

December 1974

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After Blonder-Tongue: Back to the Laboratory to Find a Patent Validation System Even a Court Could Trust, 16 Wm. & Mary L. Rev. 295 (1974), <https://scholarship.law.wm.edu/wmlr/vol16/iss2/6>

AFTER *BLONDER-TONGUE*: BACK TO THE LABORATORY TO FIND A PATENT VALIDATION SYSTEM EVEN A COURT COULD TRUST

Collateral estoppel doctrine long permitted a patentee whose patent once had been invalidated in an infringement suit to initiate a subsequent action against another alleged infringer without regard to the first decision of invalidity.¹ Since the second alleged infringer was not a party to the first action, the requirement of mutuality prevented his benefiting from the prior holding of invalidity as a defense in the second suit.² Likewise, because the patentee could not assert any holding of validity against the second infringer, the validity of a patent could be litigated afresh numerous times in successive infringement suits.³

1. *Triplett v. Lowell*, 297 U.S. 638 (1936). See Comment, *Blonder-Tongue Bites Back: Collateral Estoppel in Patent Litigation—A New Look*, 18 VILL. L. REV. 207 (1972). See also Rollins, *In Rem Invalidity: A Solution in Search of a Problem*, 52 J. PAT. OFF. SOC'Y 561 (1970).

2. See *Triplett v. Lowell*, 297 U.S. 638 (1936). In *Bigelow v. Old Dominion Copper Mining & Smelting Co.*, 225 U.S. 111, 127 (1912), the Supreme Court declared the requirement of mutuality "a principle of general elementary law." See also 69 GEO. L.J. 1126 (1972); Comment, *supra* note 1, at 208.

The RESTATEMENT OF JUDGMENTS § 93 (1942) states: "A person who is not a party . . . to an action in which a valid judgment other than a judgment in rem is rendered (a) cannot directly or collaterally attack the judgment, and (b) is not bound by or entitled to claim the benefits of an adjudication upon any matter decided in the action." See also Halpern, *Blonder-Tongue: A Discussion and Analysis*, 53 J. PAT. OFF. SOC'Y 761, 763-65 (1971) (Part I); Smith, *The Collateral Estoppel Effect of a Prior Judgment of Patent Invalidity: Blonder-Tongue Revisited*, 55 J. PAT. OFF. SOC'Y 285, 290 (1973) (Part I).

A valid judgment is binding in a second suit between the same parties as to the issues decided in the first. F. JAMES, *CIVIL PROCEDURE* § 11.18 (1965). Where the cause of action and the parties are the same in the second suit, the principles of res judicata apply to preclude relitigation. *Cromwell v. County of Sac*, 94 U.S. 351, 352 (1876). Where the cause of action is different but the issues are identical, the doctrine of collateral estoppel applies to those issues. *Id.* at 353. See also 1B J. MOORE, *FEDERAL PRACTICE* ¶ 441-444 (1974). Previous judicial findings, however, are given great weight in subsequent decisions based on the doctrine of comity or stare decisis, although the latter doctrine often has been limited to previous decisions within the same jurisdiction. For a comprehensive listing of decisions illustrative of those doctrines applied to patent law, see 5 JOHN MARSHALL J. OF PRAC. & PROC. 356, 361 nn.24 & 25 (1972). See also Rollins, *supra* note 1, at 579.

3. The Supreme Court has discouraged disposition of infringement suits on the ground of noninfringement alone because of the "greater public importance" of determining whether

Outside the field of patent law, the doctrine of mutuality underwent a period of evolutionary change⁴ marked by instances of convulsive mutation in recent years.⁵ The espoused purposes of the doctrine of collateral estoppel had been to minimize litigation where a party has had a full and fair chance to present his case,⁶ to prevent that party from subjecting others to needless litigation,⁷ and to induce general reliance on the finality of judicial pronouncements.⁸ Strict adherence to the mutuality requirement had created diametrically opposite results, however; by requiring the participation of both parties in the previous action before allowing decided issues to prevail in later suits, the court-imposed mutuality doctrine allowed repetitious and irksome suits to contradict earlier findings.⁹ Therefore, in *Bernhard v. Bank of America National Trust & Savings Association*,¹⁰ the California supreme court shifted the focus of the second proceeding from the previous relationships of the parties to the adequacy of the original adjudication.¹¹ One result of the deci-

or not the patent is valid. *Sinclair Co. v. Interchemical Corp.*, 325 U.S. 327, 330 (1945). See also 60 GEO. L.J. 1126, 1127 (1972).

4. RESTATEMENT OF JUDGMENTS §§ 96, 97, 99 (1942); Evans & Robins, *The Demise of Mutuality in Collateral Estoppel (The Second Round Patent Suit—The Not-So-Instant Replay)*, 24 OKLA. L. REV. 179, 183 (1971); Halpern, *supra* note 2, at 765-66; Note, *The Impacts of Defensive and Offensive Assertion of Collateral Estoppel by a Nonparty*, 35 GEO. WASH. L. REV. 1010, 1015-17 (1967); Comment, *supra* note 1, at 209, 211. Exceptions "where the relation between the defendants in the two suits has been that of principal and agent, master and servant, or indemnitor and indemnitee" were recognized in *Bigelow v. Old Dominion Copper Mining & Smelting Co.*, 225 U.S. 111, 128 (1912). See also *Zdanok v. Glidden Co.*, 327 F.2d 944 (2d Cir. 1964), *cert. denied*, 377 U.S. 934 (1964); *Bruszewski v. United States*, 181 F.2d 419 (3d Cir. 1950), *cert. denied*, 34 U.S. 865 (1950).

5. *Bernhard v. Bank of America Nat'l Trust & Sav. Assn.*, 19 Cal. 2d 807, 122 P.2d 892 (1942). "[T]he 'doctrine of mutuality' is a dead letter." *B.R. DeWitt, Inc. v. Hall*, 19 N.Y.2d 141, 147, 225 N.E.2d 195, 198, 278 N.Y.S.2d 596, 601 (1967).

6. See, e.g., *Benson v. Wanda Petroleum Co.*, 468 S.W.2d 361, 363 (Tex. 1971); *Coca-Cola Co. v. Pepsi-Cola Co.*, 36 Del. (6 Harr.) 124, 130-31, 172 A. 260, 262-63 (1934). See also Kahn, *Blonder-Tongue and the Shape of Future Patent Litigation*, 53 J. PAT. OFF. SOC'Y 581 (1971).

7. *Kithcart v. Metropolitan Life Ins. Co.*, 119 F.2d 497 (8th Cir. 1941), *cert. denied*, 315 U.S. 808 (1942).

8. *Teitelbaum Furs, Inc. v. Dominion Ins. Co.*, 58 Cal. 2d 601, 606, 375 P.2d 439, 441, 25 Cal. Rptr. 559, 561 (1962). See generally Halpern, *supra* note 2, at 764-65; Lieberman & Nelson, *In Rem Validity—A Two-Sided Coin*, 53 J. PAT. OFF. SOC'Y 9, 14-15 n.27 (1971); Note, *supra* note 4, at 1013; Comment, *supra* note 1, at 211.

9. See generally Halpern, *supra* note 2, at 764-66; Comment, *supra* note 1, at 211.

10. 19 Cal. 2d 807, 122 P.2d 892 (1942).

11. "In determining the validity of a plea of *res judicata* [and collateral estoppel] three questions are pertinent: Was the issue decided in the prior adjudication identical with the one presented in the action in question? Was there a final judgment on the merits? Was the

sion was to reduce repetitious litigation by allowing an issue once decided against a party to stand in a subsequent suit by that party against a person not a litigant in the first action.

*Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation*¹² presented the United States Supreme Court in 1971 the opportunity to add impetus to the growing trend away from the mutuality requirement.¹³ The Court requested that the litigants argue the issue, although neither party had requested a direct overruling¹⁴ of the mutuality doctrine as applied to patent litigation in *Triplett v. Lowell*,¹⁵ apparently deeming the patent relitigation situation an appropriate vehicle for discussion of the collateral estoppel doctrine even if only in dicta.¹⁶ Its disposition of *Blonder-Tongue* partially overruled the absolute requirement of mutuality ". . . to the extent it forecloses a plea of estoppel by one facing a charge of infringement of a patent that has once been declared invalid"¹⁷ and remanded the case to allow a plea of estoppel.¹⁸

Although furthering the goals of judicial economy inherent in the doctrine of collateral estoppel,¹⁹ the *Blonder-Tongue* decision raised

party against whom the plea is asserted a party or in privity with a party to the prior adjudication?" *Id.* at 813, 122 P.2d at 895.

12. 402 U.S. 313 (1971).

13. The Supreme Court had not ruled on the doctrine of mutuality in patent cases for 35 years. See 402 U.S. at 325, 326 nn.13 & 14.

14. "Sua sponte, on its own, after having accepted this case on our petition for certiorari, the Supreme Court asked us to address ourselves to two issues that the Supreme Court dreamed up: (1) should the doctrine of *Triplett v. Lowell*, giving a patent holder more than one bite of the pie against another defendant, be overruled? And (2) if so, what should be the effect in this case?" Remarks of Robert H. Rines (counsel for the appellant in the *Blonder-Tongue* trial), American Patent Law Association Meeting, *Symposium on Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation—The Decision and its Implications*, 1971 AM. PAT. L. ASS'N BULL. 718, 722 (Oct. 21, 1971) [hereinafter cited as *Symposium*]. The issues upon which the parties had appealed were the validity of the patent, the proper test of obviousness, and a lack of due process because of alleged abuses of discretion by the trial court.

15. 297 U.S. 638 (1936).

16. After discussing *Bernhard* and its progeny, the court noted: "Obviously, these mutations in estoppel doctrine are not before us for wholesale approval or rejection. But at the very least they counsel us to reexamine whether mutuality of estoppel is a viable rule where a patentee seeks to relitigate the validity of a patent once a federal court has declared it to be invalid." 402 U.S. at 327 (footnotes omitted).

17. 402 U.S. at 350.

18. *Id.*

19. See Evans & Robins, *supra* note 4; Note, *supra* note 4. *Blonder-Tongue* has been applied to abrogate the mutuality doctrine in areas other than patent litigation. See, e.g., Scooper Dooper, Inc. v. Kraftco Corp., 494 F.2d 840 (1974) (antitrust); Stebbins v. Keystone

many questions concerning its application to patent law²⁰ and left unanswered the questions posed by the *Blonder-Tongue* litigants in their appeal to the Supreme Court.²¹ This Note will analyze the effect of the *Blonder-Tongue* holding on several series of patent litigations, examine the sources of the prevailing judicial antipathy for the patent system, and consider the desirability of currently proposed legislative changes which may transform the patent validation system into a scheme more palatable judicially and more equitable for all participants.

THE BLONDER-TONGUE DECISION

In March 1966, the University of Illinois Foundation²² brought infringement suits against Winegard Company, in the United States District Court for the Southern District of Iowa, and against Blonder-Tongue Laboratories, Inc., in the United States District Court for the Northern District of Illinois. The Iowa court was first to reach a decision, holding the patent invalid on the grounds of "obviousness."²³ Subsequently, the Illinois court, while acknowledging the Iowa decision, found the patent valid and held it infringed.²⁴ In affirming the Illinois decision of patent validity and infringement, the Court of Appeals for the Seventh Circuit noted that the Iowa holding had been affirmed during the interim by the Court of Appeals for the Eighth Circuit,²⁵ but evaluated the patent indepen-

Ins. Co., 481 F.2d 501 (D.C. Cir. 1973) (civil rights action); *Rosenberg v. Martin*, 478 F.2d 520 (2d Cir. 1973) (issue decided in criminal case precluded in a prisoner's civil rights claim); *Federal Sav. & Loan Ins. Corp. v. Hogan*, 476 F.2d 1182 (7th Cir. 1973) (suit to reform a mortgage estops action for damages for fraud). *But see* *Divine v. Commissioner*, 500 F.2d 1041 (2d Cir. 1974) (limiting *Blonder-Tongue* to patent cases).

20. See notes 55-73 *infra* & accompanying text.

21. See note 14 *supra*.

22. The Foundation was the assignee of U.S. Patent No. 3,210,767 issued October 5, 1965 to Dwight E. Isbell. *Blonder-Tongue Labs., Inc. v. University of Illinois Foundation*, 402 U.S. 313, 314 (1971). The Foundation had filed six other infringement actions based on the patent. The patented item was a "frequency independent unidirectional antenna" for color television reception and was based on the design of the antenna. 402 U.S. at 314.

23. *University of Illinois Foundation v. Winegard Co.*, 271 F. Supp. 412 (S.D. Iowa 1967). The "obviousness" standard, 35 U.S.C. § 103 (1970), was interpreted by the Supreme Court in *Graham v. John Deere Co.*, 383 U.S. 1 (1966). See notes 142-46 *infra* & accompanying text.

24. See 402 U.S. at 316 (discussing the unreported Illinois decision). See also *University of Illinois Foundation v. Blonder-Tongue Labs., Inc.*, 422 F.2d 769 (7th Cir. 1970).

25. *University of Illinois Foundation v. Winegard Co.*, 402 F.2d 125 (8th Cir. 1968), *cert. denied*, 394 U.S. 917 (1969).

dently,²⁸ relying upon the authority of *Triplett v. Lowell*.²⁷ Faced with directly contradictory decisions in the Seventh and Eighth Circuits, the United States Supreme Court granted certiorari,²⁸ apparently to settle the issue of the patent's validity.

Policy Considerations

Rather than addressing the substantive patent issues involved, however, such as the validity of the foundation's patent and the proper test of obviousness,²⁹ the Court requested the parties to argue the procedural question of the desirability of continued adherence to *Triplett* and the effect to be accorded to a previous finding of patent invalidity if *Triplett* were not to be followed.³⁰ Four policy considerations led the Court to convert the controversy over the validity of the patent into a consideration of the operation of collat-

26. *University of Illinois Foundation v. Blonder-Tongue Labs., Inc.*, 422 F.2d 769 (7th Cir. 1970). In the Court of Appeals for the Eighth Circuit, Judge Lay, applying the test of non-obviousness as espoused by the Supreme Court in *Graham v. John Deere Co.*, 383 U.S. 1 (1966), had stated: "The mere fact that the 'invention' was not previously known or developed is not the test. Where logical exploration within known principles of the science achieves an unpredictable result, even though a commercially desirable one, the burden of nonobviousness is not necessarily overcome." *University of Illinois Foundation v. Winegard Co.*, 402 F.2d 125, 127 (8th Cir. 1968). In the Court of Appeals for the Seventh Circuit, Judge Fairchild, when presented with the same basic evidentiary sources, concluded:

From the record before us, we do not view the situation as one where it was obvious to antenna designers that a simple dipole and the segment of line between it and the next dipole in an array would describe a cell fitting the concept of logarithmically periodic antennas, nor that some arrangement of simple dipoles in geometric progression would be a frequency independent broadband antenna, making it simply a matter of logical experimentation to find one.

With all respect to our brethren of the eighth circuit, who saw the problem at the time of Isbell's work as "one of trial and error with a combination of commonly used elements operating within known principals of electronics and mechanics to achieve a desired result", we conclude, with the district judge here, that the Isbell patent was not invalid for obviousness.

University of Illinois Foundation v. Blonder-Tongue Labs., Inc., 422 F.2d 769, 775 (7th Cir. 1970).

27. 297 U.S. 638 (1936). See note 1 *supra* & accompanying text.

28. *Blonder-Tongue Labs., Inc. v. University of Illinois Foundation*, 400 U.S. 864 (1970). See also *Blonder-Tongue Labs., Inc. v. University of Illinois Foundation*, 402 U.S. 313, 317 (1971). It has been noted that the Supreme Court rarely grants certiorari in patent cases and seldom upholds the validity of the patents involved after granting certiorari. Comment, *supra* note 1, at 207.

