

1979

# Time Commercial Financing Corp. v. Carol Brimhall et al : Brief of Plaintiff-Respondent

Utah Supreme Court

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IN THE SUPREME COURT OF THE STATE OF UTAH

TIME COMMERCIAL FINANCING CORP., )  
A Utah corporation, )  
Plaintiff-Respondent )

vs. )

CAROL BRIMHALL, WILLIAM HESTERMAN, )  
STEPHEN D. SCHULTZ and BRIMHALL )  
PRODUCTS, INC., )

Defendants-Appellants, )

and )

WALKER BANK & TRUST COMPANY )  
Administrator with the Will )  
annexed to the Estate of )  
Ray S. Brimhall, deceased, )

Defendant-Appellant )  
and Third Party )  
Plaintiff, )

Case No. 16167

vs. )

BRIMCO HYDRAULICS & ENGINEERING )  
INC., a corporation, JOHN B. )  
FAIRBANKS, JR., and WESTERN )  
RESEARCH AND MANUFACTURING )  
COMPANY, )

Third Party Defendants. )

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BRIEF OF PLAINTIFF-RESPONDENT  
TIME COMMERCIAL FINANCING CORP.

FILED

OCT 20 1979

**APPEAL FROM THE ORDER OF THE THIRD  
DISTRICT COURT IN AND FOR SALT LAKE COUNTY,  
STATE OF UTAH, DATED OCTOBER 24, 1978  
BY THE HONORABLE JAMES S. SAWAYA, DISTRICT JUDGE**

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## NATURE OF THE CASE

This is an appeal by defendants-appellants (Carol Brimhall Davis and Walker Bank & Trust Co.) from an order of the lower court exercising its discretion to refuse to hear and decide complicated questions of Federal patent law. Three issues were before the lower court, all of which it refused to decide because, in each, Federal questions of patent law were involved. Defendants-appellants have appealed from this refusal as to one of the issues. Plaintiff-respondent (Time Commercial Financing Corp.) has cross-appealed as to the other two, so that the ultimate outcome can be consistent.

The action is not a post judgment contract dispute as asserted by defendants-appellants.

## DESIGNATION OF PARTIES

To avoid the possibility of confusion in the further consideration of this case, plaintiff-respondent (and cross-appellant) Time Commercial Financing Corp. adopts for the most the party designations used throughout defendants-appellants' Brief. Thus, hereinafter plaintiff-respondent (and cross-appellant) will be referred to as TIMECO and defendants-appellants will be individually referred to as DAVIS and WALKER BANK, respectively, and collectively as DAVIS et al. Brimhall Products, Inc., a cross-respondent, will be referred to by its full name.

## DISPOSITION IN THE TRIAL COURT

On October 24, 1978, the lower court entered an order dismissing TIMECO's claim to damages arising from DAVIS et al's breach of an implied exclusive license found by the court to reside in TIMECO under certain patents granted to one Ray S. Brimhall; denied TIMECO's Motion for Summary Judgment of Patent Invalidity of one of those patents; and dismissed the question of whether royalties were due to DAVIS et al. on a device patented by TIMECO, which device has never been found to come

within either the scope of the implied exclusive license or of one or the other of the licensed patents.

The order was based on the lower court's finding that, for each issue, it would have to address and decide questions of Federal patent law, which, could be better handled by a Federal court.

#### RELIEF SOUGHT ON APPEAL AND CROSS-APPEAL

DAVIS et al. filed their appeal asking this Court to reverse the lower court as to the particular issue of whether royalties are due to them based on TIMECO's own patented device. TIMECO thereupon filed its cross appeal as to the other two issues, so there can be a consistent disposition of all issues.

#### STATEMENT OF FACTS

TIMECO objects to DAVIS et al's erroneous assertions under the heading "Post Judgment (1976-1978)" to the effect that post judgment proceedings were instituted in order to obtain judgment for royalties due under the Decree which TIMECO refuses to pay. **There has never been any effective determination by any court that royalties are due on TIMECO's Nordell-Kimball cab latch.**

All royalties due have been paid. DAVIS et al's assertion is not a statement of fact; it assumes an answer to a question that is yet to be determined, namely: Are royalties due on the Nordell-Kimball latch?

Similarly, TIMECO objects to DAVIS et al's characterization of the monies they are now seeking as "unpaid royalties". Such monies are not unpaid royalties until a court determines that royalties are payable on the Nordell-Kimball latch.

TIMECO has no objection to DAVIS et al's summary of the early history of the case, but adds the following relevant facts:

In addition to loans made by TIMECO to Brimco after Mr. Brimhall's death, at least one loan had been made by TIMECO to Brimco at a time substantially before his death (Finding of Fact 11(1), R-604).

The lower court found that, during Mr. Brimhall's life and at the time of Mr. Brimhall's death, Brimco owned an implied exclusive license in the Valve System Patent and the Cab Latch application (Finding of Fact 9, R0602, Finding of Fact 15, R-609), and that such implied license was transferred to TIMECO by reason of its purchase of the assets of Brimco at public sale (Finding of Fact 43, R-619-620).

On December 22, 1970, Brimhall Products, Inc., was duly formed by Carol Brimhall, Stephen D. Schultz, and Randall L. Brimhall (Mrs. Brimhall's son) and entered into a license agreement with WALKER BANK, without notification to or the consent of exclusive licensee Brimco or TIMECO, permitting Brimhall Products, Inc. to make, use, and sell devices under the "Valve System" patent and the "Cab Latch" application upon payment of royalties to DAVIS et al. Brimhall Products, Inc. set up production facilities and commenced the manufacture of "Cab Latches" (Finding of Fact 45, R-620) adversely to TIMECO's exclusive rights.

#### SUMMARY OF THE LEGAL DISPUTES

TIMECO does not believe that the legal disputes involved in this appeal can be neatly separated as done by DAVIS et al.

DAVIS et al have on many occasions urged the lower court to dismiss TIMECO's claim for damages on the grounds that such claim involves issues of patent infringement which a State court cannot entertain. They urged that the question of patent infringement is one exclusively for a Federal court.

Although TIMECO has argued that its claim for damages does not involve any question of patent infringement, but merely one of interference with contractual rights, the lower court has held otherwise.

Because of these rulings and the lower court's refusal to pass on issues involving patent law, TIMECO moved the court to dismiss the question of whether royalties are payable on the Nordell-Kimball latch. Clearly, that question involves the scope of patent claims and a determination of patent validity. To be consistent, the



court must entertain all three issues or none of them. The court agreed and dismissed as to all issues.

#### ARGUMENT

The trial court has already enforced its judgment and was within its rights in dismissing the question of whether royalties are payable on the Nordell-Kimball latch. That question involves consideration of whether the patent would be infringed, but for the license, and of patent validity. When confronted with ancillary questions of Federal patent law in a proper case, a State court can exercise discretion as to whether it will or will not accept jurisdiction, and may leave those questions to the Federal courts. The lower court here was correct in treating all three of the issues before it consistently.

#### THE COURT HAS ENFORCED ITS JUDGMENT

The decree of the lower court was rendered on TIMECO's request for a declaratory judgment as to its rights in the two Brimhall inventions. It was the court's considered judgment that TIMECO has an implied exclusive license under the two patents granted on these inventions, for the lives of the patents, provided that it pays royalties of 2% on items made and sold pursuant to such licensed patents. The court determined the monetary amount of royalties due DAVIS et al. under the license, and TIMECO has paid such amount and continues to pay the decreed royalties as they become due.

