# CASE COMMENT

## Comment: Accepting Jurisdiction in Foreign Patent Validity Suits—Packard Instrument Co. v. Beckman Instruments, Inc., 346 F. Supp. 408 (1972)

### I. Introduction

In *Packard Instrument Company v. Beckman Instruments, Inc.*,[1] the United States District Court for the Northern District of Illinois abstained from exercising jurisdiction to determine the validity of several patents granted by foreign states. In its complaint, Packard Instrument Company alleged infringement of a United States patent and of corresponding patents in nine foreign countries: Canada, France, Israel, Italy, Sweden, Switzerland, United Kingdom, and West Germany. Beckman Instruments, as defendant, pleaded to the first count of infringement in the United States, asserting invalidity as an affirmative defense and counterclaimed for a declaratory judgment of invalidity. Defendant also moved to dismiss the remaining counts of infringement on the ground that the court was without jurisdiction. In granting the motion and declining jurisdiction, Judge Tone relied upon three reasons:

> (1) a determination of the issue of validity of a foreign patent would involve a "form of governmental interest;" (2) under the circumstances, a court of the United States would "not be suitable to enforcement of the foreign based claim;" and (3) resolution of the U.S. patent claims would adequately solve the problem.[2]

The decision in *Beckman Instruments* is based upon an arbitrary finding by the court. Without a precise rule to guide the court in exercising jurisdiction, decisions will continue to waver; therefore, a standard needs to be developed. To this end the court in *Beckman Instruments* might better have assumed jurisdiction over the foreign patents. This article will first analyze the court's right to assume jurisdiction. Second, some choice of law problems inherent in an assumption of jurisdiction will be examined. And finally, the effect of the application of foreign patents will be assessed.

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1. 346 F. Supp. 408 (1972).
2. *Id.* at 409-10.

## II. JURISDICTION

The territorial limitations of sovereignty have been held to preclude a nation-state from giving extraterritorial effect to its patent law.[3] Patents therefore confer rights which are protected only within the boundaries of the issuing country.[4] Courts have also held that a foreign patent grants no rights or protection to the owner for acts done in the United States.[5] Regardless of these well-established notions of the territorial limits of the patent grant and its enforcement, the question of whether a United States court may properly adjudicate a claim of the validity of a foreign patent has not been fully considered.

There is little authority concerning the power of a federal court to litigate a claim based on a foreign patent. The Constitution and statutory language have given jurisdiction to federal courts over causes of action arising under the patent laws of the United States.[6] Yet that language does not purport to cover claims arising under the patent laws of other countries.

While in *Beckman Instruments* Judge Tone assumed that there was subject matter jurisdiction available over the foreign patent claims,[7] there is a possibility that a court could deny that it had jurisdiction.[8]

Theoretically, a federal court that has diversity of citizenship jurisdiction, as in *Beckman Instruments*, would have the

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3. Note, *Jurisdiction—Foreign Patents—Jurisdiction Over Foreign Patent Claims*, 66 MICH. L. REV. 358 n.1 (1967).

4. Aluminum Co. of America v. Sperry Products, Inc., 285 F.2d 911 (6th Cir. 1960), *cert. denied*, 368 U.S. 890 (1961); Cold Metal Process Co. v. United Eng'r & Foundry Co., 235 F.2d 224 (3rd Cir. 1956), *aff'd*, 351 U.S. 445 (1956); Dr. Beck & Co. v. General Electric Co., 210 F. Supp. 86 (S.D.N.Y. 1962), *aff'd*, 317 F.2d 538 (2d Cir. 1963).

5. Dr. Beck & Co. v. General Electric Co., 210 F. Supp. 86 (S.D.N.Y. 1962), *aff'd*, 317 F.2d 538 (2d Cir. 1963); Sperry Products, Inc. v. Aluminum Co. of America, 171 F. Supp. 901 (N.D. Ohio 1959), *aff'd in part, rev'd in part*, 285 F.2d 911 (6th Cir. 1960), *cert. denied*, 368 U.S. 890 (1961).