29. See note 14 *supra*.

30. 402 U.S. at 317.

eral estoppel in patent litigation.³¹

First the Court considered the previously permitted relitigations in relation to the role of the judiciary in patent litigation generally. Acknowledging the constitutional basis³² of patents and the espoused congressional policy of rewarding inventors by means of the patent system,³³ the Court noted that the function of the judiciary in the patent scheme was to narrow, on a case-by-case basis, the broad criteria for patentability established by the legislative branch and applied by an office of the executive branch.³⁴ The Court asserted that, while patent litigation might require intricate and complex determinations, the federal judiciary is as equally qualified to decide patentability standards as to determine nonpatent issues such as negligence and scienter.³⁵ Considering the trend of the law away from the mutuality requirement in nonpatent areas and the judiciary's capability to decide both patent and nonpatent issues, the Court reasoned that a relitigation was not insurance that the suit would be decided more accurately upon retrial.³⁶ Therefore, the Court decided that a procedural review of the initial invalidity-validity determination was more appropriate than a subsequent *de novo* determination.

A second policy consideration supporting the abrogation of the mutuality doctrine concerned the economic impact of *Triplett* on patent litigation.³⁷ Noting the high cost of such litigation, the Court argued that the resources expended on relitigation would be better spent on research,³⁸ and pointed out that the specter of litigation

31. See generally Comment, *supra* note 1, at 219-24.

32. The Constitution provides that Congress shall have the power "to promote the progress of Science and useful Arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." U.S. CONST. art. I, § 8.

33. 402 U.S. at 330-31.

34. *Id.* at 332.

35. *Id.* at 331.

36. *Id.* at 331-32.

37. See generally Halpern, *supra* note 2, at 774-75; Comment, *supra* note 1, at 221.

38. 402 U.S. at 338. Some estimate the cost of litigation at fifty thousand dollars per party per suit. The significance of this high figure should be tempered by acknowledging the great value of most patents, the average gain over the life of the patent having been estimated at 1.2 million dollars. See Rollins, *supra* note 1, at 562. It has also been argued that the cost to an alleged infringer of defending by means of a factual examination of the first judicial decision will be equivalent to the costs of a case involving a reexamination of validity. Note, *Blonder-Tongue: Abrogation of Mutuality Requirement for Defensive Use of Collateral Estoppel in Patent Infringement Suits*, 33 U. PITT. L. REV. 287, 296 (1971). Applications of collateral estoppel by means of motions for summary judgment, however, negate the long

expenses could cause manufacturers to accept licensing agreements or prelitigation settlements in lieu of attempting to attack specious patents in court.³⁹ Thus, the Court concluded that continuation of the mutuality requirement could no longer be justified in light of the gravity of the resulting consequences.

Moreover, these economic ramifications were particularly cogent in light of the third policy consideration, the inherent monopolistic nature of the patent privilege,⁴⁰ which previously had caused limitations to be imposed on attempts to extend such monopolies through licensing agreements.⁴¹ Similar considerations had led the Court to extend the treble damage provisions of the antitrust laws to cover patentees who knowingly obtained specious patents,⁴² to allow declaratory judgment actions against patentees by manufacturers of possibly infringing items,⁴³ and to permit a licensee to litigate the validity of the patent under which it was paying royalties.⁴⁴ Modifi-

evidentiary process required in a retrial of validity.

39. 402 U.S. at 338-42. These costs then are passed on to the public in the form of higher prices for the manufactured goods. Evans & Robins, *supra* note 4, at 202; Comment, *supra* note 1, at 222.

40. The historical antecedents of patents are the governmental grants of privileges and monopolies to towns and guilds in fourteenth century England and later to foreign workmen in England. Later monopolies in the form of the governmental charter grants for exploration and colonization helped to develop the American colonies. F. VAUGHN, *THE UNITED STATES PATENT SYSTEM*, 13-19 (1956).

Although the foundations of the patent law rest in these ancient monopolies, more recent concepts of patents as property or as limited franchises have been advanced in light of the "relevant market" definition of monopoly existing under current antitrust theory. Since the patent is unique, there are no other competitors in its relevant market if the market is defined in terms of the patent alone; the patent then becomes a natural monopoly not necessarily condemned by the antitrust laws. See, e.g., *United States v. Grinnell Corp.*, 236 F. Supp. 244 (D.R.I. 1964), *aff'd except as to decree*, 384 U.S. 563 (1966). If the relevant market is defined more broadly, competition from other inventions within the area of the patented item lessens any monopolistic effects of the patent. See note 162 *infra* & accompanying text. See also Fortas, *The Patent System in Distress*, 53 J. PAT. OFF. SOC'Y 810, 814 (1971); Halpern, *Blonder-Tongue: A Discussion and Analysis*, 54 J. PAT. OFF. SOC'Y 5, 15-17 (1972) (Conclusion).

41. See 402 U.S. at 343, 343 n.38, 344 n.40. See also *United States v. Masonite Corp.*, 316 U.S. 265 (1942); *United States v. Univis Lens Co.*, 316 U.S. 241 (1942).

42. *Walker Process Equip., Inc. v. Food Mach. & Chem. Corp.*, 382 U.S. 1 (1965). See also Kennedy, *Patent and Antitrust Policy: The Search for a Unitary Theory*, 35 GEO. WASH. L. REV. 512 (1967).

43. *Kerotest Mfg. Co. v. C-O-Two Co.*, 342 U.S. 180 (1952).

44. *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969). Before *Lear* a licensee had been estopped from asserting invalidity after acquiescing to a licensing agreement. See 402 U.S. at 346-47 (economic analysis of the *Lear* decision). See also 40 *FORDHAM L. REV.* 419, 424 (1971).

cation of the *Triplett* mutuality requirement was a logical sequel to these prior limitations upon the market power of the patentee.

Economy of effort for the judiciary was the fourth policy consideration invoked by the Court. Although admitting that the actual savings in court time to be gained by abrogating the mutuality doctrine in patent invalidity cases probably would be de minimus, the Court regarded any savings as beneficial.⁴⁵ Considering the economic consequences of the mutuality principle, the derogation of the mutuality requirement in other areas of the law, and the Court's own previous limitations upon the patent "monopoly,"⁴⁶ it concluded: "[T]he uncritical acceptance of the principle of mutuality of estoppel expressed in *Triplett v. Lowell* is out of place."⁴⁷

CRITERIA UPON RELITIGATION

Despite the attractive rationale of the *Blonder-Tongue* opinion, an examination of the Court's criteria for permitting a plea of estoppel in subsequent litigation following an initial adjudication of a patent's invalidity reveals two inherent problems: The first concerns application of the criteria;⁴⁸ the second, and more fundamental, is the uncertainty created by an apparently negative judicial attitude towards patents and by the inability of the judiciary to formulate and apply properly standards of patentability.

In establishing its criteria, the Court did not formulate an estoppel doctrine that would approximate a sweeping in rem determination of a patent's invalidity, since, as one pre-*Blonder-Tongue* commentator had warned, "Too broad an estoppel [would] enable the patentee to evade the estoppel concept by piecemeal litigation."⁴⁹ Rather than the narrow *Bernhard* "decided-issue test,"⁵⁰

45. 402 U.S. at 348-49. See Rollins, *supra* note 1, at 569. It had been argued that litigation might actually increase. *Id.* at 584-85. See also von Moschzisker, *Res Judicata*, 38 YALE L.J. 299 (1929); 54 HARV. L. REV. 889 (1941); 23 ORE. L. REV. 273 (1944).

46. The Court also discussed a proposal to reduce patent relitigation by treating the initial judicial determination of a patent's validity as an in rem, rather than in personam, decision. 402 U.S. at 339-42. See generally Woodward, *Changes in the Patent System Recommended by the President's Commission*, 27 FED. B.J. 189 (1967).

47. 402 U.S. at 350.

48. "It may very well be that the laudable objectives of the Court toward reducing litigation and controlling the patent system will have been defeated by the vague guidelines established for review of the prior adjudication." Note, *supra* note 38, at 294-95.

49. Rollins, *supra* note 1, at 572. A broad, insufficiently critical application of estoppel could allow the patentee to assert that the validity of his patent had been approved judicially against all claims when prior litigation may have considered carefully particular allegations

which would allow the estoppel plea broadly once the second court was satisfied merely that the controverted issue had been decided by a prior court, the more inclusive *Blonder-Tongue* criteria also require evaluation of the quality of the judicial decisionmaking process through a less automatic "full and fair opportunity to litigate" test to protect the patentee's interests from the acknowledged complexities of patent litigation.⁵¹ To apply the full and fair opportunity test, the Court's criteria focused upon whether the patentee had the choice of forum in the prior litigation, his incentive to litigate at that time, and whether the issue was obviousness,⁵² in which case a subset of criteria also was to be applied: whether the first court purported to apply the proper test of obviousness, whether the district or reviewing court wholly failed to grasp the technical subject matter, and whether the patentee was deprived of witnesses or crucial evidence without fault of his own.⁵³ Rather than providing greater specificity to facilitate the use of this formula, however, the Court added a caveat: "But as so often is the case, no one set of facts, no one collection of words or phrases will provide an automatic formula for proper rulings on estoppel pleas. In the end, decision will necessarily rest on the trial courts' sense of justice and equity."⁵⁴

Thus the criteria which the Court established are not those of collateral estoppel because they could permit the issue of patent validity, although once adjudicated, to be relitigated for a number of reasons. Since the "sense of justice and equity" standard in the Court's decision strongly qualifies the overall test to be applied before allowing the estoppel plea, a more appropriate name for the procedure to be utilized would be "equitable review" rather than collateral estoppel.

Application of Criteria

Following the promulgation of the *Blonder-Tongue* criteria, ques-

only or the argument of the prior case may have been constrained artificially.

50. See note 11 *supra* & accompanying text.

51. 402 U.S. 313, 333 (1971).

52. For an invention to be patentable, it must meet the statutory conditions of utility, 35 U.S.C. § 101 (1970), novelty, 35 U.S.C. § 102 (1970), and nonobviousness, 35 U.S.C. § 103 (1970). See generally Voorhees, *A Summary of Patent Law for the General Practitioner*, 20 DRAKE L. REV. 227 (1971). For a further discussion of obviousness, see notes 142-50 *infra* & accompanying text.

53. 402 U.S. at 333.

54. *Id.* at 333-34.

tions arose concerning the judicial reaction⁵⁵ to the vagueness of the criteria,⁵⁶ the scope of the factual determination at the second trial,⁵⁷ the degree of finality of the estopping decisions,⁵⁸ the lack of choice of forum and incentive to litigate for the patentee caused by the effect of a declaratory judgment⁵⁹ initiated by an alleged infringer, the effect of adjudications of patent validity before⁶⁰ and after⁶¹ a

55. The attorney for the respondent in *Blonder-Tongue* described the test as being a determination of whether the patentee in the first case had a fair trial, "evidentially, substantively and procedurally." *Symposium*, *supra* note 14, at 72 (emphasis supplied). "I look upon this as sort of the ESP test, because I think that is what all of us are going to have to have in the future in order to try and determine what the courts are going to do in a *Blonder-Tongue* situation." *Id.* (emphasis supplied). For an illustration of problems in applying a "full and fair" test in criminal law, see Williamson, *Federal Habeas Corpus: Limitations on Successive Applications from the Same Prisoner*, 15 WM. & MARY L. REV. 265 (1974).

56. Note, *supra* note 38, at 293.

57. *Id.* at 294; 60 GEO. L.J. 1126, 1134 (1972).

58. Kahn, *supra* note 6, at 582-83; Comment, *supra* note 1, at 231.

59. Comment, *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation: Mutuality of Estoppel—A Final Eulogy*, 5 IND. L.F. 208, 217 (1971); 60 GEO. L.J. 1126, 1136-37 (1972). An alleged or possible infringer may seek a declaratory judgment to test the validity of the patent and the possibility of his infringement. Declaratory Judgment Act, 28 U.S.C. § 2201 (1970). See *Walker Process Equip., Inc. v. Food Mach. & Chem. Corp.*, 382 U.S. 172 (1965); *Kerotest Mfg. Co. v. C-O-Two Fire Equip. Co.*, 342 U.S. 180 (1952); *Deering Milliken, Inc. v. Koratron Co.*, 293 F. Supp. 518 (S.D.N.Y. 1968); *National Hairdressers' & Cosmetologists' Ass'n v. Philad. Co.*, 3 F.R.D. 199 (D. Del. 1943). A justiciable controversy is prerequisite, but a charge of patent infringement creates a justiciable controversy sufficient constitutionally to allow adjudication of validity prior to an action being brought by the patentee. *Thiokol Chem. Corp. v. Burlington Indus., Inc.*, 313 F. Supp. 253 (D. Del. 1970), *aff'd*, 448 F.2d 1328 (1971), *cert. denied*, 404 U.S. 1019 (1972). By means of a declaratory judgment action, an alleged infringer could impinge both the "incentive to litigate" and the "choice of forum" aspects of the *Blonder-Tongue* relitigation test. See also Rollins, *supra* note 1, at 567.

60. It has been argued that should *Blonder-Tongue* redound to the legislating of in rem invalidity, in rem validity should logically follow. Comment, *supra* note 59, at 220. See also Woodward, *supra* note 46, at 220; *Symposium*, *supra* note 14, at 733.

The essential question, however, is what a defendant-licensee who loses the first infringement suit may do after a subsequent declaration of invalidity in a different action. Although res judicata would bar a second action, such as a declaratory judgment action, continued payments by the licensee to the patentee would be wasteful economically; economic waste was one of the considerations that induced the Court to reverse *Triplett*. 50 TEXAS L. REV. 559, 564-65 (1971).

61. Considering present judicial interpretations of *Blonder-Tongue*, a finding of validity after an invalidity decision may never be reached. See notes 94-95 *infra* & accompanying text. Should such an event take place, however, the principles of res judicata would bar the patentee from relitigation of the issue in a court holding his patent invalid. See note 2 *supra*. The result would have a severe economic effect for the second alleged infringer. Not only would he be required to pay damages for past infringement, but he also would be forced to enter a licensing agreement or risk further infringement actions (possibly a wise choice, in the event of a subsequent holding of invalidity by a different court). The costs of these

determination of invalidity, the feasibility and desirability of multiple actions,⁶² and the extent to which a second court should examine the first court's substantive findings regarding obviousness and the obviousness subcriteria.⁶³ Subsequent lower court rulings have re-

damages would then be passed on to the public in the form of increased prices, which would be substantially higher than those the first alleged infringer, who won his suit, could charge. Since the first alleged infringer most probably would be a competitor of the second, the latter would be placed at a definite competitive disadvantage, possibly forcing him from the market entirely. The only other course for the second infringer would be to appeal, but should the case reach the Supreme Court, that Court, if it were to deny to the patentee the chance to establish the validity of the patent, would thereby establish in rem invalidity. More likely, the Court would deny certiorari, thus tacitly disregarding economic consequences analogous to the economics on which it based its *Blonder-Tongue* decision.

