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In the
Supreme Court of the United States

DEEPSOUTH PACKING CO., INC.,

Petitioner,

v.

No. 71-315

THE LAITRAM CORPORATION,

Respondent.

Washington, D. C.
April 11, 1972

Pages 1 thru 35

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THE LAXTRAM CORPORATION,

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Tuesday, April 11, 1972.

The above-entitled matter came on for argument at
1:00 o'clock, p.m.

BEFORE:

WARREN E. BURGER, Chief Justice of the United States
WILLIAM O. DOUGLAS, Associate Justice
WILLIAM J. BRENNAN, JR., Associate Justice
POTTER STEWART, Associate Justice
BYRON R. WHITE, Associate Justice
HARRY A. BLACKMUN, Associate Justice
LEWIS F. POWELL, JR., Associate Justice
WILLIAM H. REHNQUIST, Associate Justice

APPEARANCES:

HAROLD J. BIRGH, ESQ., Schuyler, Birch, Swindler,
McNie, & Beckett, 1000 Connecticut Avenue, N.W.,
Washington, D. C.; for the Petitioner.

GUY W. SHOUP, ESQ., Wyatt, Gerber & Shoup, 230 Park
Avenue, New York, New York; for the Respondent.

[Note: Mr. Justice Marshall absent; will participate in the
decision.]

C O N T E N T S

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P R O C E E D I N G S

MR. CHIEF JUSTICE BURGER: We will hear arguments in No. 71-315, Deepsouth Packing Company against Laitram Corporation.

Mr. Birch, you may proceed whenever you're ready.

ORAL ARGUMENT OF HAROLD J. BIRCH, ESQ.,

ON BEHALF OF THE PETITIONER

MR. BIRCH: Mr. Chief Justice, and may it please the Court:

The question before the Court this afternoon is relatively easy to state. Simply, it is: Is a combination claim of a United States patent infringed by one who manufactures and sells the separate parts in the United States, when all assembly and use takes place in a foreign country?

I suppose even more simply, the question could be stated: Does a combination claim of a United States patent reach separate, unassembled parts, or is it limited to the combination? The assembled combination.

It is petitioner's view here that there is no infringement on the facts of this case, that a combination claim reaches only the assembled combination, and that it does not reach the separate parts.

As far as our considerations here are concerned, the ship which took Deepsouth's parts from the pier in New Orleans might as well have sunk five miles offshore. The question is

whether or not a combination claim means what this Court consistently has held it means, and what the statute says it means.

Now, perhaps prior to getting into the facts, that is the claim, it would be well for the Court to review, or for me to review for the Court briefly what got us here.

This case began as an infringement case in the District Court in Louisiana. The respondent, Laitram Corporation, brought suit against petitioner, DeepSouth, for infringement of two patents. Now, one of those patents we call the "slitter" patent, its number is 2,694,218; the other is called the "tumbler" or "devainer" patent, and its number is 2,925,927.

I'd like to invite the Court's attention, if I may, to the large buff-colored Appendix, and more particularly to page 114.

O Counsel, is there any issue of validity here
1 all?

MR. BIRCH: This Court has refused certiorari, Mr. Justice Douglas, with respect to the questions presented on validity. It's out.

O It's been taken out. Just purely on infringement?

MR. BIRCH: Purely the infringement question as posed in my opening statement.

O Right.

MR. BIRCH: You will note on page 114, in Figure 1, there is a device shown. That is the only device disclosed in this patent, and the Court will see that it consists of an inclined trough, razor blades there, only one set, zig-zagging down the trough, and water sprays downward upon the top of the blade and the shrimp, if they happen to be there, in a right-angle direction.

Now, if you will then turn to page 443 of the Appendix, which is in the Supplement, you will find a picture of Laitram's commercial device, which shows a plurality of blades on the trough; the only other difference being that the water sprays are omitted in the commercial device. Omitted because they didn't work to devein.

Now, if Your Honors then will turn to the large Appendix book, to page 120, you will see Figure 1 of the patent there, which discloses the commercial embodiment of the Laitram deveiner, which is a drum, a cylindrical drum to which the slit shrimp are fed, and as they go through the drum, with a residence time of between one and two minutes, the veins which have been exposed by the slitting procedure with the previous apparatus are either pulled out, if they are hanging free, or dug out if they are not.

