

SECTION 271(b) OF THE PATENT ACT OF 1952: CONFUSION CODIFIED

BASED as they are on opposing expressions of public policy, patent rights, creating legal monopolies, and the antitrust laws, designed to foster competition, often collide. The judge-made doctrines of contributory infringement and misuse are among the most important attempts that have been made to reconcile these recurring conflicts. Contributory infringement, the actionable tort of knowingly aiding or abetting another to infringe a patent,¹ is, to the patentee, a valuable device for preventing competitors from destroying his legal monopoly. Without it an adroit competitor could profit from the patentee's invention, and still avoid liability for direct infringement, by omitting one step or element of the patent.² Admittedly the patentee may sue as a direct infringer any party who adds the missing element in using the competitor's product. However, the remedy is often unfeasible; frequently it will be the ultimate consumer who completes the patent, and there may be thousands of consumer-infringers.³ The misuse doctrine, on the other hand, protects competition. Analogous to the equitable defense of clean hands, misuse insulates the over-zealous competitor from liability for direct⁴ or contributory infringement⁵ whenever the patentee has gone beyond his rights under the patent law by attempting to gain the equivalent of patent protection

1. The tort of contributory infringement finds its foundation in the law of joint tort-feasors. See *American Tel. & Tel. v. Radio Audion Co.*, 281 Fed. 200 (D. Del.), *aff'd*, 284 Fed. 1020 (3d Cir. 1922); *Thomson-Houston Elec. Co. v. Ohio Brass Co.*, 80 Fed. 712 (6th Cir. 1897); *Wallace v. Holmes*, 29 Fed. Cas. 74, No. 17100 (C.C. Conn. 1871).

Although the idea of contributory infringement is not limited to process or combination patents, it has had its greatest development in that area.

2. A direct infringer of a patent is one who makes, uses or sells the patent as described in the specifications. 35 U.S.C. § 271(a) (1952); *George Close Co. v. Ideal Wrapping Mach. Co.*, 29 F.2d 533, 535 (1st Cir. 1928). Since the patent monopoly is the patentee's right to prevent others from practicing or using only the invention specifically covered by the grant, 35 U.S.C. § 154 (1952), it is often easy to avoid direct infringement by varying one or more elements of the disclosed product or process. See, *v.g.*, *Vance v. Campbell*, 66 U.S. 427 (1861); *Prouty v. Draper, Ruggles & Co.*, 41 U.S. 335 (1841); *Band-it Co. v. McAnery*, 131 F.2d 766 (10th Cir. 1942).

3. For examples of situations in which suit against the direct infringer is of no practical value, see *Leeds & Catlin Co. v. Victor Talking Machine Co.*, 213 U.S. 325 (1909) (sale of records to the 45,000 owners of Victor machines); *Westinghouse Elec. & Mfg. Co. v. Precise Mfg. Corp.*, 11 F.2d 209 (2d Cir. 1926) (sale of transformers for home radio receivers).

4. *E.g.*, *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488 (1942); *American Lecithin Co. v. Warfield Co.*, 105 F.2d 207 (7th Cir.), *cert. denied*, 308 U.S. 609 (1939).

5. *E.g.*, *Leitch Mfg. Co. v. Barber Co.*, 302 U.S. 458 (1938); *Carbice Corp. v. American Patents Development Corp.*, 283 U.S. 27 (1931); *J. C. Ferguson Mfg. Co. v. American Lecithin Co.*, 94 F.2d 729 (1st Cir.), *cert. denied*, 304 U.S. 573 (1938).

for a product or service not within the scope of the patented invention.⁶ Moreover, misuse will bar recovery even when the infringer has felt no economic detriment from the patentee's wrongdoing.⁷

The development of the misuse doctrine has confused the boundary between the protection afforded patentees and the leeway allowed competition. In the half century before the doctrine of misuse was developed, contributory infringement continually expanded the patentee's legal monopoly,⁸ until eventually he was able to control even the sale of staple articles of commerce used in connection with his patent.⁹ The ease with which patents could be abused,

6. Under the "clean hands" doctrine a court of equity will deny relief when the plaintiff is himself guilty of wrongful conduct with respect to the subject matter sued on. DE FUNIAK, HANDBOOK OF MODERN EQUITY § 21 (1950). Similarly, a patentee found guilty of misusing his patent by attempting to control articles not included within the patent grant is denied relief from infringement or contributory infringement. See *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488 (1942) (salt tablets); *Carbice Corp. v. American Patents Development Corp.*, 283 U.S. 27 (1931) (dry ice); *Dehydrators, Ltd. v. Petrolite Corp.*, 117 F.2d 183 (9th Cir. 1941) (turkey red oil).