62. The first major form of multiple action that has been suggested is the class action under rule 23 of the Federal Rules of Civil Procedure. See Pegram, *Efforts to Reduce Duplicative Patent Litigation: The Effect of Recent Procedural Changes*, 55 J. PAT. OFF. SOC'Y 631 (1973); Kahn, *supra* note 6, at 584; Comment, *supra* note 1, at 234. The prerequisites for a class action are: numerosity of parties making joinder impracticable, questions of law or fact common to all litigants, representative parties with typical claims, and representative parties which will protect the class's interest. FED. R. CIV. P. 23(a). See also Cohn, *The New Federal Rules of Procedure*, 54 GEO. L.J. 1204, 1213-14 (1966). Additional requirements may be imposed: that individual adjudications would risk inconsistent results or impair the class members' ability to protect their interests, that appropriate injunctive or declaratory relief for the class as a whole is available, and that a class action would be the superior form of adjudication due to the predominance of common issues over individual issues. FED. R. CIV. P. 23(b). See also Cohn, *supra*; Pegram, *supra*. Since 1966 only four patent cases have been allowed to proceed as class actions. *Technograph Printed Circuits, Ltd. v. Methode Electronics, Inc.*, 285 F. Supp. 714 (N.D. Ill. 1968); *Research Corp. v. Pfister Associated Growers, Inc.*, 301 F. Supp. 497 (N.D. Ill. 1969); *Bourns, Inc. v. Allen-Bradley Co.*, 348 F. Supp. 554 (N.D. Ill. 1971); *Dale Electronics, Inc. v. R.C.L. Electronics, Inc.*, 53 F.R.D. 531 (D.N.H. 1971) (class action permission later rescinded). Before *Blonder-Tongue*, a patentee in a class action risked a decision of invalidity against substantially all, if not all, alleged infringers. An invalidity decision ordinarily would have been relitigated against a new defendant in a later suit. After the *Blonder-Tongue* decision, such a risk is no longer a concern since any holding of invalidity will now be asserted against the patentee in subsequent suits whether class or individual actions. Therefore, the class action might appear attractive to the patentee to avoid numerous suits in different locations. Strong arguments, however, have been made against the availability of class actions in patent litigation due to the difficulty of defining a class of alleged infringers, the commonality of only the issue of patent validity, and the problem of finding a truly representative party to defend since most infringers would be competitors and therefore could have conflicts of interest invalidating their representative character. Note, *Class Actions in Patent Suits: An Improper Method of Litigating Patents?*, 1971 U. ILL. L.F. 474.

Another type of action with a multiplicity of parties is consolidation for pretrial proceedings. Such consolidation is effectuated by the Judicial Panel on Multidistrict Litigation, which consists of seven circuit and district judges appointed by the Chief Justice of the United States. 28 U.S.C. § 1407(a) (1970). The transfers are made by the panel to "promote just and efficient conduct of such actions." *Id.* If, however, the decision of the first district court on remand from the consolidation is that the patent is invalid and all the other courts apply estoppel, the consolidation will have been needless effort.

63. See notes 137-39 *infra* & accompanying text.

solved certain issues in applying *Blonder-Tongue*, but it is questionable whether the results have comported with the operation of an equitable review beneficial to the overall patent system.

*The Technograph Litigation*⁶⁴

In one series of litigation applying *Blonder-Tongue* estoppel, the ideals of judicial and financial economy and reduction of excessive and extortive litigation based on patents of doubtful validity apparently have been attained. In the early 1960's Technograph Printed Circuits, Ltd., initiated 74 actions against 80 manufacturers in 18 district courts and against the United States in the Court of Claims,⁶⁵ later admitting that the first case was a "test case."⁶⁶ Despite an initial invalidation of Technograph's patent and lack of success in efforts to reestablish its validity through appeal,⁶⁷ Technograph instituted numerous actions in other circuits⁶⁸ and later in the same circuit.⁶⁹ One action from which no appeal was taken was

64. See Appendix A *infra*.

65. See *Technograph Printed Circuits, Ltd. v. Methode Electronics, Inc.*, 484 F.2d 905 (7th Cir. 1973).

66. Appellant's Petition for Rehearing of *Technograph Printed Circuits, Ltd. v. Bendix Aviation Corp.*, 327 F.2d 497 (4th Cir. 1964), *aff'd* 218 F. Supp. 1 (D. Md. 1963). See discussion of the admission in *Technograph Printed Circuits, Ltd. v. Martin-Marietta Corp.*, 474 F.2d 798, 804 (4th Cir. 1973); *Technograph Printed Circuits, Ltd. v. Packard Bell Electronics Corp.*, 290 F. Supp. 308, 312 (C.D. Cal. 1968).

67. *Technograph Printed Circuits, Ltd. v. Bendix Aviation Corp.*, 218 F. Supp. 1 (D. Md. 1963), *aff'd*, 327 F.2d 497 (4th Cir.), *cert. denied*, 379 U.S. 826 (1964). The decision in this case appears sound especially in light of the intracorporate correspondence cited in *Technograph Printed Circuits, Ltd. v. Methode Electronics, Inc.*, 484 F.2d 905 (7th Cir. 1973): "Prior to the litigation, the president of Technograph Printed Electronics, an American company, wrote to [Technograph] Printed Circuits, a British company: 'The Technograph patents are inherently weak and at heart only form the legal basis for making a claim against industry. Their real worth in America depends entirely [on] how strongly they can be backed by both money, legal talent and influence. . . . We must litigate if we expect to extract worthwhile sums from industry.'" 484 F.2d at 906.

68. See Appendix A *infra*.

69. *Id.* The later suit in the Fourth Circuit was based on claims in the patent which were not expressly invalidated in the *Bendix* case. *Technograph Printed Circuits, Inc. v. Martin-Marietta Corp.*, 340 F. Supp. 423 (D. Md. 1972), *aff'd*, 474 F.2d 798 (4th Cir.), *cert. denied*, 414 U.S. 880 (1973). The district court, however, decided that the claims invalidated in the first suit sufficiently incorporated those made the basis for the second suit to warrant an application of estoppel in the second suit. *Id.* An unanswered question in the *Blonder-Tongue* decision concerned the effect of an invalidity holding based only on certain claims in the patent as issued. Smith, *The Collateral Estoppel Effect of a Prior Judgment of Patent Invalidity: Blonder-Tongue Revisited*, 55 J. PAT. OFF. SOC'Y 363, 367 (1973). The Court of Appeals for the Seventh Circuit has allowed a second suit on claims not specifically invalidated

terminated by an application of collateral estoppel without requiring mutuality prior to *Blonder-Tongue*; ⁷⁰ after *Blonder-Tongue*, further application of estoppel has terminated other litigation of the admittedly "weak" patent.⁷¹

Notwithstanding the apparent utility of the *Blonder-Tongue* doctrine in the *Technograph* litigation, other applications have been less successful. Generally, courts either have applied a more narrow, less stringent test bordering on the *Bernhard* doctrine⁷² or have de-

in the first action where the court held the patent invalid based on explicit, enumerated patent claims which were the basis of the plaintiff's suit. *Bourns, Inc. v. Allen-Bradley Co.*, 480 F.2d 123 (7th Cir.), cert. denied, 94 S. Ct. 726 (1973). The Courts of Appeals for the Fifth and Tenth Circuits, however, have held that where the defense of invalidity of the patent was asserted in the first action and the court in the first action held the patent generally invalid, estoppel would be allowed to bar a subsequent suit on claims not invalidated specifically. *Blumcraft of Pittsburgh v. Kawneer Co.*, 482 F.2d 542 (5th Cir. 1973); *Blumcraft of Pittsburgh v. Architectural Art Mfg., Inc.*, 337 F. Supp. 853 (D. Kan.), aff'd, 459 F.2d 482 (10th Cir. 1972). The Kansas district court relied on Judge Hoffman's treatment of the plurality of claims issue in the remand decision of *Blonder-Tongue* (334 F. Supp. 47 (N.D. Ill. 1971), aff'd, 465 F.2d 380 (7th Cir.), cert. denied, 409 U.S. 1061 (1972)). *Blumcraft of Pittsburgh v. Architectural Art Mfg., Inc.*, supra at 858. Such reliance is suspect in light of the later holding in the Court of Appeals for the Seventh Circuit in *Bourns, Inc. v. Allen-Bradley, Inc.*, supra. The Supreme Court refused the opportunity to settle the issue when it denied certiorari.

70. *Technograph Printed Circuits, Ltd. v. Packard Bell Electronics Corp.*, 290 F. Supp. 308 (C.D. Cal. 1968). After *Technograph* produced certain court-requested documents without identification and in state of disarray, the court held that the plaintiff had flouted or willfully disobeyed the court's orders. Combining such disobedience with other factors, including the "test case" nature of the previous litigation, the court dismissed the action. *Id.* at 320. The court also stated: "The doctrine of estoppel by judgment is recognized where there is not mutuality, in this Circuit, and where the previous judgment has gone against the plaintiff who had ample opportunity to prepare, and to try his case, but who came forward with no new or different evidence in the second case . . ." *Id.* at 318, citing *United Air Lines, Inc. v. Wiener*, 335 F.2d 379 (9th Cir. 1961) (a plane-crash case in which the numerous claimants invoked collateral estoppel to bar relitigations of the issue of negligence).

71. See Appendix A *infra*. The fact that the estopping decision occurred prior to *Blonder-Tongue* has been held nondeterminative because the Supreme Court did not limit *Blonder-Tongue* to prospective application and all of the *Blonder-Tongue* tests were deemed met, including even that of *Graham* regarding obviousness, although *Graham* was decided three years after the *Bendix* decision which was the basis for estoppel. See, e.g., *Technograph Printed Circuits, Ltd. v. Martin-Marietta Corp.*, 340 F. Supp. 423, 425 (D. Md. 1972). But see *Bourns, Inc. v. Allen-Bradley Co.*, 480 F.2d 123, 126 (7th Cir. 1973) (concurring opinion).

72. See note 11 *supra* & accompanying text. Narrowing the test, to issues specifically decided for example, broadens the estoppel by not applying the qualifications and limitations which the Supreme Court imposed in *Blonder-Tongue*. Broad application of estoppel through a narrowed *Blonder-Tongue* test can deprive the patentee of the ability to reestablish the validity of his patent in court. See notes 49-51 *supra* & accompanying text. In the remand of *Blonder-Tongue* to the district court, Judge Hoffman noted the distinction between a normal plea of collateral estoppel and such plea in a patent suit: "In patent litigation . . . the defense of estoppel is not established by procedural fairness alone. There is a substantive element as

moted the test to the "automatic formula" which the Supreme Court attempted to avoid by infusing the "trial courts' sense of justice and equity" into the criteria for reevaluation.⁷³

Blonder-Tongue on Remand

The first case to create difficulties was the *Blonder-Tongue* decision itself on remand from the Supreme Court.⁷⁴ There Judge Hoffman apparently felt compelled by the Supreme Court's decision to apply estoppel based on the prior holding of invalidity in *University of Illinois Foundation v. Winegard Co.*⁷⁵ despite his earlier decision to the contrary;⁷⁶ consequently he failed to reach the issues that would have allowed reinstating his previous validity determination.

At the outset, Judge Hoffman did not delineate accurately which *Winegard* decision provided the estoppel, the district court or the appellate court decision. Since the *Winegard* case was decided on appeal after the initial *Blonder-Tongue* validity decision, an application of estoppel possibly would not have provided the patentee the full and complete litigation to which he is entitled before estoppel is invoked,⁷⁷ and it is unclear whether the fairness of estoppel could be determined where the possibility of a reversal of the estopping decision existed at the appellate court level.⁷⁸ Apparently Judge

well." *University of Illinois Foundation v. Blonder-Tongue Labs., Inc.*, 334 F. Supp. 47, 50 (N.D. Ill. 1971).

73. *Blonder-Tongue Labs., Inc. v. University of Illinois Foundation*, 402 U.S. 313, 334 (1971).

74. *University of Illinois Foundation v. Blonder-Tongue Labs., Inc.*, 334 F. Supp. 47 (N.D. Ill. 1971). The Supreme Court had vacated the affirmation of the Court of Appeals for the Seventh Circuit.

75. 271 F. Supp. 412 (S.D. Iowa 1967), *aff'd*, 402 F.2d 125 (8th Cir. 1968).

76. See *University of Illinois Foundation v. Blonder-Tongue Labs., Inc.*, 334 F. Supp. 47 (N.D. Ill. 1971).

77. See note 51 *supra* & accompanying text.

78. Although Judge Hoffman did note that the appellate court had before it his previous decision, he did not address the issue of finality of the estopping decision. 334 F. Supp. at 50. He also noted that plaintiffs argued that the courts of the Eighth Circuit wholly failed to grasp the technical subject matter. *Id.* at 50. Thus the estoppel apparently was based on both decisions. In cases outside patent law, the prevailing practice appears to be that *res judicata* and collateral estoppel serve to preclude issue relitigation until a decision is actually reversed. *Butler v. Eaton*, 141 U.S. 240 (1903); *United States v. Nysco Labs., Inc.*, 318 F.2d 817 (2nd Cir. 1943). See generally Smith, *supra* note 69, at 391-93. Such a practice in the patent field, however, might create inequitable results, especially where a decision used as a basis for estoppel was decided and not fully appealed before *Blonder-Tongue* was decided. In its denial of a rehearing of a case contemporaneous to the *Blonder-Tongue* decision, the Court of

Hoffman assumed that since the Supreme Court had had before it the issue of the finality of the estopping decision but did not address it directly, he likewise did not need to consider the question.⁷⁹ His assumption, however, was unjustified since neither party had raised the issue of finality in argument before the Court and indeed the remand to the district court was for the specific purpose of examining such considerations.⁸⁰ Had the district court more fully deliberated the finality question, its sense of justice and equity might have allowed a relitigation of the issue of the validity of the patent.

The "obviousness" facet of the *Blonder-Tongue* test provides a second problem area apparent in the district court decision. The problem arose because Judge Hoffman failed to differentiate properly between the subtests to be used where the determination of patent invalidity is based on obviousness. He quoted the Supreme Court's estoppel test,⁸¹ but by substituting an "and"⁸² for the semicolon used by the Supreme Court, he made the three subtests⁸³ conjunctive instead of disjunctive, thereby making the "failure to grasp the technical subject matter" subtest an essential element to be established before refusing to allow the estoppel plea. That distortion becomes highly significant in light of Judge Hoffman's conclusion that "[i]t would demand arrogance" to assert that the courts of the Eighth Circuit had failed to grasp the subject matter

Appeals for the Seventh Circuit noted: "Had the [patentees] been aware of the impending partial abrogation of the mutuality requirement and the possibility that the judgment adverse to them in the [previous] litigation might be asserted against them by other alleged infringers not parties to that action, they would undoubtedly have been more diligent in prosecuting their appeal from that judgment." *Grantham v. McGraw-Edison Co.*, 444 F.2d 210, 217 (7th Cir. 1971). The fairness of applying estoppel by means of a decision not fully appealed was raised more directly in *Sampson v. Ampex Corp.*, 478 F.2d 339 (2d Cir. 1973), in which the district court decision providing the basis for estoppel first was appealed, then the appeal abandoned by the parties after they reached a settlement concerning the patent in question and eight other patents. *Id.* at 340. The district court denied a motion to vacate the invalidity judgment and was upheld on appeal. *Sampson v. RCA*, 434 F.2d 315 (2d Cir. 1970). Applying estoppel in the *Ampex* decision, the court of appeals carefully examined the district court's earlier decision rather than applying estoppel automatically. 478 F.2d at 341.

79. 334 F. Supp. at 51. "All these circumstances were before the Supreme Court, and with this record before it that Court directed that defendant be given an opportunity in this Court to raise the defense. This Court cannot evade the mandate by holding that such factors defeat the plea." *Id.*

80. *Blonder-Tongue Labs., Inc. v. University of Illinois Foundation*, 402 U.S. 313, 350 (1971).

81. *Id.* at 333.

82. 334 F. Supp. at 50.