The question raised by the appeal filed on behalf of DAVIS et al. goes beyond anything heretofore decided in the case. In addition to making and selling the licensed Brimhall "Cab Latch," TIMECO is making an improved latch invented by two of its employees (Nordell and Kimball) in response to what was determined to be a possible safety problem with the Brimhall latch. TIMECO has continually alleged that the improved (Nordell-Kimball) cab latch does not come within the scope of the license agreement and has not paid royalties on such latch. Whether or not royalties

are payable on the Nordell-Kimball cab latch is dependent upon whether it constitutes an infringement of the patents if royalties are not paid. Thus, the question before this Court is not merely one of enforcing an order. This Court has already determined that an enforceable order can only be predicated upon evidence. The lower court has refused to take and pass on evidence, holding instead that this can best be done by a Federal court.

That the Decree establishes a royalty only for products made according to the two Brimhall patents is clear. Thus, the Decree reads:

"3. That the plaintiff Time Commercial Financing Corporation is the owner of an implied exclusive license under said United States Letters Patent No. 3,430,653 (the "Valve System" invention) and under United States Patent Application No. 732,484 (the "Cab Latch" invention) and any letters patent granted thereon, said license being the exclusive right to make, use, and sell said invention and . . . [I]n return for said license, Plaintiff Time Commercial Financing Corporation is obligated to pay monthly . . . royalties in the amount of two percent (2%) of total sales of Valve Systems and Cab Latches and parts thereof." (Decree, para. 3. R-625 to 626)

Royalties are to be paid on Valve Systems and Cab Latches, and such Valve Systems and Cab Latches are those covered by Brimhall Letters Patent No. 3,430,653 (the "Valve System" invention) and Brimhall Patent Application No. 732,484 (the "Cab Latch" invention) and by any letters patent granted on the latter (Brimhall Letters Patent No. 3,797,882).

In a hearing held October 11, 1978, Judge Sawaya agreed with the above interpretation of the Decree:

THE COURT: I'm a little confused, Mr. Mallinckrodt. I understand the issue. Certainly, my opinion or feeling is that the defendants are entitled to the royalties on the cab latch and valve system that is indicated in the Findings of Fact and the Decree in this matter.

MR. MALLINCKRODT: And that is the valve -- or the cab latch that was -- that is covered by the

~~Brimhall Patent~~

THE COURT: Yes. Yes. No question about that. Now, we have been toying with the issue of whether or not they are entitled to royalties on the basis of the Nordell-Kimball so-called black latch-- (R-1865)

Thus, the lower court itself considers the matter of whether royalties are payable on the Nordell-Kimball latch as being a separate question for determination, a question not covered by any previous order.

#### PATENT VALIDITY AND INFRINGEMENT MUST BE ADDRESSED

The implied exclusive license to TIMECO grants exclusive rights under the two aforementioned Brimhall patents. In order to come within the scope of the license and thus within the scope of the obligation to pay royalties, the Nordell-Kimball cab latch has to come within the scope of the claims of one or the other of these Brimhall patents.

Although the fact that the Nordell-Kimball latch is manufactured in accordance with TIMECO's own Letters Patent No. 3,752,519 is not determinative of whether or not such latch comes within the scope of valid claims of, i.e. infringes, a Brimhall patent, it does establish the fact that the Patent Office of the United States was of the opinion that there are significant differences between the Brimhall cab latch and the Nordell-Kimball cab latch.

Sec. 102 of the Patent Laws of the United States (35 U.S.C) provides:

"A person shall be entitled to a patent unless--

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent . . . ."

TIMECO's patent itself mentions the prior Brimhall cab latch and makes reference to the then pending Brimhall application. Thus, the Patent Office had knowledge of the detailed construction of both the licensed Brimhall "Cab Latch" and the Nordell-Kimball cab latch when it issued TIMECO's patent. In issuing such patent, the Patent Office found in effect that the Nordell-Kimball cab latch was not

specifically known, used, nor patented by others prior to its invention by Messrs. Nordell and Kimball. This amounts to a finding of significant differences between the two products.

In the case of Washington Scientific Industries, Inc., v. Shiley Laboratories, Inc., 187 USPQ 236, 243 (1975), the District Court, C.D. California, citing the United States Supreme Court, said:

"The accused device is the subject of a United States patent allowed by the Patent Office after specific consideration of the Kaster patent in suit and, while this is not conclusive that the accused Bjork-Shiley valve does not infringe the Kaster patent, 'the presumption from the grant of letters patent is that there is a substantial difference between the inventions' Kokomo Fence Machine Company v. Kitselman, 189 U.S. 8, 23, 23 S.Ct. 521, 527 (1903)." (complete copy of decision in the Appendix)

In considering the royalty requirement in a patent license, the 4th Circuit U.S. Court of Appeals in the case of Richen-Gemco, Inc. v. Heltra, Inc., 540 F.2d 1235, 1240; 191 USPQ 663, 666 (1976), said:

"The patent claim language thus limits and defines the precise mechanical structure on which royalties may be exacted under the contract. The manner of operation of the machine purchased from Heltra, or of copies thereof made by Richen, is irrelevant to the issue in the case. That Richen's machine product may or may not utilize the 'basic concept' of conveying yarn through a heated conduit by a flow of air is also irrelevant. Under the contract, royalties are not to be exacted on the sale of machines using Tradewell's 'basic concept' but, rather, on sale of machines 'covered by said patent application'."

Earlier in the decision, at page 1239, the court said:

"It is elementary that the definition of subject matter 'covered' by a patent must be found in the claims."

Therefore, in order for royalties to be legally payable on the Nordell-Kimball cab latch, that cab latch must come within the scope of and infringe one or more claims of a Brimhall patent.

In the case of Washington Scientific Industries, Inc., et al. v. Shiley Laboratories, Inc., supra, the Court said at page 241:

"The burden of proving infringement is upon plaintiff [the one asserting infringement], . . . . A determination respecting infringement requires a comparison of the claims of the patent with the accused device on an element-by-element basis, *Werner v. King*, 96 U.S. 218 (1877); *Hardison v. Brinkman*, 156 F. 962 (9th Cir. 1907); *Stukenborg v. Teledyne, Inc.* 299 F. Supp. 1152, 161 USPQ 10 (C.D. Calif. 1969) and 'It is settled that' to sustain the charge of infringement the infringing device must be substantially identical with the one alleged to be infringed in (1) the result attained; (2) the means of attaining that result; and (3) the manner in which its different parts operate and cooperate to produce that result'." *Dolgoft v. Kaynar Company*, 18 F.R.D. 424, 108 USPQ 66 (S.D. Calif. 1955) quoting from *Montgomery Ward & Co. v. Clair*, 123 F. 2d 878, 881, 51 USPQ 449, 502-503 (8th Cir.1941). Infringement is not a mere matter of words and there is no infringement if the mode of operation of the accused device is different or there is no equivalency of means. *Grant v. Koppl*, 99 F. 2d 106, 39 USPQ 36 (9th Cir. 1938). Evidence of general similarities in broad concept, e.g., a tilting disc, a disc free to rotate, etc., is not sufficient to establish infringement."

Further, in order that infringement exist, the claims of the patent alleged to be infringed must be valid.

After finding a patent invalid, the Court of Appeals for the Tenth Circuit in Ohio Citizens Trust Co. v. Lear Jet Corp. 403 F.2d 956, 959; 160 USPQ 11, 14 (1968), said:

"The question of infringement need not be considered because an invalid patent cannot be infringed."

Since an invalid patent cannot be infringed, the court must make an affirmative finding of patent validity before it can make an effective finding of infringement.