A patentee who has misused his patent is not forever denied relief. If he purges himself by discontinuing the illegal practices he will again be in a position to obtain relief for violation of his patent monopoly. See, *e.g.*, *Sylvania Industrial Corp. v. Visking Corp.*, 132 F.2d 947 (4th Cir.), *petition for cert. dismissed on motion of petitioner*, 319 U.S. 777 (1943).

7. The goal of misuse is to limit the patent monopoly to the confines of the patent grant. The primary purpose in denying the patentee protection is therefore to prevent any extension of the monopoly, rather than to protect the individual defendant. See, *e.g.*, *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488 (1942).

Hereinafter, the term patentee shall be used to refer to both a patentee and to the assignee of a patent.

8. Both contributory infringement and misuse were originally judge-made causes of action. They did not obtain statutory recognition until the Patent Act of 1952. See H.R. REP. No. 1923, 82d Cong., 2d Sess. 9, 28 (1952); *Hearings Before Subcommittee No. 3 of the House Committee on the Judiciary*, 82d Cong., 1st Sess., ser. 9, at 105 (1951). *Mercoïd Corp. v. Mid-Continent Inv. Co.*, 320 U.S. 661, 672 (1944) (concurring opinion of Black, J.). When misuse found its first expression in *Motion Picture Patents Co. v. Universal Film Co.*, 243 U.S. 502 (1916), see note 11 *infra*, contributory infringement had long been an active force in the patent law. *Wallace v. Holmes*, 29 Fed. Cas. 74, No. 17100 (C.C. Conn. 1871) is generally believed to be the first case granting a patentee relief under a theory of contributory infringement although *Snyder v. Bunnell*, 29 Fed. 47 (C.C.S.D.N.Y. 1886) was the first case in which the term "contributory infringement" was used. See Brief for the United States as Amicus Curiae, *Mercoïd Corp. v. Mid-Continent Inv. Co.*, *supra* (quoted in 27 J. PAT. OFF. SOC'Y 150, 172-74 (1944)). One commentator traces contributory infringement to even earlier cases. See Mathews, *Contributory Infringement and the Mercoïd Case*, 27 J. PAT. OFF. SOC'Y 260, 265 (1944).

9. In the leading case of *Henry v. A. B. Dick Co.*, 224 U.S. 1 (1912), the Dick Co. sold its patented machine and appended to the machine, physically as well as contractually, the license restriction that the machine be used only with unpatented stencil paper, ink, and other supplies made by the Dick Co. Henry, knowing of the license restriction, sold ink for use in one of the machines. The Court, arguing from the fact that a patentee might exclude all others from use of the invention, declared that the patentee might exercise the lesser right of permitting use only upon prescribed conditions. It then held

combined with a renewed concern with the evils of monopoly,¹⁰ led the courts to enunciate the doctrine of misuse as a counterbalance.¹¹ Misuse developed into a severe limitation on the patentee's freedom; under the Supreme Court's much mooted *Mercoïd* decision,¹² the owner of a combination patent has only two legal methods of developing his patent commercially—selling a license to every applicant, without discrimination, or undertaking the risk himself of marketing his new product, complete with all its elements.¹³ *Mercoïd* left the law in confusion. Some language in the case seems to question the very existence of the doctrine of contributory infringement, at least as to combination

that violation of these license conditions was contributory infringement. See also *Rupp & Wittgenfeld Co. v. Elliott*, 131 Fed. 730 (6th Cir. 1904) (shoe buttons); *Broderick Copygraph Co. v. Mayhem*, 131 Fed. 92 (C.C.E.D. Wis. 1904), *aff'd*, 137 Fed. 596 (7th Cir. 1905) (ink); *Heaton-Peninsular Button-Fastener Co. v. Eureka Specialty Co.*, 77 Fed. 288 (6th Cir. 1896) (shoe buttons). *But see* note 11 *infra*.

10. Two of the most significant pieces of antitrust legislation, The Clayton Act, 38 STAT. 730 (1914), and the Federal Trade Commission Act, 38 STAT. 717 (1914), were enacted immediately prior to the first case expounding the misuse doctrine. See note 11 *infra*.

11. The policy behind misuse was first enunciated in *Motion Picture Patents Co. v. Universal Film Co.*, 243 U.S. 502 (1916). The Court expressly overruled *Henry v. A. B. Dick Co.*, 224 U.S. 1 (1912), note 9 *supra*, and held that an inventor may not restrict the use of unpatented materials used with, but not a part of, a patented machine.

