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**PATENT CONTEMPT PROCEEDINGS AFTER KSM:
HAS THE FEDERAL CIRCUIT INFRINGED
PATENTEES' RIGHTS?**

INTRODUCTION

Until recently, when a prevailing patent owner¹ had succeeded in enjoining an infringer,² any subsequent modifications of the enjoined object by that infringer could also be enjoined and punished by contempt.³ The patentee needed only to show, in relatively uncomplicated proceedings, that this new device was just a modified version of the enjoined device—altered slightly to circumvent the injunction.⁴ A recent decision⁵ by the Federal Circuit radically alters the standard of proof in these contempt proceedings by forcing courts to consider many additional factors before exercising their discretion.⁶ The court is less than lucid⁷ in its failure to

1. Federal patent power stems from the Constitutional provision that "Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries . . ." U.S. Const. art. I, § 8. Patent statutes grant "the patentee, his heirs or assigns, for the term of seventeen years, . . . the right to exclude others from making, using, or seeing the invention throughout the United States . . ." 35 U.S.C. § 154 (1982).

2. The patent statute provides that the courts "may grant injunctions in accordance with the principles of equity to prevent the violation of any right secured by patent . . ." 35 U.S.C. § 283 (1982). "Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement . . ." *Id.* § 284 (1982).

3. *Siebring v. Hansen*, 346 F.2d 474, 477 (8th Cir.) ("A contempt proceeding for violation of a patent infringement injunction will lie where the new and alleged offending device is merely 'colorably' different from the enjoined device or from the patent."), *cert. denied*, 382 U.S. 943 (1965); *see, e.g.*, *Sure Plus Mfg. Co. v. Korbin*, 719 F.2d 1114, 1118 (11th Cir. 1983); *McCullough Tool Co. v. Well Surveys, Inc.*, 395 F.2d 230, 234 (10th Cir.), *cert. denied*, 393 U.S. 925 (1968); *Hopp Press, Inc. v. Joseph Freeman & Co.*, 323 F.2d 636, 637-38 (2d Cir. 1963); *E-I-M Co. v. Philadelphia Gear Works, Inc.*, 223 F.2d 36, 41-42 (5th Cir. 1955), *cert. denied*, 350 U.S. 933 (1956).

4. *See* 8 A. Deller, *Deller's Walker on Patents* § 735, at 99 (2d ed. Supp. 1985) ("Where an alteration is merely colorable and obviously made simply for the purpose of evading an earlier ruling of the court, contempt remedies are desirable."). In *Hopp Press, Inc. v. Joseph Freeman & Co.*, 323 F.2d 636, 638 (2d Cir. 1963), the defendant modified infringing price tags by using opaque rather than translucent ink and changed the type-face of numerals. "If the . . . old tag infringed the plaintiff's patent, as it was adjudicated to have done, we are unable to see why the new tag, which is in every essential aspect equivalent, does not also infringe." *Id.* Though infringers are often tempted to modify a device slightly, so as to evade an injunction, the courts frown on this practice. "The attempt to see how near one can come to an infringement and escape it involves great danger, and is not looked upon with favor by courts." *Calculagraph Co. v. Wilson*, 136 F. 196, 199 (C.C.D. Mass. 1905).

5. *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522 (Fed. Cir. 1985).

6. The majority holds that it is always necessary to return to the claims and to consider any questions raised of claim interpretation, prior art, and prosecution history estoppel.

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By rejecting this law and procedure in all cases, whatever the facts, the majority has changed the practices of the Second, Third, and Eighth Circuits, and modi-

explain how the progeny of this case are to keep "summary" and "contempt" from becoming mutually exclusive terms.

In *KSM Fastening Systems v. H.A. Jones Co.*,⁸ the Federal Circuit held that an injunction against infringement is violated only if the patentee proves that the "new" device is a *patent infringement*.⁹ This holding places the burden of potentially protracted and expensive relitigation¹⁰ on the patent owner and effectively deprives him of the remedy of the summary contempt proceeding.¹¹

Part I of this Note describes the nature and purposes of the patent contempt action and argues that to sustain its coercive vitality (in protecting both the rights of the patentee and respect for the authority of the court) it must be summary in nature and unencumbered by protracted proceedings. Part II examines the implications of *KSM*, addresses the increased burden that a patentee must now bear in contempt proceedings, and shows that much of this weight has been transferred from the shoulders of the infringer. It concludes that *KSM* is a harbinger of the nullification of both respect for court decrees and fear of contempt sanctions in potential contemnors. Part III analyzes alternatives to the *KSM* mandate and concludes that in determining if contempt should lie, the trial court should have the discretion to compare the modified device to the adjudicated device or to the patent.

ried the discretionary practices of at least the Sixth and Eleventh Circuits, and of trial courts in other circuits . . .

Id. at 1533 (Newman, J., concurring in part); see *SRI Int'l v. Matsushita Elec. Corp.*, 775 F.2d 1107, 1127-31 (Fed. Cir. 1985); *Sutherland Paper Co. v. Grant Paper Box Co.*, 183 F.2d 926, 935 (3d Cir.), *cert. denied*, 340 U.S. 906 (1950); see also Borkin, *The Patent Infringement Suit—Ordeal by Trial*, 17 U. Chi. L. Rev. 634, 641 (1950) (patent litigation requires expert witnesses because judges are not sufficiently trained in chemistry, physics and mathematics for the analysis of the fine lines of distinction inherent in patent litigation).

7. See *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1536 (Fed. Cir. 1985) (Newman, J., concurring in part).

8. 776 F.2d 1522 (Fed. Cir. 1985).

9. See *id.* at 1532 ("[W]hether an injunction against infringement has been violated, requires, at a minimum, a finding that the accused device is an infringement.").

