



10-1979

Dawson Chemical Co. v. Rohm & Haas Co.

Lewis F. Powell Jr.

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Powell, Lewis F. Jr., "Dawson Chemical Co. v. Rohm & Haas Co." (1979). *Supreme Court Case Files*. 703.
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Jon - Any other parties?

Crystal Manufacturing Co. and

Crystal Chemical Co. are also petrs. Jon

Inclined to deny - but will discuss

This patent case involves the construction of § 271(d) (see below) - a statute the Ct. has never authoritatively construed.

CA5's opinion notes that individual members of this Court have expressed views at variance with CA5's construction of § 271(d) - but no Court opinion.

Question is said to be important
PRELIMINARY MEMORANDUM (I can't tell)

January 4, 1980 Conference
List 3, Sheet 2

and there is no conflict.

No. 79-669

DAWSON CHEMICAL CO.

Cert to CA 5
(Gee, Vance, Hunter)

v.

ROHM-HAAS CO.

Federal/Civil

Timely

1. SUMMARY: The question presented is whether § 271(d) of the patent law prohibits the owner of a "method" patent who has declined to license other manufacturers to sell a non-patented component of the method, to recover for contributory infringement under § 271(c).

2. FACTS: Resps brought suit in federal court alleging that petrs had infringed resps' patent. Resps' patent (called the Wilson Patent) is a method patent, describing a method of applying a chemical compound, known as "propanil" to weeds and established crops such as rice so as to inhibit selectively the growth of the weeds without adversely affecting

I have a feeling I'll be battling uphill, but this seems like a rather technical patent issue that this Court would well leave to the lower courts until a direct conflict develops. Jon ✓

(over)

the crop. The chemical used in the process, propanil, is not itself patented. Nevertheless, the parties concede that the propanil is a "nonstaple" commodity. In the field of patent law, this term indicates that the commodity, here the propanil, has no substantial commercial use apart from its use in the patented method.

Resps manufacture propanil and sell it in containers bearing instructions on how to apply the chemical in accordance with the patented process. By operation of law, purchasers from resps receive implied licenses to use the purchased propanil in accordance with the patented method. Petrs also sell propanil in containers bearing labels which recommend only the methods of application described in the resps' patent. There is little dispute that petrs sold the propanil, knowing of the patent, and knowing that their customers would directly infringe the patent by following the method described on petr's containers.

The [✓]DC granted summary judgment in favor of petrs. The court concluded that under 35 U.S.C. § 271(d) a patent owner cannot recover for contributory infringement if he has engaged in "patent misuse." The court concluded that resps were guilty of misuse since they had not licensed any other manufacturers to produce propanil, the non-patented component of the method patent.

The [✓]CA 5, in an exhaustive opinion, reversed. The court concluded that resps' decision to reserve to itself the manufacture and sale of a nonstaple, substantial component of the method patent was not "misuse" under § 271(d) preventing recovery for contributory infringement. The court therefore remanded for trial.

There is no question that resolution of this case depends upon congressional intent. Nevertheless, the CA found it necessary to examine years of this Court's precedents in the patent field in order to derive

congressional intent. Prior to the 1952 enactment of 35 U.S.C. § 271(d) this Court had decided a substantial number of contributory infringement and patent misuse cases, two very related doctrines relevant to the issue here. Contributory infringement was a court developed doctrine giving patent owners a right to bring suit against those who contributed to an infringement by furnishing to infringers the unpatented goods used in the invention. Leeds & Catlin Co. v. Victor Talking Machine Co., 213 U.S. 325 (1909). Thereafter, the Court began to retreat from the doctrine of contributory infringement through the related doctrine of patent misuse. In Motion Picture Patents Co. v. Universal Film Manufacturing Co., 243 U.S. 502 (1917) the Court held that a patentee may not require a purchaser to purchase unpatented articles from the owner of the patent, even when those articles are necessary for use in conjunction with the patented product or method. The Court reasoned that as a matter of patent law, the monopoly granted by law should not extend to non-patented components. The Court overruled a prior decision in Henry v. A. B. Dick Co., 224 U.S. 1 (1912) in which it held that it was permissible for a patent owner to derive its monopoly profit from the sale of supplies necessary for use with the patented product.

