

MR. ROBERT H. RINES: Thank you, Eben.

I guess I have two strikes against me. First, I am a second-generation lawyer, which explains why I am not allowed to express an opinion, only to tell you what happened.

(Laughter.)

And, secondly, as an <sup>inveterate</sup> ~~inventor~~ at fisherman, I am responsible for supplying the worms, I suppose.

(Laughter.)

I really don't know what happened to me, and my client, of course, knows even less. ~~because,~~ Quite frankly, the background of this case absolutely had nothing to do with a request for overruling a case decided in 1936 by the United States Supreme Court, Triplett <sup>v.</sup> versus Lowell, which declined to prevent a patent holder from relitigating his patent in another ~~district~~ before another ~~court~~, even after a previous decision of invalidity elsewhere.

In 1936, in Triplett <sup>v.</sup> versus Lowell, the Supreme Court stuck to the concept of mutuality, which certainly has run through the Anglo-Saxon law until relatively recent times, with very few pioneers willing to say that perhaps it had

outlived its usefulness or had no reason in the first place. Since the patent holder, <sup>in bringing</sup> ~~though he brought~~ the second suit against a second defendant, was not suing the same party ~~on the other side~~, the strict rules of res judicata did not apply, and hence, having lost against a first defendant, <sup>the patentee</sup> ~~he~~ had a right, said Triplett v. Lowell, to try again against another defendant. The parties were not the same. And the defendant in the second case was not entitled to plead res judicata or some other kind of estoppel, because he had not been a party or in privity with the defendant in the first case.

As you are all aware, in the intervening years since 1936, there has been great hostility to the concept of patents, no matter what the judges may say in their decisions. For those of us engaged in the practical side of enforcing patents, the time is long since past when we should pretend it is otherwise.

And of recent years, the so-called Presidential Commission and other bodies, including the Department of Justice, have been hankering for the <sup>chance to</sup> ~~idea of~~ depriving patentees of this right of a second or a third or a fourth

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bite of the pie. Certainly, for a very valid reason, they were all concerned with reducing the number of suits, and clearing the dockets.. But certainly -- and let's not ignore it, but let's face up to it -- because of the hostility to patents and to patentees.

And this case is exemplary of <sup>the</sup> a situation, ~~that~~. While learned writers and lawyers have <sup>already</sup> written about Blonder-Tongue ~~already~~, in certain aspects they have not spoken frankly about what I view as the real <sup>underlying thrust,</sup> ~~aspect.~~

In our petition for certiorari, we did not raise the issue <sup>as to whether</sup> ~~Should~~ Triplett <sup>v.</sup> ~~versus~~ Lowell <sup>should or should not</sup> be overruled? We had a situation where Bill Marshall had brought an earlier suit against Winegard in another <sup>and he lost there.</sup> ~~and he lost there.~~ Then came <sup>the University of Illinois Foundation</sup> ~~our~~ trial in Chicago against Blonder-Tongue and Judge Hoffman disagreed on the matter of obviousness with the <sup>C</sup> Court in Indiana and held the patent valid. Then the Court of Appeals in Indiana, having both <sup>the decision of a</sup> its own <sup>D</sup> District ~~Court~~ and ~~that~~ of Judge Hoffman's ~~decisions~~ before it, decided its own <sup>C</sup> Court was right; the <sup>so-called invention</sup> ~~thing~~ was obvious, and <sup>the court</sup> ~~threw~~ the patent out; ~~and~~ the Supreme Court denied certiorari.

Then came the Court of Appeals in Chicago and

sustained Judge Hoffman, <sup>holding</sup> ~~said~~ the patent ~~is~~ valid--although  
 it threw out another patent <sup>st</sup> that is not <sup>at</sup> concerned here --  
 and we applied <sup>for certiorari</sup> to the Supreme Court on the basis of conflict  
 of <sup>C</sup>circuits on the same patent as to ~~the~~ validity. <sup>And</sup> that  
 is how we got <sup>in</sup> to the Supreme Court. <sup>But</sup> we did not ask that  
 Bill Marshall should not be able to maintain this suit in  
 Illinois because he was estopped, having lost against another  
 defendant in another circuit.