83. See notes 52-53 *supra* & accompanying text.

merely because the court weighing the estoppel plea disagreed with the validity determination.⁸⁴ When the two tests are applied conjunctively, it would demand arrogance to relitigate the validity of the patent merely because a different conclusion might be reached.

Had Judge Hoffman, however, disentangled the three subtests of obviousness, the resolution of the case could have been more consistent with the equitable review or qualified estoppel test promulgated by the Supreme Court. Because Judge Stephenson clearly comprehended fully the subject matter in the *Winegard* case,⁸⁵ the second subcriteria of the *Blonder-Tongue* test was satisfied. Also, since the evidence presented in each case was substantially the same,⁸⁶ the third criteria of unavailable evidence would have been inconsequential. In weighing the evidence, however, Judge Stephenson had declared the design of the Isbell patent a mere combination of known elements of prior art, concluding that even though the combination was an improvement over the prior art, ". . . the 'invention' does not rise to the level of patentability . . ."⁸⁷ Accordingly, it would not have been unreasonable for Judge Hoffman to have concluded that the test of obviousness used by the *Winegard* court was actually the "invention" test which Congress had modified legislatively⁸⁸ and which the Supreme Court has attempted to qualify in *Graham v. John Deere Co.*⁸⁹ Although Judge Stephenson purported to use the standard espoused in *Graham*, he did not consider the secondary considerations which were established in *Graham*.⁹⁰ Those secondary considerations include "commercial success, long felt but unsolved needs, failure of others, etc."⁹¹ It can

84. 334 F. Supp. at 50.

85. *University of Illinois Foundation v. Winegard Co.*, 271 F. Supp. 412 (S.D. Iowa 1967). Judge Stephenson's elaborate discussion of frequency independent unidirectional antennas, which included illustrative drawings from the original patent claims, displayed a thorough understanding of the subject matter. *See id.*

86. The essential items of evidence discussed were the prior patents in the area and an article published several years prior to the issuance of the Isbell patent. *See University of Illinois Foundation v. Winegard Co.*, 334 F. Supp. 47 (N.D. Ill. 1971); *University of Illinois Foundation v. Blonder-Tongue Labs., Inc.*, 422 F.2d 769, 774 n.11 (7th Cir. 1970).

87. *University of Illinois Foundation v. Winegard Co.*, 271 F. Supp. 412, 419 (S.D. Iowa 1967).

88. 35 U.S.C. § 103 (1970).

89. 383 U.S. 1 (1966).

90. *Id.* at 17-18.

91. *Id.* at 17. The Court did not clarify the weight to be given to such considerations, but qualified their use since some are not relevant to all discoveries. For example, a long felt demand would be inapplicable to a completely new discovery in a new field. For a discussion

be inferred from the decision in the court of appeals that Judge Hoffman had found the patent nonobvious in his initial decision⁹² because of the secondary considerations of failure of others to discover the invention and the commercial success of the patent. From the failure of the *Winegard* court to apply the complete *Graham* test, Judge Hoffman could have concluded that his sense of justice and equity would have been affronted by not relitigating the issue of the validity of the patent, despite his unwillingness to charge Judge Stephenson with a failure to grasp the technical subject matter.

Thus the *Blonder-Tongue* decision on remand could have resulted in the relitigation of the patent's validity on the basis of "justice and equity" applied to either the finality issue or the obviousness issue. Since the previous determination of validity probably would have been reiterated, any subsequent appeal to higher courts would have been made on those specific issues. A clarification of the estoppel issue would have been helpful, and a clearer delineation of the obviousness issue would have reached the root of the original dispute.⁹³

Absent a thorough reexamination of the first invalidity decision, the issues for the second court are limited to determining whether the validity of the patent was an issue in the first decision, whether there was a final judgment on the merits of the patent,⁹⁴ and whether the issue of validity was decided against the patentee—essentially no more than the *Bernhard* tests,⁹⁵ which were discussed in *Blonder-Tongue* by the Supreme Court but rejected in favor of a more qualified estoppel test.

On appeal Judge Hoffman's second decision was challenged on the basis that he had misapplied the *Graham* standards.⁹⁶ In its per curiam decision the Court of Appeals for the Seventh Circuit stated: "Review by the court which considers the plea of collateral estoppel

of the applicability of such considerations, see Note, *Subtests of "Nonobviousness": A Non-technical Approach to Patent Validity*, 112 U. PA. L. REV. 1169 (1964), referenced by the Court in *Graham*, 383 U.S. at 18.

92. See *University of Illinois Foundation v. Blonder-Tongue Labs., Inc.*, 422 F.2d 769 (7th Cir. 1970).

93. Obviousness was the basic issue upon which the case originally was appealed. See notes 14, 26 *supra*.

94. Traditionally there is no allowance for a pending appeal when applying collateral estoppel. See note 78 *supra*.

95. See notes 10, 11 *supra*.

96. *University of Illinois Foundation v. Blonder-Tongue Labs., Inc.*, 465 F.2d 380, 381 (7th Cir. 1972).

of the reasoning of the court which made the prior adjudication would be inconsistent with the doctrine of collateral estoppel."⁹⁷ Such a review is not inconsistent with the requirements of *Blonder-Tongue*, however. Since the Supreme Court created an equitable review, rather than a true collateral estoppel, the court of appeals decision appears to sidestep the considerations which the Supreme Court took great pains to establish. The court of appeals attempted to buttress its argument by citing other recent decisions,⁹⁸ but those decisions were based on the erroneous application of the Supreme Court's test by Judge Hoffman.⁹⁹ Rather than interrupt this circular contraction of its equitable review test, however, the Supreme Court denied certiorari¹⁰⁰ perhaps because of its previously expressed desire to reduce extended patent litigation.

The Blumcraft Litigation

The failure of the Supreme Court to examine applications of *Blonder-Tongue* has resulted in the anticipated termination of litigation, but the reduction in litigation may have been coupled with a concomitant diminishing of "justice and equity." Litigation involving Blumcraft of Pittsburgh,¹⁰¹ a partnership which owned a handrail design patent,¹⁰² provides one unfavorable illustration of the application of *Blonder-Tongue*. The first decision, in the United States Court of Claims, concluded that the patent was valid and infringed,¹⁰³ based upon the findings of a commissioner who utilized the *Graham* obviousness standard including the secondary considerations.¹⁰⁴ Although there was no detailed analysis of the obviousness standard by the commissioner, he concluded that the patent passed

97. *Id.* at 381.

98. *Id.* at 381 n.3, citing *Bourne, Inc. v. Allen-Bradley Co.*, 348 F. Supp. 554 (N.D. Ill. 1972), *partially rev'd*, 480 F.2d 123 (7th Cir. 1973), and *Blumcraft of Pittsburgh v. Architectural Art Mfg., Inc.*, 337 F. Supp. 853 (D. Kan. 1972), *aff'd per curiam*, 459 F.2d 482 (10th Cir. 1972).

99. See notes 74-93 *supra* & accompanying text.

100. 409 U.S. 1061 (1972).

101. See Appendix B *infra*.

102. U.S. Patent No. D-171,963, issued April 20, 1954. The statute establishing design patents states: "Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title." 35 U.S.C. § 171 (1970).

103. *Blumcraft of Pittsburgh v. United States*, 372 F.2d 1014 (Ct. Cl. 1967).

104. *Id.* See also notes 89-91 *supra* & accompanying text.

"the accepted tests for patentability."¹⁰⁵

The second decision in the series came in the United States District Court for the District of South Carolina in *Blumcraft of Pittsburgh v. Citizens & Southern National Bank*.¹⁰⁶ Without citing *Graham* specifically, the district court determined the patent to be valid because not obvious¹⁰⁷ and fortified its conclusion with the secondary consideration that the patent was successful commercially.¹⁰⁸ The court also held a separate mechanical patent¹⁰⁹ valid and found that both patents had been infringed.¹¹⁰

When the defendant appealed, a three-judge panel of the Court of Appeals for the Fourth Circuit unanimously decided that the patents were obvious and reversed the lower court findings.¹¹¹ Citing the *Graham* test, the court concluded that the prior art was too similar to the patent to survive the requirement of nonobviousness to one skilled in the art at the time of the design.¹¹² The court added to its obviousness inquiry the secondary tests of *Graham* and concluded that any long felt need or commercial success which Blum-

105. 372 F.2d at 1018. The government's counsel did not contest the issue of liability for patent infringement, apparently assuming that the validity was beyond denial. *Id.* at 1015.

106. 286 F. Supp. 448 (D.S.C. 1968). This action was filed prior to the action in the Court of Claims. See Appendix B *infra*.

107. "Recognizing that it was not new to provide an offsetting handrail from the supporting structures, nevertheless, it was new to offset all the rails in this particular manner so as to minimize the connection between the railings and the posts, thus giving the floating effect." 286 F. Supp. at 456. The court also relied heavily on the testimony of the defendants' expert who had said that the design was unusual and not one he would have designed. *Id.* The court also stressed that a hindsight view was improper to test obviousness. *Id.* at 455.

108. Blumcraft had contended that the validity holding in the Court of Claims made the issue of patent validity *res judicata*. The court noted:

[We] need not decide whether the Court of Claims case is *res judicata* as to the validity although such decision was persuasive, for this court has reached its own independent determination that plaintiff's design patent is valid.

The presumption of validity, the prior judicial determination and the commercial success achieved by the plaintiff overcome any doubt as to the validity of the design patent. Inasmuch as defendants have failed to sustain their burden of proving that the design would have been obvious at the time it was made to one having ordinary skill in the art, or that there was a prior use, the court finds the design patent valid.

286 F. Supp. at 456-57 (footnotes and citations omitted).

109. U.S. Patent No. 2,905,445. The patent was based on handrail connectors for a different ornamental rail structure.

110. 286 F. Supp. at 466-67.

111. *Blumcraft of Pittsburgh v. Citizens & Southern Nat'l Bank*, 407 F.2d 557 (4th Cir. 1969).

112. *Id.* at 559.

craft had attained was due to the prefabrication of the railings rather than the patented design.¹¹³ While preceding its analysis with an admission of novelty and the distinctive floating effect created by design, the court stated that novelty alone would not suffice without an act of invention.¹¹⁴ Although the decision thus appeared to be premised upon a hindsight observation of obviousness based partially on the "invention" standard supposedly displaced by Congress,¹¹⁵ the Supreme Court refused either to resolve the conflict between the Court of Appeals for the Fourth Circuit and the Court of Claims or to take the opportunity to clarify the *Graham* standards.¹¹⁶

At that point the stage was set for application of *Blonder-Tongue*. Following the second validity holding, Blumcraft filed an action in the United States District Court for the District of Kansas against Architectural Art Manufacturing Co., the manufacturer of the infringing railings involved in the first two actions.¹¹⁷ *Blonder-Tongue*

113. *Id.* at 559-60. The court made an independent, de novo evaluation of prior art.

114. The court stated: "We agree with [the United States Court of Claims] and with the district court that Blum's design was novel because the prior art did not disclose multiple rails offset from posts by inconspicuous connectors presenting the illusion of the rails floating in space." *Id.* at 558. The court then noted that more than novelty was required, citing a 1951 decision: "[T]here must be an exercise of the inventive faculty, and if the design lacks this quality, it will not suffice to say that it is new, original and ornamental, and has recieved wide public acceptance." *Glen Raven Knitting Mills v. Sanson Hosiery Mills*, 189 F.2d 845, 851 (4th Cir. 1951). *Glen Raven*, however, was decided prior to the more objective standard Congress attempted to establish in 1952. 35 U.S.C. § 103 (1970). A comparison of the illustration of the patent in that decision shows that there was prior art in the form of varying designs, but a new heel design in hosiery led to commercial success.

115. 35 U.S.C. § 103 (1970). Although section 171 requires that a design patent meet all conditions for patentability, see notes 52 & 102 *supra*, the *Graham* standard of obviousness destroys the validity of any design patent if applied as it was in the Court of Appeals for the Fourth Circuit. The court stated: "It is apparent from the sophistication of the prior art that designers of ornamental railings, including manufacturers and architects, were highly skilled. Therefore, the fact, which the district court emphasized, that prior art would have to be redesigned to achieve Blum's railing is not decisive. The joining of known components usually requires skill, but this does not necessarily negate obviousness." 407 F.2d at 559. According to such reasoning, any ornamental design by an architect or engineer or designer would be unpatentable because it necessarily would be based on a combination of known components and made by an individual possessed of ordinary skill in the art.

116. *Blumcraft of Pittsburgh v. Citizens & Southern Nat'l Bank*, 395 U.S. 961 (denying certiorari), 396 U.S. 870 (denying petition for rehearing), 396 U.S. 949 (1969) (denying motion for leave to file second petition for rehearing).

117. See Appendix B *infra*. See also *Blumcraft of Pittsburgh v. Architectural Art Mfg., Inc.*, 337 F. Supp. 853 (D. Kan. 1972). Blumcraft originally moved for summary judgment on the basis that Architectural Art had been a party to the previous actions upholding the patent and the issue of validity therefore was barred by *res judicata*. After the Court of

having been decided while the action was pending,¹¹⁸ the court then allowed the defendant to plead collateral estoppel and granted the defendant's motion for summary judgment.¹¹⁹ Since an issue of res judicata had been raised previously by the plaintiff based on the defendant's involvement in the previous decisions,¹²⁰ the court based its decision on both res judicata and collateral estoppel.

In its application of collateral estoppel, the court acknowledged the decisions of validity but stated that the decision in *Blonder-Tongue* at the Supreme Court level and on remand showed that *Blonder-Tongue* "applies only to judgments of invalidity — not to judgments of validity."¹²¹ While the Supreme Court did not discuss the offensive use of collateral estoppel based on patent validity, it did qualify its collateral estoppel test with the admonition to the trial courts to use their "sense of justice and equity" before applying estoppel.¹²² The Kansas district court overlooked this caveat and applied a combination of res judicata and collateral estoppel by means of an automatic, mechanical formulation of these doctrines.¹²³ Furthermore, the court made only a cursory review of the *Graham* obviousness standards.¹²⁴ After the Patent Office and two judicial forums had held the design nonobvious and patentable, a "sense of justice and equity" should require a more intensive and comprehensive analysis of the issue of obviousness before utilizing collateral estoppel.¹²⁵ Nevertheless, the decision of the Kansas dis-

Appeals for the Fourth Circuit held the patent invalid, the parties switched positions on the res judicata issue. See Appendix B *infra*. See also Smith, *supra* note 69.

118. See Appendix B *infra*.

119. 337 F. Supp. 853 (D. Kan. 1972).

120. See note 117 *supra*.

121. 337 F. Supp. at 858. The district court premised its contention upon a case in which use of the *Blonder-Tongue* estoppel theory was denied to a patentee attempting to avoid a relitigation of validity by asserting a previous holding of validity as estopping such relitigation, *Boutell v. Volk*, 449 F.2d 673 (10th Cir. 1971). *Boutell* was distinguished by the Georgia district court in *Blumcraft of Pittsburgh v. Kawneer Co.*, 341 F. Supp. 1018 (N.D. Ga. 1971), by noting that the Supreme Court's *Blonder-Tongue* decision concerned a situation in which the first decision regarding a patent held it invalid and that an equitable form of estoppel should be applied in a second suit. *Id.* at 1024. Thus collateral estoppel would not automatically apply in the fourth suit after the first and second suits held the patent valid prior to an invalidity decision in the third suit.

122. See note 54 *supra* & accompanying text.

123. See 337 F. Supp. at 859.

124. "One of the principal issues urged by defendants in that suit was obviousness. *Perusal of the opinions* of both District Judge Simmons and Circuit Judge Butzner indicate[s] a familiarity with and application of the standards announced in *Graham v. John Deere* . . . to the evidence in the case." 337 F. Supp. at 858 (emphasis supplied).

