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## Blonder-Tongue: Collateral Estoppel in Patent Infringement Cases, 5 J. Marshall J. of Prac. & Proc. 356 (1972)

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*BLONDER-TONGUE*: COLLATERAL ESTOPPEL  
IN PATENT INFRINGEMENT CASES

INTRODUCTION

In *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation*<sup>1</sup> the Supreme Court of the United States reversed the rule established in *Triplett v. Lowell*,<sup>2</sup> that in patent infringement cases, a judgment of invalidity against any or all claims of a patent will not operate as an estoppel in another action involving the same patent but different defendants.<sup>3</sup>

By specifically reversing *Triplett*, is the Supreme Court now saying that a finding of patent invalidity will operate in effect as in rem adjudication of the patent — or is its decision less encompassing?

The first infringement suit involving the patent in *Blonder-Tongue* was filed on March 8, 1966, in the Southern District of Iowa against Winegard Company, a manufacturer of another accused product. Prior to a determination in the Iowa suit, an infringement suit was filed on March 29, 1966, against a customer of *Blonder-Tongue* in the Northern District of Illinois. *Blonder-Tongue* submitted itself to the jurisdiction of the Illinois Court for the purpose of defending its customer. In June, 1967, following the filing of the Illinois suit, Judge Stephenson in the Southern District of Iowa entered judgment against plaintiff, University of Illinois Foundation, assignee of the patent, finding the patent invalid on the ground that “[I]t would have been obvious to one ordinarily skilled in the art . . . to combine these three old elements, all suggested by the prior art references previously discussed.”<sup>4</sup>

The decision of the District Court in the Southern District of Iowa was unanimously affirmed by the Court of Appeals for the Eighth Circuit on September 30, 1968.<sup>5</sup> On June 27, 1968,

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<sup>1</sup> *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation*, 402 U.S. 313 (1971) [hereinafter cited as *Blonder-Tongue*].

<sup>2</sup> *Triplett v. Lowell*, 297 U.S. 638 (1936) [hereinafter cited as *Triplett*]: Neither reason nor authority supports the contention that an adjudication adverse to any or all the claims of a patent precludes another suit upon the same claims against a different defendant. While the earlier decision may by comity be given great weight in a later litigation and thus persuade the court to render a like decree, it is not *res adjudicata* and may not be pleaded as a defense.

*Id.* at 642.

<sup>3</sup> The discussion in this article will be limited to the plea of collateral estoppel.

<sup>4</sup> *University of Illinois Foundation v. Winegard Company*, 271 F. Supp. 412, 419 (S.D. Iowa 1967).

<sup>5</sup> *University of Illinois Foundation v. Winegard Company*, 402 F.2d 125 (8th Cir. 1968).

prior to the affirmance by the Eighth Circuit, Judge Hoffman in the Northern District of Illinois rendered judgment against defendant, Blonder-Tongue, finding the same patent valid and infringed.<sup>6</sup> Judge Hoffman, noting that the patent had once been held invalid, stated that:

This court is, of course, free to decide the case at bar on the basis of the evidence before it. . . . Although a patent has been adjudged invalid in another patent infringement action against other defendants, patent owners cannot be deprived 'of the right to show, if they can, that, as against defendants who have not previously been in court, the patent is valid and infringed.' . . . On the basis of the evidence before it, this court disagrees with the conclusion reached in the *Winegard* case and finds . . . valid and enforceable patents.<sup>7</sup>

In February, 1970, the Court of Appeals for the Seventh Circuit affirmed Judge Hoffman's decision as to this particular patent.<sup>8</sup> It was from this final determination by the Seventh Circuit that Blonder-Tongue petitioned for certiorari based on the conflict in decisions between the Seventh and Eighth Circuits. On this basis certiorari was granted.<sup>9</sup>

#### DECISION OF THE SUPREME COURT

The Supreme Court, of its own initiative, considered reversal of the doctrine established in *Triplett*. The parties in no way contended that the doctrine established should now be reversed.<sup>10</sup>

The Supreme Court first evaluated a trend in cases (other than patent) to extend a plea of estoppel beyond the scope of the initial mutuality rule,<sup>11</sup> noting numerable exceptions to the rule and finally the complete rejection of the doctrine of mutuality in *Bernhard v. Bank of America National Trust & Savings Association*.<sup>12</sup> It then evaluated a trend in decisions to reject the mutuality requirement since *Bernhard* in both State and Federal Courts.<sup>13</sup> The Court then extended the trend by rejecting the mutuality requirement in patent litigation<sup>14</sup> on a three point basis: considerations relevant to the patent system,

<sup>6</sup> Blonder-Tongue, *supra* note 1, at 316.

The case in the Northern District of Illinois involved two patents. Our concern here is only with the patent which was also litigated in Iowa.

<sup>7</sup> *Id.*

<sup>8</sup> *University of Illinois Foundation v. Blonder-Tongue Laboratories, Inc.*, 422 F.2d 769, (7th Cir. 1970).

