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IN THE SUPREME COURT OF THE UNITED STATES

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FESTO CORPORATION, :  
Petitioner :  
v. : No. 00-1543  
SHOKETSU KINZOKU KOGYO :  
KABUSHIKI CO., LTD., ET AL. :  
- - - - -X

Washington, D.C.  
Tuesday, January 8, 2002

The above-entitled matter came on for oral  
argument before the Supreme Court of the United States at  
10:16 a.m.

APPEARANCES:

ROBERT H. BORK, ESQ., Washington, D.C.; on behalf of the  
Petitioner.

LAWRENCE G. WALLACE, ESQ., Deputy Solicitor General,  
Department of Justice, Washington, D.C.; on behalf of  
the United States, as amicus curiae, supporting  
vacatur and remand.

ARTHUR I. NEUSTADT, ESQ., Arlington, Virginia; on behalf  
of the Respondents.

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P R O C E E D I N G S

(10:16 a.m.)

CHIEF JUSTICE REHNQUIST: We'll hear argument now in No. 00-1543, Festo Corporation v. Shoketsu Kinzoku Kogyo Kabushiki. I hope I got that right.

(Laughter.)

CHIEF JUSTICE REHNQUIST: Mr. Bork.

ORAL ARGUMENT OF ROBERT H. BORK

ON BEHALF OF THE PETITIONER

MR. BORK: Mr. Chief Justice, may it please the Court:

I refer to them as SMC.

(Laughter.)

MR. BORK: The Federal circuit's rules in this case ought to be reversed because it flatly contradicts this Court's decision in Warner-Jenkinson, and furthermore, it radically undermines the patent system. I think Warner-Jenkinson should be reaffirmed because it's in keeping with the Patent Act, with the goals and policies of the patent system, and because it is much fairer than the harsh inequities of this new rule which this case presents a prime example.

Warner -- let me discuss the crucial differences between Warner-Jenkinson and the Federal circuit's new rules.

1           In the first place, Warner-Jenkinson holds that  
2 prosecution history estoppel arises only when an amendment  
3 to a patent surrenders subject matter -- and clearly  
4 surrenders it -- in order to achieve patentability. The  
5 Federal circuit holds to the contrary that any narrowing  
6 amendment, regardless of the reason for it, creates  
7 prosecution history estoppel.

8           Second, the Warner-Jenkinson case holds that the  
9 reason for an amendment determines whether an estoppel is  
10 created. The Federal circuit denies that and holds that  
11 the reason is irrelevant, and if an amendment has the  
12 narrowing effect, intended or not, it creates a complete  
13 estoppel. Thus, if the patent examiner said he found the  
14 claims to be imprecise and the applicant made an amendment  
15 to clarify what the examiner thought was imprecise, that  
16 might be held to be a narrowing amendment and the patent  
17 would be unenforceable. And that is what happened to  
18 Festo in this case. And those results cannot be squared  
19 with Warner-Jenkinson.

20           Third, the Federal circuit holds that an  
21 amendment creates an estoppel if it applies to any of the  
22 statutory requirements for obtaining a patent, not just  
23 patent -- not just patentability as defined by the Patent  
24 Act, but any of the requirements for obtaining a patent.

25           Now, the Patent Act makes clear a distinction

1 between patentability and other requirements. Sections  
2 101 through 103 come under the heading of patentability of  
3 inventions, and they state the substantive requirements  
4 for getting a patent. The invention must be new and  
5 useful. It must be not found in the prior art, and it  
6 must not be obvious. Those are the only elements of  
7 patentability known in the law. And this Court's opinion  
8 in Graham against John Deere confirms that. No other  
9 requirement of the statute relates to patentability.

10 The Federal circuit holds to the contrary, that  
11 an amendment affecting any of the statutory requirements  
12 for getting a patent may generate estoppel, and those  
13 requirements include sections 111 and 112 of the act. But  
14 those sections relate to the form of the application and  
15 not to the subject matter sought to be patented.

16 QUESTION: Is it clear most of the time, Mr.  
17 Bork, whether the amendment is for purposes of 103, 111,  
18 and 112? Can you pick up the patent history and -- and  
19 tell at a glance whether it's a 103 or a 111 and 112  
20 purpose that generated the amendment?

21 MR. BORK: I think one can. For example, in  
22 this case you'll see in the Stoll patent -- there are two  
23 patents, of course, in play here, the Stoll patent and the  
24 Carroll patent. In this case, the patent examiner says  
25 that he objects on the grounds that the claim is stated in

1 an improper form, is multiply dependent, and also that  
2 it's imprecise. He's not sure what it means. Now, that  
3 is quite clear that those are 111 and 112 objections, not  
4 to the subject matter sought to be patented.

5 QUESTION: But if you're the applicant and you  
6 get that response from the Patent Office, during the  
7 course of the amendment might you not rethink and -- and  
8 clarify what you're doing under 103 as well? That's  
9 what --

10 MR. BORK: Oh, if the -- if the applicant  
11 decides to amend in a way that surrenders subject matter,  
12 it disclaims subject matter, the fact that the process  
13 began with a -- with the examiner's on grounds of form  
14 doesn't affect it. If he surrenders subject matter, that  
15 subject matter is gone and the equivalents to it are gone  
16 too.

17 QUESTION: But wasn't that the argument here  
18 with reference to the seals and the magnetized or  
19 demagnetized cylinder?

20 MR. BORK: There was an argument to that effect,  
21 but if you look at the patent -- at the prosecution  
22 history which is of both the Stoll and the Carroll  
23 patents, which are in the volume 2 of the transcript,  
24 there is no abandonment of any subject matter.

25 In the Stoll patent, there is no abandonment of

1 subject matter. In the Carroll patent, there is.  
2 However, the subject matter which was abandoned had no  
3 relevance to the lawsuit. It wasn't what was -- what was  
4 sued on, so that there is, in operational terms, no  
5 disclaimer or surrender of subject matter in either of  
6 these patents.

7 QUESTION: Mr. Bork, both the Solicitor General  
8 and an amicus, the IEEE, suggest that a -- a different  
9 flexible bar test would be appropriate. Would you comment  
10 on those two proposals?

11 MR. BORK: Justice O'Connor, I think they're  
12 much too narrow. The only rationale that makes any sense  
13 as to a flexible bar proposal or any bar proposal is that  
14 if you've disclaimed something, then the equivalent of  
15 subject matter -- the equivalents to the disclaimed  
16 subject matter are barred by estoppel, but other  
17 equivalents that don't go to what was surrendered are not  
18 barred. Therefore, the -- the rule of the -- the bar, the  
19 question of the scope of the bar, relates closely to the  
20 question -- the first question presented in this case --

21 QUESTION: Let's say there's --

22 MR. BORK: -- as to what was surrendered.

23 QUESTION: Let's say there's an amendment under  
24 103 where -- where you agree that there can be an  
25 estoppel. Should there be a presumption there?