Instead, we raised some very serious questions,  
 we felt, about due process of law, with a cantankerous old  
 judge who I don't believe should be on the bench any more.

(Laughter.)

<sup>The</sup> actual situation <sup>was one</sup> where <sup>we were</sup> one ~~was~~ forced to ~~try~~ trial  
 without any witnesses after repeated <sup>court</sup> postponements, and where  
 there was tremendous abuse -- I don't think Bill will dispute  
 this -- throughout the whole trial. <sup>In this situation,</sup> ~~and one where we are too~~  
~~frightened~~ we lawyers <sup>have come to despair of</sup> to go to a Court of Appeals for  
 mandamus, because the <sup>trite</sup> answer is <sup>always</sup> "Go ~~through~~ through the trial, it's  
~~due process~~, and then come see us. <sup>That's due process today.</sup>

Well, that's what we did and that is one of the  
 reasons for this kind of litigation.

*among*

So <sup>^</sup>our issues before the Supreme Court were the validity of this patent, tests of obviousness, <sup>and</sup> lack of due process so far as our own position as a defendant and as a counter-claimant in that case was concerned.

that the Supreme Court dreamed up:

Subspondere, on its own, after having accepted this case on our petition for certiorari, the Supreme Court asked us to address ourselves to two issues, <sup>(1)</sup> ~~one~~ Should the doctrine of Triplett versus Lowell, giving a patent holder more than one bit of the pie against another defendant, be overruled? And, <sup>(2)</sup> ~~two~~ if so, what should be the effect in this case?

Well, when the master speaks, of course, you bow and respond. <sup>R</sup>We, as the petitioners, discussed this with our client. <sup>Our client didn't</sup> ~~He said I don't want to win that way.~~ <sup>They might</sup> ~~I'll be~~ responsible for money here, yes; but <sup>they</sup> ~~I~~ have patents of <sup>their</sup> ~~my~~ own and <sup>they saw</sup> ~~I see how I got~~ <sup>they were</sup> treated by Judge Hoffman -- two or three paragraphs throwing out <sup>their</sup> ~~my~~ patent, <sup>clearly without</sup> ~~the man never made any~~ <sup>and without</sup> ~~study of it, didn't consider it, didn't apply~~ <sup>ing</sup> the tests of Graham versus Deere or anything else that <sup>the judge</sup> ~~he~~ purported to apply with regard to the other side's patents. <sup>Our client</sup> ~~He says, I~~

believe<sup>what</sup> under those kinds of circumstances, if ~~I~~<sup>they were</sup> am going to be a patent holder, Blonder-Tongue wants<sup>ed</sup> to support the patent system, ~~we don't want~~<sup>and not</sup> to win that way.

And so we answered the question of the Supreme Court, "No; Triplett v. Lowell should not be overruled, ~~he has~~<sup>The plaintiff had</sup> a right to test this patent against us."

I guess this kind of surprised the Justices, because Mr. Justice White, who wrote the unanimous decision, saw fit to comment that we indicated we didn't want to win that way.

And if you read the decision of Blonder-Tongue v. The University of Illinois Foundation, you will find that the <sup>supreme</sup> Court had to go a long way out in left field to stretch and to quote from colloquy that we had with the Court somehow to justify that it was going to pass on this issue of ~~whether~~<sup>should</sup> Should Triplett v. Lowell be overruled?

And the practical side is that it is the <sup>Supreme Court and the</sup> Justice Department, ~~either~~<sup>both</sup> within ~~or~~<sup>and</sup> without the Supreme Court, that had made up ~~its~~<sup>their</sup> minds a long time ago that ~~it was~~<sup>they were</sup> going to do away with Triplett v. Lowell, and this is the medium they selected to do it.