<sup>9</sup> Blonder-Tongue, *supra* note 1, at 317, *petition for cert. granted*, 400 U.S. 864 (1970).

<sup>10</sup> Blonder-Tongue, *supra* note 1, at 319.

<sup>11</sup> *Id.* at 321.

<sup>12</sup> *Bernhard v. Bank of America Nat'l Trust & Savings Assn.*, 19 Cal. 2d 807, 122 P.2d 892 (1942).

<sup>13</sup> Blonder-Tongue, *supra* note 1, at 322-27.

<sup>14</sup> *Id.* at 350.

economic costs, and court expediency.<sup>15</sup>

Also, the Court significantly limited the application of the estoppel plea in patent cases to those situations wherein the initial determination, involving the validity and scope of the patent, was final and the plaintiff was the patent owner.<sup>16</sup> This limitation, apparently eliminated from consideration those situations where the first case was a Declaratory Judgment action filed by an alleged infringer against the defendant/patent-owner who was then required to try the issue of patent infringement as a counterclaim.

Further, the *Blonder* Court limited the application of the estoppel plea to only those situations where plaintiff/patent-owner has had "a fair opportunity procedurally, substantively and evidentially to pursue his claim the first time."<sup>17</sup> Additionally commenting upon this element, the Court stated:

This element in the estoppel decision will comprehend, we believe, the important concerns about the complexity of patent litigation and the posited hazard that the prior proceedings were seriously defective.<sup>18</sup>

In considering application of this element, the Court elaborated on the following specific situations:

Determining whether a patentee has had a full and fair chance to litigate the validity of his patent in an earlier case is of necessity not a simple matter. In addition to the considerations of choice of forum and incentive to litigate mentioned above, certain other factors immediately emerge. For example, if the issue is non-obviousness, appropriate inquiries would be whether the first validity determination purported to employ the standards announced in *Graham v. John Deere Co.*, *supra*; whether the opinions filed by the District Court and the reviewing court, if any, indicate that the prior case was one of those relatively rare instances where the courts wholly failed to grasp the technical subject matter and issues in suit; and whether without fault of his own the patentee was deprived of crucial evidence or witnesses in the first litigation. . . . In the end, decision will necessarily rest on the trial court's sense of justice and equity.<sup>19</sup>

At first glance, it would seem that instead of reducing the expense and lessening the burden on court dockets in patent litigation, which were motivating factors in reversing *Triplett*, the Supreme Court has instead opened a Pandora's box. Now it appears that whenever an estoppel plea is raised the court will necessarily have to consider whether the court in which the first case was tried was one in which:

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<sup>15</sup> *Id.* at 330.

<sup>16</sup> *Id.* at 332.

<sup>17</sup> *Id.* at 333.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at 333-34.

1. The decision was final.
2. The plaintiff was the patentee or patent owner, thereby initiating the litigation and having the choice of forums.
3. The applicable substantive rules of law were applied and were applied properly
4. The court in fact understood the technical subject matter and issues in suit.
5. The plaintiff was not deprived of any crucial evidence or witnesses; or, if deprived, it was through the plaintiff's own fault.
6. The interests of justice and equity were properly served in the first case.

If the patent owner is able to attack a prior determination of invalidity under any one of the above tests, the court should be bound to relitigate the issue of patent validity.<sup>20</sup>

#### A NEW DOCTRINE OF COMITY

In retrospect, *Blonder-Tongue* might be looked upon as a new doctrine of comity.

As espoused in *Triplett*, courts would usually reconsider the issue of patent validity where the patent had previously been declared invalid.<sup>21</sup> A different rule, however, was applied where the patent had been held valid in prior adjudications. Usually, courts would either not reconsider the issue of validity<sup>22</sup> or would

<sup>20</sup> On remand Judge Hoffman determined that the patentee in the first case had a "full and fair chance" to litigate the validity issue; that the Iowa court had properly considered the substantive element; that it had a grasp of the technical subject matter and issues in suit; and that there was no just or equitable cause to entitle the patentee to relitigate. Additionally, Judge Hoffman found that although plaintiff in the first (Iowa) case did not allege infringement of claims 6 through 8 of the patent in suit, the validity of the entire patent was placed in issue by the defendant and that the determination of the Iowa court adjudged the entire patent null and void. *The University of Illinois Foundation v. Blonder-Tongue Laboratories, Inc.*, 334 F. Supp. 47 (N.D. Ill. 1971).

Plaintiff has appealed this decision to the Seventh Circuit Court of Appeals, Appeal Docket No. 71-1879 (7th Cir. 1971).

<sup>21</sup> For a discussion of conditions as they existed prior to *Blonder-Tongue* see E. Schopler, *Modern Status of Federal Rules of Res Judicata in Patent Litigation*, 4 A.L.R. Fed. 181 (1970); and M. Lieberman and G. Nelson, *In Rem Validity — A Two-Sided Coin*, 53 J. PAT. OFF. Soc'y 9 (1971).