10. See *KSM*, 776 F.2d at 1533 (Fed. Cir. 1985) (Newman, J., concurring in part). "Most of the circuits have heretofore recognized the need for . . . courts to handle contempt cases simply and expeditiously . . ." *Id.* Patent litigation and infringement suits are usually extremely expensive. See *Cable Elec. Prods., Inc. v. Genmark, Inc.*, 770 F.2d 1015, 1021 (Fed. Cir. 1985) (summary judgments should be made with an eye toward judicial economy); *King Instruments Corp. v. Otari Corp.*, 767 F.2d 853, 867 (Fed. Cir. 1985) (licensing agreement may be an alternative to unaffordable or expensive patent litigation), *cert. denied*, 54 U.S.L.W. 3562 (U.S. Feb. 25, 1986); *Hairline Creations, Inc. v. Kefalas*, 664 F.2d 652, 654 (7th Cir. 1981) ("threat of expensive litigation"); *Speed Shore Corp. v. Denda*, 605 F.2d 469, 473 (9th Cir. 1979) ("[s]ettlement agreements conserve judicial time and limit expensive litigation."); *Union Carbide Corp. v. Graver Tank & Mfg. Co.*, 282 F.2d 653, 673-75 (7th Cir. 1960) (plaintiff compelled to conduct long and expensive litigation), *cert. denied*, 365 U.S. 812 (1961); *Gould v. General Photonics Corp.*, 534 F. Supp. 399, 403 (N.D. Cal. 1982) (defendant preferred alternative of licensing agreement to expensive litigation that it could not afford).

11. See *KSM*, 776 F.2d at 1535 (Fed. Cir. 1985) (Newman, J., concurring in part).

I. THE NATURE OF THE PATENT INFRINGEMENT ACTION

A patent owner who proves infringement is entitled to the relief afforded by 35 U.S.C. § 283,¹² which authorizes the courts to grant an injunction¹³ to protect the rights of the patentee.¹⁴ A violation of an injunction may be punished by contempt.¹⁵ Contempt authority is pro-

12. The statute provides: "The several courts having jurisdiction of cases under this title may grant injunctions in accordance with the principles of equity to prevent the violation of any right secured by patent, on such terms as the court deems reasonable." 35 U.S.C. § 283 (1982).

13. *Id.* FED. R. CIV. P. 65(d) provides:

Form and Scope of Injunction or Restraining Order. Every order granting an injunction and every restraining order shall set forth the reasons for its issuance; shall be specific in terms; shall describe in reasonable detail, and not by reference to the complaint or other document, the act or acts sought to be restrained; and is binding only upon the parties to the action, their officers, agents, servants, employees, and attorneys, and upon those persons in active concern or participation with them who receive actual notice of the order by personal service or otherwise.

Id. (emphasis in original). The rule requires the injunction to be neither too broad nor too vague. *See, e.g.,* Ideal Toy Corp. v. Plawner Toy Mfg. Corp., 685 F.2d 78, 83 (3d Cir. 1982) (injunction against infringement of trademark too vague). "[O]ne basic principle built into Rule 65 is that those against whom an injunction is issued should receive fair and precisely drawn notice of what the injunction actually prohibits." *Granny Goose Foods, Inc. v. Brotherhood of Teamsters*, 415 U.S. 423, 444 (1974) (footnote omitted); *see also* Litton Sys. v. Sundstrand Corp., 750 F.2d 952, 957-58 (Fed. Cir. 1984); *American Can Co. v. Mansukhani*, 742 F.2d 314, 332-33 (7th Cir. 1984); *Square Liner 360°, Inc. v. Chisum*, 691 F.2d 362, 378 (8th Cir. 1982); *E.W. Bliss Co. v. Struthers-Dunn, Inc.*, 408 F.2d 1108, 1113-17 (8th Cir. 1969).

Most courts, however, draft injunctions in general terms despite rule 65(d). *See* KSM Fastening Sys. v. H.A. Jones Co., 776 F.2d 1522, 1526 (Fed. Cir. 1985). The unreasonableness of a vague or broad prohibition is alleviated because contempt proceedings are available only with respect to devices previously adjudged as infringing and to subsequently manufactured devices that are also deemed to be violations of the patent. *Id.*

A decision adjudging infringement necessarily finds the particular accused device to be within the valid boundary of the patent. The decree usually carries a prohibition against further infringement—not as to any and every possible infringement, but as to the particular device found to be [an] infringement and as to all other devices which are merely 'colorable' changes of the infringing one or of the patent. This limitation . . . is occasioned . . . by the character of the remedy—summary contempt proceedings—used to enforce such provisions of a decree.

American Foundry & Mfg. Co. v. Josam Mfg. Co., 79 F.2d 116, 118 (8th Cir. 1935).

14. *See* 35 U.S.C. § 283 (1982).

15. "In this day of . . . disrespect for the judicial process, the contempt power of the courts may be an important weapon to restore respect for the judiciary." *Nemmers, Enforcement of Injunctive Orders and Decrees in Patent Cases*, 7 Ind. L. Rev. 287, 288 (1973) (footnote omitted); *see* KSM Fastening Sys. v. H.A. Jones Co., 776 F.2d 1522, 1524 (Fed. Cir. 1985); *Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1022 (9th Cir. 1985), *cert. denied*, 106 S. Ct. 802 (1986); *MAC Corp. of Am. v. Williams Patent Crusher & Pulverizer Co.*, 767 F.2d 882, 885 (Fed. Cir. 1985); *Smith Int'l, Inc. v. Hughes Tool Co.*, 759 F.2d 1572, 1575 (Fed. Cir.), *cert. denied*, 106 S. Ct. 87 (1985); *Polo Fashions, Inc. v. Stock Buyers Int'l, Inc.*, 760 F.2d 698, 701 (6th Cir. 1985). Contempt proceedings brought pursuant to a violation of an injunction protect the rights of the patentee. *See* KSM Fastening Sys. v. H.A. Jones Co., 776 F.2d 1522, 1524 (Fed. Cir. 1985) (contempt proceedings, while primarily for the benefit of the patent owner, involve

vided to the federal courts under 18 U.S.C. § 401,¹⁶ which enables courts to punish by fine or imprisonment those who disobey or resist its commands.¹⁷

