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# Patents - Contributory Infringement - History and Trend: Convertible Top Cases

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been impaired by the husband's assault. Similarly, Minnesota, in the principal case, permits the wife's remedy to proceed because the marriage has been extinguished by the death of her tort-feasor husband. Where the marriage has been otherwise terminated, as by divorce, Minnesota, with the majority has not previously granted an action for a tort committed during coverture.<sup>37</sup> The present decision would seem to favor such suits.

The common law spectre prohibiting interspousal personal suits still looms large. For most states the gap between a cause of action and no cause of action is too wide to breach. The principal case<sup>38</sup> suggests a palatable compromise whereby the fiction of "family harmony" may be laid to rest, intermediately, if not finally.

*Jerome Levitt*

<sup>37</sup> *Strom v. Strom*, 98 Minn. 427, 107 N.W. 1047 (1906).

<sup>38</sup> *Accord*, *Long v. Landy*, 35 N.J. 44, 171 A.2d 1 (1961); *Johnson v. Peoples First Natl. Bank & Tr. Co.*, *supra* note 33.

## PATENTS—CONTRIBUTORY INFRINGEMENT—HISTORY AND TREND: CONVERTIBLE TOP CASES

In October, 1951, the United States Patent Office issued a patent on an automobile convertible top structure. All rights to the patent were assigned by the patentee to the Auto Body Research Corporation which later assigned all its rights under the patent in the state of Massachusetts to the Convertible Top Replacement Company. During the model years 1952 through 1954 automobiles employing the patented structure were manufactured by both the General Motors Corporation and the Ford Motor Company. General Motors was licensed under the patent by Auto Body Research Corporation; however, the Ford Motor Company had no license whatsoever. The Convertible Top Replacement Company, hereinafter called Convertible, brought a suit against the Aro Manufacturing Company, Inc., hereinafter referred to as ARO, based upon ARO's unauthorized manufacture and installation, in the state of Massachusetts, of replacement fabric components designed specifically for installation in the 1952 through 1954 model General Motors and Ford convertibles. In a previous decision, the United States Supreme Court decided that ARO was not liable for patent infringement due to its manufacture and installation of replacement fabric components for the General Motors convertibles.<sup>1</sup> In the present case the court decided

<sup>1</sup> *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 128 U.S.P.Q. 354 (1961).

that ARO was liable as a contributory infringer of the patent due to its manufacture and sale of replacement fabric components for the Ford convertible. *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 141 U.S.P.Q. 681 (1964).

The principal privilege conferred by granting a patent is the right to exclude others from making, using, and selling his invention during the life of the patent.<sup>2</sup> In enforcing this right, a patentee is allowed to bring a tort action against anyone who, without the inventor's permission, makes, uses or sells a device embodying a mechanism described by the claims of the inventor's patent or who performs any combination of these acts.<sup>3</sup> Additionally, the inventor has traditionally been allowed to bring a tort action against anyone who, while not actually infringing the patent himself, aids and abets an infringement by making a mechanism which comprises a substantial part of the invention as described by the claims of the inventor's patent and which is not suitable for any substantial non-infringing use. A person who so aids and abets in patent infringement has traditionally been known as a contributory infringer.<sup>4</sup>

In bringing its action against ARO for contributory infringement, Convertible relied on the section of the 1952 Patent Act which defines contributory infringement.<sup>5</sup> ARO, in its defense, relied on the Supreme Court's holding in the prior ARO case and on Supreme Court decisions handed down prior to the 1952 Patent Act.<sup>6</sup> By deciding the case in favor of Convertible, the Supreme Court reinstated the doctrine of contributory infringement and thereby held that Congress had succeeded in its attempt to codify the law of contributory infringement.

The first reported case in which relief for contributory infringement was granted was the case of *Wallace v. Holmes*.<sup>7</sup> In that case, the claims of the patent sued on recited (1) an oil burning lamp (and in so doing called for a lamp base), (2) the means for attaching a chimney to the base, and (3) a chimney. The invention, however, was the means for attaching the chimney to the base. The defendant manufactured lamp bases embodying the new chimney attaching mechanism but did not manufacture chimneys nor sell chimneys in combination with the base. Hence, the defendant did not make, use or sell a mechanism defined by the claims of the patent. Since chimneys which would fit the lamp base were available in hardware stores throughout the country, it would be

<sup>2</sup> 35 U.S.C. § 271 (1952).

<sup>3</sup> 35 U.S.C. § 281 (1952).

<sup>4</sup> 35 U.S.C. § 271 (1952).

<sup>5</sup> Brief for Respondent, Summary of Argument, p. 3.

<sup>6</sup> Brief for Petitioners, Statement, p. 6.

