

OFFICIAL TRANSCRIPT

PROCEEDINGS BEFORE

**THE SUPREME COURT
OF THE
UNITED STATES**

CAPTION: WARNER-JENKINSON COMPANY, INC. Petitioner v.
HILTON DAVIS CHEMICAL CO.

CASE NO: 95-728 **REVISED**

PLACE: Washington, D.C.

DATE: Tuesday, October 15, 1996

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1 IN THE SUPREME COURT OF THE UNITED STATES

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3 WARNER-JENKINSON COMPANY, INC. :
4 Petitioner :
5 v. : No. 95-728
6 HILTON DAVIS CHEMICAL CO. :
7 - - - - -X

8 Washington, D.C.
9 Tuesday, October 15, 1996

10 The above-entitled matter came on for oral
11 argument before the Supreme Court of the United States at
12 1:00 p.m.

13 APPEARANCES:

14 RICHARD G. TARANTO, ESQ., Washington, D.C.; on behalf of
15 the Petitioner.
16 LAWRENCE G. WALLACE, ESQ., Deputy Solicitor General,
17 Department of Justice, Washington, D.C.; on
18 behalf of the United States, as amicus curiae.
19 DAVID E. SCHMIT, ESQ., Cincinnati, Ohio; on behalf of the
20 Respondent.

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1 P R O C E E D I N G S

2 (1:00 p.m.)

3 CHIEF JUSTICE REHNQUIST: Well, we'll hear
4 argument now in Number 95-728, Warner-Jenkinson Company,
5 Inc., v. Hilton Davis Chemical Co.

6 Mr. Taranto.

7 ORAL ARGUMENT OF RICHARD G. TARANTO

8 ON BEHALF OF THE PETITIONER

9 MR. TARANTO: Mr. Chief Justice and may it
10 please the Court:

11 The Federal Circuit's ruling should be reversed
12 because it violates two aspects of the fundamental
13 principle that it is up to the patentee through its own
14 drafting and through the available PTO processes to define
15 its patent boundaries before the patent issues, not later,
16 in an infringement action.

17 Our narrower point is that once Hilton Davis
18 accepted rather than appealed from, the PTO's demand that
19 it write the specific pH limit into the patent, that limit
20 became binding under this Court's doctrine of prosecution
21 history, or file wrapper estoppel.

22 QUESTION: Factual inquiry, Mr. Taranto. What
23 is pH?

24 MR. TARANTO: The pH is a measure of the acidity
25 of a solution, which ordinarily --

1 QUESTION: Thank you.

2 MR. TARANTO: -- stands for the potential of
3 hydrogen, so that wine would be very acidic, water not at
4 all, et cetera.

5 QUESTION: But the lower the pH, the higher the
6 acidity?

7 MR. TARANTO: Yes.

8 QUESTION: So it's that kind of measure.

9 MR. TARANTO: It's upside down that way, yes.

10 This Court's doctrine of prosecution history, or
11 file wrapper estoppel has always said, in a way unaffected
12 by Graver Tank, that there should be no second-guessing of
13 the reason for the examiner's demand for a limit once the
14 patentee has accepted that demand and bypassed the appeal.
15 That principle states a critical limit on any otherwise
16 available doctrine of equivalents, and itself requires
17 reversal here.

18 QUESTION: Does that raise -- I'm sorry.

19 QUESTION: Go ahead.

20 QUESTION: Does that place you in the following
21 odd position, and I may not understand your position, so
22 let me raise it now.

23 Your -- sort of your fallback position is that
24 the doctrine not to apply only in a case in which the so-
25 called point of equivalence was within the claim that was

1 actually made, but which for some reason would not have
2 been enforceable, the claim was, for whatever reason, too
3 broad.

4 And yet, if I understand you correctly, and
5 that's what your position would be, then the person who
6 claims too much, but invalidly, is in a better position
7 than the person who, before the patent examiner, gives up
8 more than he has to, because the Patent Office indicates
9 that without such a concession they won't give their
10 approval, and doesn't that present a sort of a anomalous
11 position that the person who goes the whole hog and more
12 is going to end up in a better position than the
13 individual who concedes too much simply to get the patent
14 through.

15 MR. TARANTO: Well, I think that the fundamental
16 point is that it's in the PTO that the process of
17 negotiating about proper breadth can and does take place.

18 If someone comes in, as applicants have an
19 inherent incentive to do, and seek broader coverage
20 because it gives them greater rights and more opportunity
21 to exclude the world from something, then a process takes
22 place. In most cases the examiner will reject an initial
23 application, and there is a discussion about why.

24 Here, there were, I think, two or three
25 rejections of the initial application, basically because

1 of the obviousness of the filtering of these dyes. But
2 then, as I think is indicated at pages 103 and 107 of the
3 Joint Appendix, as Hilton Davis' description of its
4 interview with the examiner shows, Hilton Davis went into
5 the examiner and the examiner said, okay, now I'm
6 persuaded that if your pH is above 9, it won't be obvious
7 anymore.

8 But it also -- he also said, make sure the pH is
9 above 6, and he pointed specifically to the specification,
10 the part of the long disclosure that says, here's where we
11 say what we know works. So it is, in fact, apparent in
12 this record why the examiner said 6 as the lower limit,
13 and the Federal circuit just missed that.

14 Now, it I think would generally be true that a
15 patentee -- I'm not sure I understood exactly the --

16 QUESTION: Well, I think it's still the case --
17 accepting everything you say, as I understand your
18 position, it's still the case that when the PTO is perhaps
19 asleep at the switch and it let's a claim through which in
20 fact is broader than would ultimately prevail, that is the
21 one case in which in your fallback position the doctrine
22 of substantial equivalents would be recognized, is that
23 correct?

24 MR. TARANTO: Well, that's right. If --

25 QUESTION: Yes.

1 MR. TARANTO: The narrower ground, the
2 prosecution history estoppel ground, in this case applies
3 only where there's a rejection of a broader claim, or a
4 claim that then introduces a limit, and the patent
5 applicant has bypassed the appeal mechanism for
6 challenging that.

7 There are other situations where there's a
8 potential estoppel without a rejection and amendment where
9 the applicant says something to put the world on notice
10 that he interprets his claim in a particular way. That's
11 not this case.

12 If the PTO is, as you say, asleep at the
13 switch --

14 QUESTION: And that wouldn't be good enough for
15 you, I mean, on your fallback position. That would not be
16 recognized in that case. Equivalents would not be
17 recognized in that case on your view, is that correct?

18 MR. TARANTO: That equivalents would not be
19 recognized?

20 QUESTION: That's right.

21 MR. TARANTO: That would be okay for --

22 QUESTION: Yes.

23 MR. TARANTO: For my position.

24 QUESTION: Sure.

25 MR. TARANTO: Right.

1 This particular case involves an example of a
2 specific demand for a limit written into the patent that
3 the applicant accepted, and there's a good reason for
4 Congress' having insisted that the right way to challenge
5 those limits is through the appeal mechanism.