When a patent owner who has enjoined an infringer faces a subsequent possible infringement in the form of a modification of the infringing device,¹⁸ he may either institute a separate suit to enjoin the modified device or urge the court to punish the violation of the injunction with contempt.¹⁹ The contempt proceeding is of considerable value to the patent holder because it is usually summary, and decisions may be rendered without the formalities and extra expense of a full trial.²⁰

KSM's requirement that the patentee prove infringement of the patent for every modified device that the infringer might manufacture subsequent to the injunction diminishes the significance of the patent and au-

the concept of an affront to the court for failure to obey its order); *United States v. Schiavo*, 504 F.2d 1, 11 (3d Cir.) (contempt is part of an orderly institutional process to resolve disputes and preserve respect for the courts and judicial orders), *cert. denied*, 419 U.S. 1096 (1974).

16. 18 U.S.C. § 401 (1982) states:

A court of the United States shall have power to punish by fine or imprisonment, at its discretion, such contempt of its authority, and none other, as—

- (1) Misbehavior of any person in its presence or so near thereto as to obstruct the administration of justice;
- (2) Misbehavior of any of its officers in their official transactions;
- (3) Disobedience or resistance to its lawful writ, process, order, rule, decree, or command.

17. *See id.* Although contempt proceedings are usually summary, and may be decided by the court on affidavits and exhibits without protracted proceedings, the patentee must prove by clear and convincing evidence that the injunction has been violated. *See generally* 11 C. Wright & A. Miller, *Federal Practice and Procedure* § 2960, at 584-91 (1973).

18. *See text* accompanying *infra* notes 29-33.

19. *See KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1524 (Fed. Cir. 1985). The court has the discretion to decide if a contempt proceeding is appropriate. "If substantial issues need to be litigated, particularly if expert and other testimony subject to cross-examination would be helpful or necessary, the court may properly require a supplemental or new complaint." *Id.* at 1531; *see Roche Prods., Inc., v. Bolar Pharm. Co.*, 733 F.2d 858, 865 (Fed. Cir.) (issuance of an injunction is clearly discretionary), *cert. denied*, 105 S. Ct. 183 (1984); *Smith Int'l, Inc. v. Hughes Tool Co.*, 718 F.2d 1573, 1581 (Fed. Cir.) (injunctive relief against an infringer is the norm), *cert. denied*, 464 U.S. 996 (1983); *Interdynamics, Inc. v. Firma Wolf*, 653 F.2d 93, 97 (3d Cir.) (court must decide whether to treat modified device as infringement de novo or whether summary contempt is called for), *cert. denied*, 454 U.S. 1092 (1981); *United States v. Shiavo*, 504 F.2d 1, 11 (3d Cir.) (contempt is part of an orderly institutional process to resolve disputes and preserve respect for the courts and judicial orders), *cert. denied*, 419 U.S. 1096 (1974).

20. *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1524 (Fed. Cir. 1985).

While a patent owner, in such circumstances, could institute a separate suit to enjoin the modified device, the advantages of proceeding on a motion to hold his adversary in contempt are substantial. The adjudged infringer is already under the jurisdiction of the court and may be summoned to appear to respond on the merits, the contempt motion being merely part of the original action. Contempt proceedings are generally summary in nature and may be decided by the court on affidavits and exhibits without the formalities of a full trial . . .

Id. (citation omitted).

thority and respect for the court's orders.²¹ The contempt power would lose its coercive influence.

At the same time, contempt is a harsh remedy that should not be unleashed haphazardly or indiscriminately.²² To allow a summary contempt proceeding in all cases could deter parties from researching, developing and marketing new devices that are legitimately outside the scope of the patent for which the injunction had been granted.²³

This Note will focus on what standard should determine whether the injunction has been violated.²⁴ In doing justice to the above interests, can the court be granted the discretion to simply compare the modified

21. "[I]f a patentee could only attack each modified product in a new infringement action, no matter how minimal the modification, such a requirement would significantly diminish the force of a consent decree as a judgment of the court." *Interdynamics, Inc. v. Firma Wolf*, 653 F.2d 93, 97 (3d Cir.), *cert. denied*, 454 U.S. 1092 (1981).

22. "Allowing the patentee to proceed by a summary contempt proceeding in all cases would unnecessarily deter parties from marketing new devices that are legitimately outside the scope of the patent in question." *McCullough Tool Co. v. Well Surveys, Inc.*, 395 F.2d 230, 233 (10th Cir.), *cert. denied*, 393 U.S. 925 (1968). A new infringement suit, rather than contempt, is

by far the most appropriate one where it is really a doubtful question whether the new [device] is an infringement or not. Process of contempt is a severe remedy, and should not be resorted to where there is fair ground of doubt as to the wrongfulness of the defendant's conduct.

California Artificial Stone Paving Co. v. Molitor, 113 U.S. 609, 618 (1885); *see MAC Corp. of Am. v. Williams Patent Crusher & Pulverizer Co.*, 767 F.2d 882, 885 (Fed. Cir. 1985); *Sure Plus Mfg. Co. v. Kobrin*, 719 F.2d 1114, 1118 (11th Cir. 1983); *Interdynamics, Inc. v. Firma Wolf*, 653 F.2d 93, 99 (3d Cir.), *cert. denied*, 454 U.S. 1092 (1981); *Siebring v. Hansen*, 346 F.2d 474, 477 (8th Cir.), *cert. denied*, 382 U.S. 943 (1965).

