

## Article

# Preclusion Based on Foreign Patent Judgment and Prosecution History: A Comparative Study to U.S. Patent System

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### ABSTRACT

*In light of the situation where an invention asserted in multiple suits against infringers in different countries happened more frequently, the doctrine of issue preclusion had become increasingly important to patent litigants. However, claim preclusion cannot provide resolution to it because the parties and accused products may not be the same between the first and second judicial proceedings, despite of the same invention at issue. Instead, we need to establish the issue preclusion mechanism to our patent system to acquire efficiency, while avoiding inconsistent judgments.*

*After comparing with the U.S. system, this article suggests that, in order to establish issue preclusion based on the foreign patent judgment and prosecution history, our patent system is currently in want of reform. In particular, there are three kinds of regulations to which we must conduct reform, i.e., preclusion regulations, patent regulations, and evidence regulations.*

*Although Professor Louch had introduced the concept of issue preclusion into our country decades ago, the statutes as a whole have not been properly constructed to serve as a functioning platform in this regard. Ironically, associated statutes are preceded by courts' issue preclusion decisions rendered to certain cases, a judge-made law phenomenon which does not traditionally appear in a civil law country due to lack of the stare decisis mechanism. We hereby must manage to*

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*amend the current statutes to lay out a proper foundation for providing issue preclusion effect needed.*

*To be effectively applying issue preclusion, it is necessary to ensure the satisfaction of the “identical issue” requirement which turns out to be the most complicated one among the four factors test initiated by *In re Freeman* due to the variances of regulations among countries. Therefore, we need to harmonize our patent regulations with the rest of the world.*

*While file history itself is intrinsic evidence, however it becomes extrinsic evidence when containing a statement made to foreign counsel or patent office examiner. We need to amend the regulations of evidence classification, and even provide a heighten-of-standard-of-proof mechanism to deal with extrinsic evidence such as file history.*

**Keywords:** *Res Judicata, Claim Preclusion, Issue Preclusion, Patent, Prosecution History*

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It is common to see an applicant files multiple applications with several patent offices in different countries based on a same invention, and being granted several patents thereof. Image, as an illustration, the following hypothetical:

The M company, a medical devices manufacturer, in Taiwan (Republic of China, "R.O.C.") filed a patent application for an improved medical device with the Taiwan Intellectual Property Office (TIPO), the United States Patent and Trademark Office (USPTO), and Japan Patent Office (JPO) on the same day.

The TIPO and USPTO find no relevant prior art nor any reason to reject M company's application and, as a result, grant it the Taiwan (R.O.C.) and U.S. patents respectively. The JPO, however, rejects M company's Japan application over a prior art by rendering an office action. The M company instructs the retained counsel in Japan to restrict the scope of claims in the application. The M company's Japan counsel then replies this amended application to the JPO and argues that its invention was neither anticipated nor an obvious variation of the prior art after restricting the scope of the claims. The JPO subsequently agrees the reply and grants a Japan patent to the M company.

Later, the M company finds unscrupulous copyists in U.S. selling the same medical device protected by the U.S. patent. The M company brings suit in U.S. against the copyists. The suit in U.S. is not prevailed because the U.S. patent is found invalid by the U.S. court when the defendant successfully enters anticipating prior art. Even later, the M company finds copyists in our country selling the same medical device protected by the Taiwan (R.O.C.) patent. Again, the M company brings suit in our country against the copyists.

Consider the defendant of the suit in our country argues that: 1. the judgment held by U.S. would preclude and render the patent at issue invalid, and 2. the representation made to Japan counsel would establish the file history estoppel and preclude the M company's assertion of applying of doctrine of equivalence to this case. On the other hand, assume that the suit in U.S. had prevailed because the U.S. patent is found valid by the U.S. court. Then, the M company would rebut the defendant's validity challenge by claiming the U.S. court's decision.

As patent protection continues to be a global business concern and as litigants manage to reduce enforcement and defense costs, the preclusion effect will be increasingly important for patent litigants. However, preclusion effect based on foreign patent cases contains complicity because it involves regulations of transnational jurisdiction, and therefore must deal with, inter alia, issues of variances upon preclusion regulations, patent regulations, and evidence regulations.

