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Patents

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IX. Patents

A. Summary Judgments and Patent Validity—Barofsky v. General Electric Corp., 396 F.2d 340 (9th Cir. 1968).

Barofsky v. General Electric Corporation,[1] a design patent case, presented the questions of whether the validity of a design patent should be decided as a matter of law or as a matter of fact and whether summary judgment would be a proper remedy for declaring a design patent invalid. These interrelated problems have created substantial difficulties for the courts. The question whether validity of a design patent should be decided as a matter of law has been a problem about which there has been much discord.[2] The difficulties inherent in granting summary judgment arise from semantic problems in Rule 56(c) of the Federal Rules of Civil Procedure.[3] The *Barofsky* case presents the problems in a peculiarly acute manner since a dissenting opinion by Judge Ely attacks the mode by which the majority disposes of the case.

The *Barofsky* case was an action by the holder of a design patent against a corporation alleged to have infringed upon that patent. The Ninth Circuit has defined a patentable design as a manufacturable item which is (1) new, (2) original, (3) ornamental, (4) non-obvious to person skilled in the art, and (5) not primarily functional.[4] In short, it is something out of the range of the routine. One who has infringed upon the patent must respond in damages for past infringements.[5] An injunction will generally issue to protect against future infringements.[6]

Barofsky's patent was entitled "Television Cabinet or Similar

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[1] 396 F.2d 340 (9th Cir. 1968).

[2] *Compare* Swofford v. B & W, Inc., 336 F.2d 406, 410 (5th Cir. 1964), *with* Griswold v. Oil Capital Valve Co., 375 F.2d 532, 538 (10th Cir. 1966).

[3] FED. R. CIV. P. 56(c). The rule provides as follows: "The judgment sought [on a motion for summary judgment] shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. . . ."

[4] Barofsky v. General Elec. Corp., 396 F.2d 340, 342 (9th Cir. 1968); *cf.* 35 U.S.C. § 171 (1964), which merely requires the elements of "newness," "originality," and "ornamentality."

[5] 35 U.S.C. § 289 (1964).

[6] 35 U.S.C. § 283 (1964).

Article,"[7] and the design consisted of a rectangular box-like central cabinet with a smaller inner space, presumably for a television screen. The doors were shallow rectangular boxes approximately one-half the width and one-third the depth of the cabinet. These doors were hollow and were used to hold speakers. The outer edges were beveled in such a manner that they could be opened to a greater angle than normal doors.[8]

General Electric's defense to the claim of infringement was that the allegations were false and that the patent was invalid.[9] It sought a declaratory judgment to that effect.[10] The issue raised by this defense—invalidity of the patent—had to be resolved before the court could rule on Barofsky's claim of infringement. If General Electric's defense were to succeed, it would be a complete bar to Barofsky's claim. Hence, a thorough examination of the beforementioned definition of a patentable design was necessary in order to determine validity. The declaratory judgment sought by General Electric would be granted if any of the criteria of the definition were lacking.

The substantive issue thus defined created no controversy between the majority and the dissenting opinions in *Barofsky*. The substantive discussion, however, is secondary to the real issue of the case—its procedural disposition. The district court granted summary judgment to General Electric, reciting Rule 56(c) of the Federal Rules of Civil Procedure,[11] placing its decision on the ground that the design was neither ornamental nor inventive.[12] The Ninth Circuit, rather than affirm on the same ground as that of the district court, rested its decision on the ground that the design served a primarily functional purpose.[13] The court rationalized the apparent new basis for invalidity on the ground that the district court's opinion evidenced a determination that the essential elements of the design served a primarily functional or utilitarian purpose.[14] Judge Ely, in dissent, addressed himself to three points: First, the disposition of the case in this manner determined the invalidity of the patent as a matter of law whereas he felt a genuine issue of fact was presented; second,

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[7] 396 F.2d at 341.

[8] *Id* at 341-42.

[9] *Id.* at 341.