23. *McCullough Tool Co. v. Well Surveys, Inc.*, 395 F.2d 230, 233 (10th Cir.), *cert. denied*, 393 U.S. 925 (1968). "[C]ompeting interests . . . require . . . balancing the rights of a party . . . to 'invent around' and avoid a patent it had earlier infringed." *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1535 (Fed. Cir. 1985); *see United States v. Armour & Co.*, 402 U.S. 673, 681-82 (1971) (due process considerations require consent decrees be construed in accordance with circumstances under which they were entered); *Smith Int'l, Inc. v. Hughes Tool Co.*, 718 F.2d 1573, 1581 n.8 (Fed. Cir.) ("The burden of avoiding infringement at the risk of contempt falls upon the one enjoined."), *cert. denied*, 464 U.S. 996 (1983); *Marston v. J.C. Penney Co.*, 324 F. Supp. 889, 892 (E.D. Va. 1971) (patent owner may not, in contempt proceedings, seek to broaden scope of claims and thereby catch the modified device), *aff'd per curiam*, 469 F.2d 694, 695 (4th Cir. 1972).

24. Close analysis reveals that there are really two questions involved: First, may the patentee proceed via a contempt proceeding (or do the facts dictate that a full infringement trial is more equitable)? Second, if the court decides that contempt proceedings are appropriate, what criteria shall be used to determine if the injunction has been violated? The answer to the first question establishes the dividing point between those cases that should be handled in a summary contempt proceeding and those cases that should be more fully viewed in an infringement proceeding. Some guidance on what criteria should be employed in making this determination was provided in *McCullough Tool Co. v. Well Surveys, Inc.*, 395 F.2d 230 (10th Cir.), *cert. denied*, 393 U.S. 925 (1968):

Obviously there must be a dividing point between those cases which should be handled by a summary contempt proceeding and those cases which should be more fully viewed in an infringement proceeding. Courts have uniformly held that the standard to be applied in determining the dividing point is whether the

device to its predecessor (a previously adjudicated patent violation) and hold that if the modified device is only "colorably" different²⁵ that the manufacturer is in contempt?²⁶ Or, must the modified device be compared, instead, to the original patent, as the *KSM* court mandated?²⁷

II. IMPLICATIONS OF THE *KSM* DECISION

The traditional standard²⁸ for determining contempt prior to the *KSM* case was set forth in *Interdynamics, Inc. v. Firma Wolf*,²⁹ which stated that to find contempt, a court must compare the enjoined device with the accused device³⁰ under a "doctrine of equivalents."³¹ This doctrine states: "[I]f two devices do the same work in substantially the same way, and accomplish substantially the same result, they are the same, even though different in name, form, or shape."³² Under this test, if the devices are equivalent, contempt will lie.³³

KSM brought suit against Jones for infringement of a patented anchoring device.³⁴ A settlement was reached³⁵ and Jones, conceding the infringement, entered into a consent decree³⁶ and was enjoined from further infringement.³⁷ Jones subsequently manufactured a "modified" anchoring device,³⁸ and *KSM* urged the district court to hold Jones in contempt for violation of the injunction.³⁹ The district court applied the *Interdynamics* test and concluded that the difference between the adjudicated device and the accused device was only "colorable."⁴⁰ Therefore,

alleged offending device is 'merely "colorably" different from the enjoined device or from the patent.'

Id. at 233 (quoting *Siebring v. Hansen*, 346 F.2d 474, 477 (8th Cir.), *cert. denied*, 382 U.S. 943 (1965)). See *supra* note 19 and accompanying text.

25. See *infra* notes 29-33 and accompanying text.

26. See *supra* note 20.

27. See *KSM*, 776 F.2d at 1528.

28. See *id.* at 1527.

29. 653 F.2d 93 (3d Cir.), *cert. denied*, 454 U.S. 1092 (1981).

30. See *id.* at 98-99.

31. *Id.*

32. *Id.* at 99 (quoting *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 608 (1950)). The *KSM* court erroneously attributed this doctrine to *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 608 (1950), when in fact it was articulated by the Supreme Court more than a century ago in *Machine Co. v. Murphy*, 97 U.S. 120, 125 (1877). See *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1527 (Fed. Cir. 1985) (attention is drawn to this solely for the purpose of demonstrating that this test is not a neophyte to patent law).

33. *Interdynamics, Inc. v. Firma Wolf*, 653 F.2d 93, 98-99 (3d Cir.), *cert. denied*, 454 U.S. 1092 (1981).

34. *KSM Div. of Omark Indus. v. H.A. Jones Co.*, No. 79 Civ. 1350 (D.N.J. Mar. 6, 1980).

35. *Id.* at 1.

36. *Id.*

37. *Id.* at 2.

38. *KSM Fastening Sys. v. H.A. Jones, Co.*, 776 F.2d 1522, 1524 (Fed. Cir. 1985).

39. *Id.*

40. *Id.* at 1527-28.

Jones was in contempt.⁴¹

On appeal, Jones prevailed because the Federal Circuit rejected⁴² the *Interdynamics* test, vacated the judgment of contempt and remanded the case for comparison of the accused device with the patent rather than with the enjoined device.⁴³ The court held that when an injunction has been violated, the trial court is required "at a minimum" to find that the accused device is an "infringement."⁴⁴ The court's holding means that in future contempt proceedings courts will always have to return to the patent claims and consider questions of claim interpretation,⁴⁵ prior art⁴⁶ and prosecution history⁴⁷ estoppel.⁴⁸ This makes it difficult for a court to grant summary relief⁴⁹ because a comparison of the accused device and the patent requires the court to analyze and weigh more issues than would a comparison of two devices.⁵⁰

41. *Id.* at 1524.

42. *Id.* at 1527.

43. *See id.* at 1530-32.

44. *See id.* at 1532.

45. *See, e.g.,* *Windsurfing Int'l, Inc. v. AMF, Inc.*, 782 F.2d 995, 1000-01 (Fed. Cir. 1986); *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1536 (Fed. Cir. 1985) (Newman, J., concurring in part); *Ashland Oil, Inc. v. Delta Resins & Refractories, Inc.*, 776 F.2d 281, 291 (Fed. Cir. 1985), *cert. denied*, 54 U.S.L.W. 3562 (U.S. Feb. 25, 1986); *SRI Int'l v. Matsushita Elec. Corp. of Am.*, 775 F.2d 1107, 1118 (Fed. Cir. 1985).

