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# Fifteen Years Of Fourco--The Needless Disputes Over Patent Venue

By JAMES W. GERIAK\*

THE view attributed to Justice Brandeis that it is more important that a law be certain than right<sup>1</sup> was undoubtedly expressed to discourage quibbling over sterile matters of form or procedure. This view is recognized, however, as not having universal applicability. The possible harsh consequences inherent in the Brandeis aphorism are nowhere so apparent as in the frequent, varied and entirely unnecessary litigation over the nature of patent venue. This litigation has ensued in the wake of the interpretation of the federal venue statute by the Supreme Court in *Fourco Glass Co. v. Transmirra Products Corp.*<sup>2</sup> The reason for this is plain. *Fourco* is at odds with fundamental notions of good practice and is unfairly adverse to the interests of patent owners. Accordingly, there have been repeated efforts—some successful and some not—to distinguish, avoid or reinterpret the *Fourco* holding.<sup>3</sup> The holding of *Fourco* is that section 1400(b) is the sole and exclusive provision controlling venue in patent infringement actions.<sup>4</sup> Thus, unlike other special venue statutes, the patent venue statute is not considered supplemental to the general venue provisions of Title 28; rather it is considered to be an exception to them.<sup>5</sup> Such a view is based on an incorrect analysis of the historical setting of section 1400 (b), serves no policy interest, works injustice which is sometimes severe, and has burdened the courts with unnecessary controversy.

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1. *Burnet v. Coronado Oil & Gas Co.*, 285 U.S. 393, 406 (1932) (dissenting).

2. 353 U.S. 222 (1957). The patent venue statute, 28 U.S.C. § 1400(b) (1970), provides: "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

3. See text accompanying notes 39-45, 56-61 and 67-71 *infra*.

4. 353 U.S. 222, 229 (1957).

5. *See id.*

### The History of 28 U.S.C. Section 1400(b)<sup>6</sup>

The first United States patent venue statute was enacted in 1897.<sup>7</sup> It was enacted to *broaden* the choice of venue available to patent litigants under the Judiciary Act of 1887.<sup>8</sup> The report of the Committee on Patents of the House of Representatives said simply:

This Bill seeks to define the jurisdiction of the courts in patent suits and to remove the uncertainty which now arises as to such jurisdiction by reason of the conflicting decisions of the various circuit courts. It further facilitates the bringing of suits in the place of business of the parties interested. It is in the interest of all and against the interest of none.<sup>9</sup>

Thus, the first patent venue statute was a harbinger of the changes eventually wrought by enactment of the general venue statute in 1948.<sup>10</sup> The new general provisions liberalized existing law by stating that a corporation could be sued, *inter alia*, in any judicial district in which it is doing business.<sup>11</sup>

The "conflict" referred to in the House Report on the 1897 patent venue statute had been created by language in *In re Hohorst*<sup>12</sup> which suggested that patent infringement actions might be controlled by the general venue provisions of the Judiciary Act of 1789.<sup>13</sup> Those provisions permitted suit against a defendant in the district of his inhabitance

6. See generally Comment, *A New Look at Venue in Patent Infringement Suits*, 21 GEO. WASH. L. REV. 610 (1953); Comment, *Venue in Patent Infringement Suits in the Federal Courts*, 47 NW. U.L. REV. 699 (1952); 26 GEO. WASH. L. REV. 117 (1957); 43 VA. L. REV. 109 (1957); 11 VAND. L. REV. 228 (1957).

7. Act of Mar. 3, 1897, ch. 395, 29 Stat. 695 (formerly § 48 of the Judicial Code codified at 28 U.S.C. § 109 (1940)).

8. Act of Mar. 3, 1887, ch. 373, 24 Stat. 552 (formerly § 51 of the Judicial Code codified at 28 U.S.C. § 112 (1940)). This restrictive federal venue statute provided: "[N]o civil suit shall be brought . . . against any person . . . in any other district than that whereof he is an inhabitant; but where the jurisdiction is founded only on the fact that the action is between citizens of different states, suit shall be brought only in the district of the residence of either the plaintiff or the defendant. . . ." The 1897 provision allowed, in addition, the bringing of a patent infringement suit "in the district of which the defendant is an inhabitant, or in any district in which the defendant . . . shall have committed acts of infringement and have a regular and established place of business." Act of Mar. 3, 1897, ch. 395, 29 Stat. 695 (formerly § 48 of the Judicial Code codified at 28 U.S.C. § 109 (1940)).