[10] *Id.*

[11] FED. R. CIV. P. 56(c).

[12] 396 F.2d at 342.

[13] *Id.* The requirement of non-functionality is not an easy concept to define. The major emphasis must be on the decorative arts, but the Ninth Circuit has held that the mere fact that decoration must be emphasized does not imply that the design cannot additionally serve a useful purpose. *See* Robert W. Brown & Co. v. DeBell, 243 F.2d 200, 202-03 (9th Cir. 1957).

[14] 396 F.2d at 342.

the theory of the holding of the majority differed from the theory of the holding of the district court; and finally, the cases on which the majority relied were not ones in which the disposition was by summary judgment.[15]

Summary judgment is a creature of statute.[16] The rule which governs summary judgments, though easy to state, presents definitional problems. The rule provides that the judgment should be rendered forthwith if "there is no genuine issue as to any material fact and . . . the moving party is entitled to a judgment as a matter of law. . . ."[17] When considering the motion of summary judgment, conclusions of law must be drawn while weighing the available data in the light most favorable to the person opposing the motion.[18] To apply the rule, one must define what is a genuine issue, what is a material fact, and when the judgment can be entered as a matter of law.[19] In seeking to apply the rule, courts find no problem in determining what is a material fact or, in non-patent cases,[20] whether

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[15] *Id.* at 345. Note that the same procedural dilemma could arise in a suit by the manufacturer for a declaratory judgment that his conduct does not infringe upon an existing patent or, in the alternative, that the patent is invalid. In that situation, there is an initial problem since the plaintiff must show that there is a justiciable controversy. *See* Welch v. Grindle, 251 F.2d 671 (9th Cir. 1957); Wembley, Inc. v. Superba Cravats, Inc., 315 F.2d 87 (2d Cir. 1963), *discussed in* Note, *Patents: Finding a Justiciable Controversy in Suits for Declaratory Judgment of Invalidity or Non-infringement—Wembley, Inc. v. Superba Cravats, Inc.* (2d Cir. 1963), 51 CALIF. L. REV. 805 (1963).

[16] The provision is found in Rule 56(c) of the Federal Rules of Civil Procedure.

[17] FED. R. CIV. P. 56(c).

[18] *See, e.g.*, United States v. Diebold, Inc., 369 U.S. 654, 655 (1962); Poller v. Columbia Broadcasting Sys. Inc., 368 U.S. 464, 473 (1962); Technograph Printed Circuits, Ltd. v. Methode Elec. Inc., 356 F.2d 442, 446-47 (7th Cir.), *cert. denied*, 384 U.S. 950 (1966). The rule has been stated conversely in Chesapeake & O. Ry. v. International Harvester Co., 272 F.2d 139 (7th Cir. 1959): "[The district court has the duty to] resolve all doubts as to the existence of a genuine issue as to a material fact against the party moving for summary judgment." *Id.* at 142.

[19] For an able discussion of the problems encountered under Rule 56(c), see Asbill & Snell, *Summary Judgment Under the Federal Rules When an Issue of Fact is Presented*, 51 MICH. L. REV. 1143 (1953) [hereinafter cited as Asbill & Snell].

[20] Patent cases seem to present a peculiar problem in this area. Some courts have taken the position that the status of the patent must be speedily determined. These courts bend over backwards to grant summary judgment. *E.g.*, Ballantyne Instruments & Electronics, Inc. v. Wagner, 345 F.2d 671, 672 (6th Cir. 1965). On the other hand, some courts take the opposite extreme. These courts grant a summary judgment in a patent case only rarely. *E.g.*, Fujitsu Ltd. v. Sprague Elec. Co., 264 F. Supp. 930, 933 (S.D.N.Y. 1967). But note that the same result is not always reached when the patented article is a design. The same court that decided *Fujitsu* once had occasion to say:

judgment should be rendered as a matter of law.[21] A real problem exists, however, when an attempt is made to define the concept of "genuine issue" as to a material fact.[22] It has been said that neither the statement (for example, in an answer) that a genuine issue as to a material fact exists nor the introduction of counter-affidavits will preclude summary judgment in a proper case.[23] The opposing considerations of economy in the judicial process and of a thorough presentation of the issues must be weighed by the judge. The court must also consider the possibility that the threat of a trial on the merits would be used as harassment to coerce a settlement.[24]