Q. What page is that?

MR. BIRCH: That's on page 122, Mr. Justice Douglas. Or 120, essentially the same picture shows in both.

If you again will look at the small Appendix, on Pages 445 and 446, you will see a picture of the Laitram --

Q I happen to have a copy of the Appendix, part of which is printed one way and the other is upsidedown.

MR. BIRCH: Oh, I'm terribly sorry, Mr. Justice Douglas. We tried to correct that with the Clerk. May I give you mine or --

Q Maybe they can get me another one. I can use Justice Marshall's.

Q [Sotto voce] Better get a patent on that.

Q Could I get a patent on that?

[Laughter.]

MR. BIRCH: Well, I think so. I don't think there's any constitutional prohibition to that.

[Laughter.]

Q While you're stopped, it would help me if you would explain why this is relevant to the problem of assembly versus non-assembly.

MR. BIRCH: The reason being, Mr. Chief Justice, that this Court has been very explicit in saying that a combination of old elements presents a particular problem, and all of the elements here are old.

The Court has said that when you are looking to the issue of infringement you therefore look very carefully at the elements, whether or not they are new, and whether or not there

is the coaction, the synergism, which the opinion of Mr. Justice Douglas in Anderson's Black-Rock pointed out so clearly. And I merely wanted the Court to see what the device was like when all through.

Now, if I may invite the Court's attention to page 7 of our blue brief, Petitioner's blue brief, you will see bridging that page the very concise three-element combination claim that is involved. And since it is very short, I would like to examine with you the three elements.

"An inclined trough down which shrimp are induced to slide."

Secondly, "a knife in said trough positioned to be encountered by shrimp to cut the membrane confining the vein".

And third, "a water spray to the trough directed upon the shrimp for sliding them down the trough and flushing out the vein". As indicated, the flushing didn't occur, and that necessitated the second patent.

If Your Honors will then look at page 9 of the blue brief, you will see the three-element combination claim which is involved in the second, or '927 patent. Very briefly:

One, "a support member";

Two, "a lip protruding at an acute angle from the support member";

And then three, "means operatively associated with the support for relatively moving the shrimp with respect to

said member to cause separation of the vein."

Now, in the '927 --

Q If you will help me again, counsel: if you will tell me why is this basic problem any different from what it would be if it were a typewriter involved with the same issues you have here, namely, the assembly problem, or an automobile or a dishwasher?

MR. BIRCH: Probably no different if I understood, Mr. Chief Justice, that the typewriter's parts were all old. I'm assuming that they are not; and they are all old here.

But going from this question to the law, I think whatever the combination is, the decisions of this Court foreclose, in our view, an affirmance of the court below, and so does 35 U. S. Code 271, Subsections (a) and (c).

Now --

Q So if you just leave out one bolt, that's the end -- there's no invention, if it's made so?

MR. BIRCH: No, I wouldn't take that position at all, Mr. Justice White. If the bolt is a recited element, this Court's decisions and particularly that in the Cimiotti case say clearly that all recited elements in a combination claim are critical. If that is so, and the bolt is recited as an element, our law says that that would not result in infringement. If --

Q So the -- but as long as one recited element

is not assembled?

MR. BIRCH: That is the law of this Court, as I understand it; and the Arc case clearly says that the law of this Court has been carried forward without change in Section 271(a).

Of course here we don't simply have one bolt or one screw. What we have are the three elements in each of the combinations, and no one of those elements, with the exception of the fingernail belt in the Deveiner patent, ever were joined to the other. They were separately manufactured, separately shipped, and never joined together in the United States, where United States patents are effective.

Now, going to 271(a), the Congress has made it abundantly clear that direct infringement, which again this Court has held 271(a) embodies the law of this Court, says that whoever, without authority, makes, uses, or sells any patented invention within the United States infringes the patent.

What that provision is clearly telling us is not that someone who makes a machine or sells a machine shall be an infringer. It says, whoever shall make, use, or sell any patented invention -- and I underscore that -- shall infringe the patent.