9. H.R. REP. NO. 2905, 54th Cong., 2d Sess. (1897).

10. Act of June 25, 1948, ch. 646, 62 Stat. 935, as amended 28 U.S.C. § 1391 (1970).

11. *Id.* § 1391(c) provides: "A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

12. 150 U.S. 653 (1893).

13. *Id.* at 660-61.

or where he could be found for service of process.<sup>14</sup> This was obviously broader than the Judiciary Act of 1887, which restricted general venue to places of inhabitance.<sup>15</sup> The suggestion in *Hohorst* had been adopted by several circuit courts prior to 1897, when the first patent venue statute was adopted.<sup>16</sup>

Between 1897 and 1948, the attitude of both Congress and the courts became increasingly more favorable to expansion and liberalization of venue in civil cases.<sup>17</sup> This was particularly so with regard to venue as to corporate defendants, culminating in the enactment of the present section 1391(c). That statute provides that any judicial district in which a corporation "is incorporated . . . licensed to do business or is doing business . . . shall be regarded as the residence of such corporation for venue purposes."<sup>18</sup> The patent venue statute, section 1400(b), enacted at precisely the same time, provides that "[a]ny civil action for patent infringement may be brought in the judicial district where the defendant *resides*" or, alternatively, where the defendant has committed acts of infringement *and* has a regular and established place of business.<sup>19</sup> It would seem rather remarkable to a person untrained in the law that the Supreme Court could interpret the word "resides" in section 1400(b)—a *venue* statute—differently from the manner prescribed in section 1391(c), where "resides" was defined "for venue purposes." It is scarcely less remarkable to a lawyer that the Court was able to do just that in *Fourco*.

### Fourco Glass Co. v. Transmirra Products Corp.<sup>20</sup>

In *Fourco* the Supreme Court held that section 1400(b) does not supplement section 1391(c). Section 1400(b) is not to be read consistently with section 1391(c) with regard to the meaning of corporate residence.<sup>21</sup> This holding is all the more remarkable because it rejected and reversed an excellent analysis by Chief Judge Clark writing for the Second Circuit.<sup>22</sup> The foundation of the Supreme Court's deci-

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14. Act of September 24, 1789, ch. 20, § 11, 1 Stat. 79.

15. See note 8 *supra*.

16. *E.g.*, *Earl v. Southern Pac. Ry.*, 75 F. 609 (C.C.N.D. Cal. 1896); *Noonan v. Chester Park Athletic Club Co.*, 75 F. 334 (C.C.S.D. Ohio, W.D. 1896); *National Button Works v. Wade*, 72 F. 298 (C.C.S.D.N.Y. 1896).

17. *See, e.g.*, *Neirbo Co. v. Bethlehem Shipbuilding Corp.*, 308 U.S. 165 (1939). *See generally* C. WRIGHT, *LAW OF FEDERAL COURTS* 149-59 (2d ed. 1963).

18. 28 U.S.C. § 1391(c) (1970).

19. *Id.* § 1400(b) (emphasis added).

20. 353 U.S. 222 (1957).

21. *Id.* at 225-29.

22. *Transmirra Products Corp. v. Fourco Glass Co.*, 233 F.2d 885 (2d Cir. 1956).

sion was an uncritical reading of an earlier decision. In *Stonite Products Co. v. Melvin Lloyd Co.*,<sup>23</sup> the Court faced the question of whether it should apply the 1897 patent venue statute<sup>24</sup> or a different *special* venue statute. The latter authorized a transitory action to be brought in the judicial district wherein any one defendant resided when two or more defendants resided in different districts within the same state.<sup>25</sup> Application of the special venue statute would have allowed venue over one codefendant, an inhabitant of the Eastern District of Pennsylvania, in the Western District of Pennsylvania. The suit was brought there because the other codefendant was an inhabitant of that district. The *Stonite* Court simply held that the venue statute applying to patent infringement actions—itsself a special venue provision—could not be supplemented by another *special* venue statute.<sup>26</sup> Unfortunately, the Court continued beyond the facts saying that its decision was based on an absence of congressional intent that the patent venue statute “dove-tail with the *general* provisions relating to the venue of civil suits . . . .”<sup>27</sup>