46. *See, e.g.,* *Windsurfing Int'l, Inc. v. AMF, Inc.*, 782 F.2d 995, 999 (Fed. Cir. 1986); *Kangaroos U.S.A., Inc. v. Caldor, Inc.*, 778 F.2d 1571, 1574-75 (Fed. Cir. 1985); *Titanium Metals Corp. v. Banner*, 778 F.2d 775, 781 (Fed. Cir. 1985); *Block v. United States Int'l Trade Comm'n*, 777 F.2d 1568, 1570 (Fed. Cir. 1985); *Tyler Refrigeration v. Kysor Indus. Corp.*, 777 F.2d 687, 690 (Fed. Cir. 1985).

47. *See* *Great N. Corp. v. Davis Core & Pad Co.*, 786 F.2d 159, 166 (Fed. Cir. 1986); *Datascope Corp. v. SMEC, Inc.*, 776 F.2d 320, 324 (Fed. Cir. 1985); *CPG Prods. Corp. v. Pegasus Luggage, Inc.*, 776 F.2d 1007, 1010 (Fed. Cir. 1985); *SRI Int'l v. Matsushita Elec. Corp. of Am.*, 775 F.2d 1107, 1119-20, 1132 (Fed. Cir. 1985) (Davis, J., concurring).

48. *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1536-37 (Fed. Cir. 1985).

The majority has eased the way to enabling an adjudged infringer to oblige a court to retry any colorable modification the infringer can create, with fresh consideration of prior art and prosecution history, renewed claim interpretation, and the trappings of discovery and expert witnesses that accompany trial of these issues. By thus reducing the discretionary possibility of summary relief in contempt proceedings, harassing litigation will be harder to control.

Id. at 1536 (Newman, J., concurring in part).

49. *See supra* note 30 and accompanying text.

50. Due to ever rapid advances in science and technology, patent cases present protracted and complex litigations. Wright, *U.S. Patent System and the Judiciary*, 47 J. Pat. Off. Soc'y 727, 728 (1965). Because of the complexity of the issues (e.g., gene splicing) and the necessarily technical testimony of expert witnesses, patent lawyers usually possess expertise in at least one scientific discipline. "We are . . . aware that . . . patent litigation can present issues so complex that legal minds, without appropriate grounding in science and technology, may have difficulty . . ." *Blonder-Tongue Laboratories, Inc. v. University of Ill. Found.*, 402 U.S. 313, 331 (1971); *see Harries v. Air King Prods. Co.*, 183 F.2d 158, 162 (2d Cir. 1950) (L. Hand, J.) (Patent litigation can be "as fugitive, impalpable, wayward, and vague a phantom as exists in the whole paraphernalia of legal concepts If there be an issue more troublesome, or more apt for litigation than this, we are unaware of it.); Note, "To Bind or Not to Bind": *Bar and Merger Treatment of Consent Decrees in Patent Infringement Litigation*, 74 Colum. L. Rev. 1322, 1322 (1974)

KSM is significant because it deprives the victor in an infringement litigation of the inexpensive, uncomplicated and summary protection he is entitled to when there is no genuine dispute in a contempt proceeding.⁵¹ For all practical purposes, this forces the victorious patentee to relitigate all the issues settled in the initial injunction proceeding against the infringer.⁵² While this may be advisable in some circumstances, the court mandated that this procedure always be followed.⁵³ This necessarily includes those situations in which a trial court, in its discretion, does not deem it necessary to relitigate these questions or where *res judicata* may apply.⁵⁴ In the interest of judicial efficiency the trial court should retain the discretion to decide whether, for a particular modified device, justice would best be served by a simplified, relatively inexpensive and summary contempt procedure.⁵⁵

Res judicata principles are "the essence of judicial judgments," significantly contributing to judicial efficiency and giving judgments their force as ultimate resolutions.⁵⁶ Among the benefits derived from these principles are: reducing workload of the courts, discouraging piecemeal and repetitive litigation, promoting financial investment and business enterprise (due to certainty of legal relations) and fostering respect for judicial

("The concerns of effective judicial administration and fairness to litigants are particularly present in patent litigation because of the staggering cost, volume and complexity of patent cases.") [hereinafter cited as *Consent Decrees in Litigation*].

51. See *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1533 (Fed. Cir. 1985) (Newman, J., concurring in part) ("I know of no reason to withdraw from trial courts the authority . . . to find contempt summarily Most of the circuits have heretofore recognized the need for discretion in district courts to handle contempt cases simply and expeditiously, when the facts warrant. The majority ruling limits this discretion."); see also *SRI Int'l v. Matsushita Elec. Corp.*, 775 F.2d 1107, 1117 (Fed. Cir. 1985); *Cable Elec. Prod., Inc. v. Genmark, Inc.*, 770 F.2d 1015, 1020 (Fed. Cir. 1985); *Molinaro v. Fannon/Courier Corp.*, 745 F.2d 651, 653-54 (Fed. Cir. 1984); *Chore-Time Equip., Inc. v. Cumberland Corp.*, 713 F.2d 774, 778 (Fed. Cir. 1983); *Interdynamics, Inc. v. Firma Wolf, Inc.*, 653 F.2d 93, 99 (3d Cir.), *cert. denied*, 454 U.S. 1092 (1981); *Brunswick Corp. v. Chrysler Corp.*, 408 F.2d 335, 337-38 (7th Cir. 1969); *Siebring v. Hansen*, 346 F.2d 474, 477 (8th Cir.), *cert. denied*, 382 U.S. 943 (1965).