When we get down to subsection (c), we there have the provision which Congress enacted specifically to take

care of the person who made the parts but did not directly infringe by assembling the combination.

And, as this Court knows, (d) resulted from an effort by Congress to resuscitate in part the contributory infringement doctrine which I think was given the coup de grace by this Court in the Marcoil decisions.

Now, turning to the decisions of this Court, which are very pertinent and many of them squarely in point, in point not to the foreign shipment but in point to the question of what infringes a combination claim.

I would like the Court just to consider with me briefly a few of them, which are very germane.

The first of those, starting out early, indeed in 1840, was the Perry v. Puggles decision, where the same three elements we are dealing with here, that is a three-element combination claim, was involved. There this Court held that the union of all the parts, arranged and combined together in the manner described, is the thing patented?

In other words, in the words of Section 271(a), the patented invention is the parts combined together is the thing patented, and that case appears on 19 of our main brief.

Then, some years later, this Court, in the Leeds cases, which have been very widely cited and which relate to a phonograph and a record in combination, held with respect to the parts that no one part of a recited combination is the

combination. "Indeed," says this Court, "all of the elements are not . . . they must be united by the same operative law." That same decision repeated in the companion case.

I would like the Court at this point to consider cases which appear later in our blue brief, at pages 33 and 34, which, I suggest, are squarely in point and controlling with respect to the law of this Court on the infringement of combination claims.

The first of those decisions, both being written by Mr. Justice Hughes, is the case of Woodward v. Hurd; the second, Sims v. Hurd, both decided in 1914.

Now, these two cases present the classic situation, as decided in the decisions of this Court, with respect to what constitutes direct and what constitutes contributory infringement. Here the patented device was again a three-element combination: a rim, a wheel -- a rim of a wheel, a tire, and wires which tightened the rubber tire in the rim.

The two cases were brought, one against the man who sold all of the parts, and the other against the man who bought the parts and assembled them for the first time. And we were --

Q. Sorry to interrupt you, but right there, would it make any difference if it were not assembled for the first time, if it had been assembled and then disassembled?

MR. BIRCH: If it were first assembled, Mr. Chief

Justice, and then disassembled, the first assembly would, concededly, constitute an infringement, because the invention would be made within the United States. If they are never put together in accordance with these decisions we are considering, the invention is never made. Therefore any subsequent assembly outside of the country results in no invention of the combination claim ever being made.

O This is what the Fifth Circuit thought was the artificiality in part, was it not?

MR. BURCH: That is correct, and of course we differ with the Fifth Circuit very vigorously, there's nothing artificial about granting a patent and then restricting the patentee to the claim he solicited from the Patent Office.

O But do you see no artificiality in a different rule applied to a situation where they would assemble the typewriter or the washing machine to see if it would function and run it through a quality control test, and then disassemble it and go through the process?

MR. BURCH: No, I do not, because those are the rules of our game, and I don't think they are artificial; the statute says "made"; that's the making of the invention.

O Well, of course, that's what the Fifth Circuit disagreed with you on, and they didn't regard this as a matter of rules of the game, they wanted something more concrete, apparently.

They went in, not to the decisions of this Court, they were not even looked at, they were ignored, they really didn't look at the statute at all. They based their decision on a theory of economic injustice, but where, as we ask, is economic injustice involved where that which is being done is a right and not a wrong?

Q Well, Mr. Birch, you know, I think the Fifth circuit regards this thing as a subterfuge. And you can cite 20 cases, and the impression remains in my mind that it still is a subterfuge.

Now, granted if it's a subterfuge permitted by law, then probably the Fifth Circuit should be reversed, but it seems to me you've got to address yourself more than you do to the justice or the equity of the thing, rather than just citing a bunch of cases.

MR. BIRCH: We are coming to that. All I wanted to establish, Mr. Justice Rehnquist, is what the law was in this Court, and I think it is clear and there's no dissenting voice in any decision of the Court.

Now, when we get to the policy decisions, several of them have been set forth in respondent's brief and also by the court below.

In the first place, they say that you should protect a foreign market for a domestic patentee. I see no policy that requires or even suggests that the foreign market should

be protected by a domestic patent. That patent is to protect the patentee in the United States; 271(a) clearly says that. If there is making, using, or selling within the United States", it doesn't say Brazil.