Accordingly, this article will explore the preclusion effect to domestic patent disputes based on foreign patent judgment and prosecution history by comparing the U.S. patent system, which, as illustrated in the following contents, would show her advanced authorities created by associated case laws and set forth in related statutes. To reach the goal of providing a constructive observation to the advanced U.S. Patent system in terms of issue preclusion based on foreign patent judgment and prosecution history, this article manages to address issues in the following parts. Specifically, Part I discusses issue preclusion in U.S. patent system. Part II discusses issue preclusion by foreign patent judgment. Part III discusses issue preclusion by foreign patent prosecution history. Part IV provides a comparative analysis, and Part V is the conclusion.

## I. ISSUE PRECLUSION IN PATENT SYSTEM

### A. *Issue Preclusion under Res Judicata*

A judgment may typically include two kinds of effectiveness, one is preclusive effect, and the other one is enforceability. The preclusive effect is also called dispositive effect, or *res judicata*.<sup>1</sup> *Res judicata* means “the thing has been adjudicated”,<sup>2</sup> a concept which can be traced back to Germanic and Roman law,<sup>3</sup> and different countries have different regulations dealing with it due to the policy considerations.<sup>4</sup> In the U.S., case law and Restatement of the Laws published by the American Law Institute (ALI)<sup>5</sup> are the associated authorities to the *res judicata*.<sup>6</sup>

Traditionally, the U.S. court decisions regarding the *res judicata* have often further breakdown into “issue preclusion” and “claim preclusion”. Today, however, it is more common to use the term *res judicata* to refer to claim preclusion, and the term “collateral estoppel” to refer to issue preclusion.<sup>7</sup> The Supreme Court acknowledges and follows the more recent

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1. See P. A. De Miguel Asensio, *Recognition and Enforcement of Judgments in Intellectual Property Litigation: The CLIP Principles*, in INTELLECTUAL PROPERTY IN THE GLOBAL AREA—JURISDICTION, APPLICABLE LAW, AND THE RECOGNITION OF JUDGMENTS IN EUROPE, JAPAN AND THE US 239, 239 (Jürgen Basedow, Toshiyuki Kono & Axel Metzger eds., 2010).

2. *Barret v. Guernsey*, 652 P.2d 395, 398 (Wyo. 1982).

3. R. Jason Richards, *Richards v. Jefferson County: The Supreme Court Stems the Crimson Tide of Res Judicata*, 38 SANTA CLARA L. REV. 691, 695 (1998).

4. Jarrod Wong, *Court or Arbitrator—Who Decides Whether Res Judicata Bars Subsequent Arbitration under the Federal Arbitration Act?*, 46 SANTA CLARA L. REV. 49, 54 (2005).

5. The American Law Institute, <https://www.ali.org/> (last visited Apr. 13, 2016) (introducing that the Restatements of the Law are a set of treatises on legal subjects that seek to inform judges and lawyers about general principles of common law, published by the American Law Institute, an organization of judges, legal academics, and practitioners).

6. Asensio, *supra* note 1, at 5, 14.

7. STEPHEN C. YEAZELL ET AL., CIVIL PROCEDURE 887-88 (3<sup>rd</sup> ed., 1992); JAMES W. MOORE ET

terminology.<sup>8</sup>

Claim preclusion bars a second suit between the same parties on the same cause of action or claim, where a valid final judgment has been entered on the merits.<sup>9</sup> Claim preclusion is applied, regardless of whether the patentee asserted some new basis for infringement, if that new basis was available during the original suit.<sup>10</sup> The goals of claim preclusion are “efficiency, finality, and the avoidance of inconsistent judgments.” The purpose of issue preclusion is based on the concepts of judicial finality and efficiency.<sup>11</sup>

Issue preclusion prevents subsequent litigation on an issue of fact or law that was previously litigated and determined by a valid and final judgment on the merits, and such determination was essential to the judgment.<sup>12</sup> Issue preclusion, as distinguished from claim preclusion, does not include any requirement that the claim (or cause of action) in the first and second suits be the same. Rather, application of issue preclusion centers around whether an issue of law or fact has been previously litigated. The underlying rationale of the doctrine of issue preclusion is that a party who has litigated an issue and lost should be bound by that decision and cannot demand that the issue be decided over again.<sup>13</sup>

