

ideas on

INTELLECTUAL PROPERTY LAW

Current issues on patents, trademarks and copyrights

A Return to Reason

How the Doctrine of Equivalents Affects Your Patent

The U.S. Supreme Court has recently handed down an important patent decision, the *Festo* case. If you're a patentee, the decision is mostly good news. But if you're a potential patent infringer, you'd best tread carefully.

The Doctrine of Equivalents

To appreciate *Festo*, you must understand the doctrine of equivalents and its nemesis — prosecution history estoppel. In an attempt to define the invention verbally, one or more “claims” describe a patent’s scope of protection. These claims exist to tell the public precisely what the patent covers. But in the real world, words often fail to attain precision.

Furthermore, when attorneys draft patent claims, they simply can’t accurately forecast

the infinite variety of future evasions that an infringer may design. The game of cat and mouse between a patentee and a potential infringer is loaded in the latter’s favor because, before the patent issues, the patentee must commit to a specific verbal formulation of the claims. That formulation then presents a stationary target for the infringer to shoot at in “designing around” the patent. To redress this imbalance, courts have created the doctrine of equivalents, which holds that a patent covers not only what falls within the literal terms of the claims, but also anything that is equivalent thereto.

This is a big help to patentees and a big headache for their competitors. How a patent attorney representing a patentee’s competitor decides what is and is not “equivalent” is

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a matter of opinion. And the possibility always exists that a judge or properly instructed jury may disagree with a patent clearance letter. Thus, the doctrine of equivalents unavoidably creates a measure of uncertainty that partially defeats the goal of using claims to define the invention.

Prosecution History Estoppel

But the doctrine of equivalents has limits. One is prosecution history estoppel. Patent prosecution is the process of negotiating with a patent examiner to determine the claims' scope. During prosecution, the examiner usually cites "prior art" (previous technology) and may also object to the claims' form. In response, the patent attorney often amends the claims, narrowing their scope to exclude the prior art and rewording them to correct any formal defects.

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A prosecution history is the written record of the patent prosecution. It reveals all the claims' changes and all representations made as to the claims' meaning and significance to persuade the examiner to allow the patent. Prosecution history estoppel is a common-sense doctrine that prevents a patentee from escaping the effect of those changes and representations. If the patentee takes a position

that narrows the claims' scope during prosecution, the patentee may not later use the doctrine of equivalents to recapture the claim scope that was given up as a precondition to obtaining the patent. The patentee is estopped from doing so.

The Festo Case

The doctrine of equivalents and prosecution history estoppel are long-standing features of U.S. patent law. But in *Festo*, an appellate court made a change in the doctrine of prosecution history estoppel that went one giant step too far.

The Federal Circuit Court of Appeals decided two issues in *Festo*. First, it decided that estoppel could be based on a change narrowing the scope of a patent claim, even if the change didn't involve avoiding prior art but merely corrected a formal defect. Second, it decided that an estoppel should prevent the doctrine of equivalents from expanding the scope of a patent claim in any respect whatsoever, regardless of whether the attempted expansion would result in recapturing the specific scope given up during prosecution or something else.

Previous decisions had taken a flexible approach to prosecution history estoppel: The doctrine of equivalents could still be used to expand a claim's scope, even if it had been narrowed by amendment during prosecution — but only if the expansion resulted in capturing something other than what the patentee had given up by the narrowing amendment. The Federal Circuit believed that, in changing the law so sharply in favor of an accused infringer in *Festo*, it was correcting for the uncertainty introduced into



the process of claim interpretation by the doctrine of equivalents.

The Supreme Court's Decision

The Supreme Court agreed with the Federal Circuit on the first issue. It held narrowing a claim to persuade the examiner to allow the patent is sufficient to estop the patentee from recapturing lost ground, regardless of whether the narrowing was done to avoid prior art or merely to correct the claim's form. The court reasoned that the public has a right to rely on the assurances that the patentee gave the examiner as to the scope of the amended claim, no matter the reason for the amendment.

But the Supreme Court reversed the Federal Circuit's attempt to introduce more certainty into the application of the doctrine of equivalents. It found that some degree of uncertainty was the price to be paid for preventing infringers from escaping liability through insubstantial changes to the invention. Avoiding infringement through insubstantial changes would impair the incentive to invent that is one of the patent system's basic purposes.

The Supreme Court reinstated the flexible approach to prosecution history estoppel that requires determining what subject matter was actually surrendered by a narrowing amendment to the patent claim. It reasoned that the Federal Circuit's absolute approach would reintroduce into patent infringement litigation the very rigidity that the doctrine of equivalents attempts to avoid.

In addition, the Supreme Court pointed out that the Federal Circuit's decision would disrupt the inventing community's settled expectations. Attorneys have prosecuted large numbers of patents without realizing that in amending their claims they could have conceded all possible equivalents, instead of only the particular equivalent that prompted the amendment.