In *Carbice Corp. v. American Patents Development Corp.*, 283 U.S. 27 (1931), misuse, as a doctrine, was first developed. The Court stated that a patentee, using his patent to obtain control over a staple element used in his patent, would be denied recovery in a suit for contributory infringement. Thus the reasoning used to support the result in the case was entirely independent of defendant's innocence or guilt.

12. *Mercoïd Corp. v. Mid-Continent Inv. Co.*, 320 U.S. 661 (1944). This case, hereinafter cited as *Mercoïd*, was followed by the companion case *Mercoïd Corp. v. Minneapolis-Honeywell Regulator Co.*, 320 U.S. 680 (1944), which held the patentee in violation of the antitrust laws.

13. *Mercoïd* for the first time held it to be misuse to attempt to monopolize an unpatented element of a patented combination having no use other than in the combination. The courts had often held it to be misuse to tie the right to use a patent to the sale of an unpatented component of a patent. See notes 4 and 5 *supra*. But prior to *Mercoïd* it had never been held to be misuse to tie the license to a component, patented or unpatented, which had no use other than in the combination. See, *e.g.*, *Diamond, The Status of Combination Patents Owned by Sellers of an Element of the Combination*, 21 J. PAT. OFF. SOC'Y 843, 849 (1939) (predicting that misuse would not be extended this far). Since the *Mercoïd* reasoning was based on the theory that the patentee was extending his control beyond the limits of the combination patent, it would often apply to a patented component as well, particularly if a competitor held a competing patent which worked equally well in the combination patent. See, *e.g.*, *Ethyl Gasoline Corp. v. United States*, 309 U.S. 436 (1940).

Thus, after *Mercoïd*, the patentee could seldom make the license to use the combination patent contingent on the sale of a part, but less than all, of the combination. For exhaustive discussions of the problem of making commercial use of combination patents in the light of *Mercoïd*, see Rich, *Misuse, A New Frontier?*, 34 J. PAT. OFF. SOC'Y 391 (1952); James, *The Use of Patents to Control Unpatented Materials*, 28 J. PAT. OFF. SOC'Y 427 (1946); Note, 12 GEO. WASH. L. REV. 345 (1944).

patents.¹⁴ Yet lower courts in later decisions have given patentees more liberal protection than the *Mercoïd* holding would seem to permit.¹⁵

The development of the misuse doctrine not only left its scope unclear, but frequently impinged on the concept of contributory infringement. Even under the Supreme Court's broad statements misuse does not limit the definition of contributory infringement, since misuse is simply an affirmative defense.¹⁶ Paradoxically, the doctrine of contributory infringement still gives a

14. Mr. Justice Douglas stated: "The result of this decision, together with those which have proceeded it, is to limit substantially the doctrine of contributory infringement. What residuum may be left we need not stop to consider." *Mercoïd Corp. v. Mid-Continent Inv. Co.*, 320 U.S. 661, 669 (1944).

Several lower courts have stated that they believe *Mercoïd* has eliminated altogether the cause of action for contributorily infringing combination patents. See, e.g., *Stokes & Smith Co. v. Transparent Wrap Mach. Co.*, 156 F.2d 198 (2d Cir. 1946), *rev'd*, 329 U.S. 637 (1947); *Landis Mach. Co. v. Chaso Tool Co.*, 141 F.2d 800 (6th Cir.), *cert. denied*, 323 U.S. 720 (1944); *Chicago Pneumatic Tool Co. v. Hughes Tool Co.*, 61 F. Supp. 767 (D. Del. 1945), *aff'd*, 156 F.2d 981 (3d Cir. 1946). One court denied a patentee relief, holding that the very act of bringing suit for contributory infringement was itself misuse. *Stroco Products, Inc. v. Mullenbach*, 67 U.S.P.Q. 168 (S.D. Cal. 1944).

15. In *Amalgamated Dental Co. v. The William Getz Corp.*, 90 U.S.P.Q. 339 (N.D. Ill. 1951), plaintiff had a patent on an aqueous solution of certain standard chemicals, to be used in making dental molds. Patentee sold the mixed chemicals, with instructions to add water and practice the patent. Defendant followed the same practice. The court found that the defendant was guilty of contributory infringement, and that plaintiff had not misused his patent. The similarity to *Mercoïd* is striking: water was one of the described elements of the composition; yet plaintiff was tying a license to use the combination patent to only the remaining unpatented elements of the patent. The court, in its oral opinion, stated:

"Now, I do not see the wrong in this case which I saw in the *Mercoïd* case. . . . And since I do not see the wrong, of necessity it is presented to me to find out some reason why I do not see it. And I guess the best reason is that the water referred to in this patent is just an environment. I guess that it is as good a reason as anyone can suggest. I do not see why it is not valid.