6 One reason is that it make sense to assume that
7 the PTO examiner in fact had a good reason if the
8 applicant bypasses the appeal, but there are also two
9 important structural advantages. One is that disputes
10 about the proper flexibility or clarity or breadth of the
11 patent are resolved before it's issued, and the second is
12 that in the internal appeal mechanism the examiner
13 participates, and so the PTO can clarify whether -- can
14 clarify the reasons for the rejection.

15 The alternative is that in the infringement
16 action, where the PTO is a complete stranger, PTO isn't
17 there. The court and the parties are let to speculate,
18 and this is a --

19 QUESTION: Mr. Taranto, you've said -- maybe I
20 have it wrong -- that the PTO made a mistake of fact as to
21 the 6 and above.

22 MR. TARANTO: I'm sorry, I --

23 QUESTION: So what you're saying about the --
24 when the PTO makes it precise, that's it and you can't
25 have any doctrine of equivalents, but wasn't there a

1 difference between requiring 9 and under and the 6? I
2 thought it was the prior art that was the blockage to
3 going above 9.

4 MR. TARANTO: Right. There are different
5 reasons for the -- for -- I don't think the PTO made a
6 mistake of fact at all. I think the PTO got it exactly
7 right.

8 QUESTION: No. No, you said the Federal
9 circuit --

10 MR. TARANTO: Oh, the Federal circuit did, yes.

11 QUESTION: -- thinking that 6 had nothing to do
12 with the PTO's concern, but if the PTO did have a concern
13 and insisted on the number 6 being put in, approximately
14 6, that concern was different than the prior art ruled out
15 a patent or a number higher than 9.

16 MR. TARANTO: Yes. There are two different
17 reasons. There's one reason for insisting that the patent
18 come down no longer than 9, and another reason for
19 insisting that it come down no lower than 6. Prior art --

20 QUESTION: Higher than that?

21 MR. TARANTO: Higher than 6.

22 Prior art was the reason to say, exclude
23 everything above 9. Another equally important reason why
24 the patent would have been invalid if it had been below 6
25 is that a claim may not be broader than the specification

1 discloses that the process works.

2 You look at this specification, in which Hilton
3 Davis laid out all the experiments it had done, nowhere
4 does it show how to make its process work.

5 QUESTION: What would happen if -- this is a
6 hypothetical case, not this case. The inventor says,
7 below 6 it works but not very well. You get a lot of
8 foaming, and the result isn't quite as good. You really
9 shouldn't be playing around below 6 or you're not going to
10 get a very good result. What should the patent disclose
11 in that case?

12 And let's presume further that an infringer
13 still saves money if he uses the process under -- an
14 alleged infringer still saves money if he goes under 6
15 rather than does the salting method. It's much better
16 than salting, but it isn't as good as 6 and 9.

17 MR. TARANTO: Right. I think that, as you say,
18 that would be a hypothetical, since as the inventor here
19 specifies --

20 QUESTION: Let's -- this is a hypothetical.

21 MR. TARANTO: Right. It partly depends on what
22 the purpose of the process is. If the purpose of the
23 process is not just to filter a little bit of solution but
24 is, as the inventor testified here, the whole purpose is
25 to create an economical way of doing it in industrial

1 quantities, then foaming problems would simply not serve
2 that -- would defeat that purpose, and at that point the
3 patent wouldn't be useful for that purpose.

4 But what the examiner and the applicant would be
5 discussing in that situation is whether the utility
6 requirement of the statute is met in those conditions, and
7 that would -- I don't know how exactly that discussion
8 would come out, but our point is that that's the proper
9 place for the discussions.

10 QUESTION: Is that a proper use of purpose? I
11 mean, you mean there are two different purposes? If one
12 purpose is to filter efficiently and another purpose is to
13 filter inefficiently, do you get a separate patent for
14 filtering inefficiently?

15 MR. TARANTO: No, I --

16 QUESTION: Don't both patents have the same
17 purpose, namely, of filtering?

18 MR. TARANTO: Right. I was, I guess, using the
19 term purpose there in the sense of function from the
20 language of function-way-result that has often been used
21 as the touchstone for equivalents analysis.

22 QUESTION: Yes, I mean that. You think that for
23 equivalents analysis it would make a difference whether --

24 MR. TARANTO: Well, I'm in the position of being
25 uncertain exactly what does make a difference. I mean,

1 the function-way-result test has often been said,
2 including by Judge Hand, as just another way of stating
3 the problem. I think it is right that every one of the
4 judges in the Federal circuit indicated that the function-
5 way-result test was not a terribly satisfactory way to
6 proceed, and the basis --

7 QUESTION: But if you don't have the equivalents
8 doctrine, then, in the example that you and I have just
9 discussed you have to do one of two things, limit your
10 patent to the most efficient range, or (b) -- and suffer
11 infringers, and suffer alleged infringers, or (b) expand
12 the patent to an inefficient zone.

13 MR. TARANTO: Right, and I --

14 QUESTION: And it seems to me the equivalents
15 doctrine protects against that.

16 MR. TARANTO: Well, I -- let me try to answer
17 that. What I meant to say is, there wouldn't be a bar on
18 getting the extra range just because it's inefficient.
19 The question would be whether the requirements for
20 patentability are met, and there are lots of patents that
21 are not even improvements over prior things or
22 particularly efficient, but are novel and nonobvious and
23 useful in the sense of the statute, so efficiency is not a
24 requirement.

25 If Hilton Davis had in fact thought that its

1 process worked, that it actually performed the function
2 for which it was trying to get the patent, it surely would
3 have written its claim to include that. By bypass --

4 QUESTION: Mr. Taranto, on your fallback
5 position where you're talking about the PTO insisting on a
6 limit, how much kind of analogy to legislative history are
7 we letting ourselves in for there? Is it always perfectly
8 clear why the PTO does what it does?

9 MR. TARANTO: No, I think not, and I think
10 that's a principal reason why our position is that looking
11 behind the insistence on a limit for the reason for that
12 insistence is not a good idea in an infringement action
13 because it often will not be clear --

14 QUESTION: Well, can you always find, in the PTO
15 history, the insistence on a limit? Supposing a limit is
16 ultimately accepted by the patent applicant, can you
17 always find that that was as a result of the insistence of
18 the PTO?

19 MR. TARANTO: I think always would be too
20 strong. There will be many, many cases in which the
21 applicant -- you have the original application. The
22 examiner says, I reject it for the following reasons, and
23 writes an explanation, so that the task of interpreting
24 those documents to see, not what the reason for the
25 rejection is, but that there was a demand in order to

1 obtain the patent for a certain limit to be placed in,
2 that is something that, like other kinds of textual
3 interpretation, sometimes will generate disputes but very
4 often will not, as here it did not.

5 It's another thing entirely to look behind --
6 once you've concluded the PTO said there must be this
7 lower limit, there's no dispute about that, to then
8 second-guess whether the PTO should have insisted on that
9 limited by reexamining the reasons, and what happens, I
10 think, is when you don't have the PTO there as a party,
11 which you would in the internal appeal in the infringement
12 action, you have mistakes being made.

13 The Federal circuit here simply ignored --

14 QUESTION: Mr. Taranto, perhaps I should ask
15 your opponent this rather than you, but if it was
16 essential that there be a lower limit on the pH, how can
17 it be that the injunction takes away the lower limit
18 entirely, if I read it correctly?