The culmination of the developing misuse theory occurred in 1944 in Mercoïd Corp. v. Midcontinent Investment Co., 320 U.S. 661 (1944). In Mercoïd, the Court effectively extended the patent misuse theory to even those attempts to control the market for unpatented elements that had no use at all outside the patented invention. In dictum, the Court recognized that this construction of the patent misuse theory was at odds with the contributory infringement doctrine espoused in Leeds & Catlin and declared that Leeds & Catlin was overruled.

There is no question that if Mercoïd is still the law, resps would be

guilty of misuse since they have limited the availability of the right to use the patented method to those who purchase the unpatented chemical from them. The CA found, however, that § 271 was intended to overrule Mercoïd by permitting actions for contributory infringement, and exemption from patent misuse, when the patent owner only seeks to control the sale of a nonstaple component which is a material part of the invention. The statute provides:

Section 271. Infringement of patent

(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 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 noninfringing 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 in-

[6539]

fringement 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 on contributory infringement.

The CA found that petrs had engaged in infringing conduct as described in Subsection (c). The court further found that the resps had

done only acts which under (d) could no longer be deemed patent misuse or illegal extension of the patent. The court rejected petr's argument that resps' failure to license the manufacture and sale of the unpatented element constituted misuse thereby disqualifying resps from the status of those "otherwise entitled to relief" as required by the statute. Nevertheless, the CA noted that both positions represented a plausible reading of the statute and commentary supporting both views was available.

The CA outlines legislative history, some supportive of petr's reading of the statute, and other sections supportive of resps' reading. The CA found that the weight of the history supported resps' interpretation relying heavily on testimony of Justice Department opponents. The Justice Department complained that Subsection (d) would impair prior Supreme Court precedent establishing that patentees could not require users to purchase unpatented parts from him.

The CA could find no controlling Supreme Court precedent on the construction of § 271. The court did note, however, that several members of this Court have expressed the view that § 271 merely codified patent law, including Mercoïd and its result. Aro Manufacturing Co. v. Convertible Top Replacement Co., 365 U.S. 336 (1961) (Aro I), and Aro II, 377 U.S. 476 (1964). The CA found that while not controlling, the "extraordinarily complex opinions, on balance, probably cut against our view."

3. CONTENTIONS: ✓ Petr contends that the lower court construction is inconsistent with the Supreme Court precedents which were codified by Congress in 1952. In addition, petr contends that review is necessary because the decision below is in conflict with a decision of the CA 2, Ansul Co. v. Uniroyal, Inc., 306 F.Supp. 541 (S.D.N.Y. 1969), aff'd, 448

F.2d 872, (2nd Cir. 1971), as well as in tension with views of § 271 espoused by various members of this Court in Aro I and II. While not addressing the scope of § 271(d), the Court in Aro I relied on Mercoïd and Justice Black, in a concurrence, specifically stated that § 271(d) was only intended to codify Mercoïd.

Resps rest primarily on the thorough decision of the CA.

No conflict

4. DISCUSSION: No other case cited directly construes § 271 contrary to the construction adopted by the CA 5. Nevertheless, as the CA noted, there has been substantial dicta by some justices suggesting a contrary outcome. But a dissenting opinion in Aro I construed § 271 in accord with the CA5 here. In Ansul, one of the findings of the DC was that Uniroyal had misused its method patent by reserving to itself the sales of an unpatented chemical which controlled plant growth when applied in accordance with the patent instructions. While the case was tried principally on antitrust claims, this misuse holding of the lower court was affirmed by the CA 2 stating that:

"Since Uniroyal could no longer lawfully use its method (use) patent monopoly to secure a monopoly over sales of the unpatented product [once it was established that the product was not patentable although the method was], it came under an obligation (if it wished to avoid the charge of patent misuse) to license its patented use of the unpatented product for those who wished to buy the product from other manufacturers."

The CA 2 did not, however, address the effect of § 271 on misuse. In fact, this discussion is contained only in a footnote affirming this aspect of the case. 448 F.2d at 882 n.4. Thus while the results do appear to be in conflict, these decisions do not represent a considered conflict.