125. The actual wording of the test established by Justice White's opinion was "whether

strict court was affirmed without further analysis.¹²⁶

In *Blumcraft of Pittsburgh v. Kawneer Co.*,¹²⁷ another line of cases involving the Blum patent, the United States District Court for the Northern District of Georgia at first held that *Blonder-Tongue* required an equitable application of estoppel. Inasmuch as the action was filed after the Court of Appeals for the Fourth Circuit had found the patent invalid, the Georgia court displayed a strong disinclination for allowing relitigation of the validity of a patent once held invalid.¹²⁸ Although calling for an abrogation of the mutuality requirement by the Supreme Court or Congress, the court denied defendant's motion for summary judgment¹²⁹ in continued reliance on *Triplett*. While the case was pending, however, *Triplett* was overruled, and the district court had the opportunity to apply collateral estoppel based on the invalidity holding of the Court of Appeals for the Fourth Circuit in accordance with *Blonder-Tongue*.¹³⁰ It refused, however, because of the conflicting validity decisions,¹³¹ arguing that the "justice and equity" qualification in *Blonder-Tongue* prohibited an automatic application of estoppel based on a decision of patent invalidity where there were previous holdings of validity.¹³²

the first validity determination purported to employ the standards announced in *Graham v. John Deere Co.* . . ." *Blonder-Tongue Labs., Inc. v. University of Illinois Foundation*, 402 U.S. 313, 333 (1971) (emphasis supplied). The use of the word "purported" implies that a mere "perusal" may be sufficient without close analysis to satisfy the Court's test. Since the other subtests established for appropriate inquiry, a failure to grasp the subject matter and a deprivation of evidence, require an in-depth examination of the record of the previous decision or decisions, more than a mere perusal for an indication of "purported" use would appear necessary to meet the equitable requirement of *Blonder-Tongue*. See also Smith, *The Collateral Estoppel Effect of a Prior Judgment of Patent Invalidity: Blonder-Tongue Revisited*, 55 J. PAT. OFF. SOC'Y 436, 438-42 (1973).

126. *Blumcraft of Pittsburgh v. Architectural Art Mfg., Inc.*, 459 F.2d 482 (10th Cir. 1972) (per curiam).

127. 341 F. Supp. 1018 (N.D. Ga. 1972).

128. *Blumcraft of Pittsburgh v. Kawneer Co.*, 318 F. Supp. 1399 (N.D. Ga. 1970). See also Appendix B *infra*.

129. 318 F. Supp. at 1401.

130. See Appendix B *infra*.

131. *Blumcraft of Pittsburgh v. Kawneer Co.*, 341 F. Supp. 1018, 1021 (N.D. Ga. 1972).

132. "To blindly adhere to the plain language of *Blonder-Tongue* and automatically apply an estoppel when the patent has once been held invalid, would be unjust and inequitable. Such a strict application of the estoppel doctrine would bar a patent, which has been sustained numerous times, from any further litigation, simply because it was finally declared invalid." *Id.* at 1020. The court went on to note that estoppel could be applied if warranted: "On the other hand, it would seem unreasonable to think that the Supreme Court, in *Blonder-Tongue*, intended to limit the application of estoppel only to situations where the patent was declared invalid the first time it was litigated. Such a narrow application would pretermi-

On a motion for rehearing, the court rejected the argument that the *Blonder-Tongue* remand decisions had narrowed the "full and fair opportunity to litigate" test.¹³³ Holding that the factual distinction, the prior holding of validity, evoked a different resolution, the court asserted that a consideration of the equities would not allow collateral issues, such as availability of evidence or utilization of prior art, to lend greater weight to one decision over another.¹³⁴ It thus concluded that a conflicting decision regarding a patent's validity could bring about a relitigation and reexamination of patent validity in a later action. After the Court of Appeals for the Tenth Circuit affirmed¹³⁵ the Kansas district court decision, however, the Georgia district court waived, hesitantly granting a renewed motion for summary judgment.¹³⁶

The Court of Appeals for the Fifth Circuit affirmed the district court's holding that the "sense of justice and equity" test was limited strictly to determining whether a full and fair opportunity to litigate the patent's validity was available to the patentee in a finding of invalidity only.¹³⁷ Because review only of the invalidity decision when the same patent had been upheld previously would not be a truly equitable review, the Supreme Court could not have intended such a limited reconsideration. Nevertheless, the appellate court further concluded that in determining whether to apply estoppel, district courts could not be concerned with the correctness of the prior decision since "the Supreme Court applied estoppel without regard to the 'correctness' of the first decision."¹³⁸ In fact, the Supreme Court made no such application, but merely remanded the case for a possible application of estoppel in accordance with the

the policy reasoning behind the estoppel doctrine. . . . [A] patentee, whose patent has been held valid only once and held invalid numerous times thereafter, should be estopped from bringing additional suits." *Id.* at 1020-21.

133. *Id.* at 1022.

134. *Id.* at 1024.

135. *Blumcraft of Pittsburgh v. Architectural Art Mfg., Inc.*, 459 F.2d 482 (10th Cir. 1972).

136. The final grant of summary judgment for the defendant by the district court is unreported but is discussed in the appellate affirmation. *Blumcraft of Pittsburgh v. Kawnner Co.*, 482 F.2d 542 (5th Cir. 1973). The court quoted from the district court's order: "While the court is not fully convinced that its analysis of *Blonder-Tongue*, . . . as set out in the November and March orders, was incorrect, it must and does give precedential consideration to the above holding of the Tenth Circuit Court of Appeals as it applies to the issue of collateral estoppel in this case." *Id.* at 546.

137. *Id.* at 547.

138. *Id.* at 548.

standards it established. Since those standards included a substantive review of the invalidity decision as well as the procedural and evidentiary aspects of the former decision, *Blonder-Tongue* did not make irrelevant the correctness of the previous decisions in a decision to apply estoppel.¹³⁹

Accordingly, the Kansas and Georgia district courts should have reviewed more fully both the decisions of validity and the invalidating decision. In examining the invalidity decision, both courts could have reached the question of the propriety of the de novo finding of obviousness by the Court of Appeals for the Fourth Circuit.¹⁴⁰ Although such review of an appellate decision might appear presumptuous for district courts, it seems mandated by the Supreme Court decision in *Blonder-Tongue*, inasmuch as the doctrine actually established more closely resembles "equitable review of validity determinations" rather than the doctrine of collateral estoppel. Moreover, to be just and equitable, the previous validity decisions should have been weighed in determining whether to apply estoppel. Either balancing the previous holdings of validity against those of invalidity or examining the validity decisions by *Blonder-Tongue* standards would be a more equitable method of approaching the previous validity determinations.

Finally, the district courts also should have reached the issue of whether *Blonder-Tongue* should be applied retrospectively. Since all the cases filed in the *Blumcraft* series were filed prior to *Blonder-*

139. Although de novo examination should not be required, the review should be as extensive as that normally accorded to a trial court decision by an appellate court. *Blumcraft* had argued in the district court in Georgia that the Court of Appeals for the Fourth Circuit had committed reversible error by not adhering to the trial court's factual determinations. *Blumcraft of Pittsburgh v. Kawneer Co.*, 341 F. Supp. 1018, 1020 (N.D. Ga. 1972). Judge Henderson responded that the issue "is not an issue to be properly raised in this court. The Supreme Court in *Blonder-Tongue* required that the patentee-plaintiff be permitted to demonstrate that he did not have a fair opportunity procedurally, substantively and evidentially to pursue his claim the first time. This mandate of the Supreme Court does not extend so far as to give this court authority to sit as an appellate court to determine if the Court of Appeals for the Fourth Circuit committed reversible error because it allegedly ignored certain findings of fact made by the lower court." *Id.* at 1020. On the contrary, it is submitted that such a review is exactly what the Supreme Court did mandate in *Blonder-Tongue*.

140. In a recent decision the Court of Appeals for the Fourth Circuit reversed a lower court decision on obviousness based on a de novo determination by the appellate court over a strong dissent on that issue. *Blohm & Voss AG v. Prudential-Grace Lines, Inc.*, 489 F.2d 231 (4th Cir. 1973) (Winter, J., dissenting). The Supreme Court refused to settle the issue when a similar argument was made in a petition for certiorari. *Parker-Sweeper Co. v. E.T. Rugg Co.*, 474 F.2d 950 (6th Cir.), *cert. denied*, 414 U.S. 822 (1973).

Tongue, it could be argued that the choice of forum and incentive to litigate could not have been considered fully by the patentee since knowing the grave consequences of a decision of invalidity on future decisions or on intended litigation could have affected greatly his strategy or willingness to litigate.¹⁴¹ Absent an analysis of such issues, the application of collateral estoppel becomes an automatic formula devoid of the equitable considerations which the Supreme Court attempted to create.

EFFECT OF BLONDER-TONGUE APPLICATIONS

The foregoing series of cases illustrate the defects of the judicially created standard for applying collateral estoppel to the patent system. In its creation, the standard left many questions unresolved; in its application by the lower courts, the standard has not served to focus its unresolved issues sufficiently to allow more precise definition through appellate review. Its overall effect upon the patent system still cannot be determined, but as the *Blumcraft* litigation demonstrates, no "equitable review" has resulted, the courts applying instead a mechanical collateral estoppel devoid of justice and equity which precludes judicial clarification of unresolved substantive issues. One unfortunate effect has been a continued uncertainty regarding the judicial standard of obviousness. Because of the applications of estoppel, the varying determinations of obviousness have not been evaluated sufficiently to provide reliable guidelines for patentees, alleged infringers, or courts.

Although the Supreme Court purported to establish a definitive test of obviousness in *Graham v. John Deere Co.*,¹⁴² its own application of those standards has been suspect, leading one commentator to note that the Court subsequently appeared to revive the discredited "invention" requirement in *Anderson's-Black Rock, Inc. v.*

141. See note 78 *supra*. See also *Bourns, Inc. v. Allen-Bradley Co.*, 480 F.2d 123 (7th Cir. 1973), in which Judge Pell dissented on the issue of retrospective application. He noted that in the Supreme Court "[t]he issue simply was not reached. . . . When new law is established or, more importantly, when existing law is changed, it always is retrospective as to the particular litigant who is unsuccessful. This is inherent, for courts do not customarily give advisory opinions. This is a far cry though from inferring that the decision is retrospective as to other litigants who were relying on the pre-existing law." *Id.* at 129. Such an argument would seem to be especially relevant where the new law is to be applied on the basis of the trial courts' "sense of justice and equity."

142. 383 U.S. 1 (1966). See note 146 *infra*.

*Pavement Salvage Co.*¹⁴³ For many years, the judicial tests of patentability concerned whether a new development possessed a quality of invention.¹⁴⁴ Because the invention standard, however, proved inadequate to predict judicial reaction to a patent's validity, Congress attempted to make determinations of validity more objective by recognizing that while any innovation was an invention, patentable inventions were only those not obvious to a person having ordinary skill in the prior art.¹⁴⁵ In *Graham* the Court construed the legislative test to require a determination of the scope and content of prior art and an evaluation of nontechnical secondary considerations.¹⁴⁶ Nevertheless, in *Anderson's-Black Rock, Inc.* the Court purported to utilize the standard of *Graham*, but gave little weight to the secondary aspects of that test;¹⁴⁷ in fact the Court quoted from a pre-*Graham* case stating that those considerations "without invention will not make patentability."¹⁴⁸

Although the Court reemphasized reliance on the *Graham* standards in *Blonder-Tongue*, the test of obviousness appears to be suffering from a judicial inability or unwillingness to formulate and use objective standards of patentability. Since the decision in *Blonder-*

143. 396 U.S. 57 (1969). See Note, *After Black Rock: New Tests of Patentability — The Old Tests of Invention*, 39 GEO. WASH. L. REV. 123 (1971).

144. *Great Atlantic & Pacific Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147 (1950); *Cuno Corp. v. Automatic Devices Corp.*, 314 U.S. 84 (1941); *Atlantic Works v. Brady*, 107 U.S. 192 (1882); *Hotchkiss v. Greenwood*, 52 U.S. (11 How.) 248 (1850).

145. See 35 U.S.C. § 103 (1970). See also Note, *supra* note 143, at 135.

146. In *Graham* the Court stated:

Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.

383 U.S. at 17-18.

147. See *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 61 (1969).

148. *Id.*, quoting *Great Atlantic & Pacific Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 153 (1950). Although the Court noted in *Graham* that the congressional intent in enacting section 103 was merely "a codification of judicial precedents" with further inquiries into the subject matter, 383 U.S. at 17, the tests established in *Graham*, especially the secondary considerations, tend to establish an objective test for obviousness unlike the "flash of genius" or "invention" test used prior to, and occasionally after, the enactment of section 103. See Note, *supra* note 143, at 140. See also Harris, *Some Aspects Underlying Legislative Intent of the Patent Act of 1952*, 23 GEO. WASH. L. REV. 658 (1955); Comment, *Obviousness in the Eighth Circuit*, 14 ST. LOUIS L.J. 672 (1970).

Tongue, it has been recognized that the determination of validity or invalidity in any litigation is extremely important to future litigation.¹⁴⁹ To ensure fairness, the initial determination of obviousness should depend upon standards uniformly applied in all courts making such determinations. It has been argued that a full and fair determination of validity is impossible in a court which does not correctly apply obviousness standards.¹⁵⁰

Presently, however, a patent holder is placed in an untenable position. Although he possesses a patent duly issued and validated by the Patent Office, he must jeopardize his patent through litigation to protect it from infringement. His patent will be judged on the basis of uncertain standards, and his chances of a full and fair adjudication may be slight, depending upon the prevailing judicial attitude towards patents.¹⁵¹ Since the same unclear standards will be applied on review, the appeal from a decision of invalidity may not be any more helpful to the patentee than the initial trial. Moreover, since the patent's validity now probably will not be relitigated in another jurisdiction due to the automatic applications of *Blonder-Tongue* estoppel, the first holding of invalidity effectively resembles an in rem decision.¹⁵² A patentee therefore takes a great risk in any suit to enforce his rights under the patent. Consequently, one effect of *Blonder-Tongue* may be curtailment of any patent infringement litigation.

Additionally and perhaps more importantly, the manner in which *Blonder-Tongue* has been applied may stimulate legislative action. When case-by-case development of an area of the law has failed to

149. In *Black, Sivalls & Bryson, Inc. v. National Tank Co.*, 445 F.2d 922, 926 n.2 (10th Cir. 1971), the appellate court reversed a lower court summary judgment of invalidity, noting the importance of full determination of factual issues in the initial trial of a patent's validity in light of *Blonder-Tongue*.

150. Kahn, *supra* note 6. "To maintain that a patent holder has a full and fair chance to litigate his claim in a circuit which repeatedly applies the improper test for obviousness is truly a pipedream, and the Supreme Court's failure to recognize and rectify this situation makes the *Blonder-Tongue* decision oppressive." *Id.* at 217. See also Halpern, *supra* note 40.

151. See notes 154-55 *infra* & accompanying text.

152. The patent would be invalid against all the world (in rem invalidity) except to the extent of prior holdings of validity. Licensing agreements reached prior to the invalidity decision would remain enforceable against parties involved in previous litigation where the patent was held valid with the anomalous result that the patent's validity would be res judicata between those parties. See Woodward, *supra* note 46, at 220; Statement of Walter E. Wyss, *Symposium*, *supra* note 14, at 733 ("Let's face it, we have in rem invalidity."); Comment, *supra* note 1 (noting that legislative adoption of in rem invalidity should be followed by serious consideration of in rem validity).

promote justice and equity or announced policy goals, efforts to reform the entire area frequently center in the legislative branch of the government.¹⁵³ The inability or unwillingness of the judiciary to apply properly the equitable review established in *Blonder-Tongue* is intertwined with the problems of defining and applying obviousness and other standards of patentability. Thus the establishment of an inadequately analyzed and improperly applied judicial standard, incorporating another standard also subject to varying applications, creates uncertainty and confusion for patent system users and should provoke legislative reaction.