19 MR. TARANTO: Right, it does, and we've
20 scratched our heads about that as well. One of the -- I
21 think what happened as a factual matter is that
22 independently of Hilton Davis, Warner-Jenkinson, before it
23 even learned of the patent, figured out how to do this
24 process with a different chemistry that made it able to
25 use a lower pH.

1 At the time the --

2 QUESTION: But see, the puzzling thing about it
3 is, the court of appeals seems to think 5.0 is equivalent
4 to 6.0.

5 MR. TARANTO: That it makes no scientific
6 difference.

7 QUESTION: Makes no -- but then the district
8 court seemed to think 0.0 would also be equivalent. Is
9 that a fair reading of the fact they granted that relief?

10 MR. TARANTO: I think that is a fair reading of
11 what the district court -- what the district court did,
12 yes.

13 Now, our broader point is that in fact the
14 erasing of a limit that was imposed in the PTO after
15 internal correction mechanisms are bypassed is really only
16 the most extreme application of the Federal circuit's
17 broad doctrine of equivalents, which suffers from the same
18 basic problem.

19 It broadly undermines the statute's fundamental
20 decision that it is in the PTO that patentees are supposed
21 to define their asserted inventions, with any needed
22 breadth and flexibility of language to be negotiated
23 there, so that the resulting patent has boundaries that
24 have been approved by the PTO and that give reliable
25 notice of the monopolized territory.

1 QUESTION: What does that do to Graver and to
2 the cases that it relied on, going way back into the 19th
3 Century?

4 MR. TARANTO: Well, let me talk about Graver in
5 particular. I think that the principle of the statute can
6 be summarized as a principle of disclosure through
7 approved claims. Graver did not depart from the basic
8 requirement of disclosure, that somebody sitting down,
9 other inventors trying to work in the same field,
10 competitors, by reading the documents, including with the
11 knowledge of skilled people who understand the terms, but
12 by reading the documents can determine where the
13 boundaries are, because in Graver, there was actual
14 disclosure, not in the remaining valid claim, but both in
15 the broader invalid claim and in the specification of what
16 the defendant was doing.

17 There was no problem there either of bypassing
18 the PTO process of approval, or of not disclosing some
19 kind of equivalent later determined in court to be
20 scientifically unimportant in its change.

21 That would -- seems to us, is the basic rule
22 that ought to apply in limiting any doctrine of
23 equivalents.

24 Before Graver, I think it is right to say that,
25 with one arguable exception, this Court had not expanded

1 any patent claims for -- in this century, and that Graver
2 was well recognized at the time as a -- an anomaly in that
3 situation. The court came -- entertained the notion only
4 several years before in the Exhibit Supply case of simply
5 repudiating the doctrine as fundamentally incompatible
6 with the notion of a claiming system.

7 What Graver does say is that, at least on its
8 facts, that there was a kind of -- I guess Graver doesn't
9 say this, but on its facts it was a kind of technical
10 impediment to a proper claim.

11 QUESTION: When you begin to talk about a case on
12 its facts, that always suggests that you either want to
13 limit it or overrule it.

14 MR. TARANTO: Yes. I think that the portion of
15 Graver that needn't be touched at all, and that is that
16 our position doesn't affect at all, is the requirement
17 that if there's going to be an equivalent so as to expand
18 the patent's scope beyond the understandable meaning of
19 the claims, then it can't go beyond what is disclosed.

20 QUESTION: You're talking about the manganese
21 and the -- and disclosure in Graver?

22 MR. TARANTO: The manganese, that's right.

23 QUESTION: Which, of course, would have made the
24 patent invalid if it had been exposed, because it was part
25 of the prior art.

1 MR. TARANTO: Well, that wasn't apparently part
2 of what was in issue in this Court at the time.

3 QUESTION: In other words, they never answered
4 Justice Douglas.

5 MR. TARANTO: Right, and then the case did
6 continue for a dozen years where that question was raised
7 again, but the basic requirement that the patent itself
8 somewhere must disclose the equivalent is entirely
9 consistent with Graver.

10 QUESTION: Why is it that Graver should be
11 limited? I mean, it's a decision of this Court. What are
12 the reasons why any departure from it at all should take
13 place?

14 MR. TARANTO: Well, I don't think that a
15 departure from it needs to take place, depending on how
16 broadly one reads it. Graver is written, I think, in such
17 a way as to focus on a host of facts that on the equities
18 there seem to make a compelling case for finding
19 infringement.

20 The critical facts, we suggest, and therefore a
21 perfectly familiar way of reading the case, is as limited
22 to the situation where the patent itself disclosed the
23 equivalent.

24 Now, as for a broader reading, our basic
25 position is that a broader reading is inappropriate,

1 because it would fundamentally repudiate the long line of
2 authority in which this Court said the claims define the
3 reliable boundaries of the patent monopoly.

4 And if it's an undisclosed equivalent, an
5 undisclosed extension of the patent, something that a
6 reader couldn't determine, only an experimenter could
7 determine, then it runs smack into the very notion of
8 invention that this Court was very explicit about in the
9 U.S. Industrial Chemicals case, which we discussed in our
10 reply brief and this Court relied on several times in
11 Markman, where the Court said, it doesn't matter if all
12 the scientists agree that a small change would not make a
13 scientific difference. It doesn't even matter if the
14 patentee knew that that small change would not make a
15 scientific difference. The patentee didn't say so, and
16 it's only what the patent asserts as the invention that's
17 the protected --

18 QUESTION: But that was decided several years
19 before Graver.

20 MR. TARANTO: Right, but Graver is entirely
21 consistent with that, and what we're suggesting is that
22 Graver is properly read as consistent with that, rather
23 than a broader version which would say that every other
24 inventor, every competitor, when reading the patent, has
25 not only to understand its terms to know where the

1 boundary lines are, but also has to undertake experiments
2 to see whether a change, a ten-factor change of the pH
3 from 6 down to 5 would change the functioning of the
4 process.

5 QUESTION: So if the -- counsel cannot foresee
6 every possible circumstance in which this invention could
7 be used, and a new circumstance arises, one that the
8 Patent Office had thought it wouldn't work. They didn't
9 think a cylindrical tank would work on mountaintops, or
10 that this would work at a low -- at a high -- at a low pH,
11 and they were wrong. The invention works at that low pH,
12 or on the mountaintop. The patentee is just out of luck?

13 MR. TARANTO: Well, the --

14 QUESTION: How can counsel foresee everything?

15 MR. TARANTO: Well, counsel can't foresee
16 everything, but the patentees themselves have a number of
17 protections. One is, they can amend their -- or file
18 continuing applications while the original application is
19 pending if they learn more doing the experiments.

20 Section 102 of the statute says to patentees,
21 even if you've gotten your patent, you basically have a 1-
22 year risk-free period to do more experimenting, figure out
23 if you would expand it, and during that 1 year your patent
24 won't be used as essentially prior art against you. You
25 can then go back, and if you've done something new, fine,

1 write a new patent.

2 And of course you have the reissue process,
3 which Congress wrote specifically for the purpose of
4 saying, if you made a mistake when you wrote your original
5 patent, come back and broaden it, but subject to certain
6 conditions, 2 years, and others who are using the same
7 thing have intervening rights protection.