<sup>22</sup> *Searles v. Worden*, 11 F. 501, 502 (D. Mich. 1882):

In patent causes . . . where the same issue has been passed upon by the circuit court sitting in another district, it is only in case of a clear mistake of law or fact, of newly discovered testimony, or upon some question not considered by such court, that we feel at liberty to review its findings.

*Accord*, *Heaton-Peninsular Button Fastener Co. v. Elliott Button Fastener Co.*, 58 F. 220, 223 (W.D. Mich. 1893); *Cary v. Lovell Mfg. Co., Ltd.*, 31 F. 344, 345 (W.D. Pa. 1887). *Edison Electric Light Co. v. Packard Electric Co.*, 61 F. 1002-03 (N.D. Ohio 1893):

The complainants have established the validity of their patent by these several adjudications . . . . To ask this court to go through the labor to pass upon a case involving the same questions of law and fact, and to

refuse to upset standing decisions of patent validity,<sup>23</sup> basing

compel the complainants, in each district where an infringement may take place, to incur such additional expenditure of money, would be a great hardship. I accept the decisions of the several circuit courts named as sufficiently persuasive to authorize me to find the letters patent valid.

*Accord*, Consolidated Rubber Tire Co. v. Diamond Rubber Co. of New York, 162 F. 892-93 (2d Cir. 1908); Crier v. Innes, 170 F. 324-25 (2d Cir. 1909).

<sup>23</sup> Nickerson v. Kutschera, 390 F.2d 812 (3d Cir. 1968); Cold Metal Process Company v. E. W. Bliss Company, 285 F.2d 231, 236 (6th Cir. 1960); Cold Metal Process Company v. Republic Steel Corporation, 233 F.2d 828, 837 (6th Cir. 1956); Sutherland Paper Co. v. Grant Paper Box Co., 183 F.2d 926, 936 (3d Cir. 1950); Robertson Rock Bit Co. v. Hughes Tool Co., 176 F.2d 783, 790 (5th Cir. 1949); Blanc v. Cayo, 139 F.2d 695 (6th Cir. 1943); Novadel-Agene Corp. v. Tex-O-Kan, 119 F.2d 764 (5th Cir. 1941); Federal Electric Co., Inc. v. Flexlume Corp., 33 F.2d 412-13 (7th Cir. 1929); Freeman-Sweet Co. v. Luminous Unit Co., 264 F. 107-08 (7th Cir. 1919); Weber Electric Co. v. Cutler-Hammer Mfg. Co., 256 F. 31, 33 (2d Cir. 1919); Cincinnati Butchers' Supply Co. v. Walker Bin Co., 230 F. 453-54 (6th Cir. 1916); National Electric Signaling Co. v. Telefunken Wireless Telegraph Co. of United States, 221 F. 629, 632 (2d Cir. 1915); Doelger v. German-American Filter Co., 204 F. 274, 276 (2d Cir. 1913); Calculagraph Co. v. Automatic Time Stamp Co., 187 F. 276-77 (2d Cir. 1911); Warren Bros. Co. v. City of New York, 187 F. 831, 835 (2d Cir. 1911); Gormley & Jeffrey Tire Co. v. United States Agency, 177 F. 691-92 (2d Cir. 1910); Penfield v. C. & A. Potts & Co., 126 F. 475, 478 (6th Cir. 1903); Hatch Storage Battery Co. v. Electric Storage Battery Co., 100 F. 975-76 (1st Cir. 1900); Bresnahan v. Tripp Giant Leveler Co., 99 F. 280, 282-83 (1st Cir. 1900); Beach v. Hobbs, 92 F. 146-47 (1st Cir. 1899); New York Filter Mfg. Co. v. Niagara Falls Waterworks Co., 80 F. 924, 929 (2d Cir. 1897); Electric Mfg. Co. v. Edison Electric Light Co., 61 F. 834, 836 (7th Cir. 1894); American Photocopy Equipment Co. v. Rovico, Inc., 257 F. Supp. 192, 194 (N.D. Ill. 1966); Bishop and Babcock Mfg. Co. v. Sears, Roebuck and Co., 125 F. Supp. 528, 531 (N.D. Ohio 1954); Hunt v. Armour & Co., 90 F. Supp. 767, 769 (N.D. Ill. 1950); Steele v. Esquire Laundry & Dry Cleaners, 90 F. Supp. 61, 63 (W.D. Mo. 1950); Koolvent Metal Awning Corporation v. Graham, 82 F. Supp. 40 (N.D. Ohio 1948); Petersime Incubator Co. v. Bundy Incubator Co., 43 F. Supp. 446, 449 (S.D. Ohio 1942); Swan Carburetor Co. v. Chrysler Corp., 34 F. Supp. 766-67 (E.D. Mich. 1940); Hughes Tool Co. v. United Mach. Co., 35 F. Supp. 879, 882 (N.D. Tex. 1939); Guthard v. Sanitary District, 8 F. Supp. 329 (N.D. Ill. 1934); Lektophone Corporation v. Miller Bros. Co., 37 F.2d 580-81 (D. Del. 1930); Bellows-Claude Neon Co. v. Sun Ray Gas Corp., 39 F.2d 907, 913-14 (N.D. Ohio 1929); Crozier-Straub, Inc. v. Reiter, 34 F.2d 577-78 (E.D. Pa. 1929); Carson Investment Co. v. Calumet & Arizona Mining Co., 29 F.2d 300-01 (D. Ariz. 1928); Minerals Separation North American Corporation v. Magma Copper Co., 23 F.2d 931, 933-34 (D. Me. 1928); Rouso v. First National Bank, 19 F.2d 247, 249 (E.D. Mich. 1927); Gross v. Norris, 18 F.2d 418, 420 (D. Md. 1927); Westinghouse Electric & Mfg. Co. v. Precise Mfg. Corp., 10 F.2d 517 (W.D.N.Y. 1925); McLaren Products Co. v. Cone Co. of America, 7 F.2d 120, 128 (E.D.N.Y. 1925); Waterbury Buckle Co. v. G. E. Prentice Mfg. Co., 294 F. 930, 932-33 (D. Conn. 1923); Johnson v. Lit Bros., Inc., 278 F. 279, 281 (E.D. Pa. 1921); Flat Slabs Patents Co. v. Wright, Barrett & Stilwell Co., 283 F. 345-46 (D. Minn. 1920); ADT v. E. Kirstein Sons Co., 259 F. 277-78 (W.D.N.Y. 1918); Todd Protectograph Co. v. New Era Mfg. Co., 236 F. 768-69 (E.D. Pa. 1916); Grinnell Washing Machine Co. v. Clarinda Lawn Mower Co., 237 F. 98-99 (S.D. Iowa 1916); Johns-Pratt Co. v. Economy Fuse & Mfg. Co., 216 F. 639-41 (E.D. Pa. 1914); Conley v. Thomas, 204 F. 93-94 (W.D. Pa. 1913); Schmeiser Mfg. Co. v. Lilly, 189 F. 631-32 (D. Ore. 1911); Parsons Non-Skid Co. v. E. J. Willis Co., 190 F. 333-34 (S.D.N.Y. 1911); American Bank Protection Co. v. Electric Protection Co., 181 F. 350, 361 (D. Minn. 1910); Underwood Typewriter Co. v. Fox Typewriter Co., 181 F. 530, 533 (W.D. Mich. 1909); Walker Patent Pivoted Bin Co. v. Miller & England, 132 F. 823-24 (E.D. Pa. 1904); Badische Anilin & Soda Fabrik v. A. Klipstein & Co., 125 F. 543, 546 (S.D.N.Y. 1903); Duff Mfg. Co v. Norton, 96 F. 986, 988 (D. Mass. 1899); Rose v. Fretz, 98 F. 112 (E.D. Pa. 1899); Office Specialty Mfg.