6. "To promote the progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive right to their respective Writings and Discoveries." U.S. CONST. art. 1, § 8, cl. 8. "The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases." 28 U.S.C. § 1338(a) (1970). *See* General Electric Co. v. Marvel Rare Metals Co., 287 U.S. 430 (1932); French Renovating Co. v. Ray Renovating Co., 170 F.2d 945 (6th Cir. 1948); Laning v. National Ribbon & Carbon Paper Mfg. Co., 125 F.2d 565 (7th Cir. 1942).

7. *Supra* note 1, at 408.

8. *Supra* note 3, at 371.

power to bind parties before it, regardless of the nature of the claims.[9] However, courts are hesitant to rely solely upon this reasoning. In the past, courts have been reluctant to determine foreign patent rights even though they had jurisdiction over the parties. Most of these cases have failed to directly address the question and contain language which can be interpreted both for and against taking jurisdiction.

On their facts, these decisions cannot be read as establishing a broad policy of abstention with regard to foreign patent claims. They are limited in that the courts had other patent claims upon which they could rely to make a decision. For example, in *Goodyear Tire & Rubber Co. v. Rubber Tire Wheel Co.*,[10] the plaintiff sought to enjoin the defendant from bringing suit in Cuba for patent infringement. The Federal District Court for the Southern District of Ohio found that the subject of the Cuban action was in fact a separate Cuban patent and denied the injunction. A determination of the validity of the foreign patent was unnecessary to resolve the issue raised by the complaint. In addition, there was no reason for the American court to decide the question of Cuban law, since the action was also before a Cuban court—a better place to decide the issue.

Past decisions involving foreign patents or trademarks also do not consider the possibility of all the parties being U.S. citizens, whom the court would have the power to bind. In *Vanity Fair Mills, Inc. v. T. Eaton Co.*,[11] the Court of Appeals for the Second Circuit adopted a rule of nonintervention with respect to foreign trademarks and refused to permit exercise of jurisdiction in a case which involved an allegedly invalid and infringing Canadian trademark. Fearing a conflict with the Canadian courts, and envisioning difficulties in enforcing any judgment it might render, the court invoked the doctrine of *forum non conveniens* and dismissed the action.[12] The facts in *Vanity Fair* are sufficiently similar to permit an analogy to the *Goodyear Tire* case. In both cases, the court noted the fact that

9. A. EHRENZWEIG, CONFLICT OF LAWS 209-11 (1962) [hereinafter cited as EHRENZWEIG]; *cf.* Fall v. Estin, 215 U.S. 1, 15 (1909) (Holmes, J. concurring).

10. 164 F. 869 (S.D. Ohio 1908).

11. 234 F.2d 633 (2d Cir. 1956), *cert. denied*, 352 U.S. 871 (1956), *rehearing denied*, 352 U.S. 912 (1956).

12. 234 F.2d 633, at 645 (1956).

one or both of the parties in the foreign court would not be the same as the parties in the United States court.[13] This can be distinguished from the case where the parties would be the same in both U.S. and foreign courts, when a court with jurisdiction over both parties should make a controlling decision.

Two other trademark cases, *Bulova Watch Co. v. Steele*[14] and *Ramirez & Feraud Chili Co. v. Las Palmas Food Co.*,[15] have reached the opposite conclusion and permitted issuance of injunctions which affected foreign trademarks. In both cases, plaintiffs registered their trademarks under American law. Defendants subsequently registered the same marks under Mexican law and imported their products into the United States. The courts enjoined the use of both trademarks by defendants in the United States. While the opinions stated that the courts did not intend to invalidate the foreign trademarks, the injunctions may have had much the same impact.[16]