8 What the doctrine of equivalents does in its
9 broad form is to say that all patents are subject to in-
10 court redefinition through scientific testimony, and that
11 fundamentally defeats the clear notice function of the
12 claiming system.

13 If I may reserve the balance of my time.

14 QUESTION: Very well, Mr. Taranto. Mr. Wallace,
15 we'll hear from you.

16 ORAL ARGUMENT OF LAWRENCE G. WALLACE

17 ON BEHALF OF THE UNITED STATES, AS AMICUS CURIAE

18 MR. WALLACE: Thank you, Mr. Chief Justice, and
19 may it please the Court:

20 In last April's decision in *Markman v. Westview*,
21 this Court recognized that the scope of protection
22 afforded by a patent grant is defined by the claim or
23 claims, yet in the *Graver Tank* decision in 1950 the Court
24 rightly noted that outright duplication of a patented
25 invention is rare, so the difficulty that the courts have

1 faced over the years is how to protect the substance of
2 the claims against misappropriation through trivial or
3 colorable or insubstantial substitutions, however you want
4 to call them, without depriving the public of the notice
5 to which it's entitled, and without enlarging the claims
6 in the course of litigation, that is the dilemma.

7 And it -- I think it's helpful also to think of
8 it in terms of the statutory policies. How can inventors
9 be given adequate incentive to make the disclosures under
10 the patent system that contribute to the advancement of
11 science and technology by a --

12 QUESTION: Well, if we assume, Mr. Wallace, that
13 there should be a doctrine of equivalents, and that the pH
14 5 procedure here probably should qualify under it, what
15 should be the division of function between the judge and
16 the jury? What should have happened here in the trial
17 court, in your view?

18 MR. WALLACE: Well, we -- we spoke in a very
19 qualified way in only one footnote of our brief, footnote
20 3, to that because the Markman decision was pending before
21 the Court at the time we filed, and we felt that that
22 would shed considerable light on it.

23 And in light of Markman, which has now held that
24 it is exclusively within the province of the Court to
25 interpret patent claims so as to define, so as to define

1 the patentee's rights against literal infringement, it
2 really would be incongruous to adopt a different rule to
3 define the rights against nonliteral infringement.

4 To the extent that this is, and we think it is
5 to a great extent a matter of interpreting the scope of
6 the claims, it is similarly, in our view, a matter for the
7 judge to do. This may --

8 QUESTION: Well, what is left, then, for the
9 jury in coming to the ultimate conclusion of infringement?
10 I don't see that anything is left.

11 MR. WALLACE: In some cases there will not be
12 anything left for the jury, just as was recognized in
13 Markman. If the judge is --

14 QUESTION: Well, and on the reasoning of
15 Markman, are we in a position to take from the jury the
16 ultimate issue?

17 MR. WALLACE: Well --

18 QUESTION: I should have thought not.

19 MR. WALLACE: It depends on what is factually
20 disputed, Mr. Justice.

21 If, for example, to cite a very simple example,
22 the judge decides based on evidence as to the proper scope
23 of protection afforded by this claim that a pH level of 5
24 would be an insubstantial difference that is within the
25 scope of protection, but a pH level of 4 would require the

1 opposite conclusion, and there were a factual dispute
2 about what the defendant actually did, or the extent to
3 which it did one or the other, that, of course, would be
4 something to be resolved by the jury.

5 The jury would still have to decide whether the
6 conduct engaged in by the defendant infringed upon the
7 scope of protection as defined by the judge.

8 QUESTION: But in a case in which there was no
9 question, let's say, about the pH level in fact of the
10 alleged infringer's process, then the jury verdict would
11 be a pure formality.

12 MR. WALLACE: That would be true under Markman
13 with respect to literal infringement, also, if --

14 QUESTION: In this case, then, the court should
15 have -- or could have instructed the jury, ladies and
16 gentlemen of the jury, I instruct you as a matter of law
17 that the process when used at level 5 is within the scope
18 of the patent under the equivalents doctrine?

19 MR. WALLACE: That is in our view a
20 determination for the court to make in defining the scope
21 of protection of that element of the patent claim.

22 QUESTION: Mr. Wallace, may I just qualify one
23 thing, because what you've said is substantially different
24 from what I gathered from your footnote, and it is
25 different from what Judges Plager and Lourie said. They

1 said the reason this doesn't go to the jury is because
2 it's equitable.

3 I understand you to be saying, no, you recognize
4 that the color of the claim depends on the relief, and
5 so -- but you're saying it's like defining the claim.
6 Therefore, even though the case is entirely legal -- say
7 we just want damages, no injunction -- the case is
8 entirely legal, but it goes to the judge. You are
9 disavowing what was the suggestion of this note, that it
10 somehow the legal law equity divide that places this in
11 the judge's bailiwick.

12 MR. WALLACE: I think that the equitable origins
13 of the doctrine of equivalents in affording a remedy, the
14 equitable nature of it is relevant, and --

15 QUESTION: That I don't follow, Mr. Wallace,
16 because as I understand, this was a courtmade doctrine
17 developed for cases, could be applied in a case where
18 injunctive relief was sought, could be applied where legal
19 relief was sought, and --

20 MR. WALLACE: That is correct.

21 QUESTION: It wasn't an equitable remedy to
22 relieve the rigors of the harsh common law system. It was
23 the way common law courts operate. They had a doctrine,
24 and they applied it.

25 MR. WALLACE: Well, we recognize that the

1 doctrine has been applied in what used to be considered
2 common law causes of action for damages for infringement,
3 which is --

4 QUESTION: And Story, I take it, is authority
5 for the fact that it always was.

6 MR. WALLACE: And these are the reasons why I
7 stated our position the way I did, that this is largely a
8 matter of claim interpretation, which is the first thing
9 we said in that footnote.

10 We also mentioned the equitable nature of the
11 doctrine, but we're not saying that when there is a
12 factual dispute about what the alleged infringer did, that
13 that is not a matter for the --

14 QUESTION: May I ask this question, Mr Wallace:
15 what is the Government's position with regard -- I assume
16 the judge is going to make the decision now. Does the
17 equivalence have to have been apparent to a person skilled
18 in the art at the time the patent issued or at the time of
19 trial?

20 MR. WALLACE: We -- our position is at the time
21 of infringement, not at the -- not at the time of trial,
22 but not at the time --

23 QUESTION: But not at the time the patent issued,
24 either.

25 MR. WALLACE: -- the patent issued, either.

1 QUESTION: If it was not apparent at the time
2 the patent issued, it nevertheless could become equivalent
3 by later -- because of later learning?

4 MR. WALLACE: Because -- that's right. It could
5 still be just an insubstantial substitution. We give an
6 example in our brief of a --

7 QUESTION: So that if the infringement action --
8 say you have continuing development, it might be that at
9 one time 5 would be equivalent, a few years later, 4 might
10 be equivalent, and then today you could have no lower
11 limit. That could very well develop.