The CA makes a strong case for its construction of the statute, but, as the CA noted, petrs' construction, which has explicit support in

Supreme Court decisions, is quite plausible as well. Given the substantial nature of the question, and the variance in the interpretations advanced, it might be appropriate to grant the petition without waiting for a more direct conflict. In light of the interrelationship of the antitrust prohibitions on tie-ins and governmental grants of patent monopolies, it might be advisable to call for the views of the Solicitor General on this question.

Response filed.

12/12/79
CMS

Mahoney

Op in petn.

The SG has filed an amicus brief arguing that cert should be granted. The SG states that (1) the CA5 decision will have important ramifications in industries, like the chemical industries, where sellers sell chemicals necessary to a patented process and simultaneously license the patented process, and (2) Congress did not intend to abolish the "patent mouse" defense.

Petro has filed a reply brief repeating its original contentions and arguing that Congress never intended to abolish patent mouse.

The anti-competitive action allowed by the CA5 decision is in the nature of a tie-in. Resp holds a patent for a process of applying a non-patented chemical. By selling the ~~non-patented substance~~ using only those persons who also purchase the patented process, resp has effectively extended his patent monopoly.

Given the SG's views on the importance of this case, I now believe it should be granted.

Jon

Linda - let me
see the "Prelim. memo"
with this.

SUPPLEMENTAL MEMORANDUM

January 4, 1980 Conference
List 3, Sheet 2

No. 79-669

DAWSON CHEMICAL CO.

v.

ROHM-HAAS CO.

Cert to CA 5
(Gee, Vance,
Hunter)

SG urges
a Grant

Federal/Civil

Timely

The SG has filed an amicus brief in support of the petition for cert. The SG contends that the decision will have important anticompetitive effects because it will discourage manufacturers holding process patents from offering licenses at reasonable royalties to competing sellers of unpatented products to be used in the patented process. Grants of such licenses have heretofore been common as a means of avoiding patent misuse challenges. The SG contends that the decision below is also incorrect. It is argued that § 271 of the Patent Code must be interpreted "in light of this Nation's historical antipathy to

I think the case should probably be granted - Jon

monopoly and of repeated congressional efforts to preserve and foster competition." Deep South Packing Co. v. Laitram Corp., 406 U.S. 518 (1972). The SG does not contend that the statute or legislative history unambiguously support his position, but argues that absent a more clear indication that Congress intended to depart from this Court's prior precedent, no such departure should be initiated by the courts.

12/28/79

Mahoney

GRANT

Marsel

G

Sure -
DOS

January 4, 1980 Conference
List 7, Sheet 2

No. 79-669

DAWSON CHEMICAL CO.,

v.

ROHM & HAAS Co.

Motion of Pesticide
Producers Assn. for
Leave to File amicus
brief

CA 5

This motion was filed on Dec. 13, too late to be listed with the cert petn which is listed on p. 11.

Amicus is an organization which represents pesticide producers, and their amicus brief contains factual and legal arguments.

The Court usually grants these motions in spite of Rule 42(1), which provides that such motions are not favored, and may only be filed a reasonable time prior to the consideration of the petn.

12/27/79

Marsel

Court
 Argued, 19...
 Submitted, 19...

Voted on....., 19...
 Assigned, 19...
 Announced, 19...

No. 79-669

DAWSON CHEMICAL CO.

vs.

ROHM AND HAAS CO.

Motion of Pesticide Producers Assoc. for leave to file a brief, as amicus curiae.

	HOLD FOR	CERT.		JURISDICTIONAL STATEMENT				MERITS		MOTION		ABSENT	NOT VOTING
		G	D	N	POST	DIS	AFF	REV	AFF	G	D		
Burger, Ch. J.													
Brennan, J.													
Stewart, J.													
White, J.													
Marshall, J.													
Blackmun, J.													
Powell, J.													
Rehnquist, J.													
Stevens, J.													

Reviewed 4/20 - Clear & helpful memo.

Recommend affirmance.

See my notes on covers of Briefs.

This is an extremely important patent case. I'm inclined to think Judge Gee's opinion for CAS ~~is~~ is right & that I will affirm.

BENCH MEMORANDUM

To: Mr. Justice Powell

15 April 1980

From: Gregory May

No. 79-669: Dawson Chemical Co. v. Rohm & Haas Co.