#### THE ISSUE OF PATENT VALIDITY IS NOT RES JUDICATA

TIMECO has good reason to believe that Brimhall Patent No. 3,797,882, issued March 19, 1974 on the "Cab Latch" is invalid, because among other things such

Cab Latch was "on sale" more than one year prior to the filing date (April 29, 1968) of the application for patent.

Evidence of invalidity was presented to the lower court by TIMECO's Motion for Summary Judgment of Patent Invalidity (R. 544-562, 564-567) soon after TIMECO satisfied itself as to the facts. The lower court declined to entertain or rule substantively on the motion when presented and denied such motion as not timely filed (R. 581). Such motion was made in reference to royalties found due on the Brimhall latch. The question of royalties on the Nordell-Kimball latch had not yet come up.

It is submitted that the decision as to the initial Motion for Summary Judgment has no bearing nor effect on a similar motion presented pursuant to the different question of whether royalties are payable on the Nordell-Kimball latch. That is a new question and one for which the correlative question of infringement is also involved.

The fact that TIMECO is a licensee under the Brimhall patent does not bar it from attacking validity at any time.

The Supreme Court of the United States, in Lear, Inc. v. Adkins, 395 U.S. 653; 162 USPQ 1 (1969), held that a licensee under a patent is always free to attack the validity of the licensed patent. This is true even in instances in which the license agreement contains a provision expressly prohibiting such an attack.

DAVIS et al. argue that the Lear doctrine does not apply in the case at bar. They assert that, because TIMECO made a motion for summary judgment of patent invalidity in 1974, which was denied, somehow the question is res judicata and cannot now be raised. As already noted, the 1974 Motion (R.549-562, 564-567) was directed to the question of royalties due on the Brimhall latch. The motion was dismissed as untimely in those circumstances. The question of the Nordell-Kimball latch and its infringement had not yet arisen. Thus, there was no determination on the merits of

the motion. There is nothing in the Decree finding such Brimhall patent valid or infringed. There has been no ruling at all concerning validity or infringement of the Brimhall patents.

In USM Corp. v. Standard Pressed Steel Co., 453 F.Supp. 743, 200 USPQ 788 (D.C.N.D.Ill., 1978), the case cited by DAVIS et al. as supporting their res judicata argument, the court said on page 792:

"It is clear in this circuit and elsewhere that a consent decree containing an adjudication of the validity of a patent, but lacking an express or implied adjudication of infringement, will not be accorded res judicata effect in a later action between the parties. Kraly v. National Distillers & Chemical Corp., 502 F.2d 1366, 183 USPQ 79 (7th Cir. 1974); Business Forms Finishing Services, Inc. v. Carson, 452 F.2d 70, 171 USPQ 519 (7th Cir. 1971); and see e.g. Addressograph Multi-graph Corp. v. Cooper, 156 F.2d 483, 70 USPQ 272 (2nd Cir. 1946). However, 'the question \* \* \* whether a consent judgment adjudicating infringement as well as validity bars a party to the judgment from subsequently challenging the validity of the patent has not been decided by \* \* \* [the Seventh Circuit].' USM Corp. v. Standard Pressed Steel Co., 524 F.2d 1097, 188 USPQ 52 (7th Cir. 1975)."

In the USM case, page 790, there had been a prior consent decree entered in which:

"Provisions of the agreement reciting the validity of the Villo patent, the scope of its claims, and the fact of USM's infringement were incorporated . . ."

There, the consent decree brought that case into the questionable area. The court found that under these circumstances res judicata should be afforded the consent decree on the ground that both validity and infringement had been found.

In the present case, there is a judgment by the court rather than by consent. However, there are no findings of infringement nor validity. Therefore, the present case clearly falls into the category indicated by the court in the USM case as not having any res judicata effect.



## A STATE COURT HAS DISCRETION NOT TO HEAR FEDERAL ISSUES

TIMECO has long urged that a State court has jurisdiction to hear and decide Federal patent law questions of infringement and validity when such questions arise ancillary to a proper State court proceeding. TIMECO does not argue otherwise now. It acknowledges that the lower court has jurisdiction of the issues if it wishes to decide such issues. However, TIMECO submits that a State court may exercise discretion in the matter and refuse to invoke jurisdiction if it so desires.

In Kish v. Wright, 562 P.2d 625 (Utah Supreme Court, 1977), this Court dealt with a problem involving the exercise of discretion by a State court in dismissing a case in which the Federal court had concurrent jurisdiction. That case involved a civil rights action brought in the State district court under 42 U.S.C. § 1983. This Court concluded that the State court did, indeed, have jurisdiction in the action but that such jurisdiction was concurrent with jurisdiction of the Federal court. The action could have been brought in either court. This Court then examined the question of whether, although the State court did have jurisdiction, it had discretion to refuse to invoke jurisdiction, thus leaving the plaintiff to go to the Federal court to seek his remedy. This Court examined the doctrine of forum non-conveniens and decided the doctrine had application in instances of actions which could have been brought in either State or Federal court, and that in such an instance a State court could refuse jurisdiction and could dismiss the case without prejudice, whereupon the complaining party could then file the action in Federal court.

This Court stated, at page 628, the rule recognized in Utah as being:

"[T]he trial court has an inherent right to dismiss a cause of action over which it has jurisdiction for the reason that there is a more convenient forum and that federal statutes do not make it mandatory that Utah courts exercise jurisdiction."

and just above that said:

"It is a general rule that the trial court's discretion to invoke the doctrine of forum



non-conveniens will not be interfered with by an appellate court, absent an abuse of discretion."

In the present case, the issues involved in this appeal can be heard by a Federal court, and the trial court has determined that the Federal court is the proper and most convenient forum.

Although the order from which this appeal and cross-appeal are taken indicate that the trial court believed exclusive jurisdiction was in the Federal courts, the entire post judgment proceedings in this case indicate that the trial court believes a Federal court is the best forum for deciding Federal patent law issues. The trial court has clearly indicated that it does not want to address and determine such issues.

There Are No Federal Statutes Requiring  
the State Court to Exercise Jurisdiction

TIMECO is aware of no Federal statute that would require a State court to take jurisdiction of Federal patent law issues, and further is not aware of any Federal statute that allows a State court to take jurisdiction of Federal patent law issues. Jurisdiction by a State court is based solely upon case law doctrine to the effect that when Federal patent law issues arise ancillary to a proper State cause of action, for example an action for recovery of royalties under a patent license agreement, the State court has jurisdiction of such ancillary issues.

There is Available the Alternate  
Forum of the Federal Court

Contrary to the assertions in DAVIS et al.'s brief, page 17, that a Federal court would have no jurisdiction of the patent issues of validity and infringement involved here, TIMECO asserts that a Federal court would indeed have jurisdiction.

While it is true, as stated in Lockett v. Delpart, Inc., 270 U.S. 495 (1926), cited by DAVIS et al. in their brief, page 18, that if a patentee's complaint is one for recovery of royalties under a contract, there is no Federal question and no Federal jurisdiction, it is also true that if a patentee's complaint is one for patent infringement there is solely Federal jurisdiction based on strictly a Federal question.

Although in the present case there is a license agreement currently in effect between TIMECO and DAVIS et al., Federal jurisdiction is not automatically precluded. TIMECO claims that all obligations under the license agreement have been and are being met and that the Nordell-Kimball latch does not come within the scope of the licensed patents.

In Thiokol Chemical Corp. v. Burlington Industries, Inc., 165 USPQ 741, 742-743 (D.C. Dela., 1970), the court said:

"The purpose of license agreement is to insulate those who pay for the use of patented processes or products from infringement charges and the burden of litigation. There are three situations only when a licensee could be charged with infringement: (a) the allegedly infringing devices are not covered by the license; (b) the license has expired; or (c) plaintiff has repudiated the license. Ski Pole Specialists, Inc. v. McDonald, 159 USPQ 709, 711, N. 4 (1969).