"At any rate . . . it would just be reducing a very excellent rule to an absurdity, to say that this plaintiff is misusing its patent because every time it sells a mixture of sodium alginate . . . it does not also sell a little water."

Id. at 341.

See also *Metallizing Engineering Co. v. Metallizing Co.*, 62 F. Supp. 274 (S.D.N.Y. 1945); *Detroit Lubrator Co. v. Toussaint*, 57 F. Supp. 837 (N.D. Ill. 1944). For a case with a very similar factual situation in which the result was different, see *Dr. Salisbury's Labs. v. I. D. Russell Co.*, 198 F.2d 473 (8th Cir. 1952).

For general discussion of the confusion resulting from these conflicting decisions, see *Eastman, Contributory Infringement and the Combination Patent*, 48 MICH. L. REV. 183 (1945-46); *Mathews, Contributory Infringement and the Mercoïd Case*, 27 J. PAT. OFF. SOC'Y 260 (1945).

16. The doctrine of *Carbice Corp. v. American Patents Development Corp.*, 283 U.S. 27 (1931), does nothing to change the scope of contributory infringement. Rather, it denies relief, on the basis of the defense of misuse, when the patentee is attempting to use his patent to obtain a monopoly over staples of commerce. The Court expressly indicated that the defense of misuse affected only the question of recovery, and was careful to distinguish the case at bar from *Leeds & Catlin v. Victor Talking Machine Co.*, 213 U.S. 325 (1909), the leading case enunciating the doctrine of contributory infringement. See note 6 *supra*;

patentee a cause of action against others who sell staple articles of commerce for use as an element in his combination patent.¹⁷ Nevertheless, some courts have interpreted the misuse doctrine as precluding recovery whenever a staple or other unpatented article of commerce was involved.¹⁸ In these cases the patented combination derived its value from a novel use of an unpatented article. Relief for contributory infringement would, it was felt, restrict the use, and possibly the sale, of the article. Thus, not past misuse, but the possibility that enforcement of the patent would encourage some future violation of the antitrust laws seems to have been the criterion.

Congress enacted section 271 of the Patent Act of 1952¹⁹ to eliminate the confusion existing in this area of patent law.²⁰ Paragraph (a) of section 271 simply restates the traditional definition of direct infringement.²¹ Paragraph (d) limits the definition of misuse by expressly excluding certain types of conduct from the doctrine. The section is completed by paragraphs (b) and (c) which give, for the first time, statutory expression to the contributory infringement doctrine.²² Paragraph (c) states that (1) the sale of (2) a

Western Elec. Co. v. Talking Pictures Co., 304 U.S. 175 (1938). See also, *Diamond*, *supra* note 13.

17. Prior to *Carbice Corp. v. American Patents Development Corp.*, 283 U.S. 27 (1931), the sale of a staple article of commerce, coupled with the requisite intent that it be used in infringing a patent, was contributory infringement. See *Individual Drinking Cup Co. v. Public Serv. Cup Co.*, 250 Fed. 620 (2d Cir. 1918) (paper cups); *Canda v. Michigan Malleable Iron Co.*, 124 Fed. 486 (6th Cir. 1903). See note 16 *supra*.

18. See, e.g., *Philad Co. v. Lechler Labs., Inc.*, 107 F.2d 747 (2d Cir. 1941); *J. C. Ferguson Mfg. Works, Inc. v. American Lecithin Co.*, 94 F.2d 729 (1st Cir.), *cert. denied*, 304 U.S. 573 (1938); *Alemite Corp. v. Lubair Corp.*, 62 F.2d 899 (1st Cir. 1933).

19. 66 STAT. 811, 35 U.S.C. § 271 (1952).

(a) Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent.

(b) Whoever actively induces infringement of a patent shall be liable as an infringer.

(c) Whoever knowingly sells a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use shall be liable as a contributory infringer.

(d) No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his having done one or more of the following: (1) derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (2) licensed or authorized another to perform acts which if performed without his consent would constitute contributory infringement of the patent; (3) sought to enforce his patent rights against infringement or contributory infringement.

20. See H.R. REP. No. 1923, 82d Cong., 2d Sess. (1952).

21. See notes 2 and 19 *supra*.

22. See note 8 *supra*.

material part of a patented invention (3) not a staple article of commerce (4) known by the seller to be especially adapted for infringing use, is contributory infringement. Paragraph (b) completes the concept by making one who "actively induces" infringement liable as an infringer.