Question Presented

Does 35 U.S.C. § 271(d) eliminate the defense of patent misuse in situations where a patentee licenses use of a patented process only in connection with the sale of an unpatented product that has no substantial use except in the patented process?

Background

This case involves the interplay between two somewhat conflicting doctrines of patent law. The doctrine of "contributory infringement" protects a patentee from those who sell material components of the invention with knowledge that

the components have no substantial use other than the infringement of the patent. The doctrine of patent misuse, however, denies relief to a patentee who employs the patent to prevent others from trading in its unpatented components.

Since the pivotal decision in Motion Picture Patents Co. v. Universal Film Mfg. Co., 243 U.S. 502, 516 (1917), this Court has held rather consistently that a patentee may not use his patent to destroy competition in the unpatented articles of commerce that constitute his invention. In Carbice Corp. v. American Patents Develop. Corp., 283 U.S. 27 (1931), the Court held that the holder of a combination patent had misused his monopoly by requiring all users to buy dry ice from an exclusive licensee. Dry ice was a staple article that had substantial noninfringing uses, and the patent gave its holder no right to restrict competition in that commodity.

The companion cases of Mercoide Corp. v. Mid-Continental Investment Co., 320 U.S. 661 (1944), and Mercoide Corp. v. Minneapolis-Honeywell Regulator Co., 320 U.S. 680 (1944), gave the patent misuse defense even wider play. The patentee in those cases held a combination patent for a heating system. Its exclusive licensee relicensed the patent only to those who purchased from it an unpatented stoker switch contained within the invention. The patentee and the licensee sought relief from contributory infringement by an unlicensed seller of the stoker switches. The switch had no material use

other than as a part of the patented heating system. This Court denied relief on the ground that the patentee had misused its patent to control the market in unpatented switches. Reduced to patent jargon, the holding established that a patentee cannot condition the granting of licenses on the purchase of an unpatented nonstaple.

The Mercoïd decisions left the doctrine of contributory infringement in a state of confusion. Indeed, some courts even found patent misuse in the act of bringing suit to prevent another from selling unpatented components of a patented product. See, e.g., Stroco Prods. v. Mullenbach, 67 U.S.P.Q. 168 (S.D. Cal. 1944). In 1948, against this background of uncertainty, Congress began hearings on what became the Patent Act of 1952. The legislative history best set out in resp's brief, at 26-43, shows that the provision now codified at 35 U.S.C. § 271 was intended to quiet the conflict between the contributory infringement and patent misuse doctrines. Section 271(c) contains a rather precise definition of contributory infringement, and related provisions in § 271(d) confine the defense of patent misuse.

§ 271
definitions

Discussion

The parties agree that resp's conduct constitutes patent misuse within the meaning of the Mercoïd decisions.

Thus, the question in suit is whether 35 U.S.C. § 271(d) overruled those decisions in relevant part. A related question is whether resp's conduct constitutes misuse because it is not among the acts permitted by § 271(d).

I. Statutory Language

A. Extension of the Patent

The statutory language dealing with contributory infringement and patent misuse draws a distinction between staple and nonstaple components of an invention. Section 271(c) creates liability for contributory infringement only when the offender sells "a material part of the invention, knowing the same to be expecially made or especially adapted for use in an infringement of [the] patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use" [Reprinted at Brief for Petr 3.] Thus, the sale of a material part of an invention does not constitute contributory infringement unless the article sold has no substantial use other than in the infringement of the patent. A patent, in other words, does give the patentee some control over the market in unpatented nonstaple components.

Section 271(d) contains symmetrical provisions designed to abrogate the defense of patent misuse in suits for contributory infringement. The subsection provides that no patentee "otherwise entitled to relief for infringement or

§ 271(d) overruled
Mercoild

contributory infringement" shall be "deemed guilty of misuse or illegal extension of the patent right" for having done "one or more" of three acts:

"(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."

[Reprinted at Brief for Petr 3-4.] Thus, a patentee does not misuse his patent by making it his business to sell unpatented nonstaples--an act "which if performed by another without his consent would constitute contributory infringement" under § 271(c). In other words, § 271(d) appears to overrule the Mercoild decision in so far as it prevented a patentee from trading in nonstaple components of his invention.