the decisions on either comity,<sup>24</sup> stare decisis,<sup>25</sup> public

Co. v. Winternight & Cornyn Mfg. Co., 67 F. 928-29 (E.D. Pa. 1895); Green v. City of Lynn, 55 F. 516, 520 (D. Mass. 1893); Zinsser v. Krueger, 45 F. 572, 574-75 (D.N.J. 1891); Enterprise Mfg. Co. v. Deisler, 46 F. 854-55 (E.D. Pa. 1891); Pratt v. Wright, 65 F. 99 (N.D.N.Y. 1890); American Ballast Log Co. v. Cotter, 11 F. 728-29 (E.D. Pa. 1882); Green v. French, 11 F. 591-92 (D.N.J. 1882); Hammerschlag v. Garrett, 9 F. 43-44 (E.D. Pa. 1881).

<sup>24</sup> Mast, Foos & Co. v. Stover Mfg. Co., 177 U.S. 485, 488-89 (1900): Comity is not a rule of law, but one of practice, convenience and expediency. It is something more than mere courtesy . . . since it has a substantial value in securing uniformity of decision, and discouraging repeated litigation of the same question . . . . Comity persuades; but it does not command. It declares not how a case shall be decided, but how it may with propriety be decided. It recognizes the fact that the primary duty of every court is to dispose of cases according to the law and the facts; in a word, to decide them right . . . . It is only in cases where, in . . . [the judge's] own mind, there may be doubt as to the soundness of his views that comity comes in play and suggests a uniformity of ruling to avoid confusion, until a higher court has settled the law. . . . [I]t applies only to questions which have been actually decided, and which arose under the same facts.