<sup>7</sup> 29 Fed. Cas. 75 (No. 17100) (C.C.D. Conn. 1871).

a simple matter for a consumer to buy the defendant's lamp base, independently buy a chimney and later assemble the two parts thereby creating a mechanism which infringed the patent. There could never be any infringement of the patent until the lamp was actually put to use by the consumer, thus, in order to obtain relief for patent infringement the inventor was faced with the insurmountable problem of suing each consumer who had purchased one of the defendant's lamp bases and had subsequently put it to its normal use. The inventor did not, of course, take this course of action, but instead sued the defendant alleging that said defendant was actually a joint tortfeasor with each and every person who had infringed the inventor's patent, since the defendant had done all the acts necessary for an infringement of the patent with the exception of finally assembling the lamp base and the chimney. The court agreed with this theory and found the defendant liable to the plaintiff for patent infringement, thereby initiating the tort of contributory infringement.<sup>8</sup>

The high point of the doctrine of contributory infringement was reached in the case of *Heaton-Peninsular v. Eureka*,<sup>9</sup> wherein the court held that when a patented stapling machine was sold on the condition that it be used only with the seller's staples, a use of someone else's staples in the device was patent infringement, and that the making and selling of staples which fit the patented machine was contributory infringement. The doctrine was later seriously limited in the case of *Motion Pictures Patents Company v. Universal Film*,<sup>10</sup> wherein it was held that a patent upon a motion picture projector could not be used to obtain a monopoly upon unpatented motion picture film. This case established the doctrine of patent misuse which provides that a patentee attempting to use his patent to obtain a monopoly upon an unpatented article of commerce is guilty of patent misuse and is therefore barred from obtaining relief for patent infringement.

The doctrine of patent misuse had a serious effect upon the concept of contributory infringement in the case of *Mercoïd Corporation v. Mid-Continent Investment Co.*<sup>11</sup> In that case, the Supreme Court broadened the doctrine of patent misuse and stated by way of dicta that after the

<sup>8</sup> *Accord*, *Bowker v. Dows*, 3 Fed. Cas. 1070 (No. 1734) (C.C.D. Mass. 1878). But if the part supplied is susceptible to innocent use there is no liability for contributory infringement. See *Snyder v. Bunnel*, 29 Fed. 47 (C.C.S.D. N.Y. 1886).

<sup>9</sup> 77 Fed. 288 (6th Cir. 1896); *accord*, *Henry v. A. B. Dick*, 224 U.S. 1 (1912); *but see* *Leeds & Catlin v. Victor Talking Machine Co.*, 213 U.S. 325 (1909).

<sup>10</sup> 243 U.S. 502 (1917); *see also* *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488, 52 U.S.P.Q. 30 (1942); *Carbice Corp. v. American Patents Development Corp.*, 283 U.S. 27, 8 U.S.P.Q. 211 (1931).

<sup>11</sup> 320 U.S. 661, 60 U.S.P.Q. 21 (1944).

decision there might not be anything left in the doctrine of contributory infringement.<sup>12</sup> After this decision, the number of cases in the federal courts in which contributory infringement was an element of the decision was substantially reduced.<sup>13</sup> Those courts which did decide the issue were divided as to whether or not the *Mercoïd* decision had eliminated recovery for contributory infringement.<sup>14</sup>

In 1952, Congress enacted the present patent statute and in so doing provided the first legislation on the subject of contributory infringement. During the time that the 1952 Act was being debated in the Congress, it became clear that the legislators intended to restore the relief provided by the concept of contributory infringement to patentees.<sup>15</sup> Following the congressional enactment, various decisions in federal courts indicated that the congressional intent had been fulfilled.<sup>16</sup> However, the first time that the Supreme Court dealt with contributory infringement under the Act was in the *Aro Mfg. Co.* case.

In the case as originally brought against ARO by Convertible, relief was sought for contributory infringement arising out of the manufacture and installation by ARO of replacement fabric components for both the Ford and the General Motors convertibles; however, it was soon

<sup>12</sup> *Ibid.*

<sup>13</sup> The following table (derived from the *American Digest System*) reveals the numbers of cases in which contributory infringement was at issue. The reader should relate the *Mercoïd* case (1944) and the codification of the patent laws (1952).

Years	No. of Cases
-1896	31
1896-1906	21
1906-1916	21
1916-1926	16
1926-1936	37
1936-1946	45
1946-1956	8
1956-*	26

\* November, 1964.

<sup>14</sup> In an editorial note in the *George Washington Law Review*, Carrol F. Palmer pointed out that, of the several cases shortly following the *Mercoïd* decision, four cases stated that the doctrine of contributory infringement had been eliminated by the *Mercoïd* decision (three by dicta), and eight cases stated otherwise (four by dicta). 15 *GEO. WASH. L. REV.* 463 (1947). See also 39 *ILL. L. REV.* 55 (1944). See also *Special Equipment Co. v. Coe*, 324 U.S. 370, 64 *U.S.P.Q.* 525 (1945), wherein the Supreme Court held that subcombination claims should be granted to the applicant because he would be unable to protect the subcombination without such claims.

<sup>15</sup> Material indicating the congressional intent with respect to the section of the enactment relating to contributory infringement is found at 2 *U.S. CODE CONG. & AD. NEWS* 2394 (82d Cong., 2d Sess. 1952).