That is why you will find in this decision Justice

White stretching all over the ball park to ~~try to take things~~ <sup>find a basis</sup>,  
<sup>in statements</sup> that he tried to wheedle me into saying, ~~as a basis~~ <sup>concluding</sup> for saying  
~~that~~ <sup>that</sup> the petitioner had now changed his mind and ~~he~~ wanted  
Triplett <sup>v.</sup> versus Lowell modified.

Now, in this particular case, following excellent information supplied by a number of amici curiae, including our Patent Law Association, <sup>and</sup> including the Justice Department, something else happened that I think is a little unusual.

The proposed legislation that was set forth before Congress by the Presidential Commission's report carried provisions that Triplett <sup>v.</sup> versus Lowell, in effect, should be overruled.

The Justice Department <sup>had</sup> testified as being in favor of this ~~thing~~ <sup>once</sup>. Let's end the litigation, we knock the patent out, we're done; <sup>parented</sup> ~~and~~ the ~~follow~~ <sup>and</sup> is through, we don't have to put up with any more litigation.

But, when the Solicitor General refused our request for help to get into the Supreme Court on our issues, and then, having seen our <sup>in which</sup> brief ~~that~~ we did not want to take advantage of the overruling of Triplett <sup>v.</sup> versus Lowell, decided he wanted to come in as amicus curiae, we opposed it, knowing we had no

Somehow has been appointed to

chance at all to oppose it, ~~because~~ the Solicitor General, "expert" as he is in patents, of course, as is the whole Department, speaks for the United States, and the Supreme Court must listen, whether they <sup>really</sup> know anything or don't know anything. They are the experts in everything. And they, of course, review every petition.

And we <sup>filed</sup> wrote a rather <sup>pointed</sup> ~~easy~~ motion <sup>explaining</sup> ~~pointing out~~ that when the Solicitor General had an opportunity to support the patent system, to strengthen it, to decide about <sup>the rights of</sup> patents ~~and~~ what shall be the tests of invention, <sup>the Department of Justice refused to</sup> ~~it wouldn't~~ help get the <sup>case</sup> into the Supreme Court. But once <sup>they</sup> ~~it~~ saw that we were for maintaining the strength of the patent system and giving to a patentee due process by <sup>second</sup> ~~giving him~~ a chance to test ~~that~~ his patent in <sup>a</sup> ~~difference~~ <sup>to court, particularly</sup> places where there could be differences of opinion, then <sup>and then only did the Department</sup> ~~he~~ comes in and, obviously, ~~at that time, we believe~~ for the purpose of following the consistent policy up to then of the Justice Department <sup>of whittling away patentee's rights</sup> ~~that it should be~~ <sup>Triplett v. Lowell.</sup> ~~overruled~~ <sup>One bite, that's it.</sup>

This time by

And so we joined with <sup>my</sup> our respondent friends in ~~both~~ opposing before the Supreme Court the overruling of Triplett versus Lowell. But we did bring out why we were



opposed to it.

One - There are ~~cases~~ <sup>some</sup> cases, all too many in my experience, where ~~the~~ judges do not give you an honest decision. They ~~make up their minds before~~ <sup>hard because it is</sup> a patent case, ~~I, and~~ <sup>the easiest</sup> ~~got to find a way~~ <sup>to get out of this.</sup> Section 103 is beautiful. That is the ~~way~~ <sup>vague</sup> today. -- obviousness --

Number ~~two~~ <sup>not a fair trial; it was</sup> - This was a wild case where there wasn't even due process of law. You couldn't even have your own expert. And there were all kinds of errors committed in a generally hostile atmosphere. Now, that is rare; but it does happen.

Number ~~three~~ - There are cases, as Eben referred to, <sup>Such as the</sup> Pierce cases, where there are genuine disputes as to ~~interpretation, even~~ <sup>difficult questions of</sup> interpretation of law. And is the <sup>of our law</sup> objective to support the constitutional mandate <sup>for</sup> of a patent system, or is it <sup>to</sup> get rid of the darned ~~thing~~ <sup>case</sup> ~~and~~ <sup>parents, with</sup> the first ~~one~~ that knocks it out, <sup>doing this</sup> ~~fine, it's done~~ for the rest of the country?