1           MR. BORK: A presumption -- if there is a clear  
2     surrender, there's no presumption. It's -- it's a -- it's  
3     a waiver. It's -- you've estopped yourself. If it's  
4     unclear what -- why you have done it, then this Court in  
5     Warner-Jenkinson says there be a remand under a  
6     presumption that what you did was for purposes of  
7     patentability, what you surrendered was for purposes of  
8     patentability, and if you cannot rebut that presumption,  
9     then you lose.

10           QUESTION: Wasn't it more, Mr. Bork, than just a  
11    presumption if you couldn't -- I thought Warner-Jenkinson  
12    said where you do not establish any reason for the  
13    amendment, the Court did use the word presume. It said  
14    the Court should presume that the patent application has a  
15    substantial reason relating to patentability. And then  
16    the following sentence is, in those circumstances,  
17    prosecution history estoppel would bar the application of  
18    the doctrine of equivalents. So, that sounds to me like  
19    an absolute bar rule, that if you don't -- if the reason  
20    is unexplained, the consequence is a complete bar.

21           MR. BORK: Oh, well, consequence is a bar as to  
22    that. Yes, as to that area. But I guess I perhaps didn't  
23    express myself well.

24           If the appellate court, this Court, looks and  
25    says, I don't know the reason -- as in Warner-Jenkinson,



1 it was unclear why there was a lower limit of pH 6 set on  
2 that process -- I don't know -- I don't know why you  
3 amended to set that lower limit, there is a presumption  
4 that you did it for a reason related to patentability,  
5 which would create a complete bar. However, on remand,  
6 you get a chance to rebut that presumption with evidence.  
7 If you don't rebut it, it's a bar.

8 QUESTION: The -- the Federal circuit is  
9 supposed to be an expert in this and they say that  
10 inventors or people who are trying to invent things are  
11 supposed to be able to read the claims, and that's it.  
12 And if you didn't make your claim properly, particularly  
13 when you had a second chance, that's your problem, and any  
14 other system -- any other system is going to really go  
15 back to what used to be called central claiming where the  
16 claims point to rather than define the invention. And  
17 that's just not workable today. We'll get an equivalents  
18 claim in every case. And so, let's make an exception  
19 where the lawyer couldn't really do anything about it.  
20 That's called unforeseeability.

21 MR. BORK: Well, the fact --

22 QUESTION: With that possible exception, which  
23 they maybe should have mentioned but didn't, it's up to  
24 the lawyer and it's his fault. And the reason is if he  
25 didn't do it properly, we punish him because we have to

1 have certainty for people who want to invent other things.  
2 Now, that I take it is the heart of what's being said on  
3 the other side, and I'd like to know your response.

4 MR. BORK: Well, there are a couple of responses  
5 to that, Justice Breyer.

6 In the first place, let me say that the solution  
7 the Federal circuit has devised is -- doesn't relate to  
8 the problem. If the problem is the unworkability of the  
9 equivalents test, then the answer is to abolish  
10 equivalents, not to -- and that doesn't depend on whether  
11 or not there's been an amendment. And if you're going to  
12 abolish equivalents, the way to do it, so that you don't  
13 have this terrible retroactive effect, is to have the  
14 Patent and Trademark Office engage in a rulemaking  
15 function, a rulemaking which has a prospective effect  
16 only, or have Congress sit down and do a rule -- legislate  
17 that has a prospective effect only.

18 QUESTION: Would the PTO have authority to do  
19 that by regulation in the absence of congressional  
20 authorization?

21 MR. BORK: I think it has authorization to do --  
22 to make rules of that sort, Mr. Chief Justice.

23 But on the -- on the question that -- I'm sorry,  
24 Justice Breyer.

25 QUESTION: They're not arguing for abolition.

1 They're not arguing for abolition.

2 MR. BORK: No --

3 QUESTION: They're arguing for hold the lawyer  
4 to a very tough standard, but a small equitable exception  
5 in the instance where the lawyer really couldn't really do  
6 anything about it, namely where it's not foreseeable that  
7 this kind of really copied device is going to come  
8 about --

9 MR. BORK: Well --

10 QUESTION: -- because the language isn't -- you  
11 know, English doesn't work perfectly, the English  
12 language, and because there could be future inventions  
13 that might cause that to be unforeseeable.

14 MR. BORK: That is true, but what they have  
15 suggested in effect is that the lawyer put into the  
16 literal claims he files a claim for all the equivalents  
17 that he can foresee. Now, he can't foresee most of the  
18 equivalents, and if he did that, I think you'd have a  
19 patent claim that would look roughly like the tax code.

20 QUESTION: No, because they have ways of doing  
21 it. They say all the things like, or they say -- you  
22 know, I can't remember. There's a special technical word  
23 for it where you -- you try to do it in terms of function.  
24 There are ways of doing it.

25 MR. BORK: Function, way and result.

1           QUESTION: And the briefs are filled -- you  
2 know, the briefs are filled with them, how -- how easy it  
3 is. The other side says, no, no, it's very easy, and your  
4 side says, oh, really? It isn't so easy.

5           MR. BORK: Well, you're referring, I think,  
6 Justice Breyer, to the testing of -- for equivalents  
7 called function, way and result?

8           QUESTION: No, no. I'm not thinking -- I'm not  
9 thinking that. I'm thinking there's a -- there is a way  
10 of drafting a claim where you put in the claim -- you  
11 don't describe the thing exactly. You describe what the  
12 thing does.

13          MR. BORK: Well, if you do that, Justice Breyer,  
14 I don't think you've solved the problem of unworkability.  
15 I don't think it's unworkable in the first place, but I  
16 don't think you've solved the problem of the litigation  
17 that's going to take place and the difficulty judges are  
18 going to have in distinguishing the case that is covered  
19 from the case that is not covered. I think it's exactly  
20 the same problem as you'd get with the application of the  
21 doctrine of equivalents.

22          QUESTION: May I ask? I've had a lot of trouble  
23 understanding this patent, to be very honest with you.  
24 Some patents I can understand. This one I found very  
25 difficult. And one of your -- the changes, as I

1 understand it, is in the early draft of the claim there  
2 was no reference to the nonmagnetic material that was used  
3 in the tube and that that was the -- that was one of the  
4 changes that -- that was made. And your suggestion is  
5 that was -- had nothing to do with the subject --  
6 patentability. It's just change of description or  
7 something like that, if I understand you.

8 But the patent itself seems to be a patent on a  
9 magnetic relationship between different elements of the --  
10 of the item, and just at first blush, it seemed to me that  
11 a -- that a -- an element that described a nonmagnetic  
12 material would be rather important. And your position is  
13 it's of no importance. Could you just comment a little  
14 bit on this problem for me --

15 MR. BORK: Yes, the --

16 QUESTION: -- so I can get a better  
17 understanding of it?

18 MR. BORK: The Festo patent specified a  
19 magnetized material in the tube, and SMC used a aluminum  
20 alloy.

21 QUESTION: This is in the Stoll patent I think,  
22 isn't it?

23 MR. BORK: Yes.

24 And SMC used a aluminum alloy, which is not  
25 magnetizable material. However, it does conduct magnetism

1 well enough -- very slightly, but well enough -- to  
2 complete the circuit and to do what the Festo patent does  
3 so that it is an equivalent in that sense to the  
4 magnetizable sleeve. If it were pure aluminum, it  
5 wouldn't conduct the magnetism, but it isn't. It's an  
6 alloy.