<sup>16</sup> *Southern States Equip. Corp. v. U.S.C.O. Power Equip. Corp.*, 209 F.2d 111, 100 *U.S.P.Q.* 127 (5th Cir. 1953); *Sola Electric Co. v. General Electric*, 146 F. Supp. 625, 111 *U.S.P.Q.* 203 (N.D. Ill. 1956).

discovered that there was a substantial difference between the acts of ARO as concerned with General Motors convertibles as opposed to their acts as they were connected with Ford convertibles.<sup>17</sup> After district and appellate decisions, the Supreme Court decided in an opinion now known as ARO I that ARO was not liable to Convertible for its activities concerned with the General Motors cars due primarily to the fact that General Motors had a license from the Auto Body Research Company, and hence, the owners of the General Motors cars obtained through General Motors a license to use the cars. Ford, however, had no license allowing it to manufacture automobiles employing the patented structure and hence the owners of the Ford cars had not obtained any license to use the cars through Ford. Since the very use by the owners of the Ford convertibles was patent infringement, the activities of ARO with respect to the Ford convertibles tended to prolong the infringement.

The decision in the ARO I case was worded in such a manner that many writers believed the court was following the dicta in the *Mercoid* case and that Congress had failed its attempt to reinstate the tort of contributory infringement.<sup>18</sup> These writers were in good company since in its defense in the second ARO case, ARO relied substantially on the decision of the first ARO case<sup>19</sup> and since four dissenting members of the Supreme Court also felt that the first ARO decision had refused relief for contributory infringement.<sup>20</sup> The majority of the Supreme Court in the second ARO decision found, however, that the first ARO decision had been directed to ARO's activities with respect to the General Motors cars only and hence had no bearing on the second ARO case.<sup>21</sup> The majority went on to hold that Congress had succeeded in reinstating the doctrine of contributory infringement and that ARO was liable to Convertible for contributory infringement.

<sup>17</sup> In the original suit by Convertible against ARO, the District Court for the District of Massachusetts distinguished ARO's activities with respect to G.M. convertibles from its activities with respect to Ford convertibles but entered an interlocutory judgment for Convertible on both counts. 119 U.S.P.Q. 122 (1958). This judgment was affirmed on appeal. 270 F.2d 200, 122 U.S.P.Q. 536 (1st. Cir. 1959). However, it was reversed by the Supreme Court. 365 U.S. 336, 128 U.S.P.Q. 354 (1961), *petition for rehearing or alternative motion for amendment or clarification denied* 365 U.S. 890, (1961). On remand (the noted case), the judgment was dismissed as to both G.M. and Ford convertibles. 377 U.S. at 480, 141 U.S.P.Q. at 683 (1964). On appeal, judgment with respect to the Ford convertibles was reinstated. 312 F.2d 52, 136 U.S.P.Q. 9, *Cert. granted* 372 U.S. 958, (1962).

<sup>18</sup> See Note, 31 U. CINC. L. REV. 61 (1962); Note 1961 U. ILL. L.F. 343.

<sup>19</sup> *Supra* note 6.

<sup>20</sup> *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 515, 141 U.S.P.Q. 681, 697 (1964) (dissenting opinion of Mr. Justice Black).

<sup>21</sup> *Id.* at 479, 141 U.S.P.Q. at 683.

The four members of the court who formed the minority were joined by Justice White on one point of the case, thus becoming the majority as to this matter. The point was whether the contributory infringement section of the 1952 Patent Act required scienter on the part of alleged contributory infringers before they could be liable to inventors for their tort. That is, are the alleged contributory infringers required to have knowledge of the fact that the device for which they supply a component is both patented and infringed? The majority of the court found that this knowledge is required and thus held that ARO was not liable to Convertible until it was informed that the convertible tops for which it manufactured replacement fabric components were both patented and their product was infringing.<sup>22</sup>

The majority's holding in regard to the reinstatement of the doctrine of contributory infringement returns to inventors a valuable tool in the struggle to protect their inventions, since it returns to them the right to proceed against a manufacturer who supplies the tools of infringement as opposed to the necessity of proceeding against multitudinous consumer-infringers. The requirement of knowledge of the existence of the patent and of the infringing use on the part of the contributory infringer will not limit this relief substantially, since in many cases it will not be difficult to prove such knowledge. Thus, it appears that the decision returns to patentee a substantial right, the existence of which has been in serious doubt ever since the *Mercoïd* case.

*Michael O'Neil*

<sup>22</sup> *Id.* at 488, 141 U.S.P.Q. at 687.

### PATENTS—FACTUAL APPLICATION OF THE “OLD COMBINATION” DOCTRINE

Holstensson and others brought action against the V-M Corporation for infringement of Holstensson's patent. The claim, in defining the scope of the monopoly granted to the inventor, covered the combination of a new and improved spindle or post for holding phonograph records with other components of the record changer. The defendant tried to raise the defense that the plaintiff's patent was invalid for patenting more than he had actually invented, which is referred to as the doctrine of “old combination.” At the trial, the defendant's expert demonstrated that the only novel portion of the record player was the spindle. A demonstration showed that the plaintiff's novel spindle could be employed in an old record changer, which had previously been patented by one Arvidius, apparently without any changes being made in the other com-