12 MR. WALLACE: Well --

13 QUESTION: That's the Government's view, isn't
14 it?

15 MR. WALLACE: -- the utility of the doctrine is
16 whether somebody at the time of the alleged act that
17 infringes is misappropriating what the patent has granted
18 to the patentee to assure the commercial viability of his
19 invention in return for disclosing it to the public, and
20 that depends on what someone knowledgeable in the state of
21 the art would recognize to be a substitution at the time
22 that the infringement occurs.

23 QUESTION: Mr. Wallace, do I understand that the
24 United States is attempting to persuade other nations to
25 adopt something equivalent to the doctrine of equivalents,

1 and if that's correct, what is the definition that the
2 United States is recommending to the rest of the world,
3 and how does it differ, if it does, from the Federal
4 circuit's decision here?

5 MR. WALLACE: Well, in our negotiations we've
6 pointed to the doctrine as developed in this country, and
7 so far as I'm aware have just said that something
8 comparable as it would fit within your particular system
9 should be recognized in order to afford the protection,
10 and one of the amicus briefs in this case, the brief for
11 Shearon Corporation, cites a very recent decision in
12 Japan, which for the first time recognized and applied a
13 doctrine comparable to our doctrine of equivalents, but
14 it's very hard to equate our system, that involves
15 examination in the Patent Office, with other systems which
16 may not.

17 I believe my time has expired.

18 QUESTION: Thank you, Mr. Wallace.

19 Mr. Schmit, we'll hear from you.

20 ORAL ARGUMENT OF DAVID E. SCHMIT

21 ON BEHALF OF THE RESPONDENT

22 MR. SCHMIT: Mr. Chief Justice, and may it
23 please the Court:

24 I'd like to respond first to Mr. Taranto's
25 argument that we cannot invoke the doctrine of equivalents

1 in this case because the inventors intentionally
2 surrendered pH's below 6.

3 I think if we look at the record in this case we
4 find one peculiarity, although I don't think this Court
5 has spoken on the question. The Federal circuit has found
6 that this doctrine of prosecution history estoppel, the
7 intentional surrender of claim coverage, is a question of
8 law, normally.

9 In this case, however, the parties agreed to
10 submit that question to the jury, and an instruction was
11 given to the jury on prosecution history estoppel. It
12 appears on page 60 of the Joint Appendix, and it
13 essentially asks the jury to consider the reasons why
14 surrender was made, if surrender were made.

15 The finding of fact to be implied from the
16 jury's verdict of infringement is that there was no such
17 surrender. That fact having been established by the jury,
18 and now having been reviewed by the posttrial court in the
19 posttrial motions and by the Federal circuit, I suggest
20 creates a very limited scope of review.

21 QUESTION: What precisely, Mr. Schmit, was the
22 question that the parties agreed to submit to the jury?

23 MR. SCHMIT: Whether or not the doctrine of
24 equivalents was applicable in this case, because of
25 surrender of patent claim coverage that had been made

1 before the United States Patent and Trademark Office, and
2 in the instruction that was given to the jury, the trial
3 court defined what prosecution history estoppel was, that
4 it precludes a patent owner from obtaining a claim
5 construction through the application of the doctrine of
6 equivalents that would resurrect subject matter
7 surrendered during prosecution of a patent application.

8 QUESTION: Well, I suppose we can still reverse
9 that if there's no substantial evidence to support it.

10 MR. SCHMIT: But in this case, I think what it
11 was incumbent upon Warner-Jenkinson to show was that,
12 based upon the written record in the Patent Office, there
13 was a clear showing that Hilton Davis had intended to and
14 in fact did surrender coverage below 6.

15 The only evidence we have in the written record
16 of the Patent Office is that Hilton Davis was attempting
17 to distinguish from the prior art that showed a pH above
18 9. There was no prior art that was before the Patent
19 Office where Hilton Davis had in our view to show a pH
20 below 6.

21 QUESTION: But the patent examiner demanded that
22 they not go below 6.

23 MR. SCHMIT: There's no evidence, Justice
24 Scalia, that the patent examiner ever demanded that limit
25 be put in. In fact, there's no evidence why that limit

1 was put in the Patent Office record.

2 Let me give an example.

3 QUESTION: Well, wasn't it true that the
4 specifications described experiments within the range of
5 06 --

6 MR. SCHMIT: That's correct.

7 QUESTION: And none below 6?

8 MR. SCHMIT: Yes. It was silent on anything
9 below 6 --

10 QUESTION: Yes.

11 MR. SCHMIT: -- that's correct, but there was no
12 indication that the process would not work below 6. I
13 think there's a lot of case law that says that there is a
14 presumption that the patentee, the inventors are intending
15 to claim as much as they possibly can. That's why when we
16 have a doctrine of prosecution history estoppel we require
17 clear and convincing evidence --

18 QUESTION: If they wanted to claim as much as
19 they possibly can, they simply should have said zero to 9.

20 MR. SCHMIT: They -- they should have, and had I
21 written the claim today knowing what I know, it would have
22 been written differently.

23 (Laughter.)

24 QUESTION: And apparently the district judge
25 agrees with you, because that's what the injunction

1 requires, doesn't it?

2 MR. SCHMIT: What we learned during the evidence
3 in the case was, outside the written record of the Patent
4 Office, was that the process would work all the way down
5 to a pH of 2. That evidence was submitted to overcome
6 arguments that were made by Warner-Jenkinson that there is
7 supposed tremendous foaming problems below 6. What the
8 inventor testified to was, yes, the process would foam,
9 but it would still work to operate to purify the dye all
10 the way down to 2, and so based upon that, the judge
11 entered the injunction.

12 QUESTION: Does that mean that if some third
13 party used a pH down to 1 or 2, that he would also be an
14 infringer under the doctrine of equivalents?

15 MR. SCHMIT: We would have to then examine
16 whether or not we have an insubstantial difference,
17 whether --

18 QUESTION: Well, you don't, according to this
19 record. Isn't that clear?

20 MR. SCHMIT: Well, that's what the judge found
21 in entering the injunction, so based upon the facts of
22 this case within the operation of this particular process,
23 a pH of 2 is equivalent to a pH of 6.

24 QUESTION: Well, why --

25 QUESTION: Mr. --

1 QUESTION: Why didn't the patentee, Hilton Davis
2 here, use the statutory scheme for a subsequent amendment
3 of the scope of the patent if that's the position it
4 wanted to take. There is a statutory provision that
5 enables a patent applicant who's given a patent to come
6 back in requesting an enlargement of the scope.

7 MR. SCHMIT: Yes, Justice O'Connor. That's the
8 reissuing statute.

9 QUESTION: Yes.

10 MR. SCHMIT: Yes.

11 QUESTION: And so if that isn't done, it seems
12 to me that it makes the use of the doctrine of equivalents
13 to cover something like that questionable.

14 MR. SCHMIT: The statutory scheme for a
15 reissuance exists to correct defects in patents where the
16 patent owner recognizes there's something defective in the
17 patent, either because they have misstated something, or
18 they realized they didn't claim as much as they had --

19 QUESTION: Well, that's this case. They now
20 want to assert something they didn't claim, which is a pH
21 below 6.

22 MR. SCHMIT: But the difference in reissuance
23 is, it permits you to enlarge the scope of the claim
24 within the 2-year statutory period.