7 QUESTION: Suppose that I was going to buy your  
8 product and I knew what the German patents contained and  
9 you were trying to sell it to me, and I asked you this.  
10 What does your product do that the product covered by the  
11 German patents doesn't do? What would you say?

12 MR. BORK: Well, I think I would -- I would  
13 point to the sealing rings and the magnetizable --

14 QUESTION: Exactly, and -- and therefore, they  
15 are saying that's at the heart of this thing. The sealing  
16 rings enabled the -- enabled you to use a larger piston  
17 because it could come closer to the side of the cylinder.  
18 And here they've copied -- they -- they -- so, you defined  
19 it this way, we didn't follow it.

20 MR. BORK: I beg your pardon? You defined it  
21 this way and they didn't follow it? They did follow it.  
22 The only difference between their -- our claim said four  
23 rings: two guide rings and two sealing rings. They had  
24 two guide rings and one sealing ring.

25 QUESTION: Exactly, but the heart of your

1 invention was a way of wiping the inside of the tube --

2 MR. BORK: The outside.

3 QUESTION: -- as I understand it, so that the  
4 piston could come closer to the inside of the tube. And  
5 you defined that by using two rings. And they say, well,  
6 that's what the heart of the invention was, these two  
7 rings, and we didn't use two rings.

8 MR. BORK: They used --

9 QUESTION: We used one ring.

10 MR. BORK: They used one ring which performed  
11 exactly the same function.

12 QUESTION: That's -- you say it performed  
13 exactly the same. They say it didn't quite work quite as  
14 well.

15 MR. BORK: Well --

16 QUESTION: And now this is the heart of the  
17 problem.

18 MR. BORK: I don't know that they --

19 QUESTION: The -- let me show you why. Because  
20 the Federal circuit is saying inventors generally have to  
21 put this kind of an issue before a jury or a judge who  
22 doesn't understand it too well. And that's why there's a  
23 lack of certainty and that's why we have to have the rule  
24 we have.

25 MR. BORK: If they put before the jury or the

1 judge the question of whether a narrowing has taken place,  
2 they'll be litigating just as much and there will be just  
3 as much uncertainty as there is on whether this thing is  
4 substantially the same as that thing. You -- this -- one  
5 thing this new rule does not do is eliminate uncertainty.  
6 In fact, we will -- it just shifts the area of litigation,  
7 so that I don't think that anything is solved by this.

8           It just -- nothing is solved by it and you pay  
9 an enormous price in terms of future patents. If you look  
10 at future patents, the future patentee knows he's not  
11 going to get the same protection he had before because if  
12 he dares to amend -- and almost all patents are amended.  
13 It's just inevitable. That's the way -- that's the way  
14 the process goes. If he's -- if he amends and if an  
15 amendment is requested by the examiner, he can either  
16 refuse it and appeal. That adds about 4 years to the  
17 time, to the 2 years the prosecution history usually  
18 takes. Now, the patent started running when you filed.  
19 So, now you've lost 6 years, the most valuable years under  
20 your patent. And nobody is going to like that.

21           Or he can turn to the trade secret system, or he  
22 can file a claim so narrow that they -- they don't fully  
23 protect what he's invented but also that don't require  
24 amendments. The -- if you -- if you get patents of that  
25 sort, which are of very little value, you don't protect



1 the innovation function that patents are supposed to  
2 protect. Pfizer and other amici have pointed out that to  
3 get a drug to market costs in excess of \$100 million.  
4 Nobody is going to spend over \$100 million to  
5 commercialize a product that cannot be protected. So,  
6 you've done -- you've done an enormous amount of damage to  
7 the innovation process in this thing.

8 Worse --

9 QUESTION: Mr. Bork, --

10 MR. BORK: -- the people who are really hard hit  
11 are the people, -- the 1,200,000 patents that are  
12 outstanding now because those people had no warning. When  
13 they -- when they got their patents, amendments were  
14 freely made, and that was just the way it worked. The  
15 examiner and the patent attorney sat down and they  
16 exchanged views and they worked it out and they amended to  
17 satisfy the examiner. Now all of those patents are  
18 virtually worthless, which is a --

19 QUESTION: May I just ask you a question about  
20 they're virtually worthless because the doctrine of  
21 equivalents is not available to those patentees? That's  
22 -- that's basically the point, is it?

23 MR. BORK: That's right. Well, that's right.

24 QUESTION: Now, the one thing I didn't --  
25 there's a volume of briefs in the file here and I can't

1 say I've read them all, but do the briefs anywhere tell us  
2 what percentage of all -- successful infringement claims  
3 rest on the doctrine of equivalents?

4 MR. BORK: I don't recall that the briefs ever  
5 do tell us that.

6 QUESTION: Because your assumption is that a  
7 very significant portion must be based on --

8 MR. BORK: Oh, yes. Oh, yes. Oh, yes. Well --

9 QUESTION: Because there's a lot of -- a lot of  
10 cases in which it's just an infringement, a literal  
11 infringement.

12 MR. BORK: That's true, but if a -- if a --

13 QUESTION: And that area is not touched by this.

14 MR. BORK: No, but if a copyist wants to avoid  
15 literal infringement, he takes an amended element and  
16 alters it slightly, and he's home free under the Federal  
17 circuit rule. And that's what happened here. You have a  
18 device which, for all practical purposes, is identical to  
19 the Festo patents and has now destroyed the value of the  
20 Festo patents because Festo didn't foresee back in the  
21 1980's, when it got these patents, that the Federal  
22 circuit was going to change the law as it has in 1997.  
23 And I --

24 QUESTION: Or it didn't foresee that there  
25 wasn't really a big difference between nonmagnetic

1 material and magnetic material. I'm not using the right  
2 words, but it didn't foresee that something he -- they  
3 described as significant in the claims was really not  
4 significant.

5 MR. BORK: Well, it's significant enough. The  
6 -- the fact is that the aluminum alloy -- the alloy makes  
7 it perform the same function as the magnetizable material,  
8 and what they didn't foresee was that the law was going to  
9 change so that the amendment was going to destroy their  
10 patent.

11 QUESTION: Mr. Bork, would you -- would you  
12 comment on the Federal circuit's view that they weren't  
13 really changing anything, but they had two inconsistent  
14 lines of decisions? One was the complete bar rule and the  
15 other was the flexible rule.

16 MR. BORK: I think they had two decisions that  
17 in -- in some sense were regarded as -- they claimed to be  
18 complete bar rules. I think that's a -- that's quite a  
19 stretch. If you look at the uninterrupted Supreme Court  
20 precedent, there is no case like what the Federal circuit  
21 has done now. The doctrine of equivalents has been around  
22 for over 150 years, and this Court has consistently  
23 applied it. And they -- there was no complete bar in the  
24 Supreme Court jurisprudence. I don't think there's much  
25 -- any complete bar in the Federal circuit jurisprudence

1 either, but whatever it was, everybody went forward on the  
2 understanding that the kind of law that was reaffirmed in  
3 Warner-Jenkinson was the law.