All parties concerned in *Steele* and in *Las Palmas Food* were citizens of the United States and therefore subject to its jurisdiction. It may be concluded that the cases involved acts which had a significant effect on United States commerce. If a case would have an effect on commerce within the United States it can be argued that a court would have jurisdiction. The latter of these two points may be vital. In *United States v. Imperial Chemical Industries, Ltd.*,[17] the citizenship factor was overshadowed by the importance of a substantial American policy. The *Imperial Chemical* case involved a suit by the federal government alleging a violation of the Sherman Antitrust Act (15 U.S.C. § 1). The Court required Imperial Chemical Industries, a British corporation, to grant licenses to certain American patents and to refrain from bringing suit for infringement under the British patents. The American court thus purported to limit a foreign corporation's otherwise valid foreign patents by qualifying their use within the territory of the granting sovereign. The court did this despite the fact that it was against British public policy and that a British court would not

13. *Id.* at 647 n.20.

14. 194 F.2d 567 (5th Cir. 1952), *aff'd*, 344 U.S. 280 (1952).

15. 146 F. Supp. 594 (S.D. Cal. 1956), *aff'd per curiam*, 245 F.2d 874 (9th Cir. 1957), *cert. denied*, 355 U.S. 927 (1958).

16. *Supra* note 3, at 362.

17. 105 F. Supp. 215 (S.D.N.Y. 1952).

enforce such a provision. The court justified its "regulation of the exercise of rights granted by a foreign government" by reasoning that "it is not an intrusion on the authority of a foreign sovereign for this court to direct that steps be taken to remove harmful effects on the trade of the United States."[18]

The foregoing cases illustrate that American courts, having personal jurisdiction over the parties, will interfere when such an interference is necessary to enforce a significant United States policy.[19]

The reluctance of American courts to determine foreign patent rights even when they have jurisdiction over the parties stems from the nature of the patent right. A patent right is a property right and an infringement of that right constitutes a tort.[20] Once the defendant alleges invalidity of plaintiff's foreign patent, the action assumes the appearance of an *in rem* proceeding. This is because the court is asked to rule on the validity of a grant of title by a foreign sovereign. This presents the problems of an invasion of the traditional notions of sovereignty and a foreign jurisdiction's not honoring the decision.[21] A foreign jurisdiction could refuse to recognize the judgment invalidating the patent and uphold the patent in a subsequent suit for infringement and royalties brought by the patentee.

There are other reasons that have led courts to hold that they should abstain from deciding on the validity of a foreign patent. Such claims often force the court to confront a very technical area of a foreign legal system. Some conclude, as did Judge Tone,[22] that a foreign tribunal would be more qualified to decide the question.[23] Furthermore, the underlying policy of the law to be enforced and its remedies may be so inextricably tied to the economic and social systems of the granting nation

18. *Id.* at 228-29. *Contra*, a British court held against I.C.I. when it tried to follow the U.S. court's directions. British Nylon Spinners v. Imperial Chemical Industries, [1953] 1 Ch. 19 (C.A.).

19. *Supra* notes 3, 15 and 17; *see generally* United Cigarette Machine Co. v. Wright, 156 F.2d 244 (2d Cir. 1907); *cf.* EHRENZWEIG, *supra* note 9, at 74-76.

20. *Supra* note 3, at 363.

21. *See* Sandusky Foundry & Machinery Co. v. De Lavand, 251 F. 631 (N.D. Ohio 1918).

22. *Supra* note 1, at 411.

23. *Supra* note 3, at 364.

that it is alien to the American system.[24] In *Ortman v. Stanray Corp.*,[25] Judge Fairchild, in his concurring opinion, stated several more reasons why a court cannot or should not assume jurisdiction.