In the present case, TIMECO claims that the Nordell-Kimball latch is not covered by the licensed patent. This, then, is situation (a) of the Thiokol case. Until a court determination to the contrary, TIMECO gives up its protection under the license from charges of infringement with respect to the Nordell-Kimball latch. It would be entirely proper for DAVIS et al. to bring action against TIMECO for infringement of the Brimhall "Cab Latch" patent in Federal court, and such court would have jurisdiction, notwithstanding the license agreement.

Cases such as Milprint Inc. v. Curwood, 196 USPQ 147 (CA7, 1977), cited by DAVIS et al. in their brief, page 18, wherein a Federal court refuses to accept jurisdiction of a declaratory judgment action brought by a licensee to have a licensed patent declared invalid and not infringed because a prior-filed State court action for recovery of royalties is pending and those same patent issues can be reached by the State court, are not applicable in the present case. There is no attempt here to have a Federal court proceed on the same issues that can be effectively handled in a pending action. The State court has already considered the matter and has refused to act on the patent questions.

Such cases do not stand for a lack of Federal jurisdiction in a situation such as exists here where the State court has acted by refusing to consider the patent questions, and where there will be no duplication of effort or any possible conflict between the courts.

There Is No Benefit To Be Derived by the  
State Court Considering the Patent Issues

The action filed by TIMECO was to determine ownership of the Brimhall patent rights and to recover damages for interference with those rights the court might determine TIMECO owns. Ownership of the patents and TIMECO's rights thereunder have been determined by the court and are embodied in the Decree. The damage issue is a subject of the current cross appeal.

In making the determinations that it did, the court did not have to and did not consider patent law questions of validity and infringement. Those questions are completely new to it in terms of background facts needed for their determination. Nothing the lower court has already done in this case puts it in a better position than any other court to decide the validity and infringement questions. Thus, there is no advantage in terms of judicial economy to be gained by having the State court rather than the Federal court decide the patent issues.

**THE TRIAL COURT HAS FOLLOWED THE  
DIRECTIONS OF THIS COURT IN THE PRIOR APPEAL**

In Appeal No. 15136, decided February 10, 1978, this Court said on page 3 of the Opinion that:

"The record before us is totally devoid of evidence and does not and cannot support the findings below.

"The judgment of January 24, 1977, is reversed and remanded for further proceedings in accord with this opinion."

There is nothing in this Court's opinion that directs the lower court to take additional evidence to decide issues that the lower court believes can be better

decided by a Federal court. The lower court was left to determine its own course. It could under the remand order take additional evidence and on the basis of that evidence make a decision on the patent questions, or it could hold that the additional evidence required for a ruling on the patent questions could best be taken and acted upon by a Federal court. Judge Sawaya has followed the latter alternative and has dismissed the matter, leaving DAVIS et al. to pursue its objectives by bringing action against TIMECO for infringement of the Brimhall "Cab Latch" patent in the Federal court. TIMECO can then reassert its claim for damages as a counterclaim. This is in full accord with DAVIS et al.'s views as to how the damage claim should be handled.

#### CONCLUSION AS TO THE DAVIS et al. APPEAL

The Decree of the lower court determined that royalties were due from TIMECO for "Cab Latches" made in accordance with the Brimhall "Cab Latch" patent. These royalties have been paid. The Decree has been complied with and no enforcement is necessary.

The question of whether royalties are due on cab latches made in accordance with TIMECO's Nordell-Kimball patent is a new issue for the court to decide and one that involves questions of Federal patent law.

A State court has discretion to refuse to exercise jurisdiction where there is concurrent jurisdiction of a matter with a Federal court and the State court determines, as here, that the Federal court is a more convenient forum.

The lower court's dismissal of the question of whether royalties are due on the Nordell-Kimball cab latch, i.e. whether the Nordell-Kimball cab latch infringes the Brimhall patent, was within its discretion and thus proper.

#### TIMECO'S CROSS APPEAL

As previously indicated, TIMECO has cross appealed from dismissal by the lower court of its claim to damages by reason of DAVIS et al.'s derogation of TIMECO's exclusive license under the Brimhall "Valve System" patent and "Cab Latch"

patent application, and from denial by the lower court of its Motion for Summary Judgment of Patent Invalidity.

#### THE CLAIM TO DAMAGES

TIMECO's Amended Complaint filed August 18, 1971 includes in its demand for judgment the following:

"2. Permanently enjoining defendants or any of them from using or licensing the use of the said patent or patent application or any patent secured therefrom to any other person or firm whatever during the life of said patents; and

"3. Requiring defendants to account for all profits made from the sale of products embodying the claim of the said patent and patent application; and

"4. For damages in the sum of One Million (\$1,000,000.00) Dollars; and" (R-94)

TIMECO's claim to damages is based upon the licensing by WALKER BANK to Brimhall Products, Inc. of the same two patents that the court has found were exclusively licensed to Brimco Hydraulics & Engineering, Inc., which license is now owned by TIMECO. This license, adverse to Brimco and to TIMECO, was given while the Brimco exclusive license was in force. It was therefore in derogation of the rights possessed by Brimco and now by TIMECO. It follows from the facts found by the court (R-620) that DAVIS was instrumental in inducing WALKER BANK to grant the license to Brimhall Products, Inc. She was an incorporator and shareholder of that corporation.

After receiving the license, Brimhall Products, Inc. commenced to manufacture Brimhall "Cab Latches" in accordance with the Brimhall patent application (R-620), and took one of its prime customers, Kenworth Truck Company. Manufacture, and sales to Kenworth by Brimhall Products, Inc., continued after TIMECO acquired Brimco and its exclusive license under the Brimhall patents.

The conduct TIMECO complains of constituted and continues to constitute a breach by DAVIS et al. of the obligation each had to BRIMCO and continues to have with respect to TIMECO to maintain the integrity of the exclusive license. Violation of these obligations clearly come under State law and do not involve questions of Federal patent law.

The conduct of DAVIS et al. complained of by TIMECO took place in the fall of 1970 and winter of 1970-1971. That was before the pertinent Brimhall patent No. 3,797,882 had issued. The Brimhall invention was still only the subject of an application before the United States Patent Office.

Since Letters Patent had not issued and did not issue until March 19, 1974, there could have been no infringement cognizable under Federal patent laws until March 19, 1974. Thus, a significant part of TIMECO's claim to damages can only be based upon State law having to do with derogation of or interference with contractual rights, not on patent infringement. The issues are proper for the State court to hear, but could be made the subject of a counterclaim in any suit by DAVIS et al. against TIMECO in a Federal court.

In any event, if this Court determines that dismissal of the question of whether royalties are payable on the Nordell-Kimball latch was improper and that the lower court must entertain the patent law issues involved, this Court to be consistent must decide that the lower court should also hear and decide TIMECO's claim to damages. Any possible question there involving Federal patent laws would be clearly ancillary to the State law questions concerned.

#### TIMECO'S MOTION FOR SUMMARY JUDGMENT OF PATENT INVALIDITY

On May 1, 1978, after remand of the prior appeal in this case (Appeal No. 15136), and specifically in connection with the question of whether or not royalties are payable on the Nordell-Kimball cab latch, TIMECO filed a Motion for Summary Judgment of Patent Invalidity. That motion was denied by the lower court on the

ground that the question of patent validity should be decided by a Federal court. The merits of the motion were not considered.

In the event this Court decides that the lower court must decide the question of whether royalties are payable on the Nordell-Kimball latch, the question of patent validity must then be considered. In that event, the lower court must determine the merits of the Motion for Summary Judgment.