4 And that's why I find it particularly odd that  
5 the Government should say that those people are charged  
6 with knowledge back then of what was going to happen now.

7 And that is doubly odd because the Government in  
8 Warner-Jenkinson filed a brief taking the position that we  
9 take here today, and now they say that we should have  
10 known better. They didn't know better. I don't know how  
11 we would know better.

12 I should like to reserve the remainder of my  
13 time, if I may.

14 QUESTION: May I ask you, before you step down,  
15 whether you think there's a relevant difference between  
16 claim elements and claim limitations?

17 MR. BORK: I think -- I think they're two words  
18 for the same thing.

19 QUESTION: Very well, Mr. Bork.

20 Mr. Wallace, we'll hear from you.

21 ORAL ARGUMENT OF LAWRENCE G. WALLACE

22 ON BEHALF OF THE UNITED STATES, AS AMICUS CURIAE,

23 SUPPORTING VACATUR AND REMAND

24 QUESTION: Mr. Wallace, Mr. Bork says the  
25 Government has changed its position from the time it filed

1 its brief in Warner-Jenkinson. Do you agree with that?

2 MR. WALLACE: I do not, Mr. Chief Justice. We  
3 did say that amendments made to avoid prior art and  
4 amendments made for other purposes relating to securing  
5 the patent present different problems because amendments  
6 made to avoid prior art are almost always narrowing  
7 amendments, and we think that the Federal circuit, in  
8 speaking of narrowing amendments, really was speaking of  
9 surrendering subject matter which is the formulation that  
10 the petitioner prefers; whereas, amendments made for other  
11 purposes have to be scrutinized with particular care  
12 because they often are not narrowing amendments. And  
13 indeed, in some of the post-Festo decisions of the Federal  
14 circuit, the court has held that there was -- it was not a  
15 narrowing amendment and therefore there's no bar.

16 But they can be narrowing amendments. They can  
17 be, even though in the guise of addressing the examiner's  
18 concern under 112, they could actually be narrowing the  
19 subject matter of the claim. And in that instance, the --  
20 the estoppel would apply.

21 QUESTION: How does one figure that out? Give  
22 us a -- an example. Part of the argument is this is very  
23 difficult to figure out, that -- that the new system  
24 that's -- that's been brought in is -- is as complicated  
25 to administer in -- in the courts as -- as the old.

1           MR. WALLACE: A simple example would be in  
2 Warner-Jenkinson itself. If there was an addition of a  
3 limitation on the pH levels from 6 to 9 in the amendment,  
4 if the examiner in that case had said that the  
5 specifications are not clear enough and that amendment was  
6 added in response to that, even though the examiner had  
7 raised other concerns, but the applicant purported to add  
8 that limitation in response to the examiner's concerns  
9 about the specificity, it still would be adding a  
10 limitation and it would be an implied disclaimer of  
11 subject matter in comparison with the initial claim. And  
12 our view would be that estoppel would apply.

13           QUESTION: But the idea of estoppel, as I  
14 understand it, is that a person is prevented from taking  
15 contrary positions, and it seems to me in your example  
16 that it's not necessarily a contrary position.

17           MR. WALLACE: Well, it's contrary in the sense  
18 of what fair inferences can be drawn by the public from  
19 the record of the prosecution history. When he started  
20 off -- the applicant started off without this limitation  
21 and then added the limitation, the limitation speaks for  
22 itself in narrowing the scope of the claim elements. And  
23 that -- that is the central problem of this case.

24           If prosecution history estoppel is to have  
25 meaningful effect, once we settle where it applies, which

1 seems to me to be the lesser question, it necessarily  
2 follows, if it's to have meaningful effect, that the claim  
3 elements that have been narrowed by the patent applicant,  
4 in order to secure the issuance of the patent, cannot be  
5 afforded the same or almost the same protection against  
6 non-literal infringement that would be available to them  
7 under the doctrine of equivalents if they had not been  
8 narrowed.

9 QUESTION: Is there -- is there a way of doing  
10 this? Look, the Federal circuit itself thinks that its  
11 rule is a crude effort to deal with a problem that may  
12 have the adverse consequences that -- that Mr. Bork  
13 predicted. And if so, they'll want to change their minds.  
14 Now, is there a way under the law that they could have the  
15 authority to change their minds if it turns out that this  
16 experiment doesn't work?

17 MR. WALLACE: Well, I -- I think so. These are  
18 doctrines that have been developed. Prosecution history  
19 estoppel and its effects are really equitable in origin,  
20 and the courts have the authority to reexamine the  
21 application of equitable doctrines in light of experience.

22 The -- the real question here, as we see it, is  
23 what -- how do you reconcile the inferences that are  
24 legitimately to be drawn by the public with the  
25 patentholder's need for protection from unfair copying.

1 And this is not a matter of small moment because if -- the  
2 doctrine of equivalents does not apply, but the all-  
3 elements test still is applicable, as the opinions below  
4 reflect, to claims of literal infringement or non-literal  
5 infringement.

6 So, we have suggested an answer that we draw  
7 directly from this Court's decisions. We first look at  
8 Exhibit Supply, a 1942 decision, in which the Court said  
9 that when the applicant narrows the claim, he necessarily  
10 is recognizing the difference between what was originally  
11 acclaimed -- claimed and what the narrowing amendment  
12 claims, and there's an implied disclaimer of all that is  
13 embraced within that difference. And he's recognizing the  
14 significance of that difference. And it -- the Court  
15 cited a number of its prior decisions at that time.

16 So, we think that applicants have been fairly on  
17 notice that prosecution history estoppel does apply to  
18 narrowing amendments and that there is considerable risk  
19 in narrowing claims and that they have to do that with  
20 great care with that in mind.

21 QUESTION: Mr. Wallace, the Government is  
22 proposing a change, a backing off from what the CAFC did,  
23 but proposing some new formulation or test. How does the  
24 test you propose differ from that proposed by the  
25 Institute of Electrical and Electronics Engineers do you



1 think?

2 MR. WALLACE: Well, I think they take -- they  
3 start from what --

4 QUESTION: They -- they key it into  
5 foreseeability somehow.

6 MR. WALLACE: Yes, but they start by assuming  
7 the validity of the flexible bar rule and trying to  
8 tighten it a little bit. We think that the court of  
9 appeals was right.

10 QUESTION: And so do you apparently.

11 MR. WALLACE: Well, we -- we think the court of  
12 appeals was right in saying that the way the -- it has  
13 been applying the flexible bar rule did not properly  
14 recognize what had been surrendered in the course of the  
15 prosecution history estoppel. But we -- we come out in  
16 much the same place at the end even though the differences  
17 between those and the Federal Bar Association also  
18 recommends a presumption and shift of the burden of proof  
19 similar to ours, but they're -- they're unwilling to  
20 recognize that everything, as the Court said in Exhibit  
21 Supply, that was surrendered is necessarily part of the  
22 implied disclaimer. They say, well, even if you went down  
23 to your 9 pH in Warner-Jenkinson, as long as you could  
24 show that you could have claimed 10, we should treat that  
25 the same as if you did claim 10. We think that the

1 inferences to be drawn by the public from the prosecution  
2 history estoppel are not that loose.