ELIMINATION OF THE SOURCES OF JUDICIAL ANTIPATHY TOWARDS THE PATENT SYSTEM

Formulating possible legislative solutions to the problems created by *Blonder-Tongue* and its progeny first requires recognition of the attitudes which have shaped previous judicial responses to patent law problems. Commentators, and an occasional court, have acknowledged the judiciary's disaffection for the patent system,¹⁵⁴ often noting that some jurisdictions find a disproportionately high or low percentage of patents invalid.¹⁵⁵ The disparate validity-invalidity ratios tend to substantiate the claim that some courts are more strict in defining patentability than are other circuits and the Patent Office. The *Blonder-Tongue* decision itself indicates the Supreme Court's anxiety that the owners of "weak" patents will

153. For a discussion of the rise of administrative agencies due to the inability of case-by-case adjudications by the courts to carry out policies, see J. LANDIS, *THE ADMINISTRATIVE PROCESS* (1938).

154. See, e.g., *Picard v. United Aircraft Corp.*, 128 F.2d 632 (2d Cir. 1942) (L. Hand & Frank, JJ., concurring). Voorhees, *supra* note 52, at 241; *Symposium*, *supra* note 14; Comment, *supra* note 1. Cf. Horn & Epstein, *The Federal Courts' View of Patents—A Different View*, 55 J. PAT. OFF. SOC'Y 134 (1973).

155. Rollins, *supra* note 1, at 565; Comment, *supra* note 1, at 227. Cf. Horn & Epstein, *supra* note 154, at 146. One patent law practitioner has stated: "Those of us who make our living litigating patents have recognized for a long time that choice of forum is one of the facts of life that we have to live with and that a choice of forum may very well control the result in a given case." Remarks of William K. Kerr, *Symposium*, *supra* note 14, at 748. The Supreme Court indirectly took notice of this fact by establishing the choice of forum as one of its criteria in the *Blonder-Tongue* test. See notes 52-54 *supra* & accompanying text. One recent case was appealed to the Supreme Court on the ground that the Court of Appeals for the Fifth Circuit applied too low a standard of patentability; the Court, however, did not take the opportunity to comment on the standards to be applied. *Penn Yan Boats, Inc. v. Sea Lark Boats, Inc.*, 359 F. Supp. 948 (S.D. Fla.), *aff'd mem.*, 479 F.2d 1328 (5th Cir. 1972), *cert. denied*, 94 S. Ct. 66 (1973).

derive possibly unjust benefits therefrom. Before legislative alternatives can be proposed to remedy the inconsistencies and inequities generated by *Blonder-Tongue*, the sources of the judicial distrust of the patent system must be confronted.

Patents as Monopolies

Much of the judicial disaffection for the patent system stems from conceptualizing the patent as a monopoly.¹⁵⁶ Since monopolies traditionally have been deemed antagonistic to the competitive economic process, characterizing a grant of patent rights as a monopoly imputes to the patent undesirable economic ramifications. Following this reasoning Congress could merely concur in the monopolistic characterization of patents, determine that such monopolies no longer have a place in our highly technological and rapidly changing society, and abolish the patent system entirely. Since there is no common law patent right, and since the patent system is a statutory creation, no legal obstacles prohibit such abolition.¹⁵⁷

The purposes of the patent system as generally formulated, however, are to promote invention, to reward the inventor, and to encourage public disclosure of new discoveries.¹⁵⁸ Were the system to be abolished completely, the human inclination to be creative probably would assure the survival of the process of invention¹⁵⁹ because the satisfaction or the necessity of the invention would suffice to reward the inventor; new discoveries, however, could become well-guarded secrets, particularly if they imparted to the inventor a competitive trade advantage.¹⁶⁰ Thus for the purpose of expanding the available technological advances, the patent system serves a func-

156. See note 40 *supra*.

157. "Congress having created the monopoly, may put such limitations upon it as it pleases." *Mast, Foos, & Co. v. Stover Mfg. Co.*, 177 U.S. 485, 494 (1899). Such limitations could include complete abolition. The Constitution gives Congress the power to establish the Patent Office, but does not mandate its existence. See note 32 *supra*.

158. Reward of inventors, disclosure of invention, development of invention, and public welfare have been posed as arguments for patents. F. VAUGHN, *supra* note 40, at 27-33. The Supreme Court often has emphasized, however, that the primary purpose of the patent system is the "advancement of the arts and sciences" and "not the reward of the individual." "Its inducement is directed to disclosure of advances in knowledge which will be beneficial to society." *Sinclair & Carroll Co. v. Interchemical Corp.*, 325 U.S. 327, 331 (1944).

159. F. VAUGHN, *supra* note 40, at 1-12.

160. F. VAUGHN, *supra* note 40, at 28. Such a result is even more likely in light of *Kewanee Oil Corp. v. Bicron Corp.*, 94 S. Ct. 1879 (1974), in which the Supreme Court held that federal patent law does not preempt state trade secret laws.

tion too valuable to be withdrawn.¹⁶¹

Furthermore, it is inappropriate to adopt a knee-jerk characterization of patents as monopolies. The term "monopoly" has been redefined under antitrust law in terms of competition within a relevant market; a patent grant that is still subject to competition from other inventions in the field is not a strict monopoly.¹⁶² It also is logically compatible with the function of a patent to characterize the patent right as a limited franchise¹⁶³ or even as a contract right.¹⁶⁴

Corporate Nature of Patentholders

Some judicial antipathy for the patent system may stem from the fact that many patent holders are not individual inventors, but are instead business corporations.¹⁶⁵ Little opposition may be voiced to rewarding an individual who devises a better mousetrap in his garage workshop in his spare time; more diverse responses are evoked by the image of a corporate research and development laboratory, however, where technicians are paid to make new discoveries to be assigned to the company and used for corporate economic gain. While critics should not begrudge a company recovery of its research costs, the use of patents by corporations to enforce licensing agreements against other corporate entities as a means of economic gain appears to arouse antimonopolistic attitudes.¹⁶⁶

Fundamental changes in the patent process would be required to

161. It has been noted that universal recognition of patent systems exists worldwide, even in the Soviet Union. See Voorhees, *supra* note 52, at 242.

162. Fortas, *supra* note 40, at 814. See also note 40 *supra*.

163. Fortas, *supra* note 40, at 814; Kennedy, *supra* note 42, at 514. See also Picard v. United Aircraft Corp., 128 F.2d 632, 638 (2d Cir. 1942) (Frank, J., concurring).

164. Under the contractual theory, an inventor receives exclusive monetary rewards for his invention as consideration for the disclosure of his invention. F. VAUGHN, *supra* note 40, at 27.

165. Such an adverse response to the corporate nature of many patentees was illustrated in the *Blonder-Tongue* discussion of the economic effects of repetitious litigation. See *Blonder-Tongue Labs., Inc. v. University of Illinois Foundation*, 402 U.S. 313 (1971). See also Kennedy, *supra* note 42, at 515; *Hearings on S. 1321 Before the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 93d Cong., 1st Sess. 119-21 (1973) (statement of Edward J. Brenner, former Commissioner of the Patent Office) [hereinafter cited as *Hearings*].

166. One commentator has written: "The accumulation of the vast patent portfolios by corporate assignees based upon research performed by its individual inventor-employees may . . . provide an undeserved cloak of immunity for predatory preclusive practices amounting to antitrust misuse." Kennedy, *supra* note 42, at 533-34.

remove whatever distortion the presence of corporate patent holders introduces. One method would be to make patents nonassignable, allowing only the inventor himself to arrange licensing agreements,¹⁶⁷ to prevent an impersonal organization, not necessarily responsible for the actual discovery, from benefiting from prostituted ingenuity. Such an approach, however, ignores the fact that most research and invention is performed in organizational laboratories whose continued existence depends upon the economic benefits which they accrue for the parent industries. Furthermore, this approach too easily assumes that individual inventors would possess the capability to enforce licensing agreements through litigation.

Another change in the patent system which could remove ill feeling toward corporate patent holders would be to make a governmental cash award to the inventor in lieu of granting a patent.¹⁶⁸ Such an award could be a one-time grant, virtually eliminating any need for litigation. Consumers presently underwrite the licensing costs of any patent utilized by a manufacturer as a cost of production passed on to the retail sale; a more equitable distribution of these costs might be achieved if the individual supported the inventive process in his role as a taxpayer, rather than as a consumer. The recovery of research cost would be a component of the grant as would be a stipend sufficient to encourage further invention.¹⁶⁹ The problems of value determinations, however, could render such a method impossible,¹⁷⁰ and a failure of the stipend to appear sufficiently rewarding could destroy completely the incentive to disclose inventions.

Complexities in Patent Law

The complexity, both of the technical subject matter of many patents and of the field of patent law itself,¹⁷¹ constitutes a third

167. Another method of counteracting accumulation of patents by corporations would be to require the patentee to license to anyone who desired to make use of the patent. Arnold & Janicke, *Compulsory Licensing Anyone?*, 55 J. PAT. OFF. SOC'Y 149 (1973).

168. Cash rewards for invention are not novel; to overcome various crises, Napoleon used this method to acquire inventions, including a method for deriving sugar from beets. F. VAUGHN, *supra* note 40, at 4-5.

169. The government already funds much of the research and development in the areas of national defense and public health. F. VAUGHN, *supra* note 40, at 314-15.

170. "The value of a patent is ultimately determined by the marketplace, and is generally difficult to judge from reading the application." *Hearings*, *supra* note 165, at 172 (testimony of Karl E. Bakke, General Counsel, United States Dept. of Commerce).

171. "The patent system is strange and weird territory to most judges." Fortas, *supra* note 40, at 810. "[The patent system] is also an island harboring a family of specialists who have

source of judicial disaffinity for patents; courts occasionally have admitted defeat in their attempts to comprehend the technical aspects of the cases before them.¹⁷² While the Supreme Court in *Blonder-Tongue* asserted that issues in patent cases are no more difficult than those involved in determinations of negligence and scienter, it nevertheless included in the *Blonder-Tongue* test the determination whether the judge in the first adjudication wholly failed to grasp the subject matter.¹⁷³ Technological considerations aside, the fact that few judges sitting on patent cases have significant experience in the litigation of patent claims¹⁷⁴ can generate inconsistent applications of the relevant legal standards for adjudication.

To counteract the reconditeness of patent litigation and the judicial antipathy it stimulates, the legislative establishment of specialized courts performing all patent litigation is a feasible alternative.¹⁷⁵ Specialized courts designed to deal with various problems have long been a part of our juridical heritage;¹⁷⁶ for example, the Tax Court has been said to deal "with a subject that is highly specialized and so complex as to be the despair of judges."¹⁷⁷ Al-

developed folkways that have only a generic relationship to the rest of the nation." *Id.* at 815.

172. See *Nyyssonen v. Bendix Corp.*, 342 F.2d 531, 532 (1st Cir. 1965), in which the court noted: "[T]his case presents great difficulties to judges like ourselves who have only the most elementary training in science and mathematics and little experience with modern technological developments." The court further stated: "We frankly admit that we cannot read [the plaintiff's patents] intelligently. . . . Moreover, we have great difficulty in understanding, even in a general way, the technical testimony of the experts and the discussion of that testimony by counsel orally and in their briefs. However, we must do the best we can." *Id.* at 533-34. It has been noted that the resulting "judicial hunch" method of decisionmaking creates inconsistent holdings which prevent prelitigation assessment of infringement allegations. Note, *supra* note 91, at 1170.

173. See notes 51-54 *supra* & accompanying text. The Court in *Blonder-Tongue* stated that failures to grasp the subject matter were "relatively rare instances." 402 U.S. at 333. Determining when such an event occurs will be difficult because it would appear that judicial pride would prevent most admissions of such inability and judicial fraternity might preclude attacks on another's ability. See note 84 *supra* & accompanying text. Also, the mere quotation from the patent application could give any opinion an appearance of understanding which would be difficult to rebut.

174. See *Fortas*, *supra* note 40, at 815. The relative inexperience of the judge is emphasized in contrast by the fact that the attorneys in a case may be quite experienced in the patent law specialty.

175. Brenner, *The Challenges to the Patent Systems in the 1970's*, 53 J. PAT. OFF. Soc'y 407, 418 (1971). It has been noted that there are more than 500 federal district and appellate judges trying patent cases. Rollins, *supra* note 1, at 590-91.

176. See Whitney, *The Case for Creating a Special Environmental Court System*, 14 WM. & MARY L. REV. 473, 475 n.8 (1973).

177. *Dobson v. Commissioner*, 320 U.S. 489, 498 (1943).

though the overall economic and political aspects of patent law may not approach the ramifications of tax law, the patent field is undeniably complex and equally specialized.¹⁷⁸

A court for infringement and other patent actions also would be justified because of the expertise that could be developed within a patent court judiciary. Staffing the court from the patent bar would assure understanding of the patent system among the judiciary. Another byproduct of a patent court, a more consistent application of pertinent standards, would minimize the effects of decisions that have cited, but distorted, the *Blonder-Tongue* and *Graham* holdings. A uniform application of obviousness criteria could be expected. Moreover, rather than extending *Blonder-Tongue* to impute as in rem effect to a finding of patent invalidity by the patent court, the court could apply a more traditional notion of collateral estoppel to preserve justice and equity by utilizing the *Bernhard* standards of finality of judgment and identity of issue and of parties to determine whether validity should be relitigated.¹⁷⁹ Although the court could apply equitable considerations to the evidentiary aspects of the prior litigation, the suggested approach would mitigate concern over the substantive and procedural aspects of the previous litigation. In effect the expertise and uniformity of standards of a patent court would remove the need for a *Blonder-Tongue* equitable review doctrine.

A special court for patent litigation, however, appears to be an unlikely legislative choice for several reasons. First, the federal courts have long been the traditional battleground for patent litigation, and as a means of developing judicial expertise, some consideration in assigning cases appears to be given to those judges specifically qualified or interested in the field of patent law,¹⁸⁰ somewhat obviating the need for specialized development of patent law judges. Furthermore, procedural and evidentiary aspects of a patent trial

178. Since the scope of patent courts could be narrowly defined, their establishment would not present the problems of political, administrative, and judicial interface which have been raised by proposals for an environmental court system. See generally Whitney, *supra* note 176. The American Bar Association has endorsed a proposal for the establishment of an intermediate level appellate court called the National Division of the United States Court of Appeals with jurisdiction between that of the courts of appeal and the Supreme Court and possibly exclusive jurisdiction over tax and patent cases. The Washington Post, Feb. 6, 1974, § A, at 2, col. 1.

179. See notes 10 & 11 *supra* & accompanying text.

180. See Remarks of Moderator Graves, *Symposium*, *supra* note 14, at 763-64. See also Rollins, *supra* note 1, at 591.

are no different from those a federal judge normally confronts. Furthermore, when choosing between a major alteration in the present system, such as the creation of a new court, and modification of the existing structure, a legislative body is perhaps more likely to choose the latter.¹⁸¹ *Blonder-Tongue* and its kin, therefore, may affect patent legislation primarily by stimulating improvements in the operating procedures of the Patent Office.