Accord, Georgia-Pacific Corp. v. United States Plywood Corp., 258 F.2d 124, 133 (2d Cir. 1958); Williams v. Hughes Tool Co., 186 F.2d 278 (10th Cir. 1950); Larkin Automotive Parts Co. v. Bassick Mfg. Co., 19 F.2d 944-45 (7th Cir. 1927); Irving-Pitt Mfg. Co. v. Blackwell-Wielandy Book & Stationery Co., 238 F. 177 (8th Cir. 1916); National Electric Signaling Co. v. Telefunken Wireless Telegraph Co. of United States, 221 F. 629, 632 (2d Cir. 1915); Doelger v. German-American Filter Co., 204 F. 274, 276 (2d Cir. 1913); Westinghouse Electric & Mfg. Co. v. Sutter, 194 F. 888, 891 (W.D. Pa. 1912); Mine & Smelter Supply Co. v. Braeckel Concentrator Co., 197 F. 897, 899 (W.D. Mo. 1912); American Bell Telephone Co. v. Wallace Electric Telephone Co., 37 F. 672 (S.D.N.Y. 1889); Stuart v. Thorman, 37 F. 90 (D. Md. 1888); Worswick Mfg. Co. v. City of Philadelphia, 30 F. 625 (E.D. Pa. 1887); Celluloid Mfg. Co. v. Zylonite Brush & Comb Co., 27 F. 291 (S.D.N.Y. 1886).

<sup>25</sup> Some courts limited the doctrine of *stare decisis* to decisions rendered within the same circuit: American Photocopy Equipment v. Rovico, Inc., 257 F. Supp. 192, 194 (N.D. Ill. 1966):

We are satisfied, initially, that the finding of validity by the Seventh Circuit Court of Appeals . . . is binding upon this Court in the absence of persuasive new evidence of invalidity . . . despite the difference in parties. In addition, where the prior decision of validity and infringement is in a different circuit . . . it is to be considered "strongly persuasive" . . . We are of the opinion that defendant herein has failed to introduce any evidence which substantially contradicts the . . . findings in the Seventh Circuit, and/or "strongly persuades" this Court that the patent in issue is invalid.

Gordon Johnson Co. v. Hunt, 102 F. Supp. 1008, 1011 (N.D. Ohio 1952):

The patent in suit also was held valid and infringed by the Court of Appeals for this Circuit . . . . This infringement suit was brought against a stranger to plaintiff. Nevertheless, the decision by the Court of Appeals becomes stare decisis and is binding upon this court as to all issues of law and fact decided therein.

Accord, Blanc v. Cayo, 139 F.2d 695 (6th Cir. 1943); Penfield v. Potts & Co., 126 F. 475 (6th Cir. 1903); Bishop and Babcock Mfg. Co. v. Sears, Roebuck and Co., 125 F. Supp. 528 (N.D. Ohio 1954); Petersime Incubator Co. v. Bundy Incubator Co., 43 F. Supp. 446 (S.D. Ohio 1942); Lektophone Corp. v. Miller Bros. Co., 37 F.2d 580 (D. Del. 1930); Carson Investment Co. v. Calumet & Arizona Mining Co., 29 F.2d 300 (D. Ariz. 1928); Gross v. Norris, 18 F.2d 418 (D. Md. 1927); Rousso v. First National Bank, 19 F.2d 247 (E.D. Mich. 1927); Flat Slabs Patents Co. v. Wright, Barrett & Stilwell Co., 283 F. 345 (D. Minn. 1920); Conley v. Thomas, 204 F. 93 (W.D. Pa. 1913); Walker Patent Pivoted Bin Co. v. Miller & England, 132 F. 823 (E.D. Pa. 1904); Badische Anilin & Soda Fabrik v. A. Klipstein

policy,<sup>26</sup> and/or judicial consistency and expediency.<sup>27</sup>

Through these cases, the following tests were developed to determine whether the prior decisions of validity should be followed:

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& Co., 125 F. 543 (S.D.N.Y. 1903); *Hammerschlag v. Garrett*, 9 F. 43 (E.D. Pa. 1881).

Other courts extended the doctrine of *Stare Decisis* to include decisions rendered in co-ordinate courts in different circuits. *Cold Metal Process Company v. E. W. Bliss Company*, 285 F.2d 231, 236 (6th Cir. 1960).

[P]rior decisions holding the patent valid, even though from a different circuit, should be followed unless the Court was convinced of 'a very palpable error in law or fact' . . . .

*Warren Bros. Co. v. City of New York*, 187 F. 831, 835 (2d Cir. 1911):

There can be no doubt that the doctrine of comity not only, but the orderly administration of justice, requires that the Circuit Court should adopt and follow the decisions of the Circuit Court of Appeals in other circuits than their own, rendered upon facts substantially identical. Any other rule would lead to confusion and injustice. Of course in such circumstances the defendant in patent cases may introduce new evidence of anticipation and may show that the facts on which infringement is based are essentially different from those in the adjudicated case. Such proof must carry conviction with it.