25 QUESTION: Right.

1 MR. SCHMIT: The doctrine of equivalents
2 operates on a different premise, and that is that you're
3 not enlarging the scope of the claim. All you are doing
4 is substituting equivalents for what you have literally
5 claimed.

6 Let me provide an analogy. Synonyms. We have a
7 word, the word car. We have synonyms to that word,
8 automobile, motorcar. If we substitute one for the other,
9 we aren't enlarging the scope of the --

10 QUESTION: Yes, but it's very different here,
11 where there's been a specified range of the pH, and Hilton
12 Davis wants to claim that something that isn't within that
13 scope is nonetheless protected.

14 MR. SCHMIT: And if we are to have the doctrine
15 of equivalents, it says that we have the right to include
16 within our patent not only that which we have expressly,
17 literally claimed, but all those things which are
18 equivalent because of insubstantial differences.

19 In this case, there was the additional issue --

20 QUESTION: But it's very hard to conclude that
21 it's insubstantial when it's outside the limits that the
22 patent owner has agreed to have.

23 MR. SCHMIT: But I think that's the very reason
24 that the doctrine of equivalents exists, so that the
25 patent owner is not forced to only have as coverage and to

1 be protected against what they have literally claimed.

2 QUESTION: Mr. Schmit --

3 MR. SCHMIT: Yes.

4 QUESTION: -- before we get by the argument
5 prior to the equivalents argument, namely whether there
6 was a waiver, you say that the record discloses -- does
7 not disclose that the examiner demanded that 6 be the
8 level?

9 MR. SCHMIT: As a condition of the grant, yes.

10 QUESTION: Why don't you look at page 107 of the
11 Joint Appendix, which is the patentee's record of
12 interview, and it says the examiner stated that on
13 presentation of such arguments, namely the arguments that
14 had been made above showing four major points of
15 difference, coupled with an amendment in claim 1 inserting
16 the pH range from 6 to 9.

17 In accordance with the specification disclosure
18 at page 12, and I gather the specification disclosure was
19 the reason he picked 6, he would reconsider his rejection
20 as based on --

21 MR. SCHMIT: That's correct, and if we look at
22 the rest of the record we find the reason that the
23 examiner was suggesting that was --

24 QUESTION: He wasn't suggesting it. He said
25 he -- this is the only basis on which he said he would

1 reconsider it, namely, you insert a range from 6 to 9.

2 MR. SCHMIT: And the only reason that we could
3 learn from the record, the written record for that type of
4 amendment was to avoid pH's above 9 that were in the prior
5 art.

6 QUESTION: Well, what about the specification
7 disclosure?

8 MR. SCHMIT: The specification did disclose 6,
9 and up to 9, but the question here --

10 QUESTION: So that's what he was basing it on,
11 and doesn't the patent have to comply with the
12 specification?

13 MR. SCHMIT: What the claim has to do is, it has
14 to enable a person of ordinary skills in the art to
15 practice the invention, that what this -- what we have
16 here is, the examiner's suggesting that 6 be put in to be
17 absolutely sure that that enablement requirement was met.

18 QUESTION: Well, you're saying he suggests it be
19 put in. His only agreement to reconsider has as one of
20 its conditions inserting the pH range from 6 to 9. I
21 mean, you can call it a suggestion if you like, so long as
22 you say he suggests that unless you do that he won't
23 reconsider it.

24 MR. SCHMIT: But if we look at the rest of the
25 written record in the case, we find that the only reason

1 that any pH limitation was being put in was to avoid the
2 prior art. They had to provide this enablement function.

3 QUESTION: Well, the other side said there's
4 another reason, that is, that the specification has to
5 comply with the patent.

6 MR. SCHMIT: Well --

7 QUESTION: And the specification here was only 6
8 and above.

9 MR. SCHMIT: I disagree with that premise. I
10 think it's basic patent law that the claim could be
11 broader than the specifications.

12 The question is, have you taught in your patent
13 enough to enable a person of ordinary skill in the art to
14 practice the invention? If you teach them 6 will work,
15 and if a person of ordinary skill in the art also knows
16 that 5 will work, as they must in order to apply the
17 doctrine of equivalents, then we have enablement.

18 QUESTION: Well, whatever the reason was, at
19 least he says it has to be from 6 to 9. Now, your
20 argument is, well, he had no reason for the 6.

21 MR. SCHMIT: That's right.

22 QUESTION: He had a reason for the 9, no reason
23 for the 6, and therefore we can disregard the 6.

24 That requires whoever's conducting this to not
25 only see what he said, but go further back into the

1 history and see the reasons for what he said.

2 MR. SCHMIT: That's entirely correct.

3 QUESTION: I don't like history. I'm not
4 included to --

5 (Laughter.)

6 QUESTION: -- want to go any further back than I
7 have to.

8 QUESTION: But isn't it true, there is a reason
9 for the 6, and that is, isn't the patent supposed to teach
10 the person who wants to read and figure out how this thing
11 will work? Isn't there an implied representation in the
12 patent that the device will work, and if you don't know
13 whether it will work below 6 or 9, you can't make that
14 representation, and you didn't know.

15 MR. SCHMIT: We know that because the doctrine
16 of equivalents was applied in this case, that the person
17 of ordinary skill in the art --

18 QUESTION: Well, but you didn't know it -- did
19 you know it at that time, or the time of the infringement?
20 When does the doctrine of equivalents come into being?

21 MR. SCHMIT: I agree with the Government that
22 the doctrine of equivalents should apply --

23 QUESTION: All right, so you wouldn't -- you
24 didn't necessarily know it at the time the patent issued.

25 MR. SCHMIT: Not necessarily.

1 QUESTION: In fact, you -- if you had, you would
2 have said you had experimented at these lower levels,
3 presumably.

4 MR. SCHMIT: For whatever reason, it wasn't in
5 the patent.

6 QUESTION: But you can answer Justice Stevens
7 question yes, that you put in 6 because you knew it would
8 work at that level, and you weren't sure it would work
9 below, and still not surrender your position.

10 MR. SCHMIT: That's correct.

11 QUESTION: Can you go back for a second to
12 Justice O'Connor's question, and you were talking about
13 synonyms. I'm trying to understand how the doctrine of
14 equivalents works. Suppose that I have invented five
15 chemicals, A, B, C, D, E, and you put them together and it
16 grows hair, for example.

17 (Laughter.)

18 QUESTION: And then sometime in the future, 15
19 years from now, people discover a new chemical, didn't
20 even exist before. It's called X, and it does the same as
21 A, and so they do the same thing, but they use X, and then
22 I guess that's equivalent, and then I'm going to obviously
23 say, then they invent Y, and then Z, and pretty soon
24 instead of A, B, C, D and E, what we have are five totally
25 new chemicals, didn't exist before, but still grows hair

1 in the same way, same function, same -- now, is that
2 supposed to be equivalent?

3 MR. SCHMIT: I think we apply the same test.

4 QUESTION: All right. If that's so, you see, I
5 think the lawyers on the other side are arguing, my
6 goodness, we're supposed to advise clients, and we have no
7 idea how to do it, because we read the patent thing and we
8 know with this doctrine people might discover all kinds of
9 new chemicals in the future, and we just don't know how to
10 do it, and so what we're groping for, is there then no
11 limitation on this doctrine of equivalents?