B. Application in this Case

If this reading of § 271 is correct, it seems rather clear that the patent act allows resp to market ["]propanil["] and to prevent others from marketing it. Propanil is conceded to be a nonstaple; indeed, it apparently had no use at all until one Wilson developed the method for application to which resp holds the patent. The remaining question is whether resp is not "otherwise entitled to relief" because it has granted licenses for use of the patented method, but only those ~~those~~ who buy propanil from it. Petr contends that this licensing practice is an illegal tying arrangement.

"propanil"
is a
non-staple
article
having no
use except
w/r to
Resps patent

Resp does not actually grant licenses. Rather, implied licenses to perform the patented method accrues to propanil buyers under the principle that "the authorized sale of an article which is capable of use only in practicing the patent is a relinquishment of the patent monopoly with respect to the article sold." United States v. Univis Lens Co., 316 U.S. 241, 249 (1942). Resp could avoid the tying effect of its sales only by (1) making no sales or (2) granting licenses to other propanil manufacturers or to those who consume the material. Since § 271(d)(1) allows patentees to sell unpatented nonstaples like propanil, the underlying question is whether the law bars patentees from withholding licenses that would allow others to sell a nonstaple.

The statute does not address this question in terms, but two considerations suggest that the law raises no such bar. First, such a holding would compel licensing. Compulsory licensing is inconsistent with the fundamental notion that a patent holding "is neither bound to use his discovery himself nor permit others to use it." Continental Bag Co. v. Eastern Paper Bag Co., 210 U.S. 405, 425 (1908). This Court has compelled licensing only as a remedy for particular wrongdoing, such as price-fixing. See, e.g., United States v. Glaxo Group, Ltd., 410 U.S. 52 (1973); Besser Mfg. Co. v. United States, 343 U.S. 444 (1952). Second, it seems unlikely that Congress specifically would have authorized a patentee to exploit the

market in unpatented nonstaples had it believed that the tying effect arising through implied licensing amounted to patent misuse. In other words, resp's straight-forward argument that it has done nothing more than sell a nonstaple as permitted by § 271(d)(1) has considerable force. The statutory gloss for which petr contends would mean that § 271(d)(1) affords no protection to a patentee who sells a nonstaple having no noninfringing use unless the patentee also grants licenses under § 271(d)(2). Since a material is a nonstaple only if it has no "substantial noninfringing use," § 271(c), all significant conduct allowed by § 271(d)(1) would be wrongful unless coupled with conduct allowed by § 271(d)(2). That reading seems inconsistent with the statutory declaration that a patentee may do "one or more" of the acts enumerated in § 271(d)(1)-(3).

II. Legislative History

Having concluded that the statutory language supports resp's position, one turns to the legislative history for contrary indications. The SG--in favor of the petr--and the resp summarize the history that supports their respective positions. See Brief for the United States 16-24; Brief for Resp 26-43. Neither the committee reports nor the floor debates are very illuminating on the question in this case, although they do suggest that the patent bill was presented more as a codification than a revision of the law.

that indicated purpose of § 271 was to overrule Merckoid)
(not illuminating & except for testimony)

Testimony

Testimony by the actual drafters of the bill, however, flatly declares that § 271(d) was intended to overrule Mercoïd in so far as that decision would apply to this case. Giles Rich, now a judge of the C.C.P.A., told the committee that § 271(d) "would reverse the result in the Mercoïd case; it would not reverse the result in the Carbice case." Quoted at Brief for Resp 36. In other words, a patentee misuses his patent by granting licenses only to those who buy staples from him (Carbice), but he now may grant licenses only to those who buy nonstaples from him (Mercoïd). Congressman Rogers expressed the same understanding of the bill. See id., at 41. And the Justice Department, opposing the bill with arguments very like those contained in its brief in this case, said that § 271(d) "would have the effect of wiping out a good deal of the law relating to misuse of patents, particularly with reference to tying-in clauses." Quoted id., at 40.