*Accord*, *The Cold Metal Process Company v. Republic Steel Corp.*, 233 F.2d 828 (6th Cir. 1956); *Cincinnati Butchers' Supply Co. v. Walker Bin Co.*, 230 F. 453 (6th Cir. 1916); *American Photocopy Equipment Co. v. Rovico, Inc.*, 257 F. Supp. 192 (N.D. Ill. 1966); *Parsons Non-Skid Co. v. E. J. Willis Co.*, 190 F. 333 (S.D.N.Y. 1911); *Office Specialty Mfg. Co. v. Winternight & Cornyn Mfg. Co.*, 67 F. 928 (E.D. Pa. 1895); *MacBeth v. Gillinder*, 54 F. 169 (E.D. Pa. 1889); *Green v. French*, 11 F. 591 (D.N.J. 1882); *American Ballast Log Co. v. Cotter*, 11 F. 728 (E.D. Pa. 1882).

<sup>26</sup> *Sutherland Paper Co. v. Grant Paper Box Co.*, 183 F.2d 926, 936 (3d Cir. 1950):

[W]e regard it as of considerable importance that this patent has already been held valid by the Court of Appeals for the First Circuit . . . . The public interest in finality of patent validity determination has not prevailed over established principles of *res judicata*. But that interest is substantial. It, and proper respect for responsible adjudication, would seem to require the most searching examination of the facts prior to any assumption or conclusion that the First Circuit is wrong.

*Accord*, *Cincinnati Butchers' Supply Co. v. Walker Bin Co.*, 230 F. 453-54 (6th Cir. 1916); *Calculagraph Co. v. Automatic Time Stamp Co.*, 187 F. 276-77 (2d Cir. 1911); *Penfield v. C. & A. Potts & Co.*, 126 F. 475, 478 (6th Cir. 1903); *Bresnahan v. Tripp Giant Leveller Co.*, 99 F. 280, 282-83 (1st Cir. 1900); *Office Specialty Mfg. Co. v. Winternight & Cornyn Mfg. Co.*, 67 F. 928-29 (E.D. Pa. 1895).

<sup>27</sup> *Calculagraph Co. v. Automatic Time Stamp Co.*, 187 F. 276-77 (2d Cir. 1911):

[T]he orderly administration of justice requires that, where a question has been decided after careful and exhaustive examination by the Court of Appeals of one circuit, another court of co-ordinate jurisdiction should not reach a different conclusion unless persuaded that the first decision is clearly wrong. Especially is this true in patent causes, for otherwise, under our present system, a party may be punished for an act which on the other side of a dividing line is perfectly lawful and proper.

*Accord*, *Cincinnati Butchers' Supply Co. v. Walker Bin Co.*, 230 F. 453-54 (6th Cir. 1916); *Warren Bros. Co. v. City of New York*, 187 F. 831, 835 (2d Cir. 1911); *Edison Electric Light Co. v. Packard Electric Co.*, 61 F. 1002, 1003 (N.D. Ohio 1893); *Zinsser v. Krueger*, 45 F. 572, 574-75 (D.N.J. 1891); *Hammerschlag v. Garrett*, 9 F. 43-44 (E.D. Pa. 1881).



If there were palpable error,<sup>28</sup> manifest error,<sup>29</sup> or clear mistake<sup>30</sup> in law or in fact in the prior decision, the issue of patent validity would be reconsidered; if there were not an identity of issues<sup>31</sup> and if there were not the substantially same state of facts,<sup>32</sup> the issues of patent validity would be reconsidered; and if there were substantially newly discovered evidence,<sup>33</sup> not previously considered in the prior decision, the issue of patent validity would be reconsidered.

<sup>28</sup> *Cold Metal Process Co. v. E. W. Bliss Co.*, 285 F.2d 231, 236 (6th Cir. 1960):

[P]rior decisions holding the patent valid, even though from a different circuit, should be followed unless the Court was convinced of 'a very palpable error in law or fact.'

*Accord*, *Cold Metal Process Co. v. Republic Steel Corp.*, 233 F.2d 828, 837 (6th Cir. 1956); *Cincinnati Butchers' Supply Co. v. Walker Bin Co.*, 230 F. 453-54 (6th Cir. 1916); *Penfield v. C. A. Potts & Co.*, 126 F. 475, 478 (6th Cir. 1903).

<sup>29</sup> *Beach v. Hobbs*, 92 F. 146-47 (1st Cir. 1899);

Although the defendants in this case are not the same, or in privity with the defendants in the other cases, we think, as a general rule, and especially in patent cases, we should follow the decision of the circuit court of appeals of another circuit upon final hearing with respect to the issues determined, if based upon substantially the same state of facts, unless it should clearly appear that there was manifest error.

*See Zinsser v. Krueger*, 45 F. 572, 574-75 (D.N.J. 1891).

<sup>30</sup> *Calculagraph Co. v. Automatic Time Stamp Co.*, 187 F. 276-77 (2d Cir. 1911); *Searls v. Worden*, 11 F. 501-02 (D. Mich. 1882); *Hammerschlag v. Garrett*, 9 F. 43-44 (E.D. Pa. 1881).