12 I mean, how do you prevent it from becoming so
13 uncertain an element that it becomes impossible to advise
14 the client?

15 MR. SCHMIT: I think the way to answer that is
16 to say that when the client asks for the advice, you take
17 that point in time and ask, at that point in time, is A,
18 B, C, D, and F equivalent to X.

19 QUESTION: But you've -- oh --

20 MR. SCHMIT: At the time the advice is being
21 sought. Tomorrow, it may change, but at least as of the
22 point in time that we're talking about right now, what
23 does the person of ordinary skill in the art know about
24 these equivalents? Is there an insubstantial difference?

25 I'd like to also respond to Mr. -- to my

1 colleague's arguments about being disclosed in the patent.

2 QUESTION: Before you do that, can you just
3 clarify your opening statement? It is your view that
4 ordinarily the question of the prior history and what that
5 precludes, that that is ordinarily a question for the
6 judge, but it was just happenstance that the parties
7 agreed that it would go to the jury, because I thought
8 that that was one question for this Court to decide. If
9 you're not disputing it, then I guess everybody agrees
10 that prosecution history estoppel is for the Court.

11 MR. SCHMIT: I think my point was that I
12 couldn't find that this Court had spoken on it. The
13 Federal court has, and has said it's a question of law,
14 and that's the rule that we've always followed, but in
15 this case, because it was submitted to the jury, then we
16 treated it as a question.

17 QUESTION: Right, but you don't dispute that the
18 rule is prosecution history estoppel is a question for the
19 Court?

20 MR. SCHMIT: Yes.

21 QUESTION: Okay.

22 QUESTION: But it's not an issue that we have to
23 decide in this case.

24 MR. SCHMIT: I don't believe so, no.

25 QUESTION: And would you concede that it was

1 even within the question that we took?

2 MR. SCHMIT: It does not appear to be.

3 QUESTION: No, it doesn't.

4 MR. SCHMIT: The question went more to the
5 existence of the doctrine we quoted.

6 QUESTION: It was a question about the substance
7 of the doctrine.

8 MR. SCHMIT: The requirement of being disclosed
9 in the patent, first, the doctrine of equivalents is an
10 objective inquiry. To require disclosure in the patent
11 makes it into a subjective inquiry, what does the patentee
12 know, rather than what the person who has ordinary skill
13 in the art know.

14 We also have a practical problem.

15 QUESTION: So you think we have no room within
16 the doctrine for looking at the culpability of the alleged
17 infringer?

18 MR. SCHMIT: Well, that is the entire question,
19 the culpability of the alleged infringer. What I think
20 Mr. Taranto was getting at was, in order to have an
21 equivalent, you must state it in the patent, and that's
22 what I'm disagreeing with at this point.

23 There are hundreds of thousand of issued patents
24 that are still active, many more applications which have
25 been filed, which cannot now be amended to put those types

1 of equivalent in. You would be depriving people of many,
2 many expectations that they would be protected for
3 equivalents.

4 QUESTION: On the other hand, there ought to be
5 some reasonable limitation to its use, so that it isn't
6 dredged up in every single infringement case, and as
7 appears to be the case today.

8 MR. SCHMIT: What I think Graver and some of its
9 predecessors tell us, it's available for use in any case
10 where there's no literal infringement, but there are
11 limits.

12 One of the limits we've talked about is
13 prosecution history estoppel. There is another limit that
14 you cannot claim equivalents that would cause you to read
15 on, to run into the prior right, that is, to invalidate
16 your patent.

17 There are limitations inherent in the operation
18 of the doctrine of equivalents itself. Only insubstantial
19 changes qualify.

20 I might analogize --

21 QUESTION: Your insubstantial you define as a
22 tenfold reduction in the acidity.

23 MR. SCHMIT: Yes, in the context of this
24 process, that's true.

25 QUESTION: I don't --

1 MR. SCHMIT: All right, let me give an
2 example --

3 QUESTION: That sounds substantial. That sounds
4 substantial to me.

5 MR. SCHMIT: Let me clarify with perhaps an
6 example. Suppose -- a soft drink has a pH of 3. Water
7 has a pH of 7. They're both equally applicable to quench
8 thirst, irrespective of their pH.

9 Goldfish wouldn't thrive very well at a pH of 3
10 in a soft drink, but would in water, so in the context of
11 what the application is, in the context of the invention,
12 a pH of 5, or a pH of 6 may make no difference. In fact,
13 here it didn't.

14 Another context, a slight change of pH may make
15 the water --

16 QUESTION: But pH was central enough to the
17 invention that it was specified. I mean, you know, when
18 I'm drinking water or Coke I don't specify what the pH is,
19 but it was central enough to the invention here that it
20 was specified in the patent.

21 MR. SCHMIT: Yes, and there were several reasons
22 why the pH had some importance to this invention. First,
23 it had to lie within the range that it would not destroy
24 the numbering that was doing the filtering, so you could
25 not get too acid or too alkyl.

1 Secondly, the process has to operate within a
2 certain range, or else you end up with a product that is
3 so acid, a dye, or so alkaline that it can't be used as a
4 practical matter.

5 So there are limits, and one of the limits is 9.
6 There is also probably a lower limit that, as the inventor
7 testified, you wouldn't want to go below 2 because it
8 would cause the membrane to be eaten up.

9 QUESTION: I'm still a little worried about the
10 army of experts possibly in a chemical case or
11 biotechnology, on either side arguing that two substances
12 that are made up really of very different chemicals are in
13 fact made up of chemicals that do the equivalent thing,
14 and at some period of time it would have been obvious to
15 some group of people.

16 It's the uncertainty inherent in that kind of
17 procedure that makes me ask if you can consider some
18 limitations on this doctrine that would prevent my concern
19 from becoming real.

20 MR. SCHMIT: I think as long as we have
21 questions of fact and law and scientific inquiries like
22 this we're going to have that problem, which brings me to
23 the jury question, the issue really, because I think that
24 was another concern that my colleague had.

25 Our position is --

1 QUESTION: Well, I thought you agreed a moment
2 ago that it needn't be decided in this case and wasn't
3 even included in the question presented.

4 MR. SCHMIT: Well, the word jury was in the
5 question.

6 QUESTION: Yes --

7 QUESTION: Do you think that's enough?

8 MR. SCHMIT: Well, I don't know.

9 (Laughter.)

10 MR. SCHMIT: I would just state, though, I think
11 Markman draws the line between what is for the court and
12 what is for the jury.

13 On one side of the line we have claim
14 construction, clearly for the judge. On the other side of
15 the line we have infringement, clearly for the jury.

16 QUESTION: Mr. Schmit, isn't it true that in
17 fashioning relief in an infringement case, once the --
18 there's a determination whether by the judge or jury that
19 there's been infringement, normally the judge will have to
20 enter an injunction, and won't he then, he or she then
21 have to face up to the problem of what is the permissible
22 boundary line which the infringer may no longer cross?