Decisionmaking in the Patenting Process

A fourth consideration shaping judicial attitudes towards patents concerns the decisionmaking process used to award patents.¹⁸² Patent Office procedure calls for the applicant's request to be reviewed by an examiner who serves as both adversary and adjudicator,¹⁸³ the adversary function being provided by the examiner's search to determine factually that the invention does not duplicate a similar item previously patented. After his examination of prior patents, the examiner makes an adjudicatory finding of patentability. This dual role of the examiner is one aspect of the patenting process that invites judicial concern;¹⁸⁴ another is that the secrecy of the *ex parte* proceeding may invite misrepresentation on the part of the patent seeker.¹⁸⁵

181. In a review of proposals for changes in administrative agency procedures, including the establishment of administrative courts, one commentator has asserted that, where possible, the more provident method of curing defects is to alter existing agencies instead of creating new ones. Kintner, *The Current Ordeal of the Administrative Process: In Reply to Mr. Hector*, 69 YALE L.J. 965 (1960).

182. Fortas, *supra* note 40, at 815. See generally F. VAUGHN, *supra* note 40, at 25.

183. 35 U.S.C. § 131 (1970). It has been stated that the Patent Office regards the procedure as one in which the examiner is strictly an adversary. Fortas, *supra* note 40, at 816. Certain proceedings in the application process clearly are adversary in nature; for example, when two potential patentees dispute the priority of invention for the same discovery, "interference" proceedings are held to resolve the dispute. 35 U.S.C. § 135 (1970). The number of interference proceedings traditionally has been very small. F. VAUGHN, *supra* note 40, at 24.

184. Similar duality of roles in administrative agencies such as the Civil Aeronautics Board has evoked sharp criticism. See Hector, *Problems of the CAB and the Independent Regulatory Commissions*, 69 YALE L.J. 931 (1960). Hector severely criticizes the Board's authority over the conflicting functions of the adjudication, administration, policymaking, investigation and industry development, arguing that lessened credibility is inevitable when adjudications are subject to *ex parte* influence. Similar arguments can be applied to the Patent Office since the examiners make physical searches for prior art, then make factual determinations of a basically adjudicatory nature based on their own searches and the urging of the patent applicant in a secret proceeding.

185. See Kennedy, *supra* note 42, at 529.

Direct and indirect emphasis on the quantity, rather than quality, of patent evaluations by the Patent Office is another source of judicial dissatisfaction with Patent Office procedures. Because the number of patent applications has risen and forecasts predict a continuing geometric increase,¹⁸⁶ the number of applications alone necessitates a certain emphasis on quantity; additionally, the promotion possibilities of examiners are determined partially by their ability to process a large volume of applications.¹⁸⁷ Inasmuch as this inevitable emphasis on quantity may lessen the time spent on each application searching prior patents in its field, it can result in a Patent Office standard of patentability which may be less rigorous than that applied by the courts. Because of the increased scrutiny given to a patent in a truly adversary adjudication and because of the judiciary's expressed desire to limit specious patents, courts interpret strictly the patent criteria.¹⁸⁸

A further aspect of Patent Office procedure that can be offensive to the courts is the one-sided procedure used to contest examiner decisions.¹⁸⁹ Should a potential patentee be denied his application, he can appeal the denial within the Patent Office¹⁹⁰ and to the Court of Customs and Patent Appeals.¹⁹¹ If, however, the patent is issued upon the first examination, no appeal can be taken on behalf of the Government to further the public interest in the elimination of specious patents.¹⁹² The appellate process thus is designed to accommodate individual patent seekers who are dissatisfied by the nonis-

186. See Brenner, *supra* note 175, at 410.

187. *Hearings*, *supra* note 165, at 445-46 (testimony of Mr. Weissman, primary examiner, Patent Office); *id.* at 89 (statement of Edward S. Irons, attorney, Washington, D.C.). Cf. Horn & Epstein, *supra* note 154, at 139. See also Brenner, *supra* note 175, at 417.

188. A presentation of relevant prior art not considered by the Patent Office during the original application process in a subsequent trial will "vitiate" or "dissipate" the statutory presumption of validity, 35 U.S.C. § 282 (1970). See, e.g., *Hewlett-Packard Co. v. Tel-Design, Inc.*, 460 F.2d 625 (9th Cir. 1972); *Westwood Chem., Inc. v. Owens-Corning Fiberglas Corp.*, 445 F.2d 911 (6th Cir. 1971), *cert. denied*, 405 U.S. 917 (1972); *B.F. Goodrich Co. v. Rubber Latex Prods., Inc.*, 400 F.2d 401 (6th Cir. 1968). Some practitioners have resisted modification of the examination system because of the accustomed reliance on the possibility of citing prior art not originally considered to invalidate adverse patents in litigation. Woodward, *supra* note 46, at 213.

189. See Kennedy, *supra* note 42, at 523.

190. A rejected application will be reviewed first by the Board of Appeals. 35 U.S.C. § 134 (1970).

191. 35 U.S.C. § 141 (1970).

192. The Commissioner of Patents may only invalidate a patent if it is ruled invalid in a subsequent interference proceeding. 35 U.S.C. § 135(a) (1970).

suance of a patent, whereas the reevaluation of patents issued against the public interest is not made by an appellate review of the Patent Office proceeding, but left to the courts in subsequent litigation of licensing agreements or alleged infringement.¹⁹³

To reduce judicial disaffinity for patent litigation and to accommodate the patent system to cases like *Blonder-Tongue*, legislative reform of the patent system most likely will be directed to the decisionmaking process within the Patent Office. The basic procedures established in 1836 have undergone only minor alterations.¹⁹⁴ Since that time, the number of patent applications has increased substantially, and the sheer volume of prior art that must be searched to determine patentability has mushroomed.¹⁹⁵

Moreover, since the 1830's the "fourth branch" of government, the administrative branch, has become a viable arm of the governmental process,¹⁹⁶ the independent administrative agency, with legislative and adjudicatory functions, becoming an accepted means by which Congress has delegated the day-to-day operation of various programs and the factual determination of controverted issues.¹⁹⁷ Inasmuch as administrative agencies have adjudicated license applications successfully in such fields as transportation, communications, and aviation, a legislative attempt to adapt the patenting procedure to a similar adjudicatory process is not an unreasonable expectation.¹⁹⁸

Attempts to reorganize the Patent Office along the lines of other

193. See Horn & Epstein, *supra* note 154.

194. See Woodward, *supra* note 46. See also President's Message to Congress on Sept. 27, 1973, regarding enactment of the Patent Modernization & Reform Act of 1973, 119 CONG. REC. H8381 (daily ed. Sept. 27, 1973).

195. One estimate based on a Patent Office study has predicted that the number of patent publications in the 1970's will double the number of prior art references created in the last 150 years. Brenner, *supra* note 175, at 410.

196. See J. LANDIS, *supra* note 153.

197. Professor Landis argued that the inefficiency of the legislative and judicial branches in regulating the industrializing economy led to the creation of governmental agencies. J. LANDIS, *supra* note 153. He also traced the course of judicial rhetoric that originally opposed the delegation of legislative functions to and usurpation of judicial functions by administrative agencies but that finally acknowledged and used as justification the expedience of such delegations so long as "roving commissions" were not created. *Id.*

198. The administrative process has suffered when legislative standards have lacked clarity and uncertain judicial rationales have created the likelihood of unpredictable determinations. H. FRIENDLY, *THE FEDERAL ADMINISTRATIVE AGENCIES* (1962). The agencies, however, have served as the means for accomplishing tasks too ministerial for Congress and too policy-determinative for the judiciary to undertake on a case-by-case basis. *Id.*

administrative agencies have been under way for some time.¹⁹⁹ The proposals would leave the Patent Office within the Department of Commerce but stress independent exercise of discretion concerning the rulemaking, investigatory, and adjudicatory functions of the Patent Office.²⁰⁰ The paramount objective of the proposals is the creation of an administrative agency determination within the present Patent Office that would strengthen the patenting process,²⁰¹ provide a mechanism for ensuring high standards of patentability,²⁰² and thereby establish a true presumption of validity for any patent issued from the Patent Office.²⁰³

In differing degrees, the present proposals attempt to withdraw from the examiner the duty of advocating the public interest. To strengthen the adversary nature of the proceeding while allowing a more truly adjudicatory role to the examiner, a separate officer, called the "Solicitor," would serve as an official defender of the public interest in a patent application proceeding.²⁰⁴ The proceeding

199. Since 1966 the following bills to revise the patent laws have been introduced into the Senate without enactment: S. 1042, 90th Cong., 1st Sess. (1967); S. 2597, 90th Cong., 1st Sess. (1967); S. 3892, 90th Cong., 2d Sess. (1968); S. 1246, 91st Cong., 1st Sess. (1969); S. 2576, 91st Cong., 1st Sess. (1969); S. 643, 92d Cong., 1st Sess. (1971); S. 1321, 93d Cong., 1st Sess. (1973) [hereinafter cited as S. 1321]; S. 2504, 93d Cong., 1st Sess. (1973) [hereinafter cited as S. 2504]; S. 2930, 93d Cong., 2d Sess. (1974). The bills presently under consideration include the following: S. 23, 94th Cong., 1st Sess. (1975) (introduced by Senator McClellan) [hereinafter cited as S. 23]; S. 214, 94th Cong., 1st Sess. (1975) (introduced by Senator Fong) [hereinafter cited as S. 214]; S. 973, 94th Cong., 1st Sess. (1975) (introduced by Senator Hart) [hereinafter cited as S. 473].

There appears to have been strong reaction by the patent bar against S. 2504 and especially S. 1321, both introduced in the 93d Congress. See 121 CONG. REC. S387 (daily ed. Jan. 17, 1975) (remarks of Senator Fong). Senator McClellan also has expressed doubt that S. 2504 would have promoted the objectives of the reform initiated by the 1966 Report on the President's Commission on the Patent Office and therefore has submitted his own bill to effectuate those changes. 121 CONG. REC. S413 (daily ed. Jan. 17, 1975) (remarks of Senator McClellan). Senator Hart, whose bill, S. 1321, met strong opposition, also has resubmitted a bill to maintain some of the changes he sought by the earlier bill. The Fong bill attempts to minimize statutory changes to minimize functional changes; the McClellan and Hart bills, however, would make major alterations through total revision of the patent laws. Further proposals possibly incorporating portions of past bills not included in present proposals, see note 213 *infra*, may be forthcoming.

200. S. 23, § 1; S. 214, § 1. The Hart bill also would apply the Administrative Procedure Act, 5 U.S.C. §§ 551-59, 701-06 (1970), to Patent Office proceedings.

201. See President's Message to Congress on Sept. 27, 1973, regarding enactment of the Patent Modernization & Reform Act of 1973, 119 CONG. REC. H8381 (daily ed. Sept. 27, 1973).

202. See Rollins, *supra* note 1, at 571.

203. The presumption is presently very easy to rebut. See note 188 *supra*.

204. S. 1321, the previous Hart bill, had designated this officer the "Public Counsel" and had given him discretionary authority to intervene in any proceeding. Under the current Hart

itself would then become a true adversary proceeding between opposing factions with the examiner serving as the "presiding officer" and impartial arbiter.

The special officer also would be responsible for defending, and possibly initiating, appeals on behalf of the public interest.²⁰⁵ Initial review would be to a board within the Patent Office,²⁰⁶ with further review of any decision being taken to the Court of Customs and Patent Appeals.²⁰⁷ While this procedure is presently available to the patent applicant,²⁰⁸ no appeal is now available for an advocate of the public interest. Since the proposed proceedings would result in an adjudication before the primary examiner where the solicitor had participated, or before the Board of Appeals, the solicitor may desire further appeal if a patent were to be granted over his objection. An appeal of the validity decision, when upheld by a board of appeals and an independent adjudicatory body, would tend to establish a presumption of validity that would be difficult to rebut in any fu-

and McClellan proposals, the solicitor would intervene only upon request of the primary examiner or the Board of Examiners-in-Chief (a separate creation of those bills, similar to the present Board of Appeals which would be maintained under the Fong bill). S.23, § 3(d)(1); S. 473, § 3(d)(1).

205. While clearly stated in the Hart bill, S. 473, §§ 3(d)(2), 134(a)(1), this function is not entirely clear in the McClellan bill. Under section 3(d)(2) of the McClellan bill, the officer is mandated to "defend appeals." Under section 3(d)(3), upon becoming a party the officer has all the rights and powers afforded parties, which include, under section 141, the appeal of a final decision of the Patent Office to the Court of Customs and Patent Appeals. Under section 134, however, only an "applicant" may appeal a decision of a primary examiner to the Board of Examiners-in-Chief. S. 23, § 134. Thus, under the McClellan bill, the solicitor apparently would have to be a party to the proceeding in the Patent Office to initiate an appeal and, even then, could only appeal decisions of the Board of Examiners-in-Chief. Since access to "party" status would be limited, and since decisions by primary examiners would stand even though the solicitor was a party and disagreed, problems of appeals on behalf of the public interest could arise.

206. The McClellan and Hart proposals would expand the present Board of Appeals, 35 U.S.C. § 7 (1970), to 60 members, renaming it the Board of Examiners-in-Chief. S. 23, § 5; S. 473, § 5. Members of the Board would hear appeals from decisions of primary examiners as *inter partes* proceedings and determine patentability *de novo* or remand for a new determination by the primary examiner. S. 23, § 134; S. 473, § 134. The action of the Board of Examiners-in-Chief would constitute final agency action from which further appeal would proceed outside the Patent Office. S. 23, § 5(d); S. 473, § 5(d).

207. S. 23, § 141; S. 214, § 141; S. 473, § 141. Review by civil action, however, also would be available in the United States District Court for the District of Columbia under section 145 of each proposed bill. The McClellan bill would limit appeals of priority contests to the Court of Customs and Patent Appeals. S. 23, § 141(b).

208. 35 U.S.C. § 141 (1970).

ture infringement litigation.²⁰⁹ In subsequent infringement litigation, the issue of patent validity would be established substantially and only a cursory review would be necessary.²¹⁰ The presumption could become even stronger were review of the board of appeals decision limited to the Court of Customs and Patent Appeals,²¹¹ establishing it as a specialized court for validity-invalidity determinations. Although it partially serves that function already, its review presently is limited to reconsidering the denial of a patent application. If established as the validity reviewer, as well, it also could consider revocation of a patent if its approval were to be appealed by the solicitor.

With the Court of Customs and Patent Appeals legislatively established as a specialized court to determine and apply patentability standards, it could draw its members from the patent bar, and its continual adjudication of patent matters would facilitate the development of the requisite technological expertise. Its decision still would be subject to review by the Court of Appeals for the District of Columbia Circuit and Supreme Court. While this pro-

209. The proposed bills make no major alteration or augmentation to the statutory presumption of validity (35 U.S.C. § 282 (1970)). The proposed sections do add procedural requirements to infringement suits so as to notify the opposing parties of the specific infringement or any material to be relied upon to invalidate the patent. S. 23, § 282; S. 473, § 282. See also S. 214, § 282(c). The basic provision remains: "A patent shall be presumed valid." S. 23, § 282(a); S. 214, § 282(a); S. 473, § 282(a).

210. Once the proposed procedures for review were established within the Patent Office, an additional step could be taken to eliminate judicial determinations of validity. If substantial evidence were raised in a subsequent infringement suit so as to cast doubt on a Patent Office decision not fully appealed or opposed by the public counsel, the validity determination could be referred to the Patent Office for board review. Such a procedure would be available under the Fong bill, which would allow any person, presumably including a judge, to request reexamination of a patent at any time after issuance of the patent. S. 214, § 313. The McClellan and Hart proposals provide limited reexamination proceedings. See note 214 *infra* & accompanying text. It has been argued that only "weak" patents need further litigation to establish their validity. Horn & Epstein, *supra* note 154. Revised Patent Office procedures should eliminate weak patents prior to their issuance, but, should the weakness become apparent only after the initial adjudication, a second look by the Patent Office could clarify the issue for the trial court (perhaps terminating the suit through invalidation or settlement) and could strengthen further the role of the Patent Office as the patent validity forum.