Respectfully submitted,

MALLINCKRODT & MALLINCKRODT

  
Robert R. Mallinckrodt

CERTIFICATE OF SERVICE

This is to certify that two copies of the foregoing BRIEF OF PLAINTIFF-RESPONDENT TIME COMMERCIAL FINANCING CORP. were mailed, first class, postage prepaid, to Thomas J. Rossa, Esq., attorney for Defendants-Appellants, at 345 South State Street, Suite 105, Salt Lake City, Utah 84111, on this 25th day of October, 1979.

Robert R. Mallenhardt



requires comparison of claims with accused device on element-by-element basis; infringement is not mere matter of words and there is no infringement if accused device's mode of operation is different or there is no equivalency of means; similarities in broad concept do not establish infringement.

**2. Construction of specification and claims — Claim defines invention (§22.30)**

**Infringement — In general (§39.01)**

**Patentability — In general (§51.01)**

Patent owner's attempt in infringement action to substitute invention's "essence" or "substance" for claims is tantamount to claiming infringement based on function, result, or principle of operation, but such abstractions cannot be patented; patent must be directed toward concrete thing, consisting of parts or of devices and combinations of devices

**3. Infringement — Evidence of (§39.45)**

**Pleading and practice in courts — Burden of proof — Infringement (§53.134)**

Patent owner cannot satisfy burden of proving infringement by comparing its commercial device with accused device; even substantial showing of general similarities in overall results between patent owner's commercial device and accused device would not establish infringement.

**4. Construction of specification and claims — In general (§22.01)**

**Construction of specification and claims — By specification and drawings (§22.25)**

Claims must be read, construed, and applied in light of specification and alleged invention's description; claims cannot be given broader scope than invention; terms must be given same meanings in claims as in specification

**5. Infringement — Identity of function or operation (§39.50)**

Accused device that is substantially different from patented device in means by which result is obtained and manner in which elements cooperate does not infringe, even if same result is achieved

**District Court, C. D. California**

Washington Scientific Industries, Inc. et al.

v. Shiley Laboratories, Inc.

No. CV 70-2693-MML

Decided March 31, 1978

**PATENTS**

**1. Infringement — In general (§39.01)**

**Infringement — Identity of function or operation (§39.50)**

**Infringement — Tests of — Comparison with claim (§39.803)**

**Pleading and practice in courts — Burden of proof — Infringement (§53.134)**

Patent owner has burden of proving infringement; infringement determination

**6. Construction of specification and claims — Claim defines invention (§22.30)****Infringement — Substitution of equivalents — In general (§39.751)**

Doctrine of equivalents does not allow infringement finding to be based on invention's "essence," doctrine is principle of claim construction and adheres to principle that claims are sole measure of patent grant

**7. Infringement — Substitution of equivalents — Basic, improvement or paper patent (§39.753)**

Patent on device that is not first of kind but rather one among many, some in actual use, is improvement patent entitling patent owner only to invention described and claimed in patent

**8. Infringement — Defendant operating under other patent (§39.35)****Presumption from patent grant — In general (§55.1)**

Fact that Patent and Trademark Office allowed patent on accused device after considering patent owner's device, while not conclusive, gives rise to presumption that there is substantial difference between inventions

**9. Infringement — Substitution of equivalents — In general (§39.751)**

When resorting to doctrine of equivalents for enlarging claim's scope is permissible, accused device must be compared to claim on element-by-element basis, with equivalency measured by three-part test requiring consideration of means, operation, and result; each of claim's components or equivalent must be in accused device, and there must be substantial identity in component's function and result, means by which result is attained, and manner in which component operates with other components to produce result

**10. Construction of specification and claims — By Patent Office proceedings — In general (§22.151)**

Limitations in broadest claims that Patent and Trademark Office required as condition for granting patent are binding on patent owner, and only devices including each of components of limitation introduced during prosecution can be claimed by patent owner in infringement action; limitations introduced into claims to obtain patent cannot be ignored

**Particular patents — Heart Valve**

3,476,143, Kaster, Pivoting Disc Heart Valve claims 11-13, 17, 20, and 21 valid, but not infringed

Action by Washington Scientific Industries, Inc., The Regents of the University of Minnesota, and Medical Incorporated against Shiley Laboratories, Inc., for patent infringement. Judgment for defendant.

Lindquist & Vennum, Minneapolis, Minn., and Bruce A. Jagger, and Beehler Mockabee, Arany, Jagger & Bachand, both of Los Angeles, Calif., for plaintiffs.

Robert A. White, and Arnold, White & Durkee, both of Houston, Tex., and Grant L. Hubbard, and Knobbe Martens Olson, Hubbard & Bear, both of Orange, Calif., for defendant.

Lucas, District Judge

**Findings of Fact***General Finding*

1. This is an action for patent infringement. Defendant, Shiley Laboratories, Inc., is accused of infringing United States Letters Patent No. 3,476,143, identified hereinafter as the patent in suit or the Kaster patent.

2. Plaintiffs are the Regents of the University of Minnesota, the record owner of the patent in suit, and Washington Scientific Industries, Inc., and Medical Incorporated, the latter two companies asserting rights as successive exclusive licensees under the patent in suit. Defendant challenges the validity and nature of Plaintiffs' claimed rights under the patent, but, for the sole purpose of bringing on this trial, stipulates that one or more of Plaintiffs have sufficient interest to try the issues of validity and infringement, which were separated for this trial by an order pursuant to Rule 42(b) F.R.Cv.P. dated July 24, 1973.

3. The Court has subject matter jurisdiction under Section 1338 a of Title 28, United States Code, and Defendant is a resident of this district and has committed acts accused of infringement in this district. Accordingly, the Court has jurisdiction and venue is properly laid in this district.

*Subject Matter of the Patent*

4. The patent in suit was issued on November 4, 1969, as a result of an application filed on April 17, 1967, in the name of Robert L. Kaster. It is entitled "Pivoting Disc Heart Valve" and its subject matter is

summarized in the following abstract which appears as a part of the patent:

"A one-way mechanical heart valve comprising a base having a passage allowing liquid to flow through the valve. A disc located within the passage pivots about a chordal axis to an open position and a closed position relative to a seat on the inside of the base. In one form the seat includes an inclined upper arcuate seat and an inclined lower arcuate seat circumventing the passage. In another form, the seat is an annular portion of the internal annular wall which is engaged by the periphery of the disc. Two pairs of circumferentially spaced pivot projections provided for the pivoting of the disc about a chordal axis of the disc. Retaining means in the form of curved side ears or a center strut hold the disc in assembled relation with the base."

The first form, as thus described by the patent, corresponds to the designs shown in Figures 1-11 of the patent. The other form is shown in Figures 12-16 of the patent.

3. Defendant is accused of infringing Claims 11, 12, 13, 17, 20 and 21 of the patent, the only independent claims being 11 and 17. The file wrapper of the patent reflects that Claim 17 was presented to the Patent Office as being patterned after Claim 11 and Plaintiffs construe the claims in this action as being of equal breadth and applicable to the accused device in the same way. Claim 11 is set out below as it appears in the patent:

11. A one-way valve for controlling the flow of a fluid comprising: a base having an internal annular wall forming a passage through the base; said means positionable in said passage for movement to an open position and a closed position; said disc means having an annular uninterrupted peripheral portion cooperating with said annular wall to substantially close said passage when the disc means is in the closed position; and pivot means secured to the base allowing pivotal movement of the disc means between the open position and the closed position about an axis which coincides with a chord of the disc means; said pivot means having a first pair of legs and a second pair of legs directed toward each other, each pair of legs having a first leg and a second leg spaced from each other to accommodate a peripheral portion of

#### Background

5. An artificial heart valve is surgically implanted within a patient as a complete replacement for a diseased or defective natural valve. Its function must be the same as that of the natural valve; it must open to permit flow in one direction, and close to prevent or substantially restrict flow in the opposite direction.