Subordinate to the issue of summary judgment is the issue whether the validity of the patent should be decided as a matter of law. Of course, when summary judgment is granted, the underlying issues are decided as a matter of law. Hence, granting the motion of one seeking summary judgment in a patent case is a decision that the patent is invalid as a matter of law. In this area, there seems to be a substantial semantic problem.

There is little uniformity among the circuits[25] and little consistency within the Ninth Circuit as to the proper terms which should be employed.[26] A comparison of the language of the Ninth Circuit cases seems to indicate an indiscriminate interchange of the terms "invention" and "validity." As late as 1957, the court stated that "this court has consistently held that the question of validity of a claim of a patent is one of fact."[27] In 1961, the court rephrased this conclusion and said that "[w]hile invention is a question of law, the questions of validity often turns on questions of fact."[28] It seems at this point that the court is being very careful to distinguish be-

"Since a design patent protects appearance, not utility . . . the validity of a design patent is peculiarly susceptible of determination on a motion for summary judgment." Alex Lee Wallau, Inc. v. J.W. Landenberger & Co., 121 F. Supp 555, 560 (S.D.N.Y. 1954).

21 Asbill & Snell, *supra* note 19, at 1145.

22 *Id.*

23 Henderson v. A.C. Spark Plug, 366 F.2d 389, 393 (9th Cir. 1966).

24 Asbill & Snell, *supra* note 19, at 1143-44.

25 *Compare* Swofford v. B & W, Inc., 336 F.2d 406, 410 (5th Cir. 1964) (question of fact for the jury), *with* Griswold v. Oil Capital Valve Co., 375 F.2d 532, 538 (10th Cir. 1966) (question of law for the court).

26 Brunswick Corp. v. Columbia Indus., Inc., 362 F.2d 172, 175 (9th Cir. 1966); Monroe Auto Equip. Co. v. Superior Indus., Inc., 332 F.2d 473, 477 (9th Cir. 1964); National Lead Co. v. Western Lead Prods. Co., 291 F.2d 447, 451 (9th Cir. 1961); Container Corp. of America v. M.C.S. Corp., 250 F.2d 707, 709 (9th Cir 1957).

27 Container Corp. of America v. M.C.S. Corp., 250 F.2d 707, 709 (9th Cir. 1957).

28 National Lead Co. v. Western Lead Prods. Co., 291 F.2d 447, 451 (9th Cir. 1961).

tween the concepts of invention and validity. But in 1964, the court encountered semantic difficulties when it said that "the finding of validity, i.e., whether or not there is invention, is, of course, a matter of law, not of fact."[29] The final reversal of the court's position came in 1966 when the court stated flatly that "[t]he ultimate question of patent validity is one of law."[30] By making this statement, the Ninth Circuit apparently adopted the position announced by the United States Supreme Court.[31] The *Barofsky* court, by disposing of the case summarily, decided that the patent was invalid as a matter of law. If it is assumed that the question of validity may be determined as a matter of law in a proper case, the question remains whether, under the circumstances of the *Barofsky* case, the issues should have been disposed of summarily as a matter of law.

In the case of a design patent, the court has all the information necessary to make its determination. The patent office supplies undisputed facts as to the constituent elements of the particular design. The requirements for a design patent are well-settled. Therefore, in order to determine whether the patent is valid, it first must be decided whether the *undisputed* design meets the *undisputed* requirements.