Rich's explanation for this result is quite logical. "[T]o put any measure of contributory infringement into law you must, to that extent and to that extent only, specifically make exceptions to the misuse doctrine, and that is the purpose of paragraph (d)." Quoted id., at 39. At an earlier hearing, Rich had specifically addressed the rationale for preventing contributory infringement in a case just like this one. "[O]ne who supplies a hitherto unused chemical to the public for use in a new method is stealing the benefit of the discovery of the

property of this chemical which made the new method possible. To enjoin him from distributing the chemical for use in the new method does not prevent him from doing anything which he could do before the new property of the chemical had been discovered." Quoted id., at 31.

III. Case Law *No helpful case law.*

CA5 very forthrightly summarized the cases in which this Court has considered the scope of § 271. See Petn for Cert A-42 - A-48. The actual holding in each case sheds light on the issue now presented, and no majority of the Justices joined dicta that would lend much assistance. Aro Mfg. Co. v. Convertible Top Replacement Co., 365 U.S. 336 (1961), turned on whether fabrics sold by an alleged contributory infringer were used in permissible repair or impermissible reconstruction of the patented combination. Aro Mfg. Co. v. Convertible Top Replacement Co., 377 U.S. 476 (1964), simply held that persons who bought the same patented combination from a manufacturer not licensed to sell it had no right to use--let alone repair--the invention. (Nothing in Aro II necessarily warrants CA5's concession that some of the Court's language cuts against the result reached in this case.) Finally, Deepsouth Packing Co. v. Laitram Corp., 406 U.S. 516 (1972)--although saying that a patent monopoly would not be treated expansively absent some express signal from Congress--just held that the doctrine of

contributory infringement did not prevent an unlicensed manufacturer from selling component nonstaples for assembly abroad.

Summary

1. Resp's conduct rather clearly comes within the protective provisions of 35 U.S.C. § 271(d). That subsection was designed to eliminate the patent misuse defense in situations where the patentee engaged in no conduct other than conduct that ^{which} would constitute contributory infringement if done by an unlicensed competitor.

2. The legislative history quite clearly shows that the drafters of the 1952 Patent Act intended § 271(d) to overrule this Court's decision in the Mercoid cases and to allow a patentee some substantial control over the market in nonstaples--which have little use other than infringement of his patent. The drafters perceived that preservation of the doctrine of contributory infringement required a matching contraction of the doctrine of patent misuse.

3. No opinion of this Court provides much guidance on how § 271(d) should apply in this case.

July

79-669 Dawson Chemical v. Rohm & Haas

Argued 4/21/80

Patent case from CAS - "propanil"
See my argument notes p

Stable & non
stable

Couley (Pettr)

§ 271(c) & (d) were enacted to clarify law after Mesrobian

Client applied for license, & Resp denied it. (Responding to ~~the~~ B.R.W., Couley agreed Resp. had no legal obligation to grant license. But this leaves ~~the~~ Pettr free, to infringe)

Agrees that his client is a "contributory infringer" (responding to JPS's quest), but contends Resp. is engaging in "patent abuse".

Rich's earlier statements ~~and~~ were different from his final views. (I should check this)

Agrees that J. Gee's analysis of Case I & II was essentially correct.

x x x

271(c) & (d) draw line bet. "staples" & "non-staples"

Hatz (Reck)

Clash bet. two principles:

Patent mis-use doctrine
and

Public interest in encouraging
patents

Congress § in 271, tried to
draw line between the competing
principles or objectives.

Reck is granting no licenses.
Nothing is done except selling
propagand with its process

JPS says nothing in 271(d),
approves whether Reck has
done. Counsel disagreed with
him. Only act ~~done~~ done by
Reck is authorized by 271. (§ 271 d)
says "one or more ~~of~~ of following"
may be done. { None of these
constitute "patent ~~abuse~~
abuse"

There is no legitimate competition
in propagand

Hatzky (cont)

There is
no actual
use
case

Proprietary has no use except with the patent process. Thus there is contributory infringement by any who sells proprietary and no one would buy it unless he could use the process.

There are 9000 ~~service~~ farmers - impractical to license all of them, Now farmers buy proprietary from Petr & use Resp's process - an admitted case of contributory infringement by Petr when it sells a product useless w/o the patent. (This situation exists only with non-staple commodities)

Bernard (Resp - representing several amici)

Affirm 4
Rev. 4
Pan (CJ) 1

79-669 Dawson Chemical v. Rohm & Haas

Conf. 4/25/80

The Chief Justice Pass. Will let us know

Reh. consider contributor infringement.