The *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation* case is the first one which applies issue preclusion to a patent case. However, the Supreme Court merely pointed out that it is easier to determine whether a party had “a full and fair opportunity to litigate” an issue in a prior proceeding than to determine questions of patent validity in the later proceeding.<sup>14</sup>

On the other hand, Court of Appeals for the Federal Circuit (CAFC) in *In re Freeman* provided more comprehensive standards to determine the issue preclusion.<sup>15</sup> Specifically, the CAFC, followed the Restatement (Second) of Judgments, established four factors test, in that the issue preclusion is appropriate only if: (1) the issue is identical to one decided in

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AL., MOORE’S FEDERAL PRACTICE 1-3 (2<sup>nd</sup> ed., 1993).

8. See *United States v. Mendoza*, 464 U.S. 154, 159 (1984).

9. James P. Bradley & Kelly J. Kubasta, *Issue Preclusion as Applied to Claim Interpretation*, 10 TEX. INTELL. PROP. L.J. 323, 325 (2002); Howard M. Erichson, *Interjurisdictional Preclusion*, 96 MICH. L. REV. 945, 973 (1998).

10. Bradley & Kubasta, *id.* at 325.

11. YEAZELL ET AL., *supra* note 7, at 888, 923.

12. James P. Muraff, *Issue Preclusion—Recognizing Foreign Judgments in United States Patent Infringement Suits: A New Approach*, 26 J. MARSHALL L. REV. 627, 633, 637, 645 (1993) (citing YEAZELL ET AL., *supra* note 7, at 887-88).

13. *In re Freeman*, 30 F.3d 1459, 1465 (Fed. Cir. 1994).

14. *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation*, 402 U.S. 313 (1971); see also Philip L. McGarrigle, *The Role of Foreign Judgments in Patent Litigation: A Perspective and Strategic Overview*, 39 J.L. & TECH. 107, 109 (1998).

15. *In re Freeman*, 30 F.3d 1459 (Fed. Cir. 1994).

the first action; (2) the issue was actually litigated in the first action; (3) resolution of the issue was essential to a final judgment in the first action; and (4) plaintiff had a full and fair opportunity to litigate the issue in the first action.<sup>16</sup> And, it further followed the Restatement (Second) of Judgments, held that issue preclusion, generally, is divided into the two following categories: (1) direct estoppel, which is the preclusive effect of previously determined issues in a subsequent action between the parties on the same claim; and (2) collateral estoppel, which is the preclusive effect of previously determined issues in a subsequent action between the parties on a different claim.<sup>17</sup>

It is noted that the *In re Freeman* case, held more than two decades ago, is still the leading case governing the rationale and testing of issue preclusion. Indeed, recent cases had continuously cited it. For example, in *In re Construction Equipment Co.*, a case held in 2011, Judge Newman’s statement of the fundamental rationale of the doctrine of issue preclusion—“a party who has litigated an issue and lost should be bound by that decision and cannot demand that the issue be decided over again”, is a language quoted from the *In re Freeman*. These four factors are indispensable and exhaustive in determining issue preclusion, although various regional circuits and federal put different weights on different factors,<sup>18</sup> and again, they are still frequently cited by current cases.<sup>19</sup>

#### B. Issue Preclusion to Patent Cases

As mentioned, the preclusion effect is very important to patent litigation as shown in the above hypothetical where the patentee of a single invention protected by several different countries’ patents raises suits against copyists in these different countries. However, it is noted that since claim preclusion applies only to a claim that was or could have been prosecuted in the first action. And, because that a foreign court lacks subject matter jurisdiction to adjudicate claims arising under domestic intellectual property laws, a patentee could not have contended in the first foreign action that copyist’s products infringed the domestic patent.<sup>20</sup> Accordingly, claim preclusion can

16. *Id.* at 1465; *A. B. Dick Co. v. Burroughs Corp.*, 713 F.2d 700, 702 (Fed. Cir. 1983), cert. denied, 464 U.S. 1042 (1984).