Even though *Stonite* was only concerned with *special* venue statutes, this language concerning *general* venue provisions was used by the Supreme Court to justify its conclusion in *Fourco* that the present patent venue statute is an exception from the *general* venue provisions.<sup>28</sup> Thus, the court’s incorrect characterization in *Stonite* was adopted without adequate analysis in *Fourco*. This error was compounded by the apparent view of the Court in *Fourco* that the patent venue statute of 1897 was intended to be a limitation on, rather than a broadening, of the then general venue statute.<sup>29</sup> Such a view is directly opposite to fact.<sup>30</sup> Indeed, at the time the patent venue statute of 1897 was being considered by the Congress, it was recognized as favoring patent litigants over others. One member of the House of Representatives said on the floor:

I am glad to see that it recognizes the right of property in patents, and while I think the bill travels, perhaps, a little out of the

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23. 315 U.S. 561 (1942).

24. Act of Mar. 3, 1897, ch. 395, 29 Stat. 695 (formerly § 48 of the Judicial Code codified at 28 U.S.C. §109 (1940)). See note 8 *supra*.

25. Act of Mar. 3, 1911, ch. 231, 36 Stat. 1101, §§ 51-52, (formerly 28 U.S.C. § 113 (1940) now 28 U.S.C. § 1392(a) (1970)).

26. 315 U.S. at 566-67.

27. *Id.* at 566 (emphasis added).

28. 353 U.S. 222, 228-29 (1957).

29. *Id.* at 225.

30. See notes 8 & 9 and accompanying text *supra*.

way and puts the owner of a patent in a little *better position* than the owner of any other kind of property . . . I welcome this bill . . . .<sup>31</sup>

As the basis for rejecting the Second Circuit's view that the definition of corporate residence stated in the general venue statute should be read into the word "resides" in the patent venue statute,<sup>32</sup> the Supreme Court in *Fourco* relied heavily on the revisor's notes. These notes suggested that the words "resident" and "inhabitant" are synonymous as to venue.<sup>33</sup> This suggestion by the revisor was entirely unilluminating with regard to whether corporate residence should be uniformly interpreted as provided in section 1391(c). In fact, the notes were so uninformative and ambiguous that the Second Circuit drew precisely the opposite inference from that drawn by the Supreme Court.<sup>34</sup> Furthermore, the Supreme Court in *Fourco* took an additional step in no way suggested by these notes. The Court held that the word "inhabitant" was limited to place of *domicile*.<sup>35</sup> For a corporation, that is the state of incorporation—a place which can be, and often is, entirely remote to the jurisdiction where the claim arose and to any jurisdiction where the corporation does business and is a resident under section 1391(c). In relying on the revisor's notes, the Court failed to heed its own warning against giving undue weight to such notes as pronounced in *Ex parte Collett*.<sup>36</sup> Justice Harlan, an astute procedural authority, filed a dissent endorsing the decision of the Court of Appeals and calling attention to the warnings of *Collett*.<sup>37</sup>

Professor Moore has agreed with Justice Harlan. He says of the *Fourco* decision:

With the utmost deference, we believe that the opinion of the Supreme Court was unsound and that the Court of Appeals was correct. The Revisor's Note to § 1391 does not indicate that any change in the general venue statute was intended. But subsection (c) is a new and novel extension of venue pertaining to corporations. In the same way the Revisor's Note to § 1400 does not indicate a change from former § 109, but is this to say that other sections of the Code, particularly the newly incorporated, can not have any effect upon § 1400? The incorporation of § 1391(c) in the venue provisions by Congress demonstrated an intent that a corporation should be sued where it creates lia-

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31. 29 CONG. REC. 1902 (daily ed. Feb. 16, 1897) (emphasis added).