Far from eliminating confusion, section 271 has raised new uncertainties. The language of paragraph (d) hardly intimates that it overrules *Mercoïd*, but the drafters, and at least some of the commentators, agree that it does.²³ Paragraph (c) introduces circularity by incorporating the term "staple article of commerce" into the definition of contributory infringement, for the labelling of an article as a "staple" may depend on whether there has been an infringement.²⁴ This same definition considerably restricts the doctrine of contributory infringement. A patentee whose combination includes a staple will now be

23. The principal consultant for § 271, Giles Rich, stated that paragraph (d) was intended to overrule the *Mercoïd* decision. *Hearings Before Subcommittee No. 4 of the House Committee on the Judiciary*, 81st Cong., 1st Sess., ser. 17, at 14 (1950). See also Rich, *Infringement Under Section 271 of the Patent Act of 1952*, 35 J. PAT. OFF. SOC'Y 476 (1953). Some writers concur in this opinion: see Note, GEO. WASH. L. REV. 246 (1952); REPORT OF THE ATTORNEY GENERAL'S NATIONAL COMMITTEE TO STUDY THE ANTITRUST LAWS 251-53 (1955) (hereinafter cited as ATT'Y GEN. REP.).

However, from a study of the wording of paragraph (d), *supra* note 19, the statute falls short of the mark. For the statute merely declares that it shall not be misuse for a patentee to perform acts, or to license others to perform acts, which if committed by another would be contributory infringement. These acts would be, in a patented combination, the sale of one of the elements with the purpose of inducing direct infringement. But the essence of the patentee's offense in the *Mercoïd* case was the tying of the license to use the patented combination to the sale of one of the elements, not merely the sale of the element. And this tying in factor is not excused in paragraph (d). See Note, 66 HARV. L. REV. 909 (1953).

In the first case adjudicated under this paragraph of the statute, the court held that the statute in no way affected the principle laid down in *Mercoïd*. *Dr. Salsbury's Labs. v. I. D. Russell Co.*, 212 F.2d 414 (8th Cir. 1954), *affirming* 121 F. Supp 709 (W.D. Mo. 1953). See also ATT'Y GEN. REP. 253 (dissenting opinion of Eugene V. Rostow); *Hearings Before Subcommittee on Antitrust and Monopoly Problems of the House Committee on the Judiciary*, 84th Cong., 1st Sess. pt. III, ser. 3, at 1926-27 (1951) (testimony of Eugene V. Rostow). A more recent decision recognized "some merit" in the interpretation that paragraph (d) changed the *Mercoïd* rule. *Electric Pipe Line, Inc. v. Fluid Systems, Inc.*, 109 U.S.P.Q. 24 (2d Cir. 1956).

24. The courts have been careful not to limit themselves by giving definition to a staple article of commerce. See, *e.g.*, *Philad Co. v. Lechler Labs., Inc.*, 107 F.2d 747 (2d Cir. 1939).

According to the most generally accepted definition, a staple of commerce is an article capable of substantial noninfringing use. See *Diamond*, *supra* note 13; Note, 39 ILL. L. REV. 55 (1944). *But see* Martin, *The Patent Codification Act*, 36 J. PAT. OFF. SOC'Y 625, 639 (1954) (suggesting that *Gagnier Fibre Products v. Fourslides*, 112 F. Supp. 926 (E.D. Mich. 1953) may define a staple as anything which is unpatented).

The circularity of these definitions can best be illustrated by example. An article may have ten uses, all of them in patented combinations. If the article is not a staple, any sale to an unlicensed user will be contributory infringement; if it is a staple, no sale will be contributory infringement. But the question of the article being a staple may well turn on whether the sales constitute contributory infringement.

denied relief under (c) against an infringer who, prior to the Act, could have escaped liability only by showing misuse.²⁵

More important, however, is the possibility that paragraph (b) creates a new cause of action. Lacking any specific indication of its coverage, the sanction in (b) against one who "actively induces" infringement will support nearly any interpretation.²⁶ For example, this phrase can even be read to prohibit conduct which is specifically excluded from the prohibitions of paragraph (c).²⁷ So broad an interpretation would permit patentees to enjoin conduct essential to free competition and would, of course, turn paragraph (c)'s studied phrases into surplusage.²⁸ On the other hand, (b) can be interpreted so narrowly as to limit unduly the value of the patent grant.²⁹ This paragraph is now being judicially interpreted for the first time in the pending case of *Deering, Milliken, & Co. v. Temp-Resisto Corp.*³⁰ But because of its strong facts,³¹ the case will

25. By incorporating the reference to staple articles of commerce, the 1952 Act made the definition of contributory infringement more restrictive than it had been. See notes 16 and 17 *supra*. It may well be, however, that the drafters of the bill felt that since, in the *Carbice* case, 283 U.S. 27 (1931), and those cases following, relief was denied a patentee who had attempted to obtain a monopoly over staples used in his patent, misuse had produced a substantive change in the definition of contributory infringement.