> First the court may feel that the claim is based on penal or revenue laws, or that it involves some other form of foreign governmental interest. Secondly, the local jurisdictional machinery may not be suitable to enforcement of the foreign based claim. Thirdly, the action may be contrary to the public policy of the forum. Fourthly, the forum state may be precluded from passing on an 'act of state.' And lastly the court may decline to exercise jurisdiction on the basis of *forum non conveniens*.[26]

The problems that arise in regard to adjudication of foreign patents may be compared to those that develop when dealing with title to foreign land.[27] A doctrine has developed that assures that only local courts will decide title to land within their jurisdiction. The local action rule requires that certain actions concerning real estate be brought in the jurisdiction wherein the land lies.[28] Since a patent is akin to property, some commentators have concluded that an infringement action or a validity question should be decided where the patent was registered.[29] In the *Ortman* case, Judge Fairchild recognized the possibility of characterizing a foreign patent claim as a local action but failed to fully examine the feasibility.[30] The judge further added to the confusion when he stated, "[t]heoretically it is possible for a state to regard almost any sort of extrastate cause of action as local, but the current trend

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24. *Id.*

25. 371 F.2d 154 (7th Cir. 1967).

26. *Id.* at 159; *see also* Leflar, *Extrastate Enforcement of Penal and Governmental Claims*, 46 HARV. L. REV. 193 (1932); H. GOODRICH, HANDBOOK OF CONFLICT OF LAWS 20-21 (4th ed. Scoles 1964); Paulsen & Sovern, *"Public Policy" in the Conflict of Laws*, 56 COLUM. L. REV. 969 (1956); Gulf Oil Corp. v. Gilbert, 330 U.S. 501 (1947). The "act of state doctrine" prevents the court of one country from sitting in judgment on the act of another government done within its own territory; *see* Banco Nacional de Cuba v. Sabbatino, 367 U.S. 398 (1964). The doctrine does not apply to acts predominantly probate in nature, but acts where the state itself has an interest, *e.g.*, expropriation. *See generally Symposium—Expropriation: Regional Conference, American Society of International Law* (University of Denver College of Law, April 15, 1972), 2 DENVER J. INT'L. L. & POL. 125 (1972).

27. *Supra* note 3, at 364.

28. *Id.* at 372.

29. *Id.* at 365.

30. *Supra* note 25, at 160.

is toward readier enforcement of claims arising under foreign laws."[31]

While a patent is considered a property right it has been thought of as intangible property.[32] Torts other than those involving real property have always been classified as transitory. The passage of 28 U.S.C. § 1400(b)(1964), has resolved this question by stating that, "Any civil action for patent infringement *may be brought in the judicial district where the defendant resides . . .*" (emphasis added) In other words, Congress has statutorily determined that a patent infringement suit should be considered transitory.

The majority in *Ortman* felt that they need not decide the issue of whether the action was local or transitory as they relied upon the doctrine of ancillary jurisdiction.[33] The doctrine of ancillary, or pendent, jurisdiction allows federal courts to entertain a claim not otherwise within their jurisdiction when that claim is so closely connected with another claim having a federal jurisdictional base that it forms one constitutional case.[34] Having originally developed as a result of an effort by the federal courts to deal with procedural problems created by parallel state and federal litigation in the property field, the scope of ancillary jurisdiction was expanded to permit the adjudication of non-federal claims when the court believed justice would be furthered by a single disposition of the case.[35] For the most part, ancillary jurisdiction has been utilized to adjudicate related claims based on state law. The court in *Ortman* cited no precedent for its position that the doctrine could also apply to foreign law. While it appeared to have difficulty with the language of the Supreme Court in *United Mine Workers v. Gibbs*,[36] the extension is not wholly novel. There have been a few cases that indicate that the nature of the claim is

31. *Id.* at 159.

32. H. TOULMAN, JR., HANDBOOK OF PATENTS § 64, at 47 (1954).

33. *Supra* note 3, at 367. This principle has been defined as follows: "By this concept it has been held that a district court acquires jurisdiction of a case or controversy as an entirety, and may, as an incident to disposition of a matter properly raised before it, possess jurisdiction to decide other matters raised by the case of which it could not take cognizance were they independently presented." C. WRIGHT, HANDBOOK OF THE LAW OF FEDERAL COURTS § 9, at 17 (1963).

