

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

THE UNIVERSITY OF ILLINOIS FOUNDATION, )  
 )  
 ) Plaintiff and )  
 ) Counterclaim Defendant, )

v. )

BLONDER-TONGUE LABORATORIES, INC., )

) Defendant and )  
 ) Counterclaimant, )

v. )

JFD ELECTRONICS CORPORATION, )

) Counterclaim Defendant. )

CIVIL ACTION

NO. 66 C 567

PLAINTIFF'S REPLY TO DEFENDANT'S  
MEMORANDUM IN OPPOSITION TO ITS  
MOTION FOR JUDGMENT AFTER REMAND

Defendant opposes plaintiff's motion for judgment after remand on two grounds: it is said to be (1) untimely and (2) unwarranted on the merits.

A. THE TIMELINESS OF THE MOTION

Plaintiff is not violating the Supreme Court's mandate, as defendant argues. It is attempting to follow it.

The Supreme Court said that on remand defendant should be permitted to amend its pleadings to assert the affirmative defense of estoppel. Defendant has sought

leave to so amend its Answer and plaintiff has not opposed that amendment.\* Presumably, it will be entered as a matter of course, at least as against plaintiff.

The Supreme Court said that on remand plaintiff must be permitted to amend its pleadings and to supplement the record with any evidence showing why an estoppel should not be imposed. By its motion for judgment after remand, plaintiff has supplemented the record with the additional evidence it desires to put before the Court. It has not sought to amend its pleadings, since the plea of collateral estoppel, being properly raised in the Answer as an affirmative defense, does not require a responsive pleading. Indeed, under Rule 7(a) F.R.C.P. no responsive pleading is permitted to defendant's second amended Answer.

The Supreme Court said that, if necessary, defendant may supplement the record. Defendant has indicated no desire to supplement the record.

It is thus apparent that the steps called for on remand by the Supreme Court have been accomplished and that plaintiff's motion for judgment after remand is ripe for decision.

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\*Plaintiff has opposed the filing of an amended counterclaim, however, since the counterclaim has nothing to do with estoppel. It is therefore unnecessary, redundant, and beyond the scope of the Supreme Court's remand to reopen pleadings on the issues raised therein: issues which have already been ruled upon.

B. THE MERITS OF THE MOTION

Defendant acknowledges that its plea of estoppel is not an unassailable defense and that it has the burden of showing the issues here are identical with those finally decided against plaintiff in previous litigation. It argues, however, that plaintiff's reasons for denying estoppel are unsound. Defendant says that the Iowa Court and its Court of Appeals "purported" to employ the standards announced in Graham v. John Deere Co., 383 U.S. 1 (1966); that those courts did not "wholly" fail to grasp the technical subject matter of the invention; and that no other factor relied upon by plaintiff can be considered on remand. Plaintiff's reply follows:

1. Defendant has not discharged its burden of showing either the identity of issues or their prior final adjudication. As set out in Proposed Finding 2, the validity of claims 6, 7, and 8 of the Isbell patent here in suit was not in issue in Iowa. Since these claims were not in issue, they could not have been passed upon by the Iowa Court or the Eighth Circuit. Further, as set out at pages 11 to 12 of plaintiff's memorandum, there was no prior final adverse adjudication of any issue tried by this Court in December, 1967 and decided in June, 1968. These factors properly may be considered by the Court in its determination of whether to allow or deny the defense of estoppel.

2. The Iowa Court and its Court of Appeals did not employ the standards for determining obviousness announced by the Supreme Court in Graham v. John Deere Co., 383 U.S. 1 (1966) and U.S. v. Adams, 383 U.S. 39 (1966). If this Court and the Seventh Circuit had not so found, they would not have reached the decisions they did. Undoubtedly the Iowa Court and the Eighth Circuit believed they were applying the correct standards and, in that sense, "purported" to follow Graham. As set out at pages 9 to 11 of plaintiff's memorandum, however, it is clear from the opinions of this Court and the Seventh Circuit that they did not do so in fact.\*

3. The Iowa Court and its Court of Appeals wholly failed to grasp the technical subject matter of the invention, as set out at pages 9 to 11 of plaintiff's memorandum. The word "wholly" as used by the Supreme Court at 28 L.Ed. 2d 802 does not apply only to instances of confessed and total lack of comprehension, as defendant argues. It also permits of a critical miscomprehension of the subject matter, which was the case in Iowa.\*\*

4. The Supreme Court did not preclude any factors

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\*Certainly we must presume that the Supreme Court used the words, "purported to employ" (28 L.Ed. 2d 788, 802) in the sense of employing in substance, not in the sense of merely professing to employ.

\*\*In this context, the proper meaning of "wholly" is whether, on the whole, the Court failed to grasp the technical subject matter.

from this Court's consideration, on remand, in determining whether to impose an estoppel. The Supreme Court did not pass upon the parties' arguments with respect to the appropriateness of estoppel in this case because it determined that the proper forum for the resolution of the issue was in the District Court where, "In the end, decision will necessarily rest on the trial court's sense of justice and equity." (28 L.Ed. 2d 788, 802, 812) This decision was in the best interests of justice and judicial economy, since the Supreme Court could not be expected to have as detailed a knowledge of the various factors to be considered as would the trial court.\*

#### CONCLUSION

Defendant has not established that this is a proper case for a plea of collateral estoppel. Neither has it effectively challenged plaintiff's statement of reasons why estoppel should not be imposed in this case. The issue is ripe and fully briefed by the parties in interest. Therefore, plaintiff respectfully requests that the Court

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\*The wisdom of this decision is evidenced, e.g., at 28 L.Ed. 2d 788, 791 where the Supreme Court erroneously states that the first infringement suit was the one brought in Iowa.

take this motion under advisement, pursuant to Local Rule  
13 and enter judgment for plaintiff.

Respectfully submitted,

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By

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Dated: July 27, 1971

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CERTIFICATE OF SERVICE

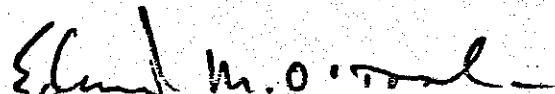
I hereby certify that one copy of the foregoing Plaintiff's Reply to Defendant's Memorandum in Opposition to Its Motion for Judgment after Remand was forwarded by first class mail this 27th day of July, 1971, to each of the following:

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