52. See *supra* notes 44-50 and accompanying text.

53. See *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1533 (Fed. Cir. 1985) (Newman, J., concurring in part).

54. See *id.*

55. *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 900 (Fed. Cir.), *cert. denied*, 105 S. Ct. 187 (1984); *Central Soya Co. v. Geo. A. Hormel & Co.*, 723 F.2d 1573, 1580 (Fed. Cir. 1983); *Societe de Conditionnement en Aluminium v. Hunter Eng'g, Co.*, 655 F.2d 938, 943 (9th Cir. 1981); *Windmöller v. Laguerre*, 284 F. Supp. 563, 564-65 (D.D.C. 1968).

56. See *Consent Decrees in Litigation, supra* note 50, at 1322; see, e.g., *USM Corp. v. SPS Technologies, Inc.*, 770 F.2d 1035, 1037 (Fed. Cir. 1985); *Precision Air Parts, Inc. v. Avco Corp.*, 736 F.2d 1499, 1501 (11th Cir. 1984), *cert. denied*, 105 S. Ct. 966 (1985); *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 900 (Fed. Cir.), *cert. denied*, 105 S. Ct. 187 (1984); *Central Soya Co. v. Geo. A. Hormel & Co.*, 723 F.2d 1573, 1580 (Fed. Cir. 1983); *Interdynamics, Inc. v. Firma Wolf*, 653 F.2d 93, 98-99 (3d Cir.), *cert. denied*, 454 U.S. 1092 (1981); *Brunswick Corp. v. Chrysler Corp.*, 408 F.2d 335, 337-38 (7th Cir. 1969); *Siebring v. Hansen*, 346 F.2d 474, 477 (8th Cir.), *cert. denied*, 382 U.S. 943 (1965).

decrees.⁵⁷ “Moreover, individual litigants are afforded relief from the vexation and economic hardship of repeated and wasteful actions. The concerns of effective judicial administration and fairness to litigants are particularly present in patent litigation because of the *staggering cost, volume* and *complexity* of patent cases.”⁵⁸ While the *KSM* holding⁵⁹ may comfort potential contemnors—and practitioners of patent law—it is the antithesis of these principles of judicial administration.

The contempt proceeding is an essential weapon in the judicial arsenal protecting public interest in both the finality and authority of court decrees.⁶⁰ Under *KSM*, adjudication is “final” only so long as the adjudi-

57. See *Precision Air Parts, Inc. v. Avco Corp.*, 736 F.2d 1499 (11th Cir. 1984), *cert. denied*, 105 S. Ct. 966 (1985):

By declaring an end to litigation, the doctrine adds certainty and stability to social institutions. This certainty in turn generates public respect for the courts. By preventing relitigation of issues, *res judicata* conserves judicial time and resources. It also supports several private interests, including avoidance of substantial litigation expenses, protection from harassment or coercion by lawsuit, and avoidance of conflicting rights and duties from inconsistent judgments.

Id. at 1503 n.4 (quoting *Southwest Airlines v. Texas Int'l Airlines*, 546 F.2d 84, 94 (5th Cir.), *cert. denied*, 434 U.S. 832 (1977)). The contempt citation is intended to embody *res judicata* principles.

Just as a contempt citation based on a consent judgment is a vindication of the court's authority, so is application of *res judicata* to a consent decree in a second action. In both cases, the interests of society, the parties and the courts in giving certainty and conclusiveness to judgments of the court are the same.

Consent Decrees in Litigation, *supra* note 50, at 1337.

58. *Consent Decrees in Litigation*, *supra* note 50, at 1322 (footnote omitted) (emphasis added); see *Blonder-Tongue Laboratories, Inc. v. University of Ill. Found.*, 402 U.S. 313, 334-49 (1971); *USM Corp. v. SPS Technologies, Inc.*, 770 F.2d 1035, 1037 (Fed. Cir. 1985); *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 900 (Fed. Cir.), *cert. denied*, 105 S. Ct. 187 (1984); *Central Soya Co. v. Geo. A. Hormel & Co.*, 723 F.2d 1573, 1580 (Fed. Cir. 1983); *Societe de Conditionnement en Aluminium v. Hunter Eng'g, Co.*, 655 F.2d 938, 943 (9th Cir. 1981); *Windmüller v. Laguerre*, 284 F. Supp. 563, 564-65 (D.D.C. 1968). See generally *Harris, Cost of Enforcement of Industrial Rights*, 13 *Idea*, Conference Number 1969, 51, 53 (1969) (even simple patent cases are very expensive and complex ones can involve millions of dollars).

59. See *supra* notes 30 and 45.

60. Infringement litigation is often settled by parties via a consent decree in which the alleged infringer permits the entry of a decree enjoining future infringement. See *Nemmers*, *supra* note 15, at 301-02; *Consent Decrees in Litigation*, *supra* note 50, at 1325, 1330. Some have argued that because consent decrees are often entered into and approved by the courts without a full trial or litigation on the merits, they should not be accorded the same respect and finality as decrees that result from full adjudication. See *Consent Decrees in Litigation*, *supra* note 50, at 1327-28; see also *Horn & Epstein, The Federal Courts' View of Patents—A Different View*, 55 *J. Pat. Off. Soc'y* 134 (1973). Strictly speaking, one could argue that the merits had not been adjudicated, but “[w]hether right or wrong, the courts draw no distinction in contempt cases between the effect of a decree entered by consent and one entered after a complete and contested proceeding.” *Nemmers*, *supra* note 15, at 292. A patent dispute settled by a consent decree is deemed a final adjudication and the courts generally agree that the issues of infringement and validity cannot be relitigated in civil contempt proceedings. *Id.* at 301. “To allow such issues to be raised in a later civil contempt proceeding would be to allow a collateral attack on the decree.” *Id.* at 301-02. If these collateral attacks are allowed, patentees may choose not to enter into consent decrees in the future.

cated infringer wishes it to be. By simply manufacturing a slightly modified device he gets the proverbial "second bite at the apple."⁶¹ "Final" adjudication means nothing because a civil contempt proceeding now requires so thorough a legal reanalysis⁶² that it cannot accommodate simple summary procedures and forces the patentee to relitigate the rights granted in the original infringement action.⁶³ Prior to *KSM* the patentee could either initiate a new infringement action or a summary contempt proceeding.⁶⁴ Because *KSM* makes the two remedies coextensive,⁶⁵ logic dictates that the summary contempt proceeding has been purloined from the patentee. Thus, the court has condoned collateral attacks on the court's decree.⁶⁶

Strictly read, *KSM* does not impinge or vitiate patent contempt proceedings, but it has strewn many obstacles in the path of the patentee seeking to avail himself of its redress. No practical difference remains between this post-*KSM* contempt proceeding and a new suit to enjoin the accused device.⁶⁷ It follows that if the patent contempt proceeding is now indistinguishable from a new infringement proceeding, the patent contempt proceeding has at best been stultified and at worst eviscerated. The *KSM* holding has severely retarded the future effectiveness of this

In essence this . . . involves a very important principle, namely, whether sanctity should be accorded to a consent decree of a Federal Court in a patent-infringement case.