26. One of the main objections made at committee hearings on the formulation of § 271 was that paragraph (b) was entirely ambiguous. Many of the witnesses considered that it was so broad as greatly to extend the scope of contributory infringement. In fact, it was suggested that a cause of action under paragraph (b) might not require that there be a resultant direct infringement, or that the defendant intended there to be a direct infringement; both of these factors were necessary elements of the common law cause of action for contributory infringement. See *Hearings Before Subcommittee on Patents, Trademarks, and Copyrights of the House Committee on the Judiciary*, 80th Cong., 2d Sess., ser. 21, at 21, 25, 31-32 (1948); *Hearings Before Subcommittee No. 3 of the House Committee on the Judiciary*, 82d Cong., 1st Sess., ser. 9, at 97, 116 (1951).

27. A patentee might gain control over the sale of non-staples or even staples simply by bringing suit under paragraph (b); for under paragraph (d)(3) it is not misuse to bring an action under § 271, and a broad interpretation of paragraph (b) would make any sale or other action leading to infringement grounds for legal and equitable relief.

28. An argument for this result might be based on the opinion of the master in *Deering, Milliken & Co. v. Temp-Resisto Corp.*, Civil No. 83-243, S.D.N.Y. (master's opinion March 6, 1956). There, conduct which was prohibited by paragraph (c) was held to violate paragraph (b). From this it might be inferred that paragraph (b) comprehends all conduct touched by the provisions of paragraph (c). But it would be erroneous to conclude that, because paragraph (b) may cover some of paragraph (c)'s inclusions, it also covers its exclusions. See text at note 40 *infra*.

29. There were at common law many offenses which, though not involving a sale falling under paragraph (c), were equally detrimental to the patent grant. A narrow interpretation of paragraph (b), confining contributory infringement to little more than the conduct prohibited under paragraph (c), would not allow the patentee recourse to this type of offense. See, e.g., *General Elec. Co. v. DeForest Radio*, 28 F.2d 641 (3d Cir. 1928), *cert. denied*, 278 U.S. 656 (1929) (placing order for product which can be made only by infringing a patented process); *American Tel. & Tel. v. Radio Audion Co.*, 281 Fed. 200 (D. Del.), *aff'd*, 284 Fed. 1020 (3d Cir. 1922) (promise of indemnity against infringement suit); *Conmar Products Corp. v. Tibony*, 63 F. Supp. 372 (E.D.N.Y. 1945) (designing and building infringing equipment).

30. Civil No. 83-243, S.D.N.Y. (master's opinion March 6, 1956).

31. Plaintiff owned a patent on a heat reflecting fabric, and a subsidiary combination

do little to mark the limits of paragraph (b)'s vague prohibition against active inducement.

Presented with vague statutory language, the courts should promote the certainty which Congress sought by giving to paragraphs (b) and (c) the meaning which Congress intended. And the intent of Congress, as evidenced by the legislative history of the Act, was to codify the judicial doctrine of contributory infringement, as it existed prior to the confusion generated by the *Mercoid* case.³²

From the fact that paragraphs (b) and (c) were intended as a codification of prior case law, the courts can determine the types of behavior falling within each paragraph. The language of paragraph (c) states quite specifically the trespass toward which it is directed.³³ All other conduct which would have been an offense under previous law necessarily falls within the ambit of paragraph (b).³⁴ The most obvious example is an act which, while tending to encourage infringement, is not a sale. Leasing machinery which is to be used in illegally practicing a patent,³⁵ furnishing expert advice on the construction of infringing machinery,³⁶ and ordering from one manufacturer goods which can be produced only by the patented process of a third party,³⁷ all decrease the incentive value of a patent monopoly as much as the sale prohibited by paragraph (c). All of these examples were offenses which are now proscribed by paragraph (b). In addition, these and similar offenses may be coupled with a sale in violation of paragraph (c).³⁸ The patentee might then

patent covering the incorporation of this material into garments. The principal defendant manufactured a similar fabric, and advertised extensively, inducing garment makers to use defendant's fabric in garments. Plaintiff brought suit, charging direct infringement of the main patent, and contributory infringement of the subsidiary patent. A special master was appointed. In his report, filed March 6, 1956, he found the patents valid, that defendant had directly infringed the fabric patent, and that defendant was guilty of contributory infringement under paragraph (b), 35 U.S.C. § 271, for actively inducing infringement. As the master's report has not yet been passed on by the court, it of course reflects only the opinion of the master, not that of the court. However, a master's findings of fact, unless clearly erroneous, must prevail. FED. R. CIV. P. 53(e)(2).