3 But we do think the court of appeals went too  
4 far in saying that applicants were on notice that an  
5 absolute bar would necessarily apply to all claims, and we  
6 have made our suggestions about burden of proof and  
7 presumptions to afford further protection in cases where  
8 the applicant -- the patentholder can show that it would  
9 be unfair to treat --

10 QUESTION: Mr. Wallace, with respect to that,  
11 your second possibility, the second kind of escape hatch  
12 for the patentholder, as I understand it, relates to a  
13 case in which, in effect, it was impossible to be any more  
14 precise, to exclude any more precisely than they did. My  
15 question is, doesn't that in effect invite the  
16 patentholder to make that kind of a claim in every case?  
17 And if that is, in fact, going to be an exception to  
18 absolute bar, doesn't it mean that we're going to litigate  
19 it in every case?

20 MR. WALLACE: Well, we're quite worried about  
21 that. We caution that the versatility of language  
22 requires skepticism about that, but we -- we were also  
23 sensitive about the difficulties in some particular areas  
24 of new technology, biotechnology, and the like, although I  
25 pressed the Patent Office and they couldn't come up with a

1 concrete example.

2 QUESTION: Thank you, Mr. Wallace.

3 Mr. Neustadt, we'll hear from you.

4 ORAL ARGUMENT OF ARTHUR I. NEUSTADT

5 ON BEHALF OF THE RESPONDENTS

6 MR. NEUSTADT: Mr. Chief Justice, and may it  
7 please the Court:

8 First, I'd like to direct a response to Justice  
9 Breyer's question concerning that section of the statute  
10 that -- that you were looking for. That's 112, paragraph  
11 6, which says that you can claim the function of an  
12 element and you get protection for everything that has  
13 that function if it is the same as what's in the  
14 specification or its equivalent.

15 Next, I'd like to address my attention to  
16 Justice Stevenson's question with respect to literal  
17 infringement and doctrine of equivalents infringement. We  
18 were faced with the same question and we made an analysis  
19 of all the cases that were decided by the Federal circuit  
20 in the year 2000. We found that there were 31 cases that  
21 either held for the patentee or indicated they were going  
22 to hold for the patentee with respect to preliminary  
23 injunction. With respect to those cases, all but four  
24 were literal infringement. So, the answer to your  
25 question, for the year 2000, is that 27 of the 31 cases

1 were directed to literal infringement and not -- not  
2 doctrine of equivalents infringement.

3 And you must keep in mind that the Federal  
4 circuit in this case, with respect to the doctrine of  
5 equivalents, didn't rule on the doctrine of equivalents in  
6 general. They only ruled on the doctrine of equivalents  
7 with respect to when a patentee switches from one position  
8 to another. He starts with one claim. For some reason he  
9 sees that in order to get his patent, he is going to have  
10 to narrow.

11 A good example is the example that Festo uses,  
12 going from adhesives to glue. You claim adhesives broadly  
13 when you start. You're going to get protection for all  
14 adhesives. Then you find there's prior art or something  
15 else, maybe your specification isn't enabled, and you say  
16 I'm going to have to go to glue.

17 What the Federal circuit says for that  
18 particular claim element, when you go from adhesives to  
19 glue, you are telling the public that you're going to  
20 rely --

21 QUESTION: But may I just interrupt with this --

22 MR. NEUSTADT: Yes.

23 QUESTION: -- this observation? But -- but the  
24 result of your rule is that if you do make that change and  
25 go to -- to glue, you lose the doctrine of equivalents

1 with respect to that element, but someone who originally  
2 framed the claim in the way that you ended up with does  
3 not have the same opportunity to rely on equivalents that  
4 you do. Would you comment on that?

5 MR. NEUSTADT: That is correct.

6 This was a point that this Court addressed in  
7 Exhibit Supply and that is because claims are not  
8 interpreted just as they stand. They're interpreted in  
9 accordance with their prosecution history. Where you have  
10 an original claim that has no prosecution history, then  
11 it's much tougher for the public to read and figure out  
12 what -- what glue or adhesives mean. But where you have  
13 this change from one position to another, a change that  
14 every patent attorney resists, then the Federal circuit  
15 says this is a narrowing that the public is entitled to  
16 rely upon. So, there -- there is a very significant  
17 change even though you have the exact same words.

18 To refer to Mr. Breyer's question about whether  
19 or not the Federal circuit has the power to change what  
20 they've done, the answer is, of course, prosecution  
21 history estoppel is judge-made law. There is no statute  
22 concerning it.

23 QUESTION: This is scarcely an encouraging view.

24 (Laughter.)

25 QUESTION: I mean, if -- if we're looking for

1 some sort of certainty in the area, to say that the  
2 Federal circuit has now come up with a relatively new  
3 doctrine but they're free to change it if it doesn't work  
4 is not the most auspicious recommendation for that  
5 doctrine.

6 (Laughter.)

7 QUESTION: I presume it would be changed  
8 retroactively, just as it was introduced retroactively.

9 MR. NEUSTADT: Well, I don't -- I don't think  
10 it's going to be changed, and I don't think there's  
11 anything retroactive because the Federal circuit decision  
12 was entirely consistent with this Court's precedent in  
13 Exhibit Supply and also Warner-Jenkinson. In Exhibit  
14 Supply, this Court said that where a patentee makes a  
15 change to avoid prior art for that particular element, he  
16 disclaims and abandons everything between --

17 QUESTION: But the Federal circuit went further  
18 than that here. It doesn't have to be a change just to  
19 avoid prior art, does it?

20 MR. NEUSTADT: That is correct, Your Honor. But  
21 what they did was follow what this Court said in Warner-  
22 Jenkinson concerning what relates to patentability. The  
23 Court in Warner-Jenkinson said -- this Court -- that --  
24 that we have used this with respect to prior art, citing  
25 Exhibit Supply, but they didn't say it is limited to prior

1 art. What the Federal circuit then said --

2 QUESTION: But in -- in the John Deere case,  
3 certainly the term patentability was used just for that  
4 purpose.

5 MR. NEUSTADT: For prior art?

6 QUESTION: Yes.

7 MR. NEUSTADT: I'm not sure, Your Honor.

8 What the Federal circuit did was they said --  
9 and there was almost virtually unanimity on the court, 11  
10 to 1 -- that when you make this narrowing for a purpose  
11 related to patentability or for a statutory requirement  
12 for patentability, then the public can view that and  
13 recognize and rely upon it. So, the extension from, if  
14 you will, 102 and 103 to 112 was of very little extension  
15 at all.

16 QUESTION: Well, are you using the term  
17 patentability to include 112?

18 MR. NEUSTADT: Yes.

19 QUESTION: I mean, that's part of the problem  
20 here.

21 MR. NEUSTADT: Yes, yes.

22 QUESTION: Well, I -- I think that's one of the  
23 issues in this case.

24 MR. NEUSTADT: Well, 112 is not just a matter of  
25 form. 112 is addressed to some of the most important

1 issues for a patent application, such as whether or not  
2 the application enables the invention. The quid pro quo  
3 for the public with respect to giving the exclusivity to  
4 the patentee is they get an enabling disclosure. If there  
5 is no enabling disclosure, then the public gets nothing.  
6 Enabling disclosure is 112, so 112 is just not form.