23 MR. SCHMIT: Yes, and this is a control that the
24 judge could exercise over just how far the doctrine of
25 equivalents can go in fashioning this --

1 QUESTION: So before the case is over, the judge
2 is going to have to perform that task.

3 MR. SCHMIT: Yes.

4 QUESTION: Well, do you think the judge can
5 perform that task simply de novo, when he comes to
6 considering the injunction? If, in fact, say a jury has
7 found -- a particular way the judge could say, well, since
8 this is equitable I'm going to kind of disregard that
9 finding of fact?

10 MR. SCHMIT: I don't think the judge can do
11 that, but I think, like what happened in this particular
12 case, where the jury came back with a finding implied that
13 a pH of 5 was an infringement, and the judge took the
14 limit all the way down to 2, is going beyond what the jury
15 did, but I don't think you can ignore a factual finding by
16 the jury.

17 In Markman, the line that was drawn was between
18 the construction of the instrument and the character of
19 the thing invented, and this Court quoted from the
20 Bischoff case back in 1869. On the one hand we have
21 construction of the instrument. The character of the
22 invention is really the heart of the invention, as you
23 stated in Markman, how it functions, the way in which it
24 does it, the result that it gives. That's the distinction
25 to be made.

1 In Real Typewriter, which was talked about in
2 the Graver case, Judge Learned Hand said that a patent is
3 like any other legal instrument, but it's peculiar in
4 this, that after all aids to interpretation have been
5 exhausted and the scope of the claims has been enlarged as
6 far as the words can be stretched, on proper occasions the
7 court may make them cover more than their meaning will
8 bear. There are times that resort to the doctrine of
9 equivalents. That's what distinguishes, I think, between
10 judge and between jury.

11 The doctrine of equivalents I submit, I think is
12 more vital today than it's ever been. There was a time
13 when an inventor could go out in the barn and cobble up an
14 invention, but today it requires so much expense and so
15 much risk by companies, particularly in the biotechnology
16 area, to come up with inventions that they need the
17 protection the doctrine of equivalents affords, and I urge
18 this Court to affirm the Federal circuit, who sees these
19 cases every day.

20 QUESTION: May I ask you just one last question?
21 We talked earlier about culpability being relevant.

22 MR. SCHMIT: Yes.

23 QUESTION: What about designing around a patent?
24 Is that a plus or a minus?

25 MR. SCHMIT: It's a factor to be considered.

1 QUESTION: And which way does it cut, is what
2 I'm asking?

3 (Laughter.)

4 MR. SCHMIT: What the Federal circuit teaches
5 us, as implied from Graver, that if a patentee -- if an
6 accused infringer makes an attempt to design around the
7 patent there is an inference to be drawn by the trier of
8 fact that they have attempted to incorporate substantial
9 changes. It's merely an inference, so it's merely one
10 factor that can be considered in the whole --

11 QUESTION: I'm still not quite clear whether
12 you're saying it's a plus or a minus. Is it a factor that
13 favors the infringer, or favors the patentee?

14 MR. SCHMIT: It favors the infringer if --

15 QUESTION: Yes.

16 MR. SCHMIT: -- they make the attempt to design
17 around it.

18 QUESTION: And that's clear from the Fifth
19 Circuit model instructions. The Fifth Circuit has
20 approved the model instructions on infringement, and it
21 does say that designing around is a factor in favor of the
22 alleged infringer, just as copying is a factor in favor of
23 the patentee.

24 MR. SCHMIT: That's true. That's true.

25 I didn't mean to imply from culpability that the

1 subjective intent of the infringer should be a factor.
2 This is an objective test, and whether or not the
3 infringer intended to infringe or did not intend to
4 infringe is irrelevant, as I think Colonial Oil teaches.

5 QUESTION: But the irony is, he tries to get
6 something that's commercially useful and as close to the
7 patent as is lawful, and that's designing around in a way.
8 In another way, it's copying. I mean, the line between
9 the two is kind of fuzzy.

10 MR. SCHMIT: What the infringer must do then is
11 to make substantial changes, which I think benefits
12 everybody, because now, instead of little, incremental
13 changes, you have big changes in technology, and I think
14 that benefits everyone.

15 Thank you very much.

16 QUESTION: Thank you, Mr. Schmit.

17 Mr. Taranto, you have 2 minutes remaining.

18 REBUTTAL ARGUMENT OF RICHARD G. TARANTO

19 ON BEHALF OF THE PETITIONER

20 MR. TARANTO: If I could make a couple of quick
21 points, the estoppel point I think, set out at page 28 and
22 29 of our petition, is, I think, widely recognized as the
23 single most important limit in defining the scope of the
24 doctrine of equivalents.

25 QUESTION: But it really wasn't in the questions

1 presented. I mean, that's the major problem I have with
2 that issue.

3 MR. TARANTO: Well, I guess I -- we intended it
4 to be in the question presented. The question presented
5 said whether infringement should always be available based
6 on a mere finding of substantial difference. We said no,
7 and the first primary limit we suggested was prosecution
8 history estoppel as part of 28 and 29.

9 QUESTION: This is in your petition?

10 MR. TARANTO: Yes. It is 28 --

11 QUESTION: Even though the accused product or
12 process is outside the literal scope of the claim. I
13 don't see where it refers to prosecution history.

14 MR. TARANTO: Right, it did not use that label.
15 Prosecution history estoppel comes up only when you have a
16 defendant's product that is outside the literal terms of
17 the patent, otherwise there's nothing to estop, otherwise
18 you have literal infringement, so it is in every text the
19 essential limit in defining the scope of the doctrine of
20 equivalents.

21 The important thing that has happened now to the
22 doctrine of equivalents is that it has become the rule,
23 rather than the exception. What that means is that under
24 a substantial differences standard other inventors, who
25 often do make important incremental changes working in the

1 same field, don't know where the boundaries are that they
2 can work, and here a boundary was set at 6.

3 The examiner explicitly, at page 107, referring
4 to 10 -- to page 22 of the Joint Appendix, said, the
5 reason is that's all that's enabled in the specification,
6 exactly as in the -- in all of this Court's prior cases.

7 QUESTION: But there's no disagreement on the
8 estoppel history question, as in the abstract. The way
9 you assert -- it's presented here, both sides agree
10 there's such a thing --

11 MR. TARANTO: I know, and I --

12 QUESTION: -- as estoppel history. They just
13 disagree as to whether such estoppel occurred here.

14 MR. TARANTO: I don't think so. I think there
15 are two fundamental legal disagreements. The Federal
16 circuit said, we've reexamined the reason, and then it
17 said, we discount all reasons except prior art. Those are
18 legally incorrect, and if we change those and say the
19 reason doesn't matter, there was a demand, and second,
20 that even if you do look at the reason, invalidity for
21 overbreadth is no worse than prior art.

22 CHIEF JUSTICE REHNQUIST: Thank you,
23 Mr. Taranto. The case is submitted.

24 (Whereupon, at 2:00 p.m, the case in the above-
25 entitled matter was submitted.)

CERTIFICATION

Alderson Reporting Company, Inc., hereby certifies that the attached pages represents an accurate transcription of electronic sound recording of the oral argument before the Supreme Court of The United States in the Matter of:

WARNER-JENKINSON COMPANY, INC. Petitioner v. HILTON DAVIS CHEMICAL CO.
CASE NO. 95-728REVISED

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BY Ann Marie Federico

(REPORTER)