<sup>31</sup> *Beach v. Hobbs*, 92 F. 146-47 (1st Cir. 1899); *Office Specialty Mfg. Co. v. Winternight & Cornyn Mfg. Co.*, 67 F. 928-29 (E.D. Pa. 1895); *Searls v. Worden*, 11 F. 501-02 (D. Mich. 1882); *American Ballast Log Co. v. Cotter*, 11 F. 728-29 (E.D. Pa. 1882).

<sup>32</sup> *Warren Bros. Co. v. City of New York*, 187 F. 831, 835 (2d Cir. 1911); *Office Specialty Mfg. Co. v. Winternight & Cornyn Mfg. Co.*, 67 F. 928-29 (E.D. Pa. 1895); *American Ballast Log Co. v. Cotter*, 11 F. 728-29 (E.D. Pa. 1882); *Green v. French*, 11 F. 591-92 (D.N.J. 1882).

<sup>33</sup> *Johns-Pratt Co. v. Economy Fuse & Mfg. Co.*, 216 F. 639-41 (E.D. Pa. 1914):

As the present case follows previous judicial inquiries into the validity of this patent, the inquiry here is directed chiefly to whether the present attack involves anything which, if introduced as part of the defense in the previous cases, would have compelled a different judgment.

There must come a time, however, if our patent laws are to have any value or give any protection to inventors, when the proprietary right favored by our Constitution and given by acts of Congress becomes so buttressed by judicial rulings upholding it as to be protected from further attack. This patent is entitled to this immunity.

This surely restricts . . . the present discussion to an inquiry into the sole question of whether the present record discloses any evidence which is not to be found in the record of the cases in which the plaintiff's right was upheld. This evidence, to affect the decree, must be new, not only in the sense that it was not before introduced, but in the sense that the evidence is different.

A difference of ruling must be effected, not by a change in the conclusions or judgments which dictated the former rulings, but in the evidence commanding different findings of facts from those on which the former conclusions of law were based. This evidence must differ also in kind,

Thus, the courts upheld the validity of the patent based upon a prior determination of validity, where the same issues and substantially the same facts were involved, and without the appearance of new evidence or apparent manifest error of law or fact.

The doctrine of comity as applied to patent validity strongly parallels the *Blonder-Tongue* decision, which indicates a like result in upholding prior determinations of patent invalidity on the basis of public policy considerations, court consistency and expediency.<sup>34</sup>

#### BLONDER-TONGUE APPLIED

Since the *Blonder-Tongue* decision, the courts have had ample opportunity to consider estoppel pleas.

The facts in *Monsanto Co. v. Dawson Chemical Co.*<sup>35</sup> were similar to those in *Blonder-Tongue*. At the time the decision was rendered by the district court, the rule of *Triplett* was still in full force and effect. As a result, the district court, although cognizant of a decision in another district declaring the same patent invalid, relitigated the issue of validity and found the patent valid and infringed. Following this second decision, the Supreme Court handed down *Blonder-Tongue*, reversing *Triplett* to the extent that it foreclosed a plea of estoppel. As a result of the *Blonder-Tongue* decision, the Fifth Circuit Court of Appeals has remanded the *Monsanto* case to the district court for consideration of an estoppel plea.

*Blumcraft of Pittsburgh v. Kawneer Co., Inc.*<sup>36</sup> supported the proposition established in *Blonder-Tongue* that a patentee is entitled to introduce evidence and argument showing why an estoppel should not be imposed in a second case. The court, in a later decision,<sup>37</sup> determined that an estoppel should not apply since there were two prior determinations, the one conflicting with the other.

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as well as the means by which it is introduced. . . .

. . . The best test of whether the evidence introduced in the present case is new in this sense is-. . . Do they reargue the old questions upon the old evidence, or place their reliance upon the new?

*Accord*, *Warren Bros. Co. v. City of New York*, 187 F. 831, 835 (2d Cir. 1911); *American Photocopy Equipment Co. v. Rovico, Inc.*, 257 F. Supp. 192, 194 (N.D. Ill. 1966); *Lektophone Corp. v. Miller Bros. Co.*, 37 F.2d 580-81 (D. Del. 1930); *Badische Anilin & Soda Fabrik v. A. Klipstein & Co.*, 125 F. 543, 546 (S.D.N.Y. 1903); *Searls v. Worden*, 11 F. 501-02 (D. Mich. 1882).

<sup>34</sup> *Blonder-Tongue*, *supra* note 1, at 334-49.

<sup>35</sup> 443 F.2d 1035 (5th Cir. 1971).

<sup>36</sup> 171 U.S.P.Q. 35 (N.D. Ga. 1971).

<sup>37</sup> 172 U.S.P.Q. 43 (N.D. Ga. 1971).

