

FESTO CORPORATION
v.
SHOKETSU KINZOKU KOGYO KABUSHIKI CO., LTD.,
a/k/a SMC CORPORATION, and SMC PNEUMATICS, INC.

On November 29, 2000, the Federal Circuit sitting *en banc* issued its long-awaited decision in *Festo Corp. v. SMC Corp.*

The *Festo* case has a track record almost unparalleled in patent litigation history. In 1992, a special master found the primary patent in suit not infringed. However, his recommendation was not adopted and the case went to trial. In 1994, the jury found for Festo. In 1995, a panel of the Federal Circuit affirmed the district court's decision. However, in 1997, the Supreme Court granted SMC's petition for a writ of certiorari, vacated the 1995 Federal Circuit decision and remanded for reconsideration by the Federal Circuit in view of *Warner-Jenkinson*.

A second oral argument was held in 1997 and the Federal Circuit panel issued its decision in 1999. This decision decided some issues against SMC but remanded to the district court on another issue. SMC then filed a petition for rehearing *en banc*.

In August, 1999, the Federal Circuit sitting *en banc* granted SMC's petition, vacated the 1999 panel decision, presented five questions to be considered in the *en banc* rehearing and invited the participation of *amicus curiae*. IBM, Ford, Kodak, Hewlett-Packard, Procter & Gamble, Litton, the American Intellectual Property Law Association ("AIPLA"), the Bar Association of the District of Columbia and the Houston Intellectual Property Law Association ("HIPLA") responded to the Federal Circuit's invitation and submitted *amicus curiae* briefs. An *en banc* oral argument was held on March 29 during which the parties were given almost two hours to argue their positions.

The Federal Circuit's *en banc* decision consists of seven separate opinions which in the aggregate constitute some 170 pages. The court found that the infringement claims under both Festo patents in suit were barred by prosecution history estoppel. Therefore, the court reversed the district court decision for Festo and, instead, ruled for SMC.

The *en banc* Federal Circuit decided the case after first answering the five questions presented in its order granting SMC's petition for rehearing *en banc*. The *en banc* court held that "a substantial reason related to patentability" is not limited to those amendments made to overcome prior art under §102 and §103 (question 1), a "voluntary" claim amendment should be treated the same as a "required" claim amendment for purposes of prosecution history estoppel (question 2), if an amendment creates prosecution history estoppel, there is no available range of equivalents (question 3) and when "no explanation [for a claim amendment] is established," no range of equivalents is available. The court also held that, in view of its disposition of questions 1-4, it did not need to decide question 5 (whether a finding of infringement in this case would violate the requirement of the doctrine of equivalents that it "is not allowed such broad play as to eliminate [an] element in its entirety."

SMC was represented before the district court, the Federal Circuit and the Supreme Court by an Oblon, Spivak litigation team headed by **Arthur I. Neustadt** and which included **Richard D. Kelly**, **Robert T. Pous**, and **Charles L. Gholz**.

Federal Circuit's November 29, 2000 en banc decision (in PDF format - 365K)

SUPREME COURT BRIEFS (in PDF format):

Festo's petition for writ of certiorari (1.5M) (04/09/01)

SMC's brief in opposition (1.5M) (05/09/01)

Festo's reply to brief in opposition (723K) (05/21/01)