But the Supreme Court did make one concession to the Federal Circuit's concern about uncertainty. It held that the patentee in an infringement suit has the burden of proving that a narrowing amendment to the patent claims did not surrender the particular equivalent in issue. To satisfy this burden, the patentee is required to prove that the particular equivalent could not have been literally claimed when the narrowing amendment was made during prosecution.

Flexibility Restored

Thus, by restoring the flexible approach, the Supreme Court restored patent law to about where it had been before — except that now the patentee must show that prosecution history estoppel doesn't exculpate the accused infringer in the case at hand. ☉

Batman vs. the Black Bat

Copyright's Derivative Work Rule

This case, which the court called “a rare phenomenon,” involves a plaintiff who had the gall to plagiarize a famous copyrighted work and then sue the copyright owner for infringement!

The Black Bat

In 1984, Jeffrey Sapon drew a modification of the famous Batman cartoon character and named it “The Black Bat.” He allegedly sent a copy of it to DC Comics, publisher of the Batman comic books and owner of the Batman copyright. Sapon suggested that DC Comics should adopt his modification as a modernization of Batman’s appearance. DC Comics never responded. Fifteen years later, DC Comics produced an animated television series titled “Batman Beyond,” in which a new person takes over Batman’s role, because the original Batman was 80 years old.

that Batman Beyond was an infringement. DC Comics denied Sapon’s infringement claim and counterclaimed alleging that Sapon was the real copyright infringer. It also filed a motion for summary judgment on both aspects of the case, which the court granted.

Presumption of Validity

Ordinarily, a registered copyright is entitled to a presumption of validity. But in this case the presumption was rebutted because:

- ☉ *Sapon’s modified Batman drawing was an unauthorized derivative work (see “Copyrights on Derivative Works” on page 5),*
- ☉ *Sapon hadn’t disclosed that fact to the Copyright Office when he applied for registration, and*
- ☉ *The Office might well have rejected his application if it had known.*

Absent a presumption of validity, the court was free to invalidate Sapon’s copyright on two grounds: 1) Sapon’s modified Batman drawing was an unauthorized derivative work, and 2) Sapon’s drawing lacked sufficient original material not derived from DC Comic’s Batman.

In support of the second ground, the court found that the elements Sapon claimed as original were in fact not, because he had actually derived them from DC Comic’s Batman character.

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It is a fundamental principle of copyright law that an idea can’t be protected by a copyright — only a particular original expression of an idea can be.

Deciding that he had been wronged, Sapon obtained a copyright registration for his Black Bat drawing and sued DC Comics, claiming

These elements included:

- ⊙ *A shiny black bullet-proof costume,*
- ⊙ *A silver utility belt,*
- ⊙ *Bat horns,*
- ⊙ *Ability to fly using bat wings,*
- ⊙ *Crime-fighting equipment, and*
- ⊙ *Two-way radios.*

With so many similarities, the Black Bat lacked enough originality to stand on its own.

Original Expression Of Ideas

Further, the court held that many of the remaining elements of Sapon's modified Batman drawing were mere ideas, and it is a fundamental principle of copyright law that an idea can't be protected by a copyright — only a particular original expression of an idea can be. Thus, protection was precluded for:

- ⊙ *A science-fiction character,*
- ⊙ *A superhero with an alter ego,*
- ⊙ *A deeply sinister appearance, and*
- ⊙ *A full mask disguise.*

In addition, the court held that the few remaining

Copyrights on Derivative Works

Copyright law doesn't protect a work derived from a previous work — such as Sapon's Batman modification — if the previous work is covered by an existing copyright and the derivative work's author lacks the original work copyright owner's permission. In addition, even if that author obtains permission, the derivative work must contain substantial original material in addition to the material derived from the previous work.

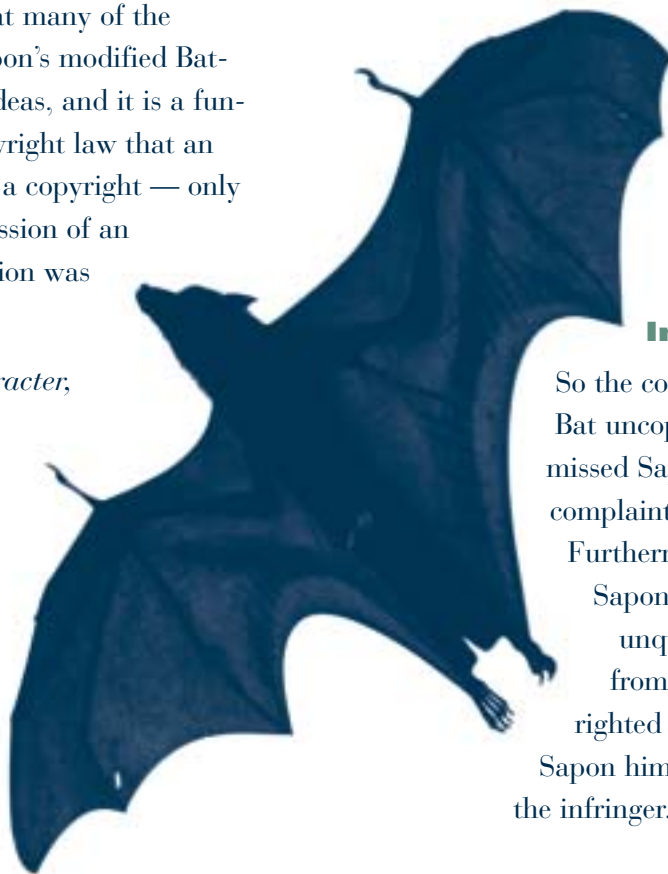
original elements of Sapon's drawing failed to reach the minimum threshold of originality required for copyright protection. And those few original elements were so inextricably integrated with the uncopy-