In *Black, Sivalls & Bryson, Inc. v. National Tank Co.*,<sup>38</sup> the issues of patent validity and infringement had been decided in the district court on defendant's motion for summary judgment. The district court had held the patent invalid and not infringed. On appeal, the Tenth Circuit Court of Appeals reversed on the basis that there were genuine issues of fact which should have been tried. Reference was made to the *Blonder-Tongue* decision and the importance, in light of that decision, of fairly and adequately trying the issue of patent validity the first time.<sup>39</sup>

In *Grantham v. McGraw-Edison Co.*,<sup>40</sup> the Seventh Circuit Court of Appeals reversed the district court judgment on defendant's motion, which had contended that plaintiffs-patentees, having failed to join the exclusive licensee, lacked capacity to sue. For the first time on appeal, the defendant-appellee raised the question of estoppel resulting from a prior determination in the same district court on the ground that *Blonder-Tongue* had abrogated the mutuality requirement. The court held that:

[T]he *Blonder-Tongue* decision was not intended to constitute a wholesale rejection of the mutuality requirement. The holding of *Blonder-Tongue* was that "*Triplett* should be overruled 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." That holding does not reach this case where there has never been a determination of the validity of the . . . patents; and we do not believe that this is a proper case for the extension of *Blonder-Tongue's* abrogation of the mutuality requirement to situations where there has not been a prior determination of patent invalidity.<sup>41</sup>

In *Boutell v. Volk*<sup>42</sup> the court refused to extend the estoppel plea to prior determinations of patent validity.

And now, in *Woodstream Corp. v. Herter's, Inc.*,<sup>43</sup> the Eighth Circuit, as a result of *Blonder-Tongue*, has placed a new emphasis on the importance of carefully trying the issue of patent validity and in applying thereto the proper legal standards. In this instance, the English Circuit upheld the validity of the patent.

Since *Blonder-Tongue*, the Supreme Court has denied the petitions for writs of certiorari, requesting clarification or extension of *Blonder-Tongue*.<sup>44</sup>

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<sup>38</sup> 445 F.2d 922 (10th Cir. 1971).

<sup>39</sup> *Id.* at 926 n.2.

<sup>40</sup> 444 F.2d 210 (7th Cir. 1971).

<sup>41</sup> *Id.* at 217.

<sup>42</sup> 449 F.2d 673, 678 (10th Cir. 1971).

<sup>43</sup> 446 F.2d 1143, 1149 (8th Cir. 1971).

<sup>44</sup> *Stukenborg v. Teledyne, Inc.*, 404 U.S. 852 (1971). Petitioner sought to extend *Blonder-Tongue* to include prior adjudications of patent validity.

## CONCLUSION

It is apparent that the courts should now recognize a greater obligation in patent cases to carefully construe both the technical and legal issues before them and to uniformly apply the applicable substantive rules of law. Although the courts will, of necessity, consider evidence attacking a prior decision of patent invalidity, it seems highly unlikely that a trial court in one district would find error in a final determination on the appellate level in another district. The indication, one might reasonably gather, is that *Blonder-Tongue* will be construed restrictively against patent owners. Further, that a prior determination of patent invalidity would be presumptively valid and binding in absence of clear and convincing evidence establishing error or injustice.

Moreover, in spite of the existing doctrine of comity, it seems that the estoppel plea will not be extended to include prior determinations of patent validity nor any other situation until acted upon by the Supreme Court. From the language of the decision itself and the denials of certiorari, the Supreme Court has indicated that it will not at this time extend an estoppel plea to any other situation. It may be that in due time, and upon a showing that the estoppel plea is in fact effective in reducing burdensome court dockets without rendering injustice, the Supreme Court will see fit to extend the doctrine to other applicable situations.

In view of the existing trend of the Supreme Court to limit the patent monopoly,<sup>45</sup> it is unlikely that an estoppel plea will ever extend to prior determinations of patent validity. To this extent, *Blonder-Tongue* may well be another means of further limiting the patent monopoly. A patent's validity may be challenged throughout its life, but once a patent is declared invalid, it dies unless resurrected by exceptions provided in the decision. This death knell for patents sounds of in rem inva-

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Deere & Company v. Hessten Corp., 404 U.S. 829 (1971). In view of *Blonder-Tongue* petitioner sought the adoption by the Supreme Court of: a more liberal attitude toward petitions for certiorari in cases where a Court of Appeals had handed down a decision which fails to heed the controlling decisions of . . . [the Supreme Court] or is in conflict with other decisions handed down by different panels of the same Court of Appeals.

Goodyear Tire & Rubber Co. v. H. K. Porter Co., Inc., 404 U.S. 976 (1971). Petitioner sought to extend *Blonder-Tongue* to permit an estoppel plea in the district court on a prior determination before the Board of Patent Interferences on the issue of "priority."

<sup>45</sup> For a further discussion of the *Blonder-Tongue* decision see D. Kahn, *Blonder-Tongue and the Shape of Future Patent Litigation*, 53 J. PAT. OFF. Soc'y 581 (1971).

lidity, but it is not so encompassing as long as there is a possibility to avoid or circumvent the estoppel plea.

Since the initial adjudication may be the final, careful and detailed consideration should be given in advance; both as to the advisability of litigating a patent and where such litigation should take place.

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