Proprietary in valueless w/o Resp's patent.

Fulcrum is "patent misuse".

§ 271(b) and leg. hist. are not clear.

Not even sure J. Rich did not change position
Mercoid is confusing.

Mr. Justice Brennan Reverse

But for 271(b), then under Mercoid
would clearly be patent misuse.

Q is whether Congress overruled
Mercoid. Not clear that it did.

Mr. Justice Stewart Affirm

On reasoning of J. Ree's opinion

Mr. Justice White Rever

WQB is ~~not~~ right. This is mis-use under Mesrobian. § 271 (b) modified Mesrobian but did not overrule it.

§ 271 permits holder of patent to license parties. Here patentee refused to license Pett.

Leg. hearings not clear. Not bound by Rich. § 271 doesn't fit.

Mr. Justice Marshall Rever

Agree with WQB + BRW

Mr. Justice Blackmun Appen

Case is clear.

The anti-trust ~~claim~~ claim not before.

Language & leg. hist of 271 supports Resp.

Until Mesrobian, law was that a patent patent was measured by its claims.

§ 271 was clearly a reaction to Mesrobian.

Policy
Consideration
strongly favor
Affirmance

Mr. Justice Powell Affirm

I am impressed by J. Gee's op.

I agree with Harry all the way

Mr. Justice Rehnquist Affirm

Leg. hist - especially McCarran &
* & other witnesses - is clear that 271
was intended to limit Marcoil

We get our anti-trust & patent
policy from Congress

§ 271 is not crystal clear, but ~~the~~
~~the~~ language permits J. Gee's reading
& this ~~is~~ accords with leg. intent.

Mr. Justice Stevens Reverse

§ 271 did change Marcoil - but not much

Doctrine of com. neg. in non-staple
area is preserved by 271(c)

~~benefit of~~

Claims cases of mis-use were not
excluded from 271. Here we have
* a claim case of mis-use.

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
THE CHIEF JUSTICE

April 25, 1980



Re: 79-669 - Dawson Chemical v. Rohm and Haas

MEMORANDUM TO THE CONFERENCE:

My vote is to affirm.

Regards,

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
JUSTICE WILLIAM H. REHNQUIST

June 18, 1980

Re: No. 79-669 Dawson v. Rohm & Haas Company

Dear Harry:

Please join me.

Sincerely,



Mr. Justice Blackmun

Copies to the Conference

June 18, 1980

No. 79-669 Dawson v. Rohm & Haas Company

Dear Harry:

Please join me.

Sincerely,

Mr. Justice Blackmun

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LFP/lab

Supreme Court of the United States
Washington, D. C. 20543



CHAMBERS OF
JUSTICE POTTER STEWART

June 18, 1980

Re: No. 79-669, Dawson v. Rohm & Haas Co.

Dear Harry,

I am glad to join your opinion for
the Court.

Sincerely yours,

Handwritten initials "P.S." with a horizontal line underneath, positioned below the signature line.

Mr. Justice Blackmun

Copies to the Conference

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
JUSTICE JOHN PAUL STEVENS

June 19, 1980

Re: 79-669 - Dawson Chemical v. Rohm & Haas

Dear Byron:

Please join me.

Respectfully,



Mr. Justice White

Copies to the Conference

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
JUSTICE Wm. J. BRENNAN, JR.

June 19, 1980



RE: No. 79-669 Dawson Chemical Co. v. Rohm & Haas Co.

Dear Byron:

Please join me in the dissenting opinion you have prepared in the above.

Sincerely,

A handwritten signature, likely of Justice Brennan, is written in cursive below the word "Sincerely,".

Mr. Justice White
cc: The Conference

Supreme Court of the United States
Washington, D. C. 20543

CHAMBERS OF
THE CHIEF JUSTICE

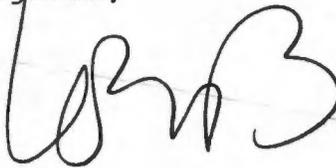
June 23, 1980

RE: 79-669 - Dawson Chemical Co. v. Rohm
and Haas Co.

Dear Harry:

I join.

Regards,



Mr. Justice Blackmun

Copies to the Conference

