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 ~~inventor at~~ inveterate 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 ~~versus~~ v. 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 ~~versus~~ v. 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, ~~though he brought~~ in bringing 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, ~~he~~ the patentee had a right, said Triplett ~~versus~~ 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.

SIC

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

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 the situation. While learned writers and lawyers have already written about Blonder-Tongue, in certain aspects they have not spoken frankly about what I view as the real underlying threat.

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

Then came the Court of Appeals in Chicago and

sustained Judge Hoffman, ~~said~~ holding the patent ~~is~~ valid--although it threw out another patent that is not of concern here -- and we applied for certiorari to the Supreme Court on the basis of conflict of circuits on the same patent as to ~~the~~ validity, and that is how we got in to the Supreme Court. But 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.)

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

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

among

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

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, ~~one~~ (1) Should the doctrine of Triplett ~~versus~~ v. Lowell, giving a patent holder more than one bite of the pie against another defendant, be overruled? And, ~~two,~~ (2) if so, what should be the effect in this case?

that the Supreme Court dreamed up:

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

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

And so we answered the question of the Supreme Court, "No; Triplett ~~versus~~ v. Lowell should not be overruled. ~~he has~~ The plaintiff had 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 ~~versus~~ v. the University of Illinois Foundation, you will find that the Supreme 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 ~~Should~~ whether Triplett ~~versus~~ v. Lowell should be overruled.

And the practical side is that it is the Justice Department, ~~either~~ both within ~~or~~ and without the Supreme Court, that had made up ~~its~~ their minds a long time ago that ~~it was~~ they were going to do away with Triplett ~~versus~~ 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~~ find a basis take things in statements that he tried to wheedle me into saying, ~~as a basis~~ for ~~saying~~ concluding that ~~Aha~~, the petitioner had now changed his mind and ~~he~~ wanted Triplett ~~versus~~ v. Lowell modified.

Now, in this particular case, following excellent information supplied by a number of amici curiae, including our Patent Law Association, ~~including~~ and 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 ~~versus~~ v. Lowell, in effect, should be overruled.

The Justice Department had testified as being in favor of this ~~thing~~. let's end ~~the~~ litigation, once we knock the patent out, we're done, ~~and~~ the ~~fellow~~ patentee is through, and 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 brief ~~that~~ in which we did not want to take advantage of the overruling of Triplett ~~versus~~ v. Lowell, decided he wanted to come in as amicus curiae, we opposed it, knowing we had no

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 really know anything or don't know anything. They are the experts in everything. And they, of course, review every petition.

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

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

somehow has been appointed to

opposed to it.

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

~~Number~~ Two - This was not a fair trial; it 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, such as the Pierce cases, where there are genuine disputes as to ~~interpretation, even~~ difficult questions of interpretation of law. And is the objective of our law to support the constitutional mandate for ~~of~~ a patent system, or is it to get rid of the darned ~~thing and~~ parents, with the first ~~one~~ court that knocks it out, doing this ~~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 ~~versus~~ v. Lowell. Instead, it cited

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

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

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 ~~you~~ one could have this second ~~piece~~ bite of the pie, ~~you~~ one could sue again, if ~~you~~ one could show that for some reason ~~you weren't~~ he was not given that ~~full and~~ complete opportunity for a full and fair trial the first time.

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

complete opportunity to present his best case the first time.

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

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

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

And, as will be made evident from the panel

earlier urgings of the Department of Justice and Lafferty

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 there and~~ his philosophy, 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~~ The 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~~ justify economics by lauding ~~they~~ The save one or two trials ~~from messing up the docket entries 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 ~~some~~ a dangerous ~~thing~~ precedent, or maybe ~~some~~ a salutory ~~thing~~ result -- I don't know which. 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 ~~have one bite of the pie~~ sue once if unsuccessful in sustaining validity. 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 proper case, ~~and~~ or through no fault of your own you haven't been able to get witnesses, or something of this character -- ~~That is mentioned specifically in the decision.~~ Except in such unusual cases, ~~of that sort~~ ~~and~~ or 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, ~~why~~ if he should ~~have that~~ try to maintain a 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 the 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 ~~and then do I come in and~~ before 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, getting the case off their docket. ~~for that particular purpose.~~

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

another step in
effect, a deliberate and considered policy by the United States Supreme Court to find another ~~reason~~ opportunity 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 salutory effect. I think this is the first time in many years, in this particular Blonder-Tongue 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 ~~things~~ tricks have done that in the past; and that the time has come if the patent bar and the American inventive community 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.)