17. *Young Eng’rs, Inc. v. ITC*, 721 F.2d 1305, 1314 (Fed. Cir. 1983) (citing RESTATEMENT (SECOND) OF JUDGMENTS § 27 (AM. LAW INST. 1982)).

18. Anthony M. Garza, Note: *Collateral Estoppel and Claim Construction Orders: Finality Problems and Vacatur Solutions*, 6 COLUM. SCI. & TECH. L. REV. 1, 4 (2005).

19. *In re Construction Equipment Co.*, 665 F.3d 1254, 1260 (Fed. Cir. 2011) (quoting *In re Freeman*, 30 F.3d 1459, 1465 (Fed. Cir. 1994)); see e.g., *Evonik Degussa GmbH v. Materia Inc.*, 53 F. Supp. 3d 778, 787 (2014) (quoting four factors of *In re Freeman*).

20. Peter Nicolas, Comment, *The Use of Preclusion Doctrine, Antisuit Injunctions, and Forum Non-Conveniens Dismissals in Transnational Intellectual Property Litigation*, 40 VA. J. INT’L L. 331,

never apply in transnational intellectual property litigation, except in certain antitrust ones.<sup>21</sup>

Therefore this article proceeds to focus on the discussion on issue preclusion. Based on the decision held in *In re Freeman* and corresponding theory provided by the Restatement (Second) of Judgments, these four factors are discussed as follows:

### 1. *Identical Issue*

To ensure that whether the issue is identical to one decided in the first proceeding is not an easy task because of the difficulty existed in delineating the dimension of an issue. For example, (1) to what extent is the evidence overlapped between the first and second proceeding? (2) whether new evidence is applied the same rule of law as was in the first proceeding? and (3) how closely related are these claims involved in the two proceeding? Generally, if there is a lack of total identity between the matters involved in the two proceedings then preclusion is obviously inappropriate. If the overlap is substantial then preclusion is plainly appropriate. And, if there is a showing of changed circumstances, the burden of showing changed or different circumstances should be placed on the party against whom the prior judgment is asserted.<sup>22</sup>

An issue on which relitigation is foreclosed may be due to “ultimate fact”, which is not just an evidentiary fact, but an application of law to fact.<sup>23</sup> For example, when the evidentiary facts were that the patent at issue was anticipated by prior art A, then the ultimate fact was that the patent at issue was lack of novelty and invalid. It is essential to introduce the evidentiary facts during the trial in order to prove the ultimate fact, but a mere statement by a witness that “patent at issue was invalid” is not sufficient, since it is an opinion of the witness and not ultimate fact. It is noted that if the party against whom preclusion is sought did in fact litigate an issue of ultimate fact and suffered an adverse determination, new evidentiary facts may not be brought forward to obtain a different determination of that ultimate fact,<sup>24</sup> except that the new evidence that was developed after the previous

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369, 372, 374 (1999) (citing *R. W. Blacktop Ltd. v. Artec Equipment Co.* [1991] 39 C.P.R.3d 432, 434 (noting that plaintiff conceded that the court lacks jurisdiction to hear and decide claims relating to U.S. patents)).

21. *Northlake Mktg. & Supply, Inc. v. Glaverbel S. A.*, 861 F. Supp. 653, 655 (N.D. Ill. 1994) (noting that an earlier decision by the district court held that various antitrust and unfair competition claims were barred on claim preclusion grounds).

22. RESTATEMENT (SECOND) OF JUDGMENTS, § 27 cmt. c (AM. LAW INST. 1982).

23. STEVEN GIFIS, BARRON'S LAW DICTIONARY (3<sup>rd</sup> ed., 1991) (defining as the essential and determining facts on which the final conclusion of law is predicated, and are deduced by inference from evidentiary fact).