32. See note 20 *supra* and accompanying text. See also *Hearings Before Subcommittee No. 3 of the House Committee on the Judiciary*, 82d Cong., 1st Sess., ser. 9, at 155-63, 169-75 (1951); 98 CONG. REC. 9323 (1952) (statement by committee chairman that the Patent Act "codifies the present patent law"). *But see* note 25 *supra*.

33. See note 19 *supra*.

34. One exception may be necessary, however. At common law the sale of a staple, coupled with the necessary intent, was actionable contributory infringement. See notes 16 and 17 *supra*. By reasoning from the premise that paragraphs (b) and (c) together codify the common law, and the fact that the sale of a staple is excluded from paragraph (c), the sale must violate paragraph (b). But since Congress explicitly expressed the exception, it should not be destroyed by the general expression of an intent to codify the case law. See also note 25 *supra*.

35. *E.g.*, *Graham v. Earl*, 92 Fed. 155 (9th Cir. 1897).

36. *E.g.*, *Toppa v. Tiffany Refrigerator Car Co.*, 39 Fed. 420 (N.D. Ill. 1889); *Conmar Products Corp. v. Tibony*, 63 F. Supp. 372 (E.D.N.Y. 1945).

37. *E.g.*, *American Tel. & Tel. v. Radio Audion Co.*, 281 Fed. 200 (D. Del.), *aff'd*, 284 Fed. 1020 (2d Cir. 1922).

38. See, *e.g.*, *Cugley v. Bundy Incubator Co.*, 93 F.2d 932 (6th Cir. 1937) (selling

seek redress for both acts together under paragraph (b) or for the sale alone under paragraph (c); the choice of the applicable paragraph should depend only upon the evidence available.³⁹ And acts which were offenses under prior case law might also be coupled with conduct specifically exempted from paragraph (c), as, for example, the sale of staple articles of commerce. While sale of a staple would not by itself violate paragraph (b),⁴⁰ the total transaction would.⁴¹

Since paragraphs (b) and (c) affirm previous law, the necessary elements of the statutory and "common law" actions are identical. Thus, the patentee suing under paragraph (b) must prove that defendant's conduct actually culminated in a direct infringement by a third party,⁴² and that defendant intended this result.⁴³ Even with this guide, however, it will often be difficult, particularly with reference to paragraph (b), to determine whether defendant's conduct violates the statute.

The courts should carefully consider the policies underlying patent law in general, and contributory infringement in particular, in determining the

egg incubator with instructions how to use to infringe patented process); *Metallizing Engineering Co. v. Metallizing Co.*, 62 F. Supp. 274 (S.D.N.Y. 1945) (selling transformer, advertising and illustrating its utility in patented metal coating process). See also *Risdon Iron & Locomotive Works v. Trent*, 92 Fed. 375 (C.C.N.D. Cal. 1899), *modified on other grounds*, 102 Fed. 643 (3d Cir. 1900).

39. See *Deering, Milliken & Co. v. Temp-Resisto Corp.*, Civil No. 83-243, S.D.N.Y. (master's opinion March 6, 1956).

40. See also the original versions of § 271: H.R. 5988, 80th Cong., 2d Sess. (1948); H.R. 3866, 81st Cong., 1st Sess. (1949). These stated in an independent section that the sale of a staple article of commerce would not of itself constitute contributory infringement. *Hearings Before the Subcommittee on Patents, Trade-Marks, and Copyrights of the House Committee on the Judiciary*, 80th Cong., 2d Sess., ser. 21, at 15 (1948); the final version was intended to convey the same meaning. See also notes 27 and 28 *supra*.

41. See *Hearings Before Subcommittee No. 4 of the House Committee on the Judiciary*, 81st Cong., 1st Sess., ser. 17, at 18 (1949). See, e.g., *American Stainless Steel Co. v. Ludlum Steel Co.*, 16 F.2d 823 (S.D.N.Y. 1926) (sale of stainless steel and advertising how to fashion steel into infringing cutlery); *Imperial Chemical Mfg. Co. v. Stein*, 69 Fed. 616 (C.C.S.D.N.Y. 1895), *modified*, 77 Fed. 612 (2d Cir. 1896) (sale of staple chemicals used in patented hair dye, with instructions how to combine and infringe).

42. See, e.g., *Lincoln Engineering Co. v. Stewart-Warner Co.*, 91 F.2d 757 (7th Cir. 1937), *rev'd on other grounds*, 303 U.S. 545 (1938); *Bullock Elec. & Mfg. Co. v. Westinghouse Elec. & Mfg. Co.*, 129 Fed. 105 (6th Cir.), *cert. denied*, 194 U.S. 636 (1904) (no direct infringement since parts of patented combination used outside United States). See also *Popular Mechanics Co. v. Brown*, 245 Fed. 859 (7th Cir. 1917) (contributory infringement if acts lead to or threaten direct infringement).