Now, this is the history behind why the Supreme Court, in making its decision in Blonder-Tongue, did not completely overrule Triplett <sup>v,</sup> versus Lowell. Instead, it cited

<sup>instances</sup>  
 two or three cases, in which estoppel should not apply a ~~second~~  
~~time~~ when <sup>a patentee</sup> you brings a <sup>suit</sup>, having lost ~~it~~ in <sup>another court,</sup> ~~one circuit,~~  
 and you bring it against another defendant in another  
 circuit.

And among those <sup>instances was</sup> ~~items~~ were a full and fair trial,  
 a right to present your own witnesses and a real day in court.  
 ← Also, <sup>really</sup> in those instances where the court missed ~~the~~  
 technical understanding of what the case is all about, ~~and~~.

R Recognizing, I think for the first time in many, many years,  
 that maybe little fellows use the patent system as well as the  
 big fellows, ~~I think,~~ as I read Blonder-Tongue, the Court  
 tried to put in the safeguard that <sup>one</sup> you could have this second  
<sup>piece</sup> ~~piece~~ of the pie, <sup>one</sup> you could sue again, if <sup>one</sup> you could show that  
 for some reason <sup>he was not</sup> you weren't given that ~~full and complete~~  
 opportunity for a full and fair trial the first time.

I think this will <sup>be amplified</sup> ~~reflect a little bit~~ in the  
 discussions later on as to how this doctrine may apply where  
<sup>(n)</sup> ~~you have~~ declaratory judgment suits, where the patent holder  
 has not selected, <sup>the court,</sup> ~~he~~ has not shopped for the favorable forum, ~~and~~  
 where it may be more difficult for him to try the case and  
 where, therefore, <sup>as to</sup> the question may arise whether he has had a

complete opportunity to present his best case the first time.

And In <sup>Blonder-Timms</sup> ~~this particular case~~, therefore the Supreme Court at great length discussed the general modern trend started by the <sup>h</sup> Bernard <sup>c</sup> Case in California that mutuality is not a <sup>general</sup> requirement <sup>for</sup> in estoppel, and should not be in this <sup>type of</sup> case, <sup>either,</sup> <sup>too</sup> If a person has tried his patent, there has been a full and fair trial, <sup>if</sup> and he has lost it against one defendant, that's it. The next defendant has a right to plead ~~that~~, he is now estopped <sup>to</sup> ~~to bring this case against me.~~

earlier writings of the Department of Justice and unlike like the

But, said the Supreme Court, unlike the proposed legislation after the Presidential Commission, <sup>report</sup> ~~but~~, said the ~~Supreme Court~~, the patentee should have the chance to show the <sup>court</sup> judge why estoppel should not apply. <sup>He</sup> I didn't have a full and fair trial; the judges really didn't understand the technical content; <sup>he</sup> I didn't have due process, or something of this particular character.

That <sup>is</sup> is a very dangerous, dangerous tool. It may just be lip service that Mr. Justice White has <sup>rendered</sup> done here in giving this particular opinion. It may, on the other hand, be real.

And, as will be made evident from the panel

discussion here later, it remains to be seen whether the federal judges use this as the excuse to stop all multiplitious patent litigation, or whether they really will use the sound judicial and honest -- honest -- decision-making process in patent litigation, to decide whether estoppel should or should not apply.

I would further comment that Justice White, in this decision, went into the economic consequences of multiplitious litigation. I am not particularly impressed with ~~what he put~~ <sup>his philosophy,</sup> ~~there and~~ particularly when he has to answer Bill Marshall's comments about the tiny number of patent suits that are involved, even though a substantial percentage of them, something like 14 per cent, do involve more than ~~the~~ <sup>the</sup> average three days of trial, ~~of cases of this general nature~~ though outside the patent field.