rightable elements as to preclude identifying a separate copyrightable segment of the whole.

Who's the Infringer?

So the court held the Black Bat uncopyrightable and dismissed Sapon's infringement complaint against DC Comics.

Furthermore, because Sapon's drawing was unquestionably derived from DC Comics' copyrighted Batman character, Sapon himself was the infringer. ⊙



Can Repair Be Trademark Infringement?

When buying a trademarked product, you expect all parts of it to be guaranteed by the company whose name is on it. But what if some other company repairs it? Would you know? And is the repaired product still the product of the trademark owner? The 9th Circuit Court of Appeals recently dealt with some of these questions.

The Facts

Karl Storz makes rigid endoscopes — precision surgical instruments used in many types of minimally invasive surgical and diagnostic procedures to view internal body areas. An endoscope consists of an elongated shaft containing fiber optics and lenses that illuminate and transmit a view of internal organs to the end of the shaft, where the surgeon can see it through an eyepiece or video camera and monitor. The name “Karl Storz” is prominently engraved on the face of a block element between the eyepiece and shaft.

Rigid endoscopes are generally repaired rather than discarded because they cost thousands of dollars. Surgi-Tech repairs endoscopes and returns them directly to the doctor. Because the endoscopes must be sterilized before use, no shipping papers or labels from the repairer are attached to the endoscopes when they are handed to surgeons in operating rooms.

An endoscope shaft that is fractured or badly bent may be rebuilt with replacement parts from various manufacturers. Thus, Surgi-Tech may rebuild essentially all of the endoscope’s functional parts, retaining only the block element bearing Storz’s trademark.

Previously, Surgi-Tech had etched its name on repaired endoscopes. But it stopped doing so because if another repairer later performed shoddy repairs without etching its own mark on the endoscope, the only visible culprit would be Surgi-Tech.

Some surgeons complained to Storz about poor performance of what the surgeons believed to be original Storz endoscopes. But Storz determined that some third party had repaired or rebuilt them — either Surgi-Tech or another repairer. Nevertheless, Storz sued Surgi-Tech for trademark infringement.

Confusion as to the Repair

Surgi-Tech asked the court to rule for it without a trial, as a matter of law, because the facts were undisputed.



The trial court agreed, finding that Surgi-Tech was not “using” Storz’s trademark, a requirement for a finding of infringement.

The 9th Circuit Court of Appeals reversed. It found that the surgeons were indeed confused as to whether Storz or Surgi-Tech was responsible for the endoscopes’ quality.

Use of Trademark

But the appellate court did have some difficulty with the question of whether Surgi-Tech was “using” the Storz trademark, because Storz — not Surgi-Tech — had put the trademark there. Ultimately, the court decided this issue in Storz’s favor on the ground that, in at least some of the repairs, Surgi-Tech had discarded every important part except the block. It discarded the long shaft that is inserted into the patient’s body cavity, the light post that focuses the light, the fiber optics that carry the light, the lenses that magnify the image, the eye-piece that the surgeon looks through, and other parts.

Surgi-Tech then proceeded to build a brand-new endoscope using its own parts, yet Surgi-Tech attached to it the one piece from the Storz endoscope that it did not discard — the block that carries the Storz trademark. So doctors using the endoscopes were potentially deceived about their origins.



When outside contractors do repairs, the key question is whether this alters the trademarked product to make the transaction a sale rather than a repair.

Right to Repair

The appellate court recognized property owners’ rights to repair or alter trademarked goods without regard to trademarks. For example, the court acknowledged that if equipment owners choose to buy spare parts and do the repairs themselves, no sale of a trademarked good has transpired, and hence no trademark infringement.

But when outside contractors do the repairs, as was the case here, the key question is whether this alters the trademarked product to make the transaction a sale rather than a repair. If so, selling the product with the original trademark in place, without noting the alterations would be misleading. In effect, that is what Surgi-Tech did here.

Is It Too Much?

Thus if you repair or rebuild trademarked products, beware of crossing the line. Too much of a repair, without taking responsibility for the result, may run you afoul of the trademark laws. ©

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