43. Intent is a necessary element of contributory infringement. See *Chas. H. Lilly Co. v. I. F. Laucks, Inc.*, 68 F.2d 175 (9th Cir. 1933), *cert. denied*, 293 U.S. 573 (1934); *Rumford Chemical Works v. Hygienic Chemical Co.*, 148 Fed. 862 (C.C.D.N.J. 1906), *aff'd* 154 Fed. 65 (3d Cir.), *cert. denied*, 207 U.S. 592 (1907). But, if the patentee proves that defendant sold an element having no use but in his patented combination, intent is imputed to defendant. See *New York Scaffolding Co. v. Whitney*, 224 Fed. 452 (8th Cir.), *cert. denied*, 239 U.S. 640 (1915); *Canda v. Michigan Malleable Iron Co.*, 124 Fed. 486 (6th Cir. 1903); *American Graphophone Co. v. Hawthorne*, 92 Fed. 516 (C.C.E.D. Pa. 1899).

scope of paragraph (b). Congress can and should express its intent more clearly by clarifying paragraph (d) and by amplifying paragraph (b). But until it does, cases will arise which are neither clear under the language of the statute nor compelled by case law precedents.⁴⁴ The courts must then follow their established policy of confining the protection of the law exclusively to the invention or discovery covered by the patent grant.⁴⁵ But it must be remembered that the patent monopoly is the primary means of encouraging invention;⁴⁶ the wisdom of continuing the patent system, indeed any incentive system, as a means of advancing technology and the sciences has been much debated, but no one has yet succeeded in marshalling facts and arguments sufficient to end controversy.⁴⁷ Rather, Congress has legislated an answer; in section 271, it has expressed its desire to preserve the combination patent owner's legal monopoly over the products and processes disclosed in his patent grant. With a specific exception for staple articles of commerce, Congress has retained the doctrine of contributory infringement as it existed prior to *Mercoïd*, despite the Supreme Court's implied disapproval of the doctrine. The courts, consequently, should hew to this congressional policy when interpreting paragraph (b) of section 271.

44. "Like all statements of principle, the difficulty lies in its application. This is peculiarly true in respect of patent infringement. . . ." *Individual Drinking Cup Co. v. Errett*, 297 Fed. 733 (2d Cir. 1924).

For examples of decisions in which the outcome was not specifically illuminated by like facts in prior cases, see *Reliance Constr. Co. v. Hassam Paving Co.*, 248 Fed. 701 (9th Cir. 1918) (surety of infringer liable as contributory infringer); *General Elec. Co. v. DeForest Radio Co.*, 28 F.2d 641 (3d Cir. 1928), *cert. denied*, 278 U.S. 656 (1929) (ordering goods knowing producer used patented process in their manufacture); *cf.* *The Amalgamated Dental Co. v. The William Getz Corp.*, 90 U.S.P.Q. 339 (N.D. Ill. 1951) (question of whether or not misuse present not illustrated by prior cases).

45. The courts in recent years have adopted a more restrictive attitude towards all monopolies. See, generally, *ATT'Y GEN. REP.* This attitude is apparent particularly in the patent field. The recent expansion of the application of misuse, a doctrine inspired by the antitrust laws, is but one example. See *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502 (1917). Another is the raised standard of invention, the so called "flash of genius" test announced by the Supreme Court in *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U.S. 84 (1941). The Patent Act of 1952 has also dealt with this phase of the patent law and attempted to return the standard of invention to the level existing prior to *Cuno*. See generally, Lutz, *Are the Courts Carrying Out Constitutional Public Policy on Patents?*, 34 J. PAT. OFF. Soc'y 766 (1952); Martin, *The Patent Codification Act*, 36 J. PAT. OFF. Soc'y 625 (1954).

46. The Constitution gave Congress the power to "promote the sciences and the useful arts." U.S. CONST. art. I, § 8, cl. 8. Our patent system, first established in 1790 and most recently revised in 1952, embodies Congress' principle attempt at fulfilling this constitutional mandate. In the tax laws Congress has provided additional incentive to patentees. See INT. REV. CODE OF 1954, §§ 1302, 1304.

47. For a highly critical report on our patent system, see HAMILTON, *PATENTS AND FREE ENTERPRISE* (TNEC Monograph No. 31, 1941).

For a report which finds much of value in our present patent system, see *Report of the National Patent Planning Commission*, H.R. Doc. No. 239, 78th Cong., 1st Sess. (1943).

The dispute still continues; see, *e.g.*, Celler, *Patents and Monopoly*, 38 J. PAT. OFF. Soc'y 425 (1956).