Q Well, why don't you exempt sales abroad of the assembled merchandise?

MR. BIRCH: I think they are exempt. That's the very point of the argument.

Q Why?

MR. BIRCH: If they -- what do you mean? -- if they are assembled in the United States.

Q Yes, they're assembled, but they are assembled, as everybody agrees, to be sold only abroad.

MR. BIRCH: Yes.

Q No injury to the United States market.

MR. BIRCH: Because our law, which, as Mr. Justice Holmquist has pointed out, if it's there we have to contend with it or reverse it; our law says there is no infringement unless it is made within the United States. And if it is not, then there is no wrong to be enjoined. That, I think, is the answer to the question.

Now, our understanding of the purpose of a patent, as very clearly pointed out again by Mr. Justice Douglas in the first Mercoid decision, is that we have the public interest being paramount. The right to freely compete being paramount.

And the only thing you subtract from that with the limited monopoly that's given by a patent for a very limited purpose is that which is clearly within the scope of the grant. And if a combination claim is awarded only because the combination is the invention, there is no infringement, there is nothing that should properly be taken away from the public when that combination does not come into being within the United States.

Perhaps it's --

O As I understand your argument, then, you would relegate the patentee to foreign patents to protect himself?

MR. BIRCH: I think that is his responsibility. If he is going to employ the economy of the foreign country to make his money, if he is going to do his merchandising there in accordance with the rules of the difference between our own State courts, if someone is going to come in and use the economy of the State, they should go to that State court for their redress.

I think the same is true in the foreign country, and the answer is yes, Mr. Justice Blackmun.

O Except that the impelling move is your client's, not the patentee's; is it not?

Your client was shipping these parts abroad.

MR. BIRCH: Well, there's no reason for our client to do anything, in the absence of a Brazilian patent.

Now, there is a Brazilian patent, and these parties are now involved in litigation. The customer that brought about this suit here is involved in litigation with Laitram in Brazil because they bought the parts.

Q That was my next question, to ask whether there was a Brazilian patent.

MR. BIRCH: Yes, there is, and I have the complaint here, in both Spanish and English, I cannot read the Spanish.

Q Of course, the only way for the patentee to protect himself would be to get a patent in every country in the world.

MR. BIRCH: Well, not necessarily, because shrimp show up in relatively few countries around the world. I would answer you yes, where there are shrimp, yes. But that's where he's making his money. And I see no fair reason why he shouldn't be expected to use the patent system and the courts of that country where he's making his money, in order to protect his invention there.

United States patents, by definition, do not have extraterritoriality. Now, there are some statements made in respondent's brief with respect to copyrights. If the Court will examine those cases, you will find that there, too, copyrights -- that's in Appendix A, Mr. Chief Justice -- copyrights also have no extraterritoriality. The reason being that the copyright and the patent arose under the patent

clause of the Constitution. Trademarks and antitrust prosecution arose under the commerce clause; and that's a whole different ballgame.

But, with regard to both patents and copyrights, it's clear they are to have, by the decisions of this Court and the lower federal courts, no extraterritorial effect.

Now, the second policy consideration raised is that affirmance of the court below would prevent evasion of combination patents. Our answer to that is that under the law of this Court and the law that has existed for 180 years and gone through a codification in 1952, purportedly without a chance, there is no evasion. You have a right to operate outside the scope of claims, and that's all that petitioner and people in the same position here did.

It's urged that there is discrimination between manufacturers of large devices and small devices. The manufacturer of the small device has every opportunity to sell his device in parts, as the manufacturer of the large device. And notice that in the three conflicting cases in the Second, Third and Seventh Circuits, all sorts of devices are involved.

In Andrea, where the decision was against that of the Fifth Circuit, a radio was involved, and there was a question of whether the tubes could or could not be put in, with or without infringement.

In the Cold Metal case, there was a three-element

combination again of rolls, journals, and bearings. Then in the Hewitt-Robins case, in 1965 and '66, in the Seventh Circuit, there was a huge machine involved, which was shipped in parts: a bridge, a reclaimer wheel, and supporting structure.