When the Supreme Court has to ~~talk about even if~~ <sup>justify economics by lauding</sup> ~~they save one or two trials from messing up the docket entries~~ <sup>the</sup> ~~of the court~~ as something worthwhile, it is not something that impresses me particularly.

And so I feel very much like the boxer who, between rounds, is being fixed up by the handler, and he is being

assured, "He isn't laying a glove on you, you're beautiful."  
 "Well, somebody, maybe the referee, is knocking the heck out of me," says the boxer.

(Laughter.)

We didn't come in to overrule Triplett v. Lowell, either one of us; and we come out with maybe <sup>a</sup> ~~some~~ dangerous <sup>precident, or</sup> ~~thing~~ maybe <sup>a</sup> ~~some~~ salutary <sup>result --</sup> ~~thing~~. I don't know <sup>which</sup>. But we do come out now with an expression from the United States Supreme Court saying, in effect, that a patent holder may now in most circumstances only <sup>sue once if unsuccessful in sustaining validity</sup> ~~have one bite of the pie~~. You go ahead and you bring your suit; you present your trial, and unless for some extraordinary reason you really haven't been able to present the <sup>proper</sup> ~~case~~, <sup>or</sup> and through no fault of your own <sup>you</sup> haven't been able to get witnesses, or something of this character -- ~~That is mentioned specifically in the decision.~~ <sup>such</sup> Except in <sup>or</sup> unusual cases, ~~of that sort~~ and where a court completely misses the point, the whole technical issue ~~of it~~, it will be incumbent upon the patentee to prove why estoppel should not go against him, <sup>if</sup> why he should <sup>try to maintain a</sup> ~~have that second chance~~ suit.

I understand we are going to have a question period, and I further understand that, as I said a little earlier, I

am merely in this instance to set up the bowling pins, show you the ramifications of this particular decision and leave it to <sup>the</sup> other speakers to carry on with different phases.

But I do want to leave you with one or two questions in mind.

The timing that is involved in a so-called final decision of a court as to the invalidity of a patent is something that has us all on edge. Here I sit as the second judge. I learn that a district court somewhere else has held the patent invalid. What do I do? Is that a final decision of the type meant by the Supreme Court? Do I have to sit and wait until a court of appeals decides that that patent was invalid; and then do I have to wait until the Supreme Court has denied certiorari <sup>before</sup> ~~and then do I come in and~~ applying estoppel?

You will learn that some of our courts have already jumped the gun, ~~and~~ anything that even smells of a final decision ~~and they can get it off their docket,~~ they are ~~applying Blonder-Tongue or starting to apply Blonder-Tongue,~~ <sup>getting</sup> ~~the case off their docket,~~ ~~for that particular purpose.~~

I do think, ~~I do think~~ that this is, in actual

effect, <sup>another step in</sup> a deliberate and considered policy by the United States Supreme Court to find another <sup>opportunity</sup> reason to take a whack at patents and to minimize the ability of patentees to own and control these special monopolies. *Otherwise, they could have*

There is one salutary effect. I think this is the <sup>in many years,</sup> first time <sup>Blonder-Tongue</sup> in this particular decision, that the Supreme Court has come out and acknowledged that it is going to recognize the congressional mandate that there should be patents, and it is nice to have the lip service, if nothing else.

With that, I would like to close my introductory remarks with regard to Blonder-Tongue, except to say that I do agree with Eben Graves that in infamy or otherwise, Blonder-Tongue is now going to become a tool, I think, to lighten the burden of our federal courts in patent litigation, much as "obviousness" and other <sup>tricks</sup> things have done that in the past; and that the time has come if the patent bar <sup>and the American inventive community</sup> really wants a patent system, that we have got to get political and do something about it.

(Applause.)

*decided Blonder-Tongue on its merits and the questions of its petition, and not on the Supreme Court's own invented question.*

MODERATOR GRAVES: Thank you, Bob.

We will now call on Bill Marshall, who was For the Respondent in this case. He will speak to the general area of the post-decision developments from Blonder-Tongue.

(Applause.)