7 If you are talking about form and clarification,  
8 usually when you clarify a claim, you don't narrow it and  
9 so the result is that would not be controlled by the  
10 Federal circuit rule.

11 What the Federal circuit --

12 QUESTION: Well, is -- is that really so? I  
13 mean, every time you have a vague claim, you at least have  
14 an opportunity to say, well, it covers more than a  
15 contrasting narrow claim would be. So, I'm not sure that  
16 you can draw this categorical distinction.

17 MR. NEUSTADT: Usually when a patent attorney  
18 wants to -- is concerned with narrowing his claim, he  
19 doesn't want to narrow his claim because he gets less for  
20 his client. He will try to clarify it in a way that  
21 doesn't narrow, if that is the examiner's concern. So,  
22 usually clarifications are not narrowings and are not  
23 affected by the Federal circuit rule.

24 What the Federal circuit issue is -- is directed  
25 to is actually changing a position for a statutory



1 requirement for patentability. That can be prior art. It  
2 can be non-enabling disclosure. For example, this Court  
3 has held in Crawford v. Heysinger in the 1800's -- applied  
4 prosecution history estoppel to a inoperability rejection  
5 which was a 112 rejection. And so, this is the reason why  
6 the Federal circuit had very little difficulty and ended  
7 up with an 11-to-1 vote when they said that, yes,  
8 amendments are not limited to avoid prior art. They cover  
9 other instances where you narrow.

10 And the key -- the key is narrowing. Patent  
11 attorneys hate to narrow. It gives their clients less  
12 protection. They don't want to narrow unless the only  
13 choice is not getting a patent. So, they put that  
14 narrowing language in there. And all that the Federal  
15 circuit is saying when they put that narrowing language in  
16 there, they should be held to it. And the reason they're  
17 held to it is because of the public --

18 QUESTION: Well, they're saying more than that.  
19 They're saying they're held to it for the entire element,  
20 and that's where I have -- have great problems with --  
21 with what the circuit does. And -- and it seems to me a  
22 vast extension over what we thought about in Warner-  
23 Jenkinson.

24 MR. NEUSTADT: In -- in Warner-Jenkinson this  
25 Court said that if we do not know the reason for the

1 amendment, we're going to presume that it relates to  
2 patentability, and when we make that presumption, if it's  
3 not rebutted, it will act as a bar. So, this Court in  
4 Warner-Jenkinson set forth a complete bar. Complete bar  
5 is nothing new.

6 QUESTION: Well, why isn't that enough? Why --  
7 why is an additional rule sought?

8 MR. NEUSTADT: The -- the additional rule  
9 relates to the fact that in the Federal circuit, not in  
10 this Court, there was what was called a flexible bar rule,  
11 and what they did was if you initially claimed glue and  
12 came back to adhesives and then -- I'm sorry -- you  
13 claimed adhesives and then you had to narrow it to glue,  
14 then in a lawsuit you found someone using adhesives, you  
15 would then say, well, my glue is really the same as  
16 adhesives under the doctrine of equivalents. And the  
17 Federal circuit in this decision is saying that you can't  
18 do that.

19 But previously the Federal circuit had the  
20 flexible bar rule, and the flexible bar rule said that if  
21 you went from adhesives to glue, and you didn't have to go  
22 all that way to glue -- maybe you could have stopped  
23 somewhere in between -- they say you can then look at  
24 where you might have been able to stop. This is in the  
25 Intel brief, could have, should have, and would have. And

1 they say we can take it back to something in between  
2 adhesives and glue. And the problem with that is that the  
3 public has no notice of what the claim covers. Someone  
4 out there who wants to innovate in the area between glue  
5 and adhesives has to know what he can do, and the Federal  
6 circuit rule enables them now to say that, yes, that claim  
7 means glue and we don't have to worry about something if  
8 we don't use glue. And --

9 QUESTION: How would the SG's test apply to  
10 that, do you think?

11 MR. NEUSTADT: The -- the SG's test and also the  
12 IEEE test that you referred to -- the SE says -- and his  
13 -- his rule is a little better than the flexible bar rule.  
14 The SG says we're going to have a complete bar  
15 presumption, and the presumption is going to have to be  
16 overcome by the patentee, and he's going to have to show  
17 that this was unforeseeable. But this rule has all of the  
18 uncertainties that create all the problems with the  
19 flexible bar rule, and therefore it really is not an  
20 improvement.

21 The court's decision has been in effect for 13  
22 months. It's really worked just fine. There have been  
23 really no problems. Patent prosecution hasn't changed at  
24 all. There haven't been any cases that follow that --

25 QUESTION: Can you give me -- can you give me

1 some sense as to how often patent applications are  
2 amended?

3 MR. NEUSTADT: I don't think there are any  
4 statistics. Patent applications -- I'd say 50 percent,  
5 maybe more. But -- but that doesn't distinguish between  
6 amendments and narrowing amendments. Usually it's the  
7 narrowing amendments that -- that trigger the Federal  
8 circuit rule.

9 And with respect to --

10 QUESTION: Because Mr. Bork says you're just  
11 going to transfer now the load to the appeals within the  
12 Patent Office and we're going to have this long, long  
13 running time.

14 MR. NEUSTADT: No.

15 QUESTION: And it seems to me that that --  
16 that's a -- a very serious consequence if -- if it in fact  
17 will follow.

18 MR. NEUSTADT: We haven't notice that  
19 consequence and that just isn't happening in the PTO. You  
20 see nothing in the SG PTO brief.

21 QUESTION: Well, maybe everybody is waiting for  
22 this case.

23 (Laughter.)

24 MR. NEUSTADT: The -- that may be but the  
25 Federal circuit has -- has been applying this case in all

1 of its cases. It's simplified a lot of the decisions.  
2 What it's meant is that patent attorneys can now advise  
3 their clients that, yes, you can do this; no, you can't do  
4 that. Whereas, under the flexible bar rule, they were  
5 unable to do so.

6 In -- in -- when you claim, the claiming is  
7 central to -- to the system -- to our system. The  
8 applicant has a disclosure. From that disclosure, he can  
9 decide what it is he wants to claim, and he can claim  
10 various elements and he usually does it as broadly as  
11 possible. The examiner then examines the claim on exactly  
12 what he claims, not the disclosure. The patentee is  
13 master of his claims. He decides what the issue is going  
14 to be.

15 If the examiner rejects the claim that was  
16 selected by the patentee, then -- then the patentee or the  
17 applicant says, well, there's nothing I can do now. I  
18 either have a choice of not getting a patent or I've got  
19 to limit my patent. So, he comes in and he limits his  
20 patent. He goes from adhesives to glue.

21 That patent issues and the public can then look  
22 at it. The patent tells you what you can't do, but more  
23 importantly, it tells you what you can do. And the public  
24 can do no better than look at the claim and its  
25 prosecution history, and when it does that, it can look

1 and decide what it can do. And this results in increased  
2 innovation.