But the small man has every bit as big an opportunity to send his equipment overseas unassembled as the large one.

Then the point is raised that unless the court below is affirmed there will be a multiplicity of lawsuits. That one escapes me completely.

As of the law now, with the three conflicting decisions squarely in point, and the law of this Court stating that there is no infringement of a combination claim without assembly, there is no action that can be properly brought against the person who sells only the parts.

If the Fifth Circuit is affirmed, on the other hand, you not only have direct infringement against the manufacturer of the parts, you have direct infringement against a factor who goes out, as the man in Woodward v. Hurd did, and buys all the parts, collects them together and resells them; and then you will have an action for contributory infringement against every vendor who supplies a part that isn't a staple article of commerce, if that part is especially adapted to go into the combination.

So, as far as litigation is concerned, I think you're opening Pandora's Box. There will be a great multipli-

city of lawsuits resulting from an affirmance of the court below.

Q Mr. Birch, I was reading the briefs in this case, I was harking back to the earlier days of my fatherhood when I used to spend Christmas Eve, and was up all night and would end up with a lot of bruised thumbs, having purchased what I thought was a coaster wagon, and it would come in a box and instead of a coaster wagon there would be a lot of parts, that it was up to the mother and father to assemble.

Now, let's assume that there was a good firm patent by somebody else on that particular kind of coaster wagon. Would your argument go so far as to claim that that big box of disassembled parts could be put together at home by the buyer, that that would not be an infringing box?

MR. BIRCH: Not at all. If the box were shipped outside of the United States, and there was no assembly.

Q Well, I might be infringing when I put it together. But how about the person who sold the box of unassembled parts to me?

MR. BIRCH: The statute is specifically designed to take care of precisely that.

Q He would be a contributory infringer?

MR. BIRCH: He would be a contributory infringer under 271(c), and he --

Q But he would not be an infringer in your

submission, is that correct?

MR. BIRCH: He would not be a direct infringer. But the same remedy would lie, and the same recovery against the same defendant would be obtainable.

The fact that you call him a contributory infringer in section (c).

Q The difference is between a direct and contributory there?

MR. BIRCH: Yes. The difference between direct and contributory is semantic, as long as what occurs occurs in the United States.

Q I would be the infringer, assuming that I could ever get the thing assembled, wouldn't I?

[Laughter.]

MR. BIRCH: Yes, you, too, would be an infringer.

Q And I'd be the only direct infringer, in my having put it together.

MR. BIRCH: That is correct. But, as has been pointed out in respondent's brief, there is a rather strong policy in this country not to go around suing, and the courts do not favor suits against individuals who would be in your position with the bruised fingers. But --

Q But the seller or the manufacturer of those disassembled parts would be contributory infringer?

MR. BIRCH: He would be a contributory infringer.

O He would be in the United States, and that's the only difference between that --

MR. BIRCH: That is correct.

Q -- particular case and yours?

MR. BIRCH: And he could be sued and full recovery gotten from the man who manufactured and/or sold the parts. It is only when you don't assemble in the United States that this question comes up.

And as the Andrea case said, this really isn't the technicality that it is accused of being, because no wrong is done; and no wrong is done because no infringement occurs. And if no infringement occurs, no liability. And that is the firm policy behind those three decisions, and I think that the decisions of this Court back that up completely.

I have --

Q Mr. Birch.

MR. BIRCH: Yes?

O How many factories does Deepsouth have in the United States?

MR. BIRCH: Deepsouth has one very small factory. The company is --

O Does it assemble in that factory all of these devices that are sold in the United States market?

MR. BIRCH: Everything that is sold by Deepsouth is made in one small building, and I believe there's a total

work force of four or five.

Q Four or five individuals?

MR. BIRCH: Individuals, that is correct.

Q So that for the United States market the three elements you mentioned are assembled, put together in that factory for all sales in the United States?

MR. BIRCH: No. The completed device is not put together. Two of the elements are: the water header, the trough, which is a reciprocating trough in the Deepsouth design, are put together. The razor blades, the long blades that go the full length of the trough are always supplied separately, perhaps for the reason suggested before: cut fingers, and the like. They are put together by the customer.