34. United Mine Workers v. Gibbs, 383 U.S. 715, 726 (1966).

35. *Supra* note 3, at 368 n.56.

36. *Supra* note 34.

irrelevant.[37] The fact that 28 U.S.C. § 1338(b) (1964) grants ancillary jurisdiction in patent cases only where there is a related state claim of unfair business practices should not be held as a limiting factor. The legislative background of the statute would seem to indicate that the rule of *Hurn v. Oustler* should be codified to extend jurisdiction.[38]

The court's reliance on the "reasoning . . . in *Gibbs*" to support its conclusion that ancillary jurisdiction is proper regardless of the source of the law appears sound.[39] This extension is based mainly upon convenience to the parties.[40] But,

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37. The vast majority of cases utilize the doctrine of pendent jurisdiction to adjudicate claims based on state law, but there have been some exceptions which show the nature of the ancillary claim to be unimportant. *See, e.g.*, Kane v. Central American Mining & Oil, Inc., 234 F. Supp. 559 (S.D.N.Y. 1964), held that related claims based on the Panamanian corporate law can be pendent to claims based on the Securities and Exchange Act of 1934; Note, *Pendent Jurisdiction: An Expanding Concept in Federal Court Jurisdiction*, 51 IOWA L. REV. 151, 157 (1965).

38. Hurn v. Oustler, 289 U.S. 238 (1933). Barron, *The Judicial Code*, 8 F.R.D. 439, 442 (1949), states that:

> Subsection (b) of Section 1338 is new. It is added to give district courts original jurisdiction of any civil action asserting a claim for unfair competition when joined with a substantial and related claim under the patent, copyright or trademark laws. The Supreme Court in *Hurn v. Oustler*, [citation omitted] held that such a claim of unfair competition of which a federal court has no original jurisdiction is nevertheless within its ancillary jurisdiction when it arises from the same acts which give rise to the claim of copyright infringement.
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> The statutory confirmation of the jurisdiction of federal courts in cases like these should not be regarded either as an extension or limitation of ancillary jurisdiction in other cases or circumstances.

*See* Artvale, Inc. v. Rugby Fabrics Corp., 232 F. Supp. 814, 821-23 (S.D.N.Y. 1964), in which the court in a patent case utilized ancillary jurisdiction to adjudicate a compulsory counterclaim although 1338(b) was clearly inapplicable to the particular claim. *See also* Note, *Pendent Jurisdiction: An Expanding Concept in Federal Court Jurisdiction*, 51 IOWA L. REV. 151 (1965).

39. *Supra* note 3, at 369; *see also* Note, *The Evolution and Scope of the Doctrine of Pendent Jurisdiction in the Federal Courts*, 62 COLUM. L. REV. 1018 (1962).

40. Ortman v. Stanray Corp., 163 U.S.P.Q. 331, 333-34 (D.C. N.Ill. 1969).

> There are two possible sources of jurisdiction which would allow a federal district court which has in personam jurisdiction over a defendant to hear a suit for infringement of a foreign patent by such defendant in the foreign country which has issued the patent: (1) jurisdiction ancillary to that entitling a federal court to adjudge United States patents and (2) general diversity jurisdiction.

The court concluded it should hear the matter

> since *considerations of convenience to the parties herein which would be served by litigating these issues in one forum outweigh the difficulties that are anticipated from the task of applying the relevant foreign laws involved* (emphasis added).

this justification must be carefully balanced with the protection of sovereignty, the reluctance to enter unenforceable judgments, and the hesitancy to expend judicial time to investigate the peculiarities of the body of law and procedure of another jurisdiction.[41] With careful balancing the better rule of law still would permit an American court to take jurisdiction over a foreign patent claim.

## III. CONFLICTS OF LAW

Assuming that the court in *Beckman Instruments* had decided it had jurisdiction to determine the validity of the foreign patents, there would still remain the question of which law or laws the American court should then apply. Should the court follow United States patent law,[42] the law of the place where the patent was registered, or the law of the situs of the infringement?