32. 233 F.2d at 886.

33. 353 U.S. at 226.

34. 233 F.2d at 886.

35. 353 U.S. at 226.

36. 337 U.S. 55, 61-71 (1949).

37. 353 U.S. at 229.

bilities. No special protection of corporate patent infringers seems intended.<sup>38</sup>

Against this background, we turn now to the treatment of *Fourco* in subsequent decisions.

### The Partial Erosion of *Fourco*

#### Treatment of Other Special Venue Statutes

With considerable prescience, the Second Circuit recognized in its *Fourco* decision that the rule proposed to it and ultimately adopted by the Supreme Court would work mischief with other special venue statutes.<sup>39</sup> Notable among these special venue statutes is that contained in the Jones Act which provides that venue shall be limited to "the district in which the defendant employer resides or in which his principal office is located."<sup>40</sup> Nine years after *Fourco*, this problem arose in *Pure Oil Co. v. Suarez*.<sup>41</sup> In that case, the defendant argued that the decision in *Fourco* required that the word "resides" in the venue provision of the Jones Act be read as precluding venue in a judicial district in which it merely did business, but was not domiciled.<sup>42</sup> Interestingly, the venue provision of the Jones Act had been enacted *prior* to the enactment of 28 U.S.C. section 1391(c). The plaintiff in *Suarez* conceded that as enacted and originally interpreted the act would not authorize venue in a district other than a corporate defendant's domicile. Justice Harlan, writing for a unanimous court, repeated his endorsement of the decision by the Court of Appeals in *Fourco*. He concluded that enactment of section 1391(c) changed the operative meaning of the venue provision in the Jones Act to include the place of doing business as the residence of corporate defendants.<sup>43</sup> The decision by the Supreme Court in *Fourco* was distinguished on the ground that the patent venue statute of 1897 was enacted "specifically to narrow venue in such suits"<sup>44</sup>—a plain misreading of history. Indeed, the rationale of *Suarez* rested upon the notion that it could be said "with reasonable certainty that the [venue] provision [of the Jones Act] was intended to liberalize venue. . . ."<sup>45</sup> Thus, it would appear that

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38. 1 MOORE'S FEDERAL PRACTICE 1632 (2d ed. 1972).

39. 233 F.2d at 888.

40. 46 U.S.C. § 688 (1970).

41. 384 U.S. 202 (1966).

42. *Id.* at 203.

43. *Id.* at 204.

44. *Id.* at 207.

45. *Id.*

had the Court correctly understood the legislative history of patent venue, it would have reached an opposite conclusion in *Fourco*.

### Declaratory Judgment Actions in Patent Cases

It is an old adage in the law that there should be mutuality of remedy and relief as between plaintiff and defendant. While this adage is not all encompassing, *Fourco* produced an opposite, and unjust result, as to patent venue. One who is charged with patent infringement is entitled to bring an action for declaratory judgment.<sup>46</sup> When such an action is brought, venue is not limited to the accused infringer's domicile or a place where he has a regular and established place of business and commits acts of infringement. Rather it is controlled by section 1391(c). The action can be brought wherever the patent owner can be found within the meaning of the general venue statute.<sup>47</sup>

Declaratory judgment actions by patent owners for threatened infringement have met a less kind fate. A suit for conventional patent infringement cannot be brought until there has been a completed infringement.<sup>48</sup> Accordingly, in some cases patent owners have instituted declaratory judgment actions for threatened patent infringement. There was an initial judicial receptiveness to the proposition that such actions are not controlled by the patent venue statute, since they are not actions for patent infringement.<sup>49</sup> However, even though the courts entertained the declaratory relief actions, once the threats had reached fruition and actual infringement was taking place, the courts, in obvious deference to the implacable command of *Fourco* with regard to patent infringement venue, either dismissed the action<sup>50</sup> or transferred it to the district where the defendant corporation had been incorporated.<sup>51</sup> The Ninth Circuit apparently takes the harsher view that such declaratory judgment actions should not be permitted in the first place.<sup>52</sup>

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46. See 28 U.S.C. § 2201 (1971).