Deepsouth was held, however, to be an infringer under those circumstances, and Laitram has full recourse against them under that decision, just as if it had been manufactured entirely.

Now, the belt conveyor, or the deveiner, has in fact always been manufactured completely by Deepsouth.

I have just a few minutes, Mr. Chief Justice; may I reserve them for rebuttal?

MR. CHIEF JUSTICE BURGER: You may.

Very well, Mr. Birch.

Mr. Shoup.

ORAL ARGUMENT OF GUY W. SHOUP, ESQ.,

ON BEHALF OF THE RESPONDENT

MR. SHOUP: Mr. Chief Justice, and may it please the Court:

First, in direct answer to Mr. Birch, there is no controlling precedent on this matter before the Court at all. There is not one Supreme Court decision that relates to this issue that has been decided since this country was organized. This is the first time it has come to this Court. So you might say that what we're talking about here is the Fifth Circuit decision, and possibly Andrea XI.

Q That's the Second Circuit?

MR. SHOUP: That's the -- that was the second decision in the Radio case.

Q Are the Fifth and the Second Circuits at odds on this?

MR. SHOUP: Yes. The Fifth Circuit put it very concisely, saying that the district judge followed the Second, Third, and Seventh Circuits, and then they said in the next sentence: what he did not know was that we would refuse to follow -- and went on from there.

I would like also to put in perspective the word "combination" --

Q You think there's nothing in our cases that would indicate that if there are three elements making up the

combination, and two of them are manufactured here and one of them abroad, that there is no infringement if the two that are made here are sold in this country and shipped abroad?

MR. SHOUP: There is no Supreme Court case on that particular point, Your Honor.

Q Not even relevant to what a combination patent is?

MR. SHOUP: Well, there are cases interpreting combination patents, but always in terms of the technical question of whether or not the claim to the patent read on the machine in operation or read on the substance.

Q Well, in the example I gave you there would be no infringement, would there, or would there?

MR. SHOUP: Well, there might possibly be contributory infringement; but the facts of this case are not fully enough developed to answer that question.

271(a) says "whoever makes, uses, or sells". Now, what is it that is "made, used, or sold"?

Let's go to 35 -- to Section 101 of the patent law, which defines "patentable invention". "Patentable invention" is the thing that the person can't "make, use, or sell".

Q And that's here in the combination?

MR. SHOUP: Well, in this case, it would be a machine, Your Honor.

Q Yes.

MR. SHOUP: Because there are four types of things which are patentable inventions, and they are set forth, not in any of the parties' briefs but at page 94 of the Appendix -- the statute is set forth. And there are four types of things that are patentable: machines, manufactures, compositions of matter, and processes.

Here we're talking about a machine, really two machines. But a machine, and in this case the seller calls it a machine, the buyer calls it a machine, the foreign government calls it a machine, the foreign customer's private bank calls it a machine, the United States private bank that forwards the letter of credit calls it a machine.

So, I submit that a machine has been made and sold within the United States.

Q But it has to be a patented invention to come within that --

MR. SHOUP: A patentable invention, that's correct, Your Honor.

Q Yes.

MR. SHOUP: But the invention, the word "combination" does not appear in the portion of the patent statute that defines "patentable inventions".

Q Yes.

Q But these three elements alone wouldn't be a patentable invention?

MR. SHOUP: If they had never been put for --

Q Together?

MR. SHOUP: Put together before.

Q Would they?

MR. SHOUP: They would if the man had in his mind
the idea of putting --

Q But he just couldn't file with the Patent Office
and describe these three items --

MR. SHOUP: No, you could not, Your Honor.

Q -- and never say anything about how they're
to go together or what they're used for?

MR. SHOUP: You have to describe a cooperative
relationship among the elements in order to obtain the patent.

Q If the elements are old.

MR. SHOUP: If the elements are old or new, as a
matter of fact; you've got to describe some sort of relation-
ship any time.

Q Right.

MR. SHOUP: The word "old elements" is almost not
relevant to this case at all.

Let me go to something that Mr. Justice Blackmun
said, when he inquired about foreign patents, which is quite
relevant. There are in excess of 100 jurisdictions in the
world that have foreign patents, and when a man has an idea
that he thinks is commercially valuable, a clock starts running

against him. And the clock starts at different times in different parts of the world. For example, in the United States, he puts his device on sale, he has one year to file.