For determining the validity of a patent, the generally applied rule is the law of the country where the patent was granted and/or is registered—the so-called "country of protection."[43] There is some authority that no conflict of law can arise in connection with a patent's validity as there is but one law, that of the registering country.[44] This principle does not, however, operate in a vacuum. It must be tempered by another strong conflicts policy which will not allow use of a foreign law that is contrary to public policy.[45] American courts have consistently denied enforcement of foreign law where it was contrary to public policy.[46] The public policy, however, must be suffi-

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41. *Supra* note 3, at 368.

42. 35 U.S.C. §§ 1-293 (1970).

43. Meinhardt, *Conflict Avoidance in the Law of Patents and Trademarks*, 21 L. & CONTEMP. PROB. 533, at 533 n.2 (1956).

> It is significant that no leading treatises on American, British, Canadian, French, German, or Swiss patent and trademark law devotes a chapter to the conflict of laws, or even mentions the subject in its index. Conversely, with possibly one exception, *see* CLIVE M. SCHMITTHOFF, THE ENGLISH CONFLICT OF LAWS 13, 14, 205, 212, 418 (3d ed. 1954), the leading treatises on the conflict of laws deal only briefly, if at all, with patents and trademarks. *E.g.* Rabel confines his treatment of the subject to a few lines quoting a small number of cases to the effect that a patent or trademark can be infringed only in the country of protection. *See* 2 ERNST RABEL, THE CONFLICT OF LAWS 295 (1950).

44. *Id.* at 534.

45. *Id.* at 538; *see* RESTATEMENT SECOND, CONFLICT OF LAW § 332(b) (Tent. draft No. 6 1960); RESTATEMENT SECOND, CONFLICT OF LAW § 90 (1969).

46. Paulsen & Sovern, *"Public Policy" in the Conflicts of Law*, 56 COLUM. L. REV. 969, 992-93 (1956).

ciently strong that the court can justify its refusal to apply foreign law.[47]

Admittedly, the provisions of foreign patent laws dealing with infringement differ from country to country. An American court faced with using several foreign statutes could find itself hopelessly lost. Yet, for all the diversity of infringement laws, the validity sections of many foreign patent laws are remarkably similar. The major tests for patentability in the United States are novelty, usefulness, and non-obviousness.[48] For most countries the test is quite similar, if not identical.[49] A United

47. RESTATEMENT SECOND, CONFLICT OF LAW § 90, comment c (1969).

48. 35 U.S.C. §§ 101-03 (1970).

49. DIGEST OF COMMERCIAL LAWS OF THE WORLD—PATENTS & TRADEMARKS (G. Kohlic ed. 1975). The key provisions of the foreign patent laws involved here are:

Canada: Patent Act of 1935 and Patent Rules of 1948. Subject matter and patentability—An invention must be a "new manner of manufacture" and meet the standards of novelty.

France: Patent Act of January 2, 1968. This law has been in force since January 1, 1969. However, several provisions of the former law of July 5, 1844 remain applicable to patents filed prior to January 1, 1969. Subject matter and patentability—It must be novel. It must satisfy an industrial purpose (useful in industry). It must not be obvious.

Federal Republic of Germany: Law governing patents—Patent Act (Patentgesetz) of January 2, 1968. Subject matter—Patents are granted in respect of new inventions which are susceptible to industrial use.

Israel: Law governing patents—The Law of Patents, in force April 1, 1968 (prior law is similar to British). Subject matter—The Law defines an invention proper for the grant of a patent as a product or process that is new, useful, fit for use in industry or agriculture, and reveals an inventive advance.