47. See, e.g., *General Tire and Rubber Co. v. Watkins*, 326 F.2d 926 (4th Cir. 1964).

48. *Minnesota Mining and Mfg. Co. v. Plymouth Rubber Co.*, 178 F. Supp. 591 (N.D. Ill. 1959); *Rohm & Haas Co. v. Permutit Co.*, 114 F. Supp. 846 (D. Del. 1953).

49. See *Struthers Scientific & Int'l Corp. v. General Foods Corp.*, 290 F. Supp. 122 (S.D. Tex. 1968); *Proler Steel Corp. v. Luria Bros. & Co.*, 223 F. Supp. 87 (S.D. Tex. 1963).

50. *Proler Steel Corp. v. Luria Bros. & Co.*, 225 F. Supp. 412 (S.D. Tex. 1964).

51. *Fedtro, Inc. v. Chadwick-Miller, Inc.*, 166 U.S.P.Q. 263 (S.D.N.Y. 1970); *Hydro-Clear Corp. v. Aer-o-Flo Corp.*, 317 F. Supp. 1317 (N.D. Ohio 1970).

52. *Swedlow, Inc. v. Rohm & Haas Co.*, 455 F.2d 884 (9th Cir. 1972).

### The Single Defendant Who Commits Different Types of Infringement in Different Districts

Infringement of a patent results from making, using, or selling the patented invention.<sup>53</sup> In the case of a patent owner who obtains claims to a process of manufacture and the product of that process, the process claims are infringed only in the district where the process is used,<sup>54</sup> whereas the product claims are infringed not only where the product is made, *i.e.*, where the process is practiced, but also where the product is sold.<sup>55</sup> Where process and product are closely related, it is not infrequent that the Patent Office allows both process and product claims in a single patent. Such a patent was the subject of suit in *General Foods Corp. v. Carnation Co.*, which was brought in the district where the product was sold but *not* where the process was used.<sup>56</sup> Defendant urged that the case should be dismissed as to the process claims or transferred to a district where it practiced the process. The court declined to do so on the ground that there was unquestionable venue as to the product claims and that it would create an intolerable situation to dismiss or transfer the claim as to only the process and permit piecemeal litigation to ensue.<sup>57</sup>

The court, relying on *Hurn v. Oursler*,<sup>58</sup> implicitly created a new type of pendent jurisdiction. *Hurn* held that federal jurisdiction cannot be extended by a rule of court.<sup>59</sup> The subsequent treatment of pendent jurisdiction in *United Mine Workers v. Gibbs*<sup>60</sup> affords no additional support for basing the holding in *Carnation* on that doctrine. Indeed, *Hurn* goes only to jurisdiction, not venue, and then only to non-federal causes of action joined with a related federal claim. Federal *jurisdiction* was unquestioned in *Carnation*. It was venue which was in issue. Thus, the conclusion would appear inescapable that the court in *Carnation* recognized that application of *Fourco* would create a result so

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53. 35 U.S.C. § 271(a) (1970).

54. *Koratron Co. v. Lion Uniform, Inc.*, 449 F.2d 337 (9th Cir. 1971).

55. *General Food Corp. v. Carnation Co.*, 411 F.2d 528 (7th Cir. 1969), *cert. denied*, 396 U.S. 940 (1969).

56. *Id.*

57. *Id.* at 532.

58. 289 U.S. 238 (1933).

59. *Id.* at 242. *Hurn* found pendent jurisdiction present when the trial court had acquired jurisdiction of a cause of action alleging both federal and nonfederal grounds. Even though the federal grounds were dismissed, the Court permitted retention of jurisdiction on the pendent, nonfederal ground. This rule was later codified in 28 U.S.C. § 1338(b) (1971).