6. Prior to the development of techniques for open heart surgery about 1955, there was no manner of implanting and hence no need for an artificial heart valve. Accordingly, the entire history of development of this type of device has spanned a relatively brief period of approximately fifteen years. A number of devices of this type were developed by others and were being used by the medical profession prior to the designs represented by the patent in suit.

The first widely used heart valve prostheses were valves adapted from well-known industrial designs: the Starr-Edwards ball valve, the Smeloff-Cutter valve, and the Kay-Shiley disc valve which was designed by Donald P. Shiley and marketed by Shiley Laboratories, Inc. Tilting disc valves pivoted on hinges. Frater and Pierce, and in a hingeless design, Wadell, were known by the mid 1960's and provided central flow of the type now known as the Kaster valve and the accused device. The "free-floating" "hingeless" tilting disc valve concept in which wear was distributed around the disc and in which the disc was free to rotate about its own axis, as in the Kaster valve and the accused device, was also known by the mid 1960's. Cruz and Kaster. The prior art had recognized the design characteristics necessary for the design of tilting disc heart valves in which the disc was free floating and in which both sides of the disc were washed with blood. Within these known and obvious criteria, the Patent Office appears to have recognized a potential for patent protection limited to a few specific structures. The problems facing the valve designer in the last half of the 1960's were problems of strength and durability of materials and use of biologically compatible materials in designs which would permit long term clinical use. This, then is the state of the art against which the Kaster patent must be measured.

#### The Patented Valve

7. The patent in suit does not represent the first artificial heart valve proposed for use by the medical profession having a base with a central passage, a disc-like member for opening and closing the passage, and additional elements to confine and control the

valving member in its movements. Neither does it represent the first artificial heart valve in which a disc-like valving member pivots about a chordal axis. Since neither the free floating disc concept, the ability to rotate about a central axis, nor the pivoting disc concept, which allows washing of both sides of the disc and the contact area between the disc and the valve body, was originated by Mr. Kaster, and the advantages of both were well known and obvious, the Kaster patent can cover, at most, a specific structure or improvement. Its features of novelty reside in details of construction rather than basic concepts.

#### *The Patent Disclosure*

8. The patent in suit discloses four separate and distinct types of designs of heart valves, the first being illustrated by Figures 1-5 of the patent, the second by Figures 6-9, the third by Figures 10-11, and the fourth by Figures 12-16. The first three designs appear to have been conceived by Mr. Kaster over a period of time extending from late 1963 through late 1966, whereas there is substantial evidence that the fourth design, Figure 9, did not come into existence before the date of completion of the first drawing of this design, February 11, 1967.

In structure and operation, the first three designs are basically similar to each other and constitute the first form described in the patent. The fourth design is materially and substantially different, and is referred to as another form of valve. More particularly:

(a) Each of the first three embodiments has a superstructure, "retaining means" secured to and extending above the base which holds the disc in an assembled and operative position. The fourth design has no corresponding elements, the valving member being confined by "retaining means" consisting of "legs terminating in ears."

(b) Each of the first three embodiments utilizes a true disc as the valving member, an element which is circular, flat, and in the words of the patent, "relatively thin and completely uniplanar." In the fourth design the valving member has a flat upper surface, a convex lower surface, and a special edge shape, said by the patent to be "an enlarged peripheral bead" which is "generally oval in cross section" but which has a "linear cylindrical portion" at its perimeter.

(c) In each of the first three designs, the valving member, in its closed position, rests upon "an inclined upper arcuate seat" and "an inclined lower arcuate seat" which are formed inside the valve base. In the fourth design, the cylindrical portion around the

perimeter of the valving member closes the passage by engaging "an annular portion of the internal annular wall" of the base where it makes "light surface contact" with such wall.

(d) In each of the first three designs, the valving member is held in position by pivot rods, projections or abutments formed by or on the ends of the seat formed in the base, and by the superstructure atop the base. In the fourth design, the valving member is restrained and guided by the four elements identified in the patent as "legs terminating in ears" which engage the "enlarged peripheral bead."

(e) In each of the first three designs, the valving member, in its closed position, is tilted with respect to the horizontal at an angle of approximately 18°. In the fourth design, the valving member closes to a horizontal position.

#### *The Subject Matter of the Claims in Suit*

9. The claims in suit cannot be construed to cover any of the first three designs. Such construction is impermissible for several reasons, the most important of which are as follows:

(a) The term "legs" which constitutes a critical limitation in the claims is employed by the patent only to describe the fourth design.

(b) The requirement for "an internal annular wall" which cooperates with "an annular uninterrupted peripheral portion," "the peripheral bead" of the "disc means" is not satisfied by the first three designs which have inclined upper and lower arcuate seats engageable by the upper and lower surfaces of the disc.

10. Events associated with the preparation of the application for patent directed toward the Kaster designs confirm that the claims in suit were drawn to define the fourth design. Specifically, on or about January 11, 1967, a proposed application for patent was submitted to Mr. Kaster. It described only the first three designs and contained ten claims which correspond to the first ten claims of the application as ultimately filed. All are limited to the upper and lower valve seat arrangement which is common to the first three designs. Subsequently, the proposed application was revised and filed, the revision consisting of the addition of drawings and a description of the fourth design and five more claims. These additional claims became the basis of the claims in suit, and their origin in the device of Figures 12-16 is manifest from their language.

*The Accused Device*

11 The accused Bjork-Shiley valve is substantially different in concept, construction and operation from the valves disclosed in the Kaster patent. The accused device is similar in a few general respects, as are all disc type heart valves, to the Kaster disc valve. Like Wada, Frater, and Pierce, the discoid valving element in the accused device tilts in the flow passage. Like Cruz, and the ball valves as well, the valving element is free to rotate about a central axis to distribute wear. But, unlike the Kaster valve, the discoid valving element is not controlled by "pairs" of legs which are directed toward or aligned with each other to cause the disc to pivot about a chordal axis; rather, the Bjork-Shiley valving element is controlled by two complex support rods and wobbles open without having an axis, on a centrally located point surface, and rocks closed on progressively moving contact points. Unlike the Kaster valve, the discoid valving element of the accused device does not close the passage, but, contrary to the patent teaching, is spaced from the wall to allow controlled backflow. These fundamental structural and functional differences were recognized by the Patent Office as patentable differences and Plaintiffs' Expert admitted that a functionally identical flip valve "does not come under the teaching" of the claims of the patent in suit. There was no testimony that the flip valve performed the same work in substantially the same way to accomplish substantially the same results as the patented valve.

*Non-Infringement*

12 Plaintiffs' infringement case is based on the assertion that the scope of the patent should be measured by what is referred to as the "essence" or the "substance" of the invention. In the words of Plaintiffs' Expert, this "essence" or "substance" is "a one-way valve with a pivoting, free-floating valve element, a disc that is located in the flow passage and is free to rotate in its own plane." None of the claims in the patent, and none of the claims in issue, are of such a scope. Claims narrower in scope than the "essence" asserted by Plaintiffs as a measure of infringement were specifically rejected by the Patent Office and the claims ultimately proposed by Plaintiffs to obtain a patent and allowed by the Patent Office include very precise structural and functional definitions and relationships. It is the claims as allowed by the Patent Office which must be and which are here considered.