It has been argued that a dispute as to inferences, as distinguished from a dispute as to facts, should not defeat summary judgment.[32] Such a position is a tenable one. In a jury trial, the function of the jury is to find the facts and draw conclusions of law in accordance with the instructions of the judge. The function of the judge, on the other hand, is to give instructions which provide the proper inferences from whatever possible factual disposition the jury might make of the case. Patent cases may be tried either to court or to jury.[33] Where there is no jury, the judge makes the factual disposition and therefrom draws the legal conclusions. But even in such a case, the summary judgment problem is the same—there still must be no genuine issue as to a material fact, and it must be proper to dispose of the case as a matter of law.[34] The *Barofsky* court was presented with undisputed facts. It had merely to draw inferences therefrom as to whether the

[29] Monroe Auto Equip. Co. v. Superior Indus., Inc., 332 F.2d 473, 477 (9th Cir. 1964).

[30] Brunswick Corp. v. Columbia Indus., Inc., 362 F.2d 172, 175 (9th Cir. 1966).

[31] *E.g.*, Graham v. John Deere Co., 383 U.S. 1, 17 (1966); A & P Tea Co. v. Supermarket Corp., 340 U.S. 147, 155 (1950).

[32] Asbill & Snell, *supra* note 19, at 1147.

[33] *See* 35 U.S.C. §§ 281, 283 (1964); *see, e.g.*, AMF Tuboscope, Inc. v. Cunningham, 352 F.2d 150, 153 (10th Cir. 1965), where the court held the plaintiff entitled to a jury trial.

[34] FED. R. CIV. P. 56(c).

legal requirements for obtaining a design patent were met. The court conducted a detailed analysis of the patent in order to disclose the *reasoning* by which it arrived at the proper legal conclusions. Hence, on that basis, the decision seems sound.

To justify the position of the majority in the *Barofsky* case in the foregoing manner is not to say that its disposition is beyond criticism. The purpose of summary judgment is to promote economy in the judicial process by disposing of the case without a trial where a trial would not change the result. This economy necessarily must be at the expense of a thorough consideration of all the ramifications of the case. The weighing of these opposing considerations—economy and thoroughness—necessarily involves certain value judgments. Value judgments lead inevitably to instances of human error. The judge must be sure that the result of the litigation would not be different if the case were tried to the issues.[35] Hence, the criticism to which the *Barofsky* court is open is whether, giving the district court the benefit of all doubt, the Ninth Circuit should have liberalized its legal function by affirming the judgment. That is, as Judge Ely pointed out, the court had to resolve the phrase "primarily functional" as a matter of law; it had to find a different basis than that used by the lower court, and it had to rely on cases which did not deal with summary judgment to reach its decision to affirm.[36] Summary judgment should be recognized for what it is—a tool for economy in judicial proceedings. It is a luxury to be used sparingly. It should be limited to cases which fall clearly within its definition. Any extension is dangerous.

On the one hand, then, the *Barofsky* decision can be justified through an application of general principles dealing with summary judgment. On the other hand, the decision is open to some criticism. Hence, the problem for the future is to decide whether the remedy of summary judgment has been expanded by *Barofsky*. If it has been expanded, the question is as to the degree. The *Barofsky* majority indicates a possible trend toward expansion of the remedy of summary judgment at the expense of fewer trials to the issues; the dissent admonishes against this end. The conflict thus defined has no solution. It is the inevitable result of crowded court dockets and the attempt to keep calendars clean. The design patent case is but an instance of the greater problem thus encountered. The best one can do is to identify the problem and leave it to the courts themselves to attempt to resolve it in the future. It is the nature of the judicial

[35] In this regard note that a patent, once issued, is presumed valid. 35 U.S.C. § 282 (1964). The burden of establishing validity is on the movant. 35 U.S.C. § 282 (1964).

[36] 396 F.2d at 345.

system to entrust the courts with expanding interpretive power so they can cope with the problems of a more complex society. We have in this design patent summary judgment case but a specific instance of a remedy in flux.

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