60. 383 U.S. 715 (1966). There the court held that pendent jurisdiction exists whenever the relationship between a federal and non-federal claims permits the conclusion that the entire action before the court comprises but one case.

foolish and wasteful of judicial resources that it simply refused to follow *Fourco*, *sub silentio*.<sup>61</sup>

However, in virtually indistinguishable situations where patent owners sued on two patents, one directed to the product and one directed to the process, the courts have considered themselves bound by *Fourco*. While the evil of piecemeal litigation perceived in *Carnation* could be no less in these cases, the courts have followed the literal strictures of patent venue and ignored the general venue provisions.<sup>62</sup>

### Infringement by Aliens

Section 1391(d) of Title 28 provides that "[a]n alien may be sued in any district." Alien corporations which have no regular and established place of business in the United States are beyond the reach of section 1400(b).<sup>63</sup> They can and do, however, infringe United States patents by marketing patented products in this country. In *Coulter Electronics, Inc. v. A.B. Lars Ljungberg and Co.*,<sup>64</sup> the same court which later managed to avoid *Fourco* in *Carnation* held, in effect, that alien corporations could immunize themselves from suit for patent infringement by refraining from setting up a regular and established place of business in the United States.<sup>65</sup> The reasoning was that because *Fourco* permitted reliance on no venue statute other than 1400 (b) in a patent infringement action, 1391(d) must be ignored. Thus the patent owner was left with a right without a remedy, a condition repugnant to our system of jurisprudence.

Indeed, this condition was so repugnant to each succeeding court which had occasion to consider the question that several district court judges simply refused to follow *Fourco*, ruling that a patent infringe-

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61. *Carnation* may, however, mark an emerging judicial receptiveness to something akin to "pendent venue" in cases in which compelling circumstances exist. See also *National Steel Corp. v. Baltimore & Ohio R.R.*, 160 U.S.P.Q. 521 (D. Md. 1968), in which claims of inducing infringement, under 35 U.S.C. § 271(b), and contributory infringement, under 35 U.S.C. § 271(c), were made. The court found that acts of infringement sufficient to lay venue under section 1400(b) were clearly shown as to inducing infringement, but that such acts were not clearly shown as to contributory infringement. The court avoided the impact of *Fourco* by finding that sufficient acts of contributory infringement had occurred within its jurisdiction, but it would clearly appear that it was strongly motivated by an unwillingness to "unduly fragmentize" the litigation.

62. See *Schroeder v. Owens-Corning Fiberglass Corp.*, 326 F. Supp. 594 (C.D. Cal. 1971); *Lyon v. General Motors Corp.*, 200 F. Supp. 89 (N.D. Ill. 1961).

63. See 28 U.S.C. § 1400(b) (1971) at note 2 *supra*.

64. 376 F.2d 743 (7th Cir. 1967).

65. *Id.* at 746.

ment action could be brought against an alien corporation under section 1391(d).<sup>66</sup> The matter came to a head in *Brunette Machine Works Ltd. v. Kockum Industries, Inc.*<sup>67</sup>

In *Brunette*, the Supreme Court recognized, for the first time, that the patent venue statute of 1897 liberalized venue in patent infringement actions as compared with the then applicable general venue statute. The Court further recognized the irony of the interpretation placed on section 1400(b) in *Fourco* which left patent owners in a less favored position than general litigants. However, despite all this, the Court refused to recognize the folly of *Fourco*. The *Brunette* decision was couched in terms of electing between two special venue statutes and section 1391(d) was chosen as the applicable venue provision. This methodology was reminiscent of *Stonite*.<sup>68</sup> Quite obviously, the Court was unwilling to work a manifest injustice by deciding otherwise. Its refusal, nonetheless, to undo the mischief of *Fourco* under the most compelling circumstances was unfortunate.<sup>69</sup>

#### Patent Actions Other Than Patent Infringement

The courts have demonstrated a decided willingness to permit patent owners to avoid the impact of *Fourco* in those cases where the complaint is framed as other than patent infringement. The leading case is *Koratron Company, Inc. v. Deering Milliken, Inc.*,<sup>70</sup> in which the patent owner claimed that the defendant had interfered with prospective business relationships by advertising that use of defendant's fabrics in a patented process would avoid infringement. Precisely the same facts would have been ample basis for suit for inducement of infringement under 35 U.S.C. section 271(b), in which case section 1400(b) and *Fourco* would have been applicable. The court held that the plaintiff is the master of its cause of action. By drawing its complaint so as to exclude reliance on the patent infringement statute,

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66. *Deering Milliken Research Corp. v. Vecchioni*, 168 U.S.P.Q. 59 (E.D. Va. 1970); *Charles Pfizer and Co. v. Laboratori Pro-Ter Prodotti Therapeutici*, 278 F. Supp. 148 (S.D.N.Y. 1967); *Olin Mathieson Chemical Corp. v. Molins Organizations, Ltd.*, 261 F. Supp. 436 (E.D. Va. 1966).