Somewhere, in some other country in the world, the minute he has to file is before he tries to market his device. So, in the United States, if he files his application in the United States, and he's put his device on the market before then, he's precluded from getting a patent in the foreign country.

I also might say that the litigation in Brazil was not commenced by respondent, it was commenced by the customer petitioner and the extent of it has been the filing of a complaint; and there was no summons ever served. The case, as far as I know, is completely defunct.

Now, back to Andrea and Andrea II. In Andrea I, the statement was made: no wrong was done the patentee until the combination is formed.

What that court was saying is that the patentee did not have a cause of action. They were stating a result. And the sentence before that, that says "nor is this so highly technical as it might seem", seems to have indicated a small amount of defensiveness on the part of the court in handling that problem.

They come back to Andrea II. They put the tubes in the radio, they pull them apart, and the court says it doesn't

matter whether the parts are disconnected at the time of sale. And Judge Swan says, "Uh-huh, we've overruled Andrea I, because we don't have to have final assembly at the time of sale."

And I submit that Judge Swan viewed Andrea II correctly.

So what is before this Court is Andrea II and the case below.

Let's go to the perhaps most difficult case, the Hewitt-Robins case, the last case that considered this question, the ore reclaimer. The patent on the ore reclaimed issues in the United States.

I go to the Patent Office. I see the patent, it's an enormous device. I go to the manufacturer. We copy the exact pictures in the patent, it's a huge thing; we sell it to the man in Turkey. We never put the things together. We just copy the patent.

That's the result of Hewitt-Robins. The result is that any large device, or any device at all, large or small, can be copied exactly, so long as there isn't some sort of an evanescent mechanical connection, or electrical connection within the confines of the continental United States.

Q Well, it's like the Turk who can come over here and copy it and go back and make it?

MR. SHOUP: That's right. He's perfectly free to.

I think in Hewitt-Robins, however, there were two

or three parties involved, and one of them was domestic; it's probably not relevant.

Now, as to the economic wrong. Section 284 of the Patent Act provides for monetary recovery when someone infringes your patent. Section 284 talks in terms of use of the invention. In this case, use of the patented invention. And this use can encompass any one of the three acts of making, use, or selling. So the patentee is entitled to a monetary recovery, regardless of whether the man has made, used, or sold the invention.

Those acts are mutually exclusive. In other words, you don't have to use if you make, you don't have to sell if you make; they are completely exclusive, one from another.

And the economic wrong is the inability of the patentee in this case to collect from the person that has infringed his patent, by making the patented machine.

Back to Andrea II, and the majority opinion which says: Infringement may not be avoided by a separation or division of parts which leaves to the purchaser a simple task of integration.

Reflecting on Andrea I, which allows the hypothetical that I put of the man going to the Patent Office, copying and making all the parts in the United States, selling them f.o.b. New York, San Francisco, New Orleans, wherever; and off they go.

Now, to answer petitioner's reply brief, they have

made some remarks about freedom to copy right up to the extent of the claims of the patent.

Practically every time a patent is litigated in the United States, the scope of the claim is at issue, and there are a number of doctrines that operate in favor of the patentee, there are a number of doctrines that operate against the patentee, when these claims are put at issue.

So a narrow technical construction of makes or sells would be out of step with the judicial doctrine that has developed over the last 150 years.

Examples of these, and they all occur in this case as a matter of fact, are equivalents which allows the patentee to go not -- doesn't hold him to the exact literal words of his claim.

Two examples, one of which -- both of which were asserted and one of which was applied in this case, are file wrapper estoppel, where statements he makes to the Patent Office restrict him within the literal words of his claim. Another example is the doctrine called negative equivalents; even where the claim reads right on the machine the patentee has to prove that the machine is even more an exact copy than the claim might indicate.

Q We have no problem in equivalents here, do we?

MR. SHOUP: None whatsoever. But I was merely pointing out to the Court that there are a number of equitable

doctrines that have developed to both limit and expand the patentee's rights during the course of this Court's interpretation of the patent system.