. . . .

We ought to do nothing here to make the settlement of a patent-infringement action by a consent decree a futile, meaningless gesture which will discourage such settlements in the future.

Schlegel Mfg. Co. v. USM Corp., 525 F.2d 775, 783 (6th Cir. 1975), *cert. denied*, 425 U.S. 912 (1976); see *Smith Int'l, Inc. v. Hughes Tool Co.*, 718 F.2d 1573, 1581 n.8 (Fed. Cir.), *cert. denied*, 464 U.S. 996 (1983); *United States ex rel. Shell Oil Co. v. Barco Corp.*, 430 F.2d 998, 1001-02 (8th Cir. 1970); *Siebring v. Hansen*, 346 F.2d 474, 477 (8th Cir.), *cert. denied*, 382 U.S. 943 (1965); *Scott Paper Co. v. Fort Howard Paper Co.*, 343 F. Supp. 225, 228 (E.D. Wis. 1972).

61. "[E]lementary logic is matched by elementary fairness—a litigant given one good bite at the apple should not have a second." *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 900 (Fed. Cir.), *cert. denied*, 105 S. Ct. 187 (1984).

[I]n a consent decree situation, the parties have suffered no incapacity or disability to challenge when they first went to court. Providing an unmuzzled party who unsuccessfully—and perhaps lackadaisically—challenged the validity of a patent with a second chance on the same issue against the same party offends fundamental notions of fair play

See *Consent Decrees in Litigation*, *supra* note 50, at 1347. This second chance should be denied in the interest of judicial efficiency and to prevent endless litigation. See *Smith Int'l, Inc. v. Hughes Tool Co.*, 718 F.2d 1573, 1581 (Fed. Cir.), *cert. denied*, 464 U.S. 996 (1983).

62. *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1535 (Fed. Cir. 1985) (Newman, J., concurring in part).

63. *Id.* at 1536.

64. See *supra* notes 3, 19 and accompanying text.

65. See *supra* notes 44-50 and accompanying text.

66. See *supra* notes 60-61 and accompanying text.

67. See *supra* notes 20-21, 24, 48.

remedy.⁶⁸ By denying the patentee this summary remedy the Federal Circuit has removed much of the incentive for patentees to enter into consent agreements.⁶⁹

III. ALTERNATIVES TO THE *KSM* MANDATE

A court may approach these contempt issues in one of three ways. One way is the *Interdynamics*⁷⁰ approach of comparing the adjudicated device with the accused device to see if they differ more than colorably.⁷¹ This approach has been followed in several circuits.⁷² The second approach is that of the Fourth Circuit, which has held that “[e]quivalency must be determined with reference to the patented structure, rather than the articles earlier found to infringe, for the injunction grants no rights that the patent did not confer.”⁷³ This approach resembles *KSM* by not allowing a comparison of the accused and adjudicated devices. It is much more rigorous than the *Interdynamics* test since it requires a comparison to the patent, which entails an examination of claim interpretation, prior art and prosecution history estoppel.

“Most circuits have favored a middle ground” which grants the trial court the discretion “to determine how much relitigation may be required in the interest of justice.”⁷⁴ The Sixth Circuit has required its courts to question “whether the accused structure is equivalent to the

68. See *supra* note 61 and accompanying text.

69. If a patentee were required to relitigate that which it had settled by consent, perhaps having made extensive compromises to obtain the settlement, then patentees would lack incentive to enter into settlements while accused infringers could obtain both favorable settlements and the right to challenge that which had been settled.

KSM Fastening Sys. v. H.A. Jones Co., 776 F.2d 1522, 1534 (Fed. Cir. 1985) (Newman, J., concurring in part). If the patentee can be put to the expense of reestablishing the scope of his patent and its congruence with the modified device, and if these “rights could be reopened at the option of an infringer, patentees would lack incentive to enter into settlements.” *Interdynamics, Inc. v. Firma Wolf*, 653 F.2d 93, 98 (3d Cir.), *cert. denied*, 454 U.S. 1092 (1981); see *Consent Decrees in Litigation*, *supra* note 50, at 1348.

70. *Interdynamics, Inc. v. Firma Wolf*, 653 F.2d 93, 99 (3d Cir.), *cert. denied*, 454 U.S. 1092 (1981).

71. See *id.*

72. See, e.g., *Sure Plus Mfg. Co. v. Kobrin*, 719 F.2d 1114, 1117-18 (11th Cir. 1983); *Panther Pumps & Equip. Co. v. Hydrocraft, Inc.*, 566 F.2d 8, 18 (7th Cir. 1977), *cert. denied*, 435 U.S. 1013 (1978); *McCullough Tool Co. v. Well Surveys, Inc.*, 395 F.2d 230, 234 (10th Cir.), *cert. denied*, 393 U.S. 925 (1968); *Siebring v. Hansen*, 346 F.2d 474, 476-77 (8th Cir.), *cert. denied*, 382 U.S. 943 (1965); *Hopp Press, Inc. v. Joseph Freeman & Co.*, 323 F.2d 636, 637-38 (2d Cir. 1963).