3 This Court in Markman, interpreting claims, said  
4 that claims, if they are uncertain -- and this was the  
5 need for judges rather than juries to interpret them. If  
6 they're uncertain, they foreclose an area of technology.  
7 If you have uncertainty between here and here, no one will  
8 innovate in that area because they recognize, if they're  
9 successful, they're just going to be sued for infringement  
10 under the doctrine of equivalents. They may have an  
11 injunction entered against them, which is going to stop  
12 their production line, and they're going to have to give  
13 back profits which the patentee is going to ask for in  
14 lost profits.

15 So, everything really turns on the claims, and  
16 the patent attorney has the tools to do it. He can use  
17 112, paragraph 6. He always claims as broadly as  
18 possible.

19 All that the Federal circuit has --

20 QUESTION: The argument you're now making is a  
21 wonderful argument against the whole doctrine of  
22 equivalents, which I thought we had rejected.

23 MR. NEUSTADT: The difference -- the difference  
24 between that is that the Federal circuit has limited its  
25 holding to the time when the patent applicant goes from

1 one claim to another claim where he narrows the claim. If  
2 he doesn't narrow the claim, there's no problem with the  
3 doctrine of equivalents. Also, if he doesn't narrow an  
4 element, there's no doctrine of equivalents.

5 All that the Federal circuit has said here is  
6 that the balance shifts with respect to the point that  
7 you're referring to when the patent applicant, with his  
8 eyes open, knows that he's got a problem and he's going to  
9 have to narrow.

10 QUESTION: Well, that may well be. But -- but  
11 if -- if the considerations that you're raising now are as  
12 forceful as you think they are, we should simply abolish  
13 the doctrine of equivalents. That -- that would give  
14 great certainty to the patent law, and all of the -- all  
15 of the things that you assert would be achieved. The  
16 patentee is on notice and he should be as precise as  
17 possible, blah, blah, blah.

18 MR. NEUSTADT: Well, that's not an issue before  
19 the Court. But the -- the Federal circuit does restrict  
20 the doctrine in -- doctrine of equivalents in other areas.  
21 For example, you can have an argument that you make in  
22 your -- in your amendment, and that argument can then be  
23 used against you as an estoppel. That's not an issue in  
24 this case.

25 The Federal circuit also handled an issue where

1 an applicant will disclose, say, three things, A, B, and  
2 C, and he'll only claim A. And then he'll come back and  
3 he'll say, under the doctrine of equivalents, A covers B  
4 and C. And the Federal circuit deals with that. But  
5 that's not an issue in this case.

6 What the Federal circuit has done is they've  
7 handled the exact issue that this Court handled in Exhibit  
8 Supply and in Warner-Jenkinson. And that is that the  
9 balance shifts when you make an amendment that relates to  
10 patentability and --

11 QUESTION: Mr. Neustadt, would you -- would you  
12 tell us why the approach of a complete bar is consistent  
13 with the approach taken in Warner-Jenkinson where the  
14 Court did not want to have a rigid -- a rule with no  
15 flexibility, and so it created this rebuttable  
16 presumption?

17 MR. NEUSTADT: Yes. The Court in Warner-  
18 Jenkinson was trying to decide between amendments that  
19 relate to patentability and amendments that do not relate  
20 to patentability. And the petitioner in that case was  
21 asserting that that distinction was not an important  
22 distinction. The Court in Warner-Jenkinson said we're not  
23 going to have a bright line rule that this complete bar is  
24 going to apply to every single amendment. It's only going  
25 to apply to those amendments that relate to patentability.



1 And the Court said in the past we've used prior art as  
2 relating to patentability, but the Court did not limit it  
3 to that.

4 The Federal circuit then came back and one of  
5 the questions they had, they said, is 102 and -- is  
6 relates to patentability under this Court's decision  
7 limited to 102 and 103. And this is question one in the  
8 Federal circuit. And the Federal circuit held virtually  
9 unanimous, 11 to 1, that relates to patentability is not  
10 limited to 102 and 103.

11 QUESTION: But that's simply an interpretation  
12 of our cases. Or it should have been at any rate. And I  
13 dare say we're in a better position to interpret our cases  
14 than the Federal circuit.

15 MR. NEUSTADT: Well, I think the -- the Federal  
16 circuit was saying that the cases of this Court were not  
17 absolutely controlling, but what they would do would be  
18 consistent with this Court. And that was -- that was the  
19 effect of their holding.

20 But if you look carefully -- look more carefully  
21 at this Court's cases, this Court's cases we submit in our  
22 brief actually do control and would have necessitated the  
23 Federal circuit to reach that verdict. This Court, as I  
24 said --

25 QUESTION: Well, there is an -- I think I agree

1 with Justice Ginsburg, as she suggested. I think there is  
2 an inconsistency between Warner-Jenkinson and the position  
3 you're taking.

4 MR. NEUSTADT: An inconsistency?

5 QUESTION: Yes.

6 MR. NEUSTADT: I don't think so because the --  
7 the --

8 QUESTION: Well, the remand in Warner-Jenkinson.

9 MR. NEUSTADT: Yes. The remand in Warner-  
10 Jenkinson, as specifically defined there, was for the  
11 Federal circuit to determine whether or not the amendment  
12 that was made to change the pH to 6 related to  
13 patentability. The petitioner was saying you don't have  
14 to determine whether it relates to patentability. The  
15 remand said, Federal circuit, you now look and tell us  
16 whether or not it relates to patentability, and that's  
17 what the Federal circuit did.

18 And then as they had a few more cases after  
19 Warner-Jenkinson -- and they had -- they had disputes  
20 among the judges -- they said we're going to resolve this  
21 in this -- in this case. And they not only said they're  
22 going to rehear it en banc, but they said we're going to  
23 have five questions. And the first question was -- was  
24 Justice Ginsburg's question.

25 QUESTION: But I didn't mean it to be. I meant

1 to focus you on the second question which you say is the  
2 more important of the two, and --

3 MR. NEUSTADT: The complete bar, yes.

4 QUESTION: -- and just saying that in Warner-  
5 Jenkinson, the Court didn't want to freeze things, so it  
6 had this rebuttable presumption. You do want to, when you  
7 get to your question two, say absolute bar.

8 MR. NEUSTADT: The absolute bar was in Warner-  
9 Jenkinson. In Warner-Jenkinson, this Court said if the  
10 amendment relates to patentability, then there's going to  
11 be an absolute bar. The words this Court used was bar.  
12 They didn't use absolute bar because a bar is a bar. But  
13 -- but -- and this Court was just following Exhibit Supply  
14 which had that same bar in that.

15 QUESTION: Well, I thought everybody agreed that  
16 the question was open, that this Court did not decide.

17 MR. NEUSTADT: The Federal circuit said that  
18 their decision was not controlled by Exhibit Supply. Both  
19 our side and the Government side said that it is  
20 controlled by Exhibit Supply and that the Federal circuit  
21 would have had to have reached that conclusion anyway.  
22 And -- and the -- the very plain language of Exhibit  
23 Supply is that when a patentee chooses to go from the  
24 claim as unamended to make a narrow limitations in there,  
25 there's a complete bar with respect to the amended

1 element. And Exhibit Supply, of course, talks about there  
2 is an abandonment and disclaimer of everything between the  
3 element as unamended and as amended.