Italy: Law governing patents—Royal Decree No. 3731 of October 30, 1859, concerning industrial patents. Also in force: Law No. 1178 of December 24, 1959, effective February 1, 1960; Royal Decree No. 1127 of June 29, 1939; and Decree No. 849 of February 26, 1968. Subject matter—An essential condition to grant a patent is the "industriality" (industrial usefulness) of the invention. The object of the patent can be any new invention which can have a concrete industrial application with industrial results of a scientific principle, a method of manufacturing.

Sweden: Law governing patents—Patent Act, December 1, 1967. In force from January 1, 1968. Royal Decree on Patents (Formalities) of December 1, 1967. In force from January 1, 1968. Subject matter—Patents can be granted only for an invention that is considerably different from what was known before the dete of application.

Switzerland: Law governing patents—Federal Act Concerning Patents of June 25, 1954 (Patent Act); Regulations I of December 14, 1958, as amended; Regulations II of September 8, 1959, as amended; Federal Act concerning the priority rights with patents and industrial designs of April 3, 1914, as amended in 1959. Subject matter—An invention has to be new and commercially applicable. It has to provide a substantial technical

States court faced with finding the fact of novelty, usefulness, and non-obviousness of an American patent could as easily apply those same findings of fact to the foreign law.

A very real possibility does exist that a foreign court will refuse to accept a judgment by a United States court.[50] This problem can be avoided if both parties are still under the jurisdiction of the American court. Such jurisdiction can be either *in personam* or, if there is property of the parties within the court's jurisdiction, *in rem*. Upon a finding of invalidity of a foreign patent a court could enforce its decision through either a mandatory injunction ordering the foreign patentee to grant a license or the threat of a contempt citation if suit is brought in another jurisdiction.

Some courts, however, have been wary of the use of injunctions and have refused to issue such orders. In *Canadian Filters v. Lear-Siegler*,[51] the Court of Appeals for the First Circuit held that the principle of comity prevents a district court from enjoining a patent holder's Canadian action for infringement of a Canadian patent.[52] This is a strong statement that could have far reaching effects that the court did not realize. The court did temper this language when it stated,

> [d]oubtless there are times when comity, a blend of courtesy and expedience, must give way, for example when the forum seeks to enforce its own substantial interests, or in limited circumstances when relitigation would cover exactly the same point. . . .[53]

In any event this approach is far too broad in scope in that it prevents the court from enjoining any relitigations before for-

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progress including some inventive level. Its inventive substance should not be unknown or obvious to the expert.

United Kingdom: Law governing patents—Patent Acts of 1949 and 1957; the Patent Rules 1958 and 1959/1964; and the Rules of the Supreme Court (Order 103). Subject matter—A patent will be refused if the invention as disclosed in the United Kingdom or in the Convention Country (International Convention for the Protection of Industrial Property), as the case may be, is not new, having regard to what was known or used before the priority date of the claim. The invention must be non-obvious.

50. *Compare* United States v. Imperial Chemical Industries, 105 F. Supp. 215 (S.D.N.Y. 1952) *with* British Nylon Spinners Ltd. v. Imperial Chemical Industries, [1953] 1 Ch. 19 (C.A.).

51. 412 F.2d 577 (1st Cir. 1969).

52. *Id.* at 579.

53. *Id.* at 578-79.

eign courts, including those cases which, under settled law, clearly would be enjoined, such as a contract action where a U.S. court has determined the validity of disputed clauses. *Canadian Filters* goes far beyond the principle that the injunctive relief should be used sparingly and only when necessary to prevent inequities. The problem of enforcing conflicting judgments makes it important that the power to enjoin relitigation in foreign courts be preserved and exercised where equity demands.[54] Given the possible pit-falls of accepting jurisdiction over foreign patents a court can competently determine validity if it is aware of the problem areas.

## IV. CONCLUSIONS

The court in *Packard Instrument Co. v. Beckman Instruments, Inc.*, held that it should abstain from exercising jurisdiction over claims for infringement of foreign patents where the validity of those patents would be put in issue. The reasoning behind this decision was that a determination of invalidity would involve a form of governmental interest which a U.S. court would not be the correct forum to enforce, the court would be required to deal with foreign laws and language, and effective relief could be given by enforcement of the United States patent. The better rule of law would have been for the court to accept jurisdiction.