67. 406 U.S. 706, 174 U.S.P.Q. 1 (1972). The Supreme Court upheld a Ninth Circuit decision, 442 F.2d 420 (1971), which rejected this *quasi* alien immunity.

68. See notes 23-27 and accompanying text *supra*.

69. See also Annot., 12 A.L.R. Fed. 502 (1972) for a discussion of patent venue as to alien infringers. This includes an analysis of what constitutes a "regular and established place of business" within the meaning of section 1400(b), but the annotation was published prior to *Brunette*.

70. 418 F.2d 1314 (9th Cir. 1969).

the plaintiff could avoid the requirement of 1400(b) as prescribed in *Fourco*.<sup>71</sup>

### The Rule of *Fourco* Lives On

In addition to the cases where an action for infringement of a process patent required trial separate from an action for infringement of a product patent,<sup>72</sup> the rule of *Fourco* was applied in a manner conducive to piecemeal litigation in *Koratron Co. v. Lion Uniform Inc.*<sup>73</sup> In that case, the owner of a process patent was faced with many actions involving the same patent. All of the actions had been brought in or were subsequently transferred to and consolidated in the District Court for the Northern District of California.<sup>74</sup> The defendant, Lion Uniform, allegedly practiced the patented process only in Kentucky and was an Ohio corporation. However, it sold the product of the allegedly patented process within the jurisdiction of the court in the Northern District of California where suit was brought. The court refused to include the sale of the finished product as part of the use of the patented process, refused to find any erosion of *Fourco* in *Carnation*, and refused to find proper venue as to defendant Lion. Thus, in an odd counterpoint, the Ninth Circuit refused to apply *Fourco* to alien infringers in *Brunette*,<sup>75</sup> but felt bound by *Fourco* to require piecemeal litigation in *Lion* whereas the Seventh Circuit refused to permit suit against an alien corporation because of *Fourco*,<sup>76</sup> but ignored *Fourco* to avoid piecemeal litigation in *Carnation*.<sup>77</sup>

### Conclusion

The demonstrable fact is that the decision in *Fourco* was based on faulty historical analysis and would have reached the opposite result if the history of the patent venue statutes had been properly perceived. *Fourco* serves no identifiable policy interest and is considered unsound by the author of the most authoritative text on federal civil procedure. The Supreme Court itself considers the decision ironical. Additionally, *Fourco* has imposed much unnecessary litigation on the courts,

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71. *Id.* at 1317-18.

72. See text accompanying note 62 *supra*.

73. 449 F.2d 337 (9th Cir. 1971).

74. See *Jack Winter, Inc. v. Koratron Co.*, 326 F. Supp. 121 (N.D. Cal. 1971); *In re Koratron*, 302 F. Supp. 239 (1969) (Judicial Panel on Multidistrict Litigation).

75. See text accompanying notes 64-65 *supra*.

76. See text accompanying notes 56-61 *supra*.

77. See note 67 and text accompanying notes 67-68 *supra*.

including piecemeal litigation. Finally, it puts patent owners at a disadvantage when their venue rights are compared to those of general litigants and patent infringers. Any one of the foregoing would be adequate basis for foregoing *Fourco*; two or three provide compelling basis for doing so; and the aggregate is overwhelming. No matter how "certain" the Court attempted to be in prescribing patent venue in *Fourco*, the fact that it was not "right" has made that decision the target for repeated attack in the courts. The partial success of those attacks in no way decreases the need to either overrule *Fourco* or make it the subject of remedial legislation.