13 The principle of operation of a tilting or pivoting disc valve was well known to

heart valve designers prior to development of the particular designs shown by the patent in suit. Several designers offered valves which would provide improved features of operation and desirable hemodynamic characteristics in the region of the pivot or hinge, including Dr. Frater, Dr. Pierce, and Dr. Wada, as well as Mr. Shiley and Mr. Kaster. While Mr. Kaster may be entitled to protect the specific structural arrangement which he developed, his patent cannot be broadened by construction to cover all designs which constitute applications or adaptations of the tilting or pivoting disc principle, or of the free floating disc principle.

14 When the application which became the patent in suit was filed in April of 1967, sixteen claims were presented for examination. Of this group, application Claim 11, which ultimately became Claim 11 of the patent in suit, was directed broadly toward a combination of three elements, a base, disc means for selective movement to an open and closed position relative to the base, and pivot means allowing pivotal movement of the disc means between the open position and the closed position. Following initial examination of the application, the Patent Office rejected Claim 11 as "being obviously fully met" by a prior patent. Thereafter, Claim 11 was amended to add the following definition of the pivot means:

"Said pivot means having a first pair of legs and a second pair of legs directed toward each other, each pair of legs having an upper leg and a lower leg spaced from each other to accommodate a peripheral portion of the disc means."

15 Claim 17 of the patent in suit did not appear in the application as originally filed, but was added by amendment in 1969. Upon the occasion of its initial presentation for examination, in substantially the form in which it appears in the patent, the statement was made to the Patent Office that "new Claims 17-21 are patterned after the allowable Claim 11. These claims more specifically define the one-way heart valve for controlling the flow of blood."

16 The foregoing circumstances preclude any construction of any of the claims in suit which would cover or include a device in which the pivot means are not precisely as defined in such claim, consisting of two pairs of elements identified as legs which are directed toward or are aligned with and projected toward each other with each pair of legs having an upper leg and a lower leg spaced from each other to accommodate a peripheral portion of the disc means.

17. None of the claims in suit are infringed by the devices of Defendant. Although there are several respects in which the claims fail to define the Bjork-Shiley valve, those enumerated below are deemed to be the most significant:

(a) The discoid valving member in the Bjork-Shiley valve does not have an "annular uninterrupted peripheral portion" in the sense in which such term is employed in the patent.

(b) The valving member in the accused valve does not close the passage in the sense of the patent. Reverse flow is not blocked but rather a controlled amount of fluid continues to circulate through the valve through a space between the valving member and the walls of the passage.

(c) The accused device does not involve pivotal movement in the sense in which such term is employed in the patent and its claims. Instead the action in opening is more accurately described as wobble, and the closing operation involves a rocking motion.

(d) Most significantly, the accused device does not have a first pair of legs and a second pair of legs, and it has no elements corresponding to the legs disclosed by the patent in structure or function. Instead it has two specially shaped support rods.

18. Although plaintiffs assert that the support rods of the accused Bjork-Shiley valve or portions thereof constitute "legs" which are equivalent to the legs claimed by the patent, their expert admitted that the Shiley device would be inoperative if only the asserted "legs" were present, i.e., that the "legs" did not perform the retaining function required by Plaintiffs' construction. It is clear from the testimony of both Plaintiffs' and Defendant's experts that:

(a) there are important structural differences between the "legs" claimed in the patent and the asserted "legs" in the accused device; and

(b) the asserted "legs" in the accused device are removed in principle from the legs in the patent and

(c) do not perform the same function and do not function in the same way to accomplish the same result as that performed and accomplished by the "legs" of the patent claims in issue.

19. There is no substantial identity in terms of means, operation and result between the device claimed by the patent in suit and the Bjork-Shiley valve which is accused of infringement. As to each element defined by the claims, there are major differences between the structure and

operating characteristics of the devices presented in the patent which support and give meaning to the claims, and the structure and operating characteristics of the accused device. The following differences are particularly material:

(a) The patent shows two distinct types of valve bases, but both differ significantly from the ring-like base in the accused device which has no seats, projections or stops to interrupt the flow passage and which provides dissimilar patterns of blood flow and a maximum ratio of orifice diameter to tissue diameter.

(b) The patent also shows two types of valving members, one of which constitutes a true disc and the other of which is a composite structure having a number of special requirements and characteristics essential to the performance of its function. The accused device, however, has a valving member which is unlike any structure disclosed by the patent and which functions in a different manner.

(c) The elements which the patent describes as "pivot means" straddle the valving member at spaced points on the outer periphery to establish a fixed and unaltering chordal axis and insure true pivotal movement. The accused device, on the other hand, has an upper support rod and a lower support rod, each of which is uniquely configured to produce operating characteristics unlike those of any design shown by the patent.

(d) The patent discloses retaining means for the first three designs consisting of guards, shields, ears or struts, all of which extend outwardly from the base and substantially increase the profile or height of the valve. The fourth design, which is subsequent in time to the development of the accused device, has a retaining arrangement which involves "ears" at the ends of the "legs." But the accused devices have no separate retaining means; the valving member is both controlled and confined by the support rods. This is a feature of some significance, provided a lower profile, ease of suturing and no risk of heart damage from the upwardly projecting horns or shields.

### Conclusions of Law

[1] A. The burden of proving infringement is upon plaintiffs, and plaintiffs have not proved that the accused Bjork-Shiley valve infringes the claims of the Kaster patent which are in issue. A determination, respecting infringement, requires a comparison of the claims of the patent with the accused device on an element-by-element basis. *Werner v. King*, 96 U.S. 218, 1877.



Hardison v. Brinkman, 156 F.962 (9th Cir. 1907); Stukenborg v. Teledyne, Inc., 299 F.Supp. 1152, 161 USPQ 10 (C.D. Calif. 1969); and "It is settled that 'to sustain the charge of infringement the infringing device must be substantially identical with the one alleged to be infringed in (1) the result attained, (2) the means of attaining that result, and (3) the manner in which its different parts operate and cooperate to produce that result.'" Dolgoff v. Kavnar Company, 18 F.R.D. 424, 108 USPQ 66 (S.D. Calif. 1955), quoting from *Montgomery Ward & Co. v. Clair*, 123 F.2d 878, 881, 51 USPQ 499, 502-503 (8th Cir. 1941). Infringement is not a mere matter of words and there is no infringement if the mode of operation of the accused device is different or there is no equivalency of means. *Grant v. Koppl*, 99 F.2d 106, 39 USPQ 36 (9th Cir. 1938). Evidence of general similarities in broad concept, e.g., a tilting disc, a disc free to rotate, etc., is not sufficient to establish infringement.

[2] B. Plaintiffs' attempt to substitute an "essence" or "substance" in this litigation in lieu of the claims which the Patent Office allowed is tantamount to claiming infringement based on a function, result or principle of operation, but abstractions such as these cannot be patented. *Westinghouse v. Bowden Power Brake Co.*, 170 U.S. 537, 18 S.Ct. 707, 1898. A patent must be directed toward a "concrete thing consisting of parts, or of certain devices and combinations of devices." *Burr v. Duvree*, 1 Wall. 531, 571 (1864). *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 365 U.S. 330, 360-61, 128 USPQ 354, 364-65 (1961); *Nelson v. Batson*, 322 F.2d 132, 138, 138 USPQ 552, 556-57 (9th Cir. 1963).