24. RESTATEMENT (SECOND) OF JUDGMENTS, § 27 cmt. c (AM. LAW INST. 1982).



litigation.<sup>25</sup> And, it should be cautiously to confirm whether the ultimate fact has been established regarding a foreign patent case due to the different patent laws existed between different jurisdictions.<sup>26</sup>

And similarly, an issue on which relitigation is foreclosed may due to “issue of law”, In jurisprudence, an issue of law is a question which must be answered by applying relevant legal principles, or by an interpretation of the law. In that new arguments may not be presented to obtain a different determination of that issue. Such a question is distinct from an issue of fact, which must be answered by reference to facts or inferences arising from those facts.<sup>27</sup> For example, question to “issue of fact”: had the invention been published before the application date? and, question to “issue of law”: had the invention been published before the application date constituted lack of novelty?

Circumstances of “identical issue” may contain the situation of “same claim”, but it does not equate to “same claim”. Same claim is a requirement to claim preclusion, it can be examined by the transactional test—a claim is precluded by a prior judgment if the actions arise out of the same underlying transaction or series of transactions.<sup>28</sup> And, these are different from the examination to “identical issue”.

It is further noted that “identical issue” does not equate to “same judgment” either. Same judgment was a prerequisite to issue preclusion to meet the mutuality requirement, i.e., the party to the subsequent suit was a party or in privity with a party to the initial suit. However, the mutuality requirement was rejected in 1942 by the California Supreme Court in *Bernhard v. Bank of America*.<sup>29</sup> Nearly thirty years later, the U.S. Supreme Court rejected mutuality as a matter of federal law in *Blonder-Tongue Laboratories v. University of Illinois Foundation*.<sup>30</sup>

It is noted that although the vast majority of courts addressing claim construction and issue preclusion focus on the “finality” factor of issue preclusion test,<sup>31</sup> but this article suggests that, in cases related to issue preclusion based on foreign patent litigations, the focus point would be the “identical issue” due to the variances between patent laws and associated regulations in different countries, as will be discussed in following cases.

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25. M. Stuart Maddent, *Issue Preclusion in Products Liability*, 11 PACE L. REV. 87, 117 (1990) (citing *Zweig v. E. R. Squibb and Sons*, 222 N. J. Super. 306, 311-12 (App. Div. 1988).

26. See *infra* discussion Parts of II.B.2, IV.B.

27. RESTATEMENT (SECOND) OF JUDGMENTS, § 27 cmt. c (AM. LAW INST. 1982).

28. RESTATEMENT (SECOND) OF JUDGMENTS, § 24 (AM. LAW INST. 1982).

29. *Bernhard v. Bank of America*, 122 P.2d 892 (Cal. 1942).

30. Erichson, *supra* note 9, at 965.

31. Matthew A. Ferry, *Different Infringement, Different Issue: Altering Issue Preclusion as Applied to Claim Construction*, 19 TEX. INTELL. PROP. L.J. 361, 369 (2011).

## 2. *Actually Litigated*

An issue of a case is actually litigated when the issue is properly raised and determined. It may include a motion to dismiss for failure to state a claim, a motion for judgment on the pleadings, a motion for summary judgment, a motion for directed verdict, and a motion on a judgment entered on a verdict.<sup>32</sup>

The determination of an issue by a judge in a proceeding conducted without a jury is conclusive in a subsequent action whether or not there would have been a right to a jury in that subsequent action.<sup>33</sup>

An interlocutory order in itself generally provides no issue preclusive effect on subsequent litigation. The CAFC has held that an interlocutory ruling that has not been subject to appeal normally cannot be given preclusive effect. Support for this premise is based on the fact that an interlocutory order is subject to free revision by the court on its own motion or on motion of any party at any time before judgment.<sup>34</sup>

If the parties to an infringement suit agree to dismiss the action without prejudice, this dismissal is not considered a judgment on the merits and therefore does not satisfy at least one requirement for issue preclusion. Thus, a dismissal without prejudice will have no issue preclusive effect in subsequent litigation.<sup>35</sup>

The general rule is that issue preclusion does not arise from a settlement or consent judgment. Typically, a judgment entered pursuant to a stipulation will give rise only to claim preclusion, not issue preclusion. Nevertheless, parties may wish that their consent decrees or settlements be preclusive with regard to specific issues, thus courts have occasionally applied collateral estoppel to these issues.<sup>36</sup>

It is frequently said that a valid and final personal judgment for the defendant will bar another action on the same claim only if the judgment is rendered “on the merits.” Increasingly, however, judgments not passing directly on the substance of the claim have come to operate as a bar. For example, default judgments or dismissals for failure to prosecute, may nevertheless carry claim-preclusive effect.<sup>37</sup> The term “on the merits” is not used in the Restatement (Second) of Judgments because it may be

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32. RESTATEMENT (SECOND) OF JUDGMENTS, § 27 cmt. d (AM. LAW INST. 1982).