And the Fifth Circuit correctly realized, I submit, the lack of necessity for a legalistic construction of the word "makes" or "sells".

The multiplicity of lawsuits argument that Mr. Birch made, it seems to me, do you want to settle all disputes between the two parties who are really having a war in the same place, if at all possible?

Mr. Birch's suggestion would -- we must assume that the patentee is going to try and sell his machine wherever there's a market for it, whether it's in the United States, Brazil, Japan, wherever. Under the result we urge, this dispute can be resolved in the United States court, and the patentee is not forced to go overseas and sue his customer or sue his prospective customer. It can be settled, let's say, in one forum.

In this case, in this situation the result that we ? urge is a little bit analogous, for example, to the Blonder Tung case of a year or so ago in this Court, where the patentee, in effect, cannot go around the United States and bring 11 lawsuits, and get 11 cracks at having his patent held valid.

The affirmance of the case below, the decision below, is completely consonant with the U. S. Constitution, because

the quid pro quo in the patent clause of the Constitution is that you get something for your disclosure. In this case, with respect to the export market, you get nothing for your disclosure.

If this Court reverses the court below, the result will be the complete exemption of exported patentable inventions, namely machines, from coverage of the United States patent. Or, stated differently, the total emasculation of the United States patent system, as it's applied to exported machines and articles of manufacture. Regardless of where those articles are destined for.

In any --

Q Would that be true if patents had been obtained on the same machine in another country?

MR. SHOUP: In -- excuse me, Your Honor, I don't understand your question.

Q Suppose the patent had been obtained in Brazil, or whatever other country, --

MR. SHOUP: Yes.

Q -- would your conclusion follow, or were you just addressing yourself to the coverage of the United States?

MR. SHOUP: I was addressing myself to the coverage of the United States patent, yes.

Q All right.

MR. SHOUP: Yes. In a country where there would be

manufacturing resources present, and there might be a manufacturing competitor, it might be necessary to obtain a patent, in terms of patent protection.

I have nothing further to say, other than that this is a classic case of substance and form. And in reasoned decision, substance is a preferred victor over form; and form should not triumph here.

Thank you.

MR. CHIEF JUSTICE BURGER: Thank you, Mr. Shoup.

Mr. Birch, you have two minutes left.

REBUTTAL ARGUMENT OF HAROLD J. BIRCH, ESQ.,

ON BEHALF OF THE PETITIONER

MR. BIRCH: Thank you, Your Honor.

The brief of respondent has gone into great lengths, and the same argument has been made here, about the meaning of the word "machine".

That is a red herring. What we are talking about here is the patented invention, and I think that was made clear by the questions from the bench. You don't make a machine with an invoice or a letter or a letter of credit, you make it with nuts and bolts and wrenches; and this is what was done only in Brazil.

Now, there is no total emasculation of a man's rights, if he doesn't get a patent which covers him in the United States. Whatever it is is sold. If he can go into the foreign

country and get it, he is protected. Again, that's where he makes his profit; that's where his market is.

Now, all of these equitable doctrines of -- doctrine of equivalents, doctrine of negative equivalents, and the like -- all depend upon something that Mr. Shoup has not mentioned, and that is the making of an invention in the first place.

Unless an invention is made, there is no equivalent to even worry about.

The point here is that an invention is not made in the combination sense, and I believe it is most material, as Mr. Justice Rehnquist brought out, that if the law is that you must assemble the combination in order to have something patentable, you must reverse. That is the law of this Court. It is no subterfuge. That is what the man got his patent for: a combination.

Unless the defendant makes it, there is no infringement. That isn't a technicality, that's just giving the man what he has coming to him.

Q And unless somebody makes it in the United States you say there can be no contributory infringement?

MR. BIRCH: That is correct. That is clear from Aro. Unless there is a direct infringement, there can be no contributory infringement; and there is no direct infringement, as we've pointed out. And the Supreme Court cases before are squarely on target. It's incorrect to say there's no authority.

There is authority.

Thank you.

MR. CHIEF JUSTICE BURGER: Thank you, Mr. Birch.

Thank you, Mr. Shoup.

The case is submitted.

[Whereupon, at 1:47 o'clock, p.m., the case was submitted.]

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