional use whereas Sony would look to a more miniaturized product for the home market . . . One of the key reasons was connected with patents. We thought at first that a certain technology would not be covered by a patent, but it turned out in the end that it was, and for that reason we worked together with Ampex. So we developed a cross-licensing agreement between Sony's transistor technology and Ampex's FM recording technology. . . . But they [Ampex] were not a company that could make products for the mass market. Their mass production capability was very small."] As a separate point, in 1948, Ampex was given an order for 20 recorders by Bing Crosby Enterprises. As a distinct issue, one of the significant improvements in VTRs was the helical scan; in contrast, certain patents to analyze variations in DNA convert the helical DNA to a linear form. [US 6,355,420 (U.S. Genomics)]

n6 Electronic Engineering Times suggested that the Supreme Court had adopted the IEEE bar, with the justices "opting instead for the 'foreseeable bar' proposed by IEEE-USA in an amicus curiae (friend-of-the-court) brief." EET quoted John W. Steadmen, a VP of IEEE: "If I could have foreseen the invention or method or technique employed by the infringing device to create much the same function in much the same way to get the same result, then I give up my right to it. But if the development was not foreseeable, then I couldn't give up my right to it." Of this quote, apart from its focus on a subjective view (rather than an objective view of the artisan of ordinary skill), it focuses on the infringing device as a whole, rather than on whether or not the element related to the amendment was an unforeseeable equivalent (Supreme Court) or on the foreseeability of the effect of the amendment (IEEE). On May 29, the IEEE website stated: "IEEE-USA's "foreseeable bar" states that holders of an amended patent give up protection for only those things that were foreseeable by persons familiar with the associated technology."

n7 Graver Tank found that manganese, known in the prior art and disclosed in patentee's specification (thereby foreseeable), was an equivalent of magnesium, Halliburton noted that substitutes unknown at filing (arguably unforeseeable) were not equivalents. See L. B. Ebert, IPT, pp. 12-14 (June 2002).