[3] C. The burden of proving infringement cannot be satisfied by comparing the accused device with plaintiffs' commercial Lillehei-Kaster valve. "It is axiomatic in the patent law that infringement depends not upon what is manufactured or sold by the patentee but upon what he has patented." *Magnaflux Co. v. Hart & Reno*, 73 F.2d 435, 445, 23 USPQ 211, 225-224 (9th Cir. 1934). *Hobbs v. Wisconsin Power & Light Company*, 250 F.2d 100, 109-110, 115 USPQ 371, 378-379 (7th Cir. 1957). The evidence concerning comparative results between plaintiffs' commercial device and the accused device was at best inconclusive, but even a substantial showing of the general similarities in overall results to which the evidence related would be insufficient to establish infringement. *Westinghouse v. Bowden Power-Brake Co.*, 170 U.S. 537 (1898).

[4] D. The claims in issue, read, construed and applied in light of the specification of the Kaster patent and the description of the alleged invention, as the claims must be. *Moon v. Cabot Shops, Inc.*, 270 F.2d 539, 123 USPQ 60 (9th Cir. 1959), are not literally infringed, and the claims cannot be given a broader scope than the actual invention. *Kemart Corp. v. Printing Arts Research Laboratories, Inc.*, 201 F.2d 624, 629, 96 USPQ 159, 163-164 (9th Cir. 1953). 69 C.J.S. Patents §205. While one could conceive of other usages and meanings for certain terms in the patent claims, certain of the key words, e.g., "legs," "pairs," "annular" and "peripheral," are not found in the description of the invention set forth in the specification except in reference to particular designs and structures. These terms must be given the same meaning in the claims as they have in the specification. *Jones v. Sikes Metal Lath and Roofing Co.*, 254 F.91 (6th Cir. 1918). Giving these key claim terms the meaning they have in the specification, these terms have no application to structures in the accused Biork-Shiley valve for there are no corresponding structures which are substantially identical to or operate in substantially the same manner and cooperate with other structures in substantially the same manner as do the structures in the disclosed invention to which these key terms are applicable. *Dolgoff v. Kavnar Company*, 18 F.R.D. 424, 108 USPQ 66 (S.D. Calif. 1955); *Montgomery Ward & Co. v. Clair*, 123 F.2d 878, 51 USPQ 499 (8th Cir. 1941). Since the accused device is substantially different in the means by which the result is obtained and the manner in which the various structural elements cooperate to produce that result, there is no infringement even if the result achieved were regarded as the same as that achieved by the patented device. *Shakespeare Company v. Perrine Manufacturing Company*, 91 F.2d 199, 34 USPQ 172 (8th Cir. 1943).

[6] E. The Court construes plaintiffs' contention that infringement can be based on finding the "essence" of the invention in the accused devices as an application of the doctrine of equivalents, however, this doctrine cannot be applied so broadly as to base a finding of infringement upon such an abstraction as the "essence" of an invention. *Nelson v. Batson*, 322 F.2d 132, 138 (9th Cir. 1963). Application of the doctrine of equivalents involves many considerations, but is a principle of claim construction and does not permit departure from the fundamental principle that "the claims made in the patent are the sole measure of the grant." *Aro Manufacturing Co. v. Convertible*

ble Top Replacement Co. 365 U.S. 336, 360-361, 128 USPQ 354, 364-365 (1961); McClain v. Ortmyer, 141 U.S. 419, 12 S.Ct. 76 (1891).

[7] F. The patented valve is not the first heart valve but is, rather, one of a large number of heart valves, many of which found clinical application and a number of which are disc type heart valves; thus, the patent is an improvement patent and the patentee is entitled only to the invention described and claimed in his patent. *Blanchard v. J. L. Pinkerton, Inc.* 77 F.Supp. 861, 78 USPQ 179 (S.D. Cal. 1948). Cf. *Del. Francia v. Stanthony Corporation*, 278 F.2d 745, 747, 125 USPQ 382, 384 (9th Cir. 1960); *Kemart Corp. v. Printing Arts Research Laboratories, Inc.* 201 F.2d 624, 629, 96 USPQ 159, 163-164 (9th Cir. 1953); *Stukenborg v. Teledyne, Inc.*, 299 F.Supp. 1152, 161 USPQ 10 (C.D. Calif. 1969); *Pacific States Electric Co. v. Wright*, 277 F.756 (9th Cir. 1922). The patented valve does not cover a function never before performed, a wholly novel device, or a distinct step in the progress of the art, but is more accurately characterized as the next of many improvement steps in the art. *Westinghouse v. Boyden Power Brake Co.*, 170 U.S. 537, 18 S.Ct. 707 (1898).

[8] G. The accused device is the subject of a United States patent allowed by the Patent Office after specific consideration of the Kaster patent in suit and, while this is not conclusive that the accused Bjork-Shiley valve does not infringe the Kaster patent, "the presumption from the grant of letters patent is that there is a substantial difference between the inventions." *Kokomo Fence Machine Company v. Kittelman*, 189 U.S. 8, 23, 23 S.Ct. 521, 527 (1903).

[9] H. When it is permissible at law to resort to the doctrine of equivalents for purposes of enlarging the scope of a claim, the accused device must be compared with the patent claim on an element-by-element basis, and equivalency must be measured by a three-part test requiring consideration of means, operation and result. "Devices in a patented machine are different in the sense of the patent law when they perform different functions or in a different way, or produce a substantially different result." *Union Paper Bag Machine Co. v. Murphy*, 97 U.S. 120 (1878); *Hardison v. Brinkman*, 156 F. 962, 967 (9th Cir. 1907); *Hobbs v. Wisconsin Power & Light Company*, 250 F.2d 100, 109, 115 USPQ 371, 378-379 (7th Cir. 1957). Each of the components defined in the patent claim or its equivalent must be found in the accused device and there must be substantial identity in the function and result of that component, the means by

which the result is attained, and the manner in which that component operates and cooperates with other components to produce the result. *Doigoff v. Kavnar Company*, 18 F.R.D. 424, 108 USPQ 66 (S.D. Calif. 1955); *Shakespeare Company v. Perrine Manufacturing Company*, 91 F.2d 199, 34 USPQ 172 (8th Cir. 1937); *Grant v. Koppl*, 99 F.2d 106, 39 USPQ 36 (9th Cir. 1938). No such identity of components, function, means and result exists between the patented valve and the accused Bjork-Shiley valve.

[10] I. The limitations in the broadest claims which were required by the Patent Office as a condition of obtaining a patent are binding upon plaintiffs and plaintiffs are not now free to claim any pivoting disc valve but only pivoting disc valves which include each of the components of the limitation introduced during prosecution; e.g., the two pairs of legs which are structured and which cooperate with the peripheral portion and with each other in the manner and relation defined in the claims. "The patentee may not, by resort to the doctrine of equivalents, give to an allowed claim a scope which it might have had without the amendment, the cancellation of which amounts to a disclaimer." *Schriber-Schroth Co. v. Cleveland Trust Co.*, 311 U.S. 211, 221, 47 USPQ 345, (1940); *Burgess & Associates, Inc. v. Klingensmith*, 487 F.2d 321, 180 USPQ 115 (9th Cir. 1973). "Whatever may be the appropriate scope and application of the doctrine of equivalents where a claim is allowed without a restrictive amendment, it has long been settled that recourse may not be had to the doctrine to recapture claims which the patentee has surrendered by amendment." *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126, 52 USPQ 275 (1942). Since the evidence clearly shows that the structure and the operating relationship of the support rods with the disc in the accused devices is different in principle from the legs and peripheral portion relationship defined in the limitations introduced into the claims to obtain allowance, the only manner in which infringement could be found would be to ignore these limitations and this is not permitted.

J. Based on the foregoing Findings and Conclusions of validity but non-infringement, a judgment of dismissal of Plaintiffs' suit based on infringement of the Kaster patent in suit is required. Claims 11, 12, 13, 17, 20 and 21 are not infringed.