The court felt that by withholding relief it was furthering a recognized public policy. To the contrary, it was impinging upon two fundamental federal policies. There is a strong federal policy favoring free competition in ideas that do not merit patent protection.[55] By not availing itself of the opportunity to determine the validity issue, the court thus prevented a citizen from enjoying a free flow of ideas—clearly not in furtherance of public policy. Likewise, by not taking jurisdiction the court was sanctioning acts which would have an adverse effect on United States commerce, another violation of public policy.

The court expressed a fear that taking jurisdiction would

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54. Note, *Federal Courts—Injunctions—The Principle of Comity Prevents Federal Court from Enjoining Canadian Patent Holder's Infringement Action in Canadian Court. Canadian Filters v. Lear-Siegler, 412 F.2d 577 (1st Cir. 1969)*, 6 TEXAS INT'L L. FORUM 143 (1970).

55. *See* Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964); Compco Corp. v. Day Bright Lighting, Inc., 376 U.S. 234 (1964).

raise serious questions of comity.[56] Declaring an act of a foreign governmental agency invalid is a serious action. However, there is a strong possibility that if the case were before a foreign court with the validity of an American patent in question, the foreign court would assume jurisdiction over the American patent.[57] The similarities between patent laws permit a reasonable understanding regardless of the social and economic policies behind the foreign patent laws. If foreign courts feel competent to determine the validity of American patent law, then comity would certainly permit the converse. The court would also be seeking to enforce its own substantial interests and further litigation would cover the same points.

In addition, enforcement of the judgment in *Beckman Instruments* would not have been as difficult as the court presumed. Both parties were domiciled in the United States and had property within reach of the court. An injunction prohibiting suit in a foreign country may not in itself have prevented a foreign suit, but balanced against a contempt citation the probability of a suit was small. Similarly, an order for a license, backed by contempt power, would have resolved the problem.

An exercise of jurisdiction would have prevented the possibility of additional vexatious and harassing litigation against Beckman Instruments, Inc. In the past, other courts have accepted jurisdiction and enjoined parties from further actions.[58] A determination of only the American patent left Beckman Instruments open to further suits in foreign jurisdictions. Had the court considered the full ramifications of its actions it would likely not have denied jurisdiction.

Finally, the court felt that a decision on the United States patent would resolve any conflict. What the court failed to

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56. *Supra* note 1, at 410.

57. Stauder, *Patent Infringement in Export Trade—The Vulnerable Combination Patent*, 3 IIC n.51 (1972):

> This is why today the German authors hold the view, contrary to earlier decisions of the Reichsgericht, that German courts have jurisdiction to decide actions based on infringement of foreign patents whenever the German Code of Civil Procedure provides for a proper forum. *See* Raimer & Nastelski, PATENTGESETZ UND GEBRAUCHSMUSTERGESETZ, at n.3 to Sec. 6 PatG; Hesse in Klauer & Mahring, PATENTRECHSKOMMENTAR, at n.175 to Sec. 6 PatG (Munich, 3d ed. 1971), with references.

58. *See* Harvey Aluminum v. American Cyanimid Co., 203 F.2d 105 (2d Cir. 1953).

consider was the possibility of further suits in foreign jurisdictions. If the court found the U.S. patent invalid, free competition would have been available in the United States, but the ability to export to foreign countries would have been severely curtailed due to a fear of future infringement suits in importing countries. By accepting jurisdiction, the court would have reduced needless litigation in other jurisdictions.

It is granted that if the court had taken jurisdiction it would have had to deal with the difficulties of foreign laws. But balanced against public policy considerations, comity with other nations, prevention of vexatious and harassing suits, and avoidance of excessive litigation, the better decision would have been to accept jurisdiction.

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