4 And to --

5 QUESTION: Could you explain to me a little more  
6 clearly what -- what you assert relates to patentability  
7 means? I mean, if -- if you narrow the phrase to mean it  
8 -- it relates only to prior art or to any impediment to  
9 getting the invention accepted as novel or whatever, I  
10 understand what it means. But if it -- if it includes any  
11 change that is made in order to get the examiner to accept  
12 the patent, then what change does not relate to  
13 patentability? If -- if, as you assert, patent attorneys  
14 are so reluctant to make any changes, what change would  
15 not relate to patentability? The only reason they're  
16 doing it is to get the patent.

17 MR. NEUSTADT: Yes. It's not changes. It's the  
18 narrowing changes. You can make a lot of changes.

19 QUESTION: Fine. What narrowing changes would  
20 not relate to patentability?

21 MR. NEUSTADT: There are very few changes where  
22 you have significant narrowing that do not relate to  
23 patentability.

24 QUESTION: I can't imagine any because why would  
25 you do it unless --

1 MR. NEUSTADT: Oh, well --

2 QUESTION: -- unless to get the examiner to  
3 accept -- to accept your patent?

4 MR. NEUSTADT: If you take out narrowing, you  
5 can have a lot of changes. For example, you may file an  
6 application and then broaden your claim.

7 QUESTION: But -- but why -- why talk about  
8 changes that relate to patentability? Why not just say  
9 all narrowing changes? Let's make it clear what we're  
10 talking about. You're saying all narrowing changes.

11 MR. NEUSTADT: And this is why the Federal  
12 circuit had such virtual unanimity because --

13 QUESTION: And -- and you think that that's --  
14 that's what we meant in -- in Warner-Jenkinson by -- by  
15 changes that relate to patentability. All narrowing  
16 changes.

17 MR. NEUSTADT: I think in Warner-Jenkinson the  
18 subject wasn't specifically addressed. The Court  
19 recognized that you have narrowing changes with respect to  
20 prior art.

21 QUESTION: It would be a very strange  
22 terminology to use to refer to all narrowing changes.

23 MR. NEUSTADT: Yes.

24 QUESTION: You know, it doesn't seem to me  
25 synonymous with patentability.

1 MR. NEUSTADT: To -- to a certain extent, the --  
2 the Federal circuit rule is even narrower than -- than  
3 Warner-Jenkinson because this Court in Warner-Jenkinson  
4 did not refer to narrowing. It just referred to  
5 amendments that relate to prior art, and there must have  
6 been an implicit assumption that that was -- that was  
7 narrowing.

8 The Federal circuit, since they hear a lot of  
9 patent cases, focused more in on the fact that it really  
10 wasn't the fact that it was prior art. What you wanted to  
11 get at was important changes, and they -- they used the  
12 language statutory requirements of patentability.

13 For example, one of the most important things is  
14 your claim being supported by the disclosure. You can't  
15 claim what you don't invent. So, if your claim is real  
16 broad, the examiner says, but you've only disclosed this,  
17 so you can't foreclose all of this. And so then you have  
18 to narrow it down to this. And that's a 112 change, and a  
19 112 change is just as important as a 102 and a 103 change.  
20 And so the Federal circuit says if it's for a statutory  
21 requirement for patentability. And these are not trivial  
22 changes.

23 A patent attorney, when an examiner makes a  
24 change -- a suggested change, says, well, how can I do  
25 that without narrowing.

1           The same thing with respect to clarity. You can  
2     make changes with respect to clarity. Maybe the examiner  
3     likes 12 feet rather than 144 inches. Maybe there are  
4     other things that he thinks will be more clear. As long  
5     as they're not narrowing, the patent attorney is happy to  
6     make them, but as soon as he -- he narrows, he knows that  
7     he's getting his client less.

8           With respect to foreseeability, I just wanted to  
9     make one comment. Patent attorneys, when they draft broad  
10    claims, they draft broad claims because they don't know  
11    what is going to happen in the future. They want the  
12    broad claim because if something happens in the future,  
13    they're going to be covered for it. Also, the patent  
14    attorney doesn't know everything that's happened in the  
15    past, and so he wants the broad claim because he gets much  
16    better coverage.

17           For example, you don't want to go to -- from  
18    adhesives to glue, because if you do that -- I'm sorry.

19           QUESTION: Thank you, Mr. Neustadt.

20           Mr. Bork, you have 2 minutes remaining.

21           REBUTTAL ARGUMENT OF ROBERT H. BORK

22           ON BEHALF OF THE PETITIONER

23           MR. BORK: I wish to address this question of  
24    narrowing. The concept of narrowing has no limits. In  
25    this case, the Stoll patent moved one element -- an

1 element from one claim to another. No change, just moved  
2 from one claim to another. That was held to be a  
3 narrowing. Now, if that's a narrowing, nothing is  
4 unrelated to patentability. That -- that's the extreme to  
5 which the Federal circuit takes this case.

6 Now, as far as the Government is concerned, the  
7 Government I think didn't quote you the relevant language  
8 from their brief. They approvingly quoted as the law in  
9 Warner-Jenkinson -- that is, in filing in Warner-Jenkinson  
10 -- whenever a prosecution history estoppel is invoked,  
11 there's a limitation to infringement under the doctrine of  
12 equivalents. A close examination must be made as to not  
13 only what was surrendered but also the reason for such  
14 surrender. That's the position that the -- this Court  
15 adopted in Warner-Jenkinson. It's the position that Festo  
16 takes before this Court today.

17 I should say that I don't -- when I answered  
18 you, Justice O'Connor, I did not mean to say that a  
19 limitation was the same as an amendment. It's just a  
20 statement of the claim. A limitation is where the claim  
21 is when you first make it.

22 This case -- if what happened to Festo here and  
23 what's going to happen to other patentholders continues,  
24 this case, were it not done by a court, were it done by  
25 any other agency, would be a taking under the



1 Constitution. And that's why it's important that you --  
2 this Court not approve a retroactive application of this  
3 drastic new rule but require that it be done by Congress  
4 or by rulemaking by the Patent and Trademark Office.

5 Thank you.

6 QUESTION: May I ask, since you do have a second  
7 left, what -- what case of ours does -- other than Warner-  
8 Jenkinson, does the new rule repudiate?

9 MR. BORK: Almost all of them. For example, the  
10 doctrine of equivalents goes back well into the last  
11 century. Winans against Denmead, 1853. There's an  
12 argument there about -- they don't call it the doctrine of  
13 equivalents then, but there's an argument there about  
14 whether something fell under a patent claim and they say  
15 that it's really the same thing, same principle as  
16 involved, and therefore --

17 CHIEF JUSTICE REHNQUIST: Thank you, Mr. Bork.

18 The case is submitted.

19 (Whereupon, at 11:17 a.m., the case in the  
20 above-entitled matter was submitted.)  
21  
22  
23  
24  
25