211. The McClellan bill restricts review with respect to any priority of invention proceeding to the Court of Customs and Patent Appeals. S. 23, § 141(b). Within certain time limits any other appeal could be transferred to, or taken initially in, the United States District Court for the District of Columbia under either the McClellan bill or the Hart bill. S. 23, § 141(a); S. 473, § 141. Under the Fong bill, any initiation of proceedings at the Court of Customs and Patent Appeals is a waiver of the right to a civil action in the district court. S. 214, §§ 141(a), 145.

posed expansion of the jurisdiction of the Court of Customs and Patent Appeals falls short of establishing a specialized court for all patent matters, it could provide at least some of the benefits of a specialized court.²¹²

Further proposed modifications of Patent Office procedure to allow reexamination would protect other parties, who, although not directly involved with a patent application, might have potentially adverse interests.²¹³ Current proposals provide a grace period after the granting of the patent during which any individual could submit additional information and request further examination.²¹⁴ In addition, in proceedings before a board of appeals, the board members would be empowered to issue subpoenas or other orders to provide discovery upon application by any party to the proceeding, including the solicitor.²¹⁵ The proposals also direct the Commissioner of

212. See notes 175-81 *supra*.

213. Under section 122(a) of S. 1321, the previous Hart bill, all pending applications would have been made public, with certain national security exceptions. S. 1321, §§ 122(a), 122(b), 181. Section 137 provided: "Any party may at any time participate or intervene in any proceeding arising pursuant to this title, or initiate, participate, or intervene in any appeal therefrom, and thereby shall become a party of record." These proposals were opposed for several reasons. First, the lack of secrecy would have allowed foreign competitors to patent the items in their countries since international agreements to prevent such occurrences would not come into effect until the grant of the United States patent. *Hearings, supra* note 165, at 76 (statement of William E. Schuyler, Jr., on behalf of American Bar Association). Additionally, the lack of secrecy would have denied the inventor the opportunity to withdraw his application. *Id.* at 79-80. Another criticism of increased public participation was that it might have exposed the applicant "to harassment with extensive discovery and full blown interpartes proceedings." *Id.* at 71 (testimony of C. Marshall Dann, President, American Patent Law Association). Nevertheless, adversary proceedings at the pre-issuance stage possibly could provide the highest degree of reliability for the patent validation process where a "full blown interpartes proceeding" had taken place.

214. The McClellan bill would allow any person to bring to attention "matters which may have a bearing on the validity of any claim of the patent" for a period of 12 months after issuance of the patent. S. 23, § 135(a)(1)(A). After a response by the patentholder, the solicitor would review the matter and recommend to the Board of Examiners-in-Chief whether to hold an opposition proceeding. S. 23, § 135(a)(1)(C). The individual seeking the reexamination then would become a party to the proceeding. S. 23, § 135(a)(2)(A). The Hart bill would allow reexamination only for a six-month period after issuance with review by a primary examiner. S. 473, § 135(a). The party requesting the reexamination would not participate or be required to be identified, but he could appeal the primary examiner's decision only if he were identified. S. 473, § 135(b)(3). These proposals would maintain the advantages of secrecy in the application proceeding and reduce potential harassment, but also maintain an opportunity for members of the public to produce relevant prior art before being affected adversely by the patent.

215. S. 23, § 23(a); S. 473, § 23(a). The McClellan bill would require a showing of good cause. The Hart bill would require a good cause showing only in reexamination proceedings

Patents to establish rules for discovery consonant with those in the federal courts.²¹⁶ In effect, the patent reexamination proceeding could become a true adjudicatory hearing.

The most cogent argument against an adversary proceeding is that the increased time and expense of the hearing might discourage the disclosure of inventions through the patenting process.²¹⁷ Current proposals, however, would obviate partially the need for adjudications on every application by creating an obligation for applicants to act with candor and good faith toward the Patent Office, to make a reasonable inquiry into information within their control, and to disclose all information which would prevent their application from being misleading.²¹⁸ Enforcement of these duties²¹⁹ should prevent certain specious patents, such as those in the Technograph litigation,²²⁰ from ever reaching the application stage. Prospective applicants and their representatives would be less tempted to push "weak" patents through the Patent Office if they could be held

and would allow subpoenas *ex parte* for the solicitor and parties to interference or priority proceedings. The Fong bill would require issuance through a federal district court. S. 214, § 24. It has been noted: "Every federal agency except the Patent Office that is charged with the duty of adjudicating applications for special licenses of franchises has, by rule or statute or both, subpoena power to compel relevant testimony and document submission. . . . [The Patent Office] lacks even the power to compel patent applicants to disgorge all relevant facts of which they may be possessed." *Hearings, supra* note 165, at 89 (statement of Edward S. Irons, attorney, Washington, D.C.).

216. S. 23, § 23(b)(1); S. 473, § 23(b)(1); S. 214, § 24(a).

217. See, e.g., *Hearings, supra* note 165, at 71 (statement of C. Marshall Dann, President, American Patent Law Association).

218. S. 23, §§ 115(a)(1), (2); S. 214, § 115(a). The Hart bill would make the obligation a "continuing uncompromising duty to act with the highest degree of candor and good faith" S. 473, § 115(a)(1). In addition these proposals would require a verification by the inventor that he "believes himself to be the original and first inventor" S. 23, § 115(b)(2); S. 214, § 115(a); S. 473, § 115(b)(1). All three proposals create a duty for the applicant and his agents to notify the Patent Office of any change in any information submitted until the time the patent is issued. S. 23, § 115(a)(3); S. 214, § 115(d); S. 473, § 115(a)(3).

219. The Hart bill would create criminal penalties for violation of the duty to disclose by making willful failure to disclose to the Patent Office a separate crime. S. 473, § 34.

220. See note 66 *supra* & accompanying text. The current legislative proposals effectively would eliminate patents which although valid are not economically productive by requiring payment of maintenance fees during the life of the patent; if payments are discontinued, the patent terminates. Thus an economically unproductive patent would lapse when its owner failed to pay maintenance fees as they came due. S. 23, § 41(f); S. 214, § 43; S. 473, § 41(f). Maintenance fees have been criticized as burdensome to a patentee whose patent takes time to realize commercial success. See *Hearings, supra* note 165, at 175 (testimony of Karl E. Bakke, General Counsel, United States Dept. of Commerce).

criminally responsible for such actions.²²¹

Participation by the solicitor only upon request of the examiners involved also will expedite the application process.²²² The application process thus should be fully adversary only when substantial issues of patentability are raised. Although appeals of negative determinations and reexaminations also would be *inter partes*, the added time and expense is justifiable to preclude frivolous appeals in the former situation and to ventilate adequately the issues contested in both types of proceedings.²²³

Restructuring the patenting process should encourage more favorable judicial treatment of patents. At a minimum, the pending legislation should establish a system which will enable a court, in a subsequent infringement suit, to review the patent in much the same manner as it would review any administrative agency action.²²⁴ Where a full appeal was taken and the validity determination survived the increased scrutiny on agency review, a conclusive presumption of validity could result. In litigation involving only an examiner's finding, a court could employ the familiar "substantial evidence in the record" test to review the findings.²²⁵ The proposed reforms could strengthen the present statutory presumption of validity to the point that validity determinations in infringement litigation would demand only cursory treatment.²²⁶ While the possibility of a later holding of invalidity by a trial court would remain, the probability of such a holding would become increasingly remote, particularly as the restructured Patent Office eliminates the weaker patent applications by increased scrutiny and more stringent application of patentability criteria. Thus, the legislative reforms could reduce the judicial suspicion of patents, make patent law enforce-

221. The proposed bills note that willful false statements made to a federal agency are punishable under the United States Code, 18 U.S.C. § 1001 (1970), by fine or imprisonment or both. See S. 23, § 25(c); S. 214, § 25(c); S. 473, § 25(c).

222. See note 204 *supra*.

223. Although harassment could result from the reexamination proceedings, *cf.* note 213 *supra*, the Patent Office would seem the logical place in which to expend the resources required to make such determinations, rather than in district and circuit courts applying differing standards of patentability. See notes 154-55 *supra* & accompanying text; Appendix B *infra*.

224. Fortas, *supra* note 40, at 819.

225. *Id.* See also *United States v. Carlo Bianchi & Co.*, 373 U.S. 709, 715 (1963) ("The term 'substantial evidence' in particular has become a term of art to describe the basis on which an administrative record is to be judged by a reviewing court.").

226. See note 210 *supra* & accompanying text.

ment less complex, and make the creation and application of nebulous standards by the judiciary less necessary.

CONCLUSION

Notwithstanding efforts and desires to revise the patenting process, legislative reform has been painfully slow.²²⁷ While *Blonder-Tongue* and other decisions have made broad changes in the field of patent law, they may not have furthered the overall interests of the patent system. Hopefully, they will stimulate legislative action to effect fundamental changes in the patenting process. Should legislative reform not be forthcoming, however, the courts applying the standards of equitable review established in *Blonder-Tongue* should not hesitate to relitigate validity determinations. Only by such relitigations can the courts refine the standards of equitable review, as well as the standards of patentability and obviousness, through appropriate appellate channels.²²⁸

227. See note 199 *supra*. Senator Hart, however, whose bills have advocated more drastic reform than other proposals, introduced his present bill with the hopeful statement: "I believe that we are close to a consensus on the subcommittee and hope that the 94th Congress will enact legislation modernizing the Patent Code." 121 CONG. REC. S1482 (daily ed. Jan. 29, 1975).

228. The final appellate tribunal, the Supreme Court, unfortunately has declined to answer specific questions regarding the application of *Blonder-Tongue*. See *Safe Flight Instrument Corp. v. McDonnell-Douglas Corp.*, 482 F.2d 1086 (9th Cir.), *cert. denied*, 94 S.Ct. 843 (1973); *Bourns, Inc. v. Allen-Bradley Co.*, 480 F.2d 123 (7th Cir.), *cert. denied*, 94 S.Ct. 726 (1973) (both parties appealing for clarification of *Blonder-Tongue*); *Technograph Printed Circuits, Ltd. v. Martin-Marietta Corp.*, 474 F.2d 798 (4th Cir.), *cert. denied*, 414 U.S. 880 (1973); *Penn Yan Boats, Inc. v. Sea Lark Boats, Inc.*, 359 F. Supp. 948 (S.D. Fla.), *aff'd mem.*, 479 F.2d 1328 (5th Cir. 1972), *cert. denied*, 414 U.S. 874 (1973); *Parker-Sweeper Co. v. E.T. Rugg Co.*, 474 F.2d 950 (6th Cir.), *cert. denied*, 414 U.S. 829 (1973).

Appendix A

The Technograph Printed Circuits, Ltd. Litigation

Year	Fourth Circuit	Seventh Circuit	Ninth Circuit	Court of Claims
1962-63	<ul style="list-style-type: none"> • <i>— v. Bendix Aviation Corp.</i>—"test case" 218 • F. Supp. 1 (D. Md. 1963), patent invalid. 	<ul style="list-style-type: none"> • 6 actions, 2 settled, summary judgments granted. 	<ul style="list-style-type: none"> • • • • 	<ul style="list-style-type: none"> • • • •
1964	<ul style="list-style-type: none"> • <i>Aff'd</i>, 327 F.2d 497, cert. denied, 379 U.S. 826. 		<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • •
1965	<ul style="list-style-type: none"> • <i>Graham v. John Deere Co.</i> decided by Supreme Court. 	<ul style="list-style-type: none"> • <i>— v. Methode Electronics</i> • 356 F.2d 442, rev'd (based on <i>Triplet</i>). 	<ul style="list-style-type: none"> • <i>— v. Packard Bell Electronics Corp.</i> 	<ul style="list-style-type: none"> • • •
1967	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • <i>— v. United States</i>, 372 F.2d 969, 178 Ct. Cl. 543 (motion for summary judgment denied).
1968	<ul style="list-style-type: none"> • • • • • 	<ul style="list-style-type: none"> • 285 F. Supp. 714 (N.D. Ill. 1968) (class action). 	<ul style="list-style-type: none"> • 290 F. Supp. 308 (C.D. Cal. 1968) (plaintiff failed to produce evidence, no appeal taken). 	<ul style="list-style-type: none"> • • • •
1970	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • 164 U.S.P.Q. 564 (patent held invalid by Comm'r, decision of Court held until <i>Blonder-Tongue</i>).
1971	<ul style="list-style-type: none"> • <i>Blonder-Tongue</i> decided. 	<ul style="list-style-type: none"> • • 	<ul style="list-style-type: none"> • • 	<ul style="list-style-type: none"> • •
1972	<ul style="list-style-type: none"> • <i>— v. Martin-Marietta Corp.</i>, 340 F. Supp. 423 (D. Md.) (based on claims not invalidated in <i>Bendix, Blonder-Tongue</i> applied to diamisa). 	<ul style="list-style-type: none"> • 174 U.S.P.Q. 297 (N.D. Ill.) (collateral estoppel based on <i>Bendix</i>). 	<ul style="list-style-type: none"> • • • • • • • 	<ul style="list-style-type: none"> • • • • • • •
1973	<ul style="list-style-type: none"> • <i>Aff'd</i>, 474 F.2d 795, cert. denied, 94 S. Ct. 68. 	<ul style="list-style-type: none"> • <i>Aff'd</i>, 484 F.2d 905. 	<ul style="list-style-type: none"> • • 	<ul style="list-style-type: none"> • 484 F.2d 1383 (collateral estoppel applied based on <i>Bendix</i>).

Appendix B

The Blumcraft Litigation

Year	Court of Claims	Fourth Circuit	Tenth Circuit	Fifth Circuit
1962	• • •	• Sept., Filed, D.S.C., • — v. Citizens & Southern • Nat'l Bank of S.C.	• • •	• • •
1963	• Feb.-Filed • — v. United States.	• •	• •	• •
1966	• • <i>Graham v. John Deere Co.</i> • decided by Supreme Court.	• • •	• • •	• • •
1967	• Feb., 372 F.2d 1014, 178 • Ct. Cl. 798 (patent valid • and infringed).	• May-Trial. • •	• • •	• • •
1968	• • •	• May-286 F. Supp. 448 • (separate validity • determination—valid).	• Aug.-Filed, D. Kan., — • v. Architectural Art • Mfg., Inc.	• • •
1969	• • •	• Rev'd, 407 F.2d 557, Feb. 9 • 1969 ("obvious," applying • <i>Graham</i> standards).	• Motion for summary judgment. • •	• June-Filed, N.D. Ga., — • v. Kawneer Co. •
1970	• • •	• Cert. denied, 395 U.S. 961, • 396 U.S. 870, 396 U.S. 949, •	• • •	• June-Motion for summary judg- • ment denied, 318 F. • Supp. 1399.
1971	• • <i>Blonder-Tongue</i> decided. • •	• • •	• Motion for summary judg- • ment amended to include • collateral estoppel. •	• Motion to stay for <i>Blonder- • Tongue</i> decision. Motion for • summary judgment again denied, • 341 F. Supp. 1018.
1972	• • • •	• • • •	• Motion granted, 337 F. • Supp. 853. May- <i>aff'd</i> , 459 • F.2d 482. •	• Mar.-Summary judgment denied, • Sept.-Granted after 10th Cir. • action, <i>aff'd</i> , 482 F.2d 542 • (July 20, 1973).