73. *Marston v. J.C. Penney Co.*, 324 F. Supp. 889, 893 (E.D. Va. 1971), *aff'd per curiam*, 469 F.2d 694 (4th Cir. 1972). “The patent owner may not, in contempt proceedings, seek to broaden the scope of the claims which were adjudicated and, thereby catch the modified device.” *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1529 (Fed. Cir. 1985).

74. *KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1534 (Fed. Cir. 1985) (Newman, J., concurring in part).

original in relation to the patent in suit."⁷⁵ Under its approach, determination of infringement requires analysis of: "(1) the equivalency of the modified structures to the structures previously held infringing, and (2) the relationship of the new devices to the valid patent claim."⁷⁶ The court was careful to point out that the proper time to test the validity of the patent claim and examine "the prior art in great detail" is when the original infringement suit is brought.⁷⁷ This combines the *Interdynamics* and *KSM* approaches. This approach's requirement of both analyses makes summary dispositions difficult.

The Fifth Circuit authorized limited review of the patent "not on the settled issue of validity, but solely on the critical question of equivalency between the modified and adjudicated structures."⁷⁸ Thus, the court must look at the patent, but only for the purpose of gaining better insight when comparing the adjudged and accused devices.⁷⁹ This approach was also followed by the Eleventh Circuit.⁸⁰ This formula protects the rights of the patentee and the infringer, while maintaining the integrity of the contempt remedy.

Reliance on the doctrine of equivalents will protect [the patentee's] right to the benefit of its prior judgment while reserving to [the infringer] the opportunity to invent around the . . . patent. . . . When applying the doctrine of equivalents in the present case, it was necessary for the district court to compare the modified . . . assembly to the infringing assembly, while bearing in mind its previous construction (during the infringement litigation) of the claims in the . . . patent and the scope of their protection.⁸¹

Thus, the trial court retains the discretion to grant summary contempt relief by comparing the accused device with the enjoined device, with the patent serving as a backdrop.⁸² In the alternative, if the court thinks the devices are more than colorably different and that genuine issues of fact exist, the court can compare the accused device to the patent in a full infringement suit rather than a contempt proceeding.⁸³

If disposition of summary contempt proceedings is to be speeded, the courts must be unencumbered by an approach that *must* be used regard-

75. *Panduit Corp. v. Stahlin Bros. Fibre Works, Inc.*, 338 F. Supp. 1240, 1241 (W.D. Mich. 1972), *aff'd per curiam*, 476 F.2d 1286 (6th Cir. 1973).

76. *Id.* at 1241-42.

77. *Id.* at 1242.

78. *E-I-M Co. v. Philadelphia Gear Works, Inc.*, 223 F.2d 36, 41 (5th Cir. 1955), *cert. denied*, 350 U.S. 933 (1956).

79. *See KSM Fastening Sys. v. H.A. Jones Co.*, 776 F.2d 1522, 1535 (Fed. Cir. 1985) (Newman, J., concurring in part).

80. *See Sure Plus Mfg. Co. v. Kobrin*, 719 F.2d 1114, 1117 (11th Cir. 1983) ("These issues depended for their resolution . . . upon the scope of the claims in the . . . patent and the differences between [the] modified mirror assembly and the assembly previously found to be infringing.").

81. *Id.* at 1118.

82. *Id.*

83. *Id.* at 1119.

less of the facts of the case. A fact-specific approach in each case would promote judicial efficiency by maximizing the use of judicial resources. In deciding if contempt should lie, the court should have the discretion—depending on the degree of colorable difference—to compare 1) the accused device with the adjudicated device,⁸⁴ or 2) the accused device with the adjudicated device with a limited review of the patent serving as a backdrop for the comparison,⁸⁵ or 3) the accused device with the original patent claims.⁸⁶ These standards protect the patentee's interests in his patent,⁸⁷ preserve the potential contemnor's incentive to invent around the patent,⁸⁸ preserve the authority and validity of both the court's decree and its power to punish violations of the decree,⁸⁹ and honor the principles of *res judicata* and collateral estoppel.⁹⁰

CONCLUSION

Until *KSM*, a patentee could rely on a "summary contempt" proceeding to both inhibit and punish subsequent infringements. *KSM* has made "summary" and "contempt" mutually exclusive by requiring comparison of the accused device to the patent before the court can determine that contempt will lie. This places the burden of expensive and time-consuming relitigation on the patentee and thwarts the policies of *res judicata* and collateral estoppel.

To protect the rights of the patentee and to promote the public policy of encouraging manufacturers and inventors to design around patents, this Note advocates that the Federal Circuit expand its holding in *KSM*. In determining if contempt should lie, the district court should have discretion to compare the accused device to the adjudicated device, or the accused device to the adjudicated device with a limited review of the patent serving as a backdrop for the comparison, or the accused device with the original patent claims. Which procedure, or combination of procedures, is warranted should be based on the court's initial impression of the degree of "colorable difference" between the accused device and the adjudicated device. Thus, where a subsequent infringement is egregious, the contempt proceeding may be summarily disposed of by comparing the accused to the adjudged device. Not all modified devices violate injunctions. Indeed, some devices may be so novel that comparison to the patent is justified. When it appears that the accused device may be the product of legitimate design around the patent, the interests of justice may indeed require the more protracted analysis.

84. See *supra* notes 29, 31 and accompanying text.

85. See *supra* note 81.

86. See *supra* note 5.

87. See *supra* notes 1, 21 and accompanying text.

88. See *supra* note 23 and accompanying text.

89. See 8 A. Deller, *supra* note 4, at 522-36 (2d ed. 1973). See *supra* notes 5, 13, 16 and accompanying text.

90. See *supra* notes 56, 62 and accompanying text.

This hierarchy, invoked at the discretion of the court, will promote the public policy of encouraging genuine invention around patents while still providing the patentee with an unencumbered and inexpensive summary contempt remedy when the accused device has been only colorably modified to circumvent the injunction.

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