33. *Id.*

34. Bradley & Kubasta, *supra* note 9, at 343 (citing *Luben Indus. v. United States*, 707 F.2d 1037, 1040 (9th Cir.1983)).

35. *Id.* at 342-43; Erichson, *supra* note 9, at 974.

36. Bradley & Kubasta, *supra* note 9, at 335-36 (citing ROBERT L. HARMON, PATENTS AND THE FEDERAL CIRCUIT 661 (5<sup>th</sup> ed., 2001)); RESTATEMENT (SECOND) OF JUDGMENTS, § 27 cmt. e (AM. LAW. INST. 1982).

37. Erichson, *supra* note 9, at 974.

misunderstood to refer only to judgments passing directly on the substance of a claim.<sup>38</sup>

### 3. *Essential to a Final Judgment*

The CAFC had held that judicial statements regarding the scope of patent claims are entitled to issue preclusion effect in a subsequent infringement suit only to the extent that determination of scope was “essential to a final judgment” on the issue of validity or infringement.<sup>39</sup> Therefore, if issues are determined but the judgment is not dependent upon the determinations, relitigation of those issues in a subsequent action between the parties is not precluded. Such determinations have the characteristics of dicta,<sup>40</sup> and may not ordinarily be the subject of an appeal by the party against whom they were made. In these circumstances, the interest in providing an opportunity for a considered determination, which if adverse may be the subject of an appeal, outweighs the interest in avoiding the burden of relitigation.<sup>41</sup>

For example, A, as owner of a patent, brings an action against B for infringement. B denies the validity of the patent and denies infringement. The court finds that the patent is valid, but that B had not infringed it, and gives judgment for B. Thereafter A brings an action against B alleging that after the rendition of the judgment, B infringed the patent. B is not precluded from defending this action on the ground that the patent is invalid, because the validity determination is not essential to the infringement judgment in the previous proceeding.<sup>42</sup>

If a court offers alternative holdings to explain the result in a particular case, is each alternative holding essential to the judgment and thus entitled to issue-preclusive effect in subsequent cases? Many, and perhaps most, federal courts give issue-preclusive effect to each alternative ground. Other courts and the Restatement (Second) of Judgments, however, take the view that each alternative holding is not essential to the judgment and therefore generally not entitled to issue-preclusive effect.<sup>43</sup>

In addition, both issue preclusion and claim preclusion require that the initial action have resulted in a final judgment.<sup>44</sup> In common law countries,

38. RESTATEMENT (SECOND) OF JUDGMENTS, § 19 cmt. a (AM. LAW INST. 1982).

39. *In re Freeman*, 30 F.3d 1465 (Fed. Cir. 1994).

40. GIFIS, *supra* note 23 (defining as statements, remarks, or observations in a judicial opinion not necessary for the decision of the case, which differ from the holding in that it is not binding on the courts in subsequent cases).

41. RESTATEMENT (SECOND) OF JUDGMENTS, § 27 cmt. h (AM. LAW INST. 1982).

42. RESTATEMENT (SECOND) OF JUDGMENTS, § 27 cmt. h (AM. LAW INST. 1982).

43. RESTATEMENT (SECOND) OF JUDGMENTS, § 27 cmt. i (AM. LAW INST. 1982); *See also* Erichson, *supra* note 9, at 969.

44. Erichson, *supra* note 9, at 972.

*res judicata* typically arises when the judgment on the merits cannot be reconsidered by the same court in ordinary proceeding, even though the decision may be subject to appeal. Hence, the term “final”, even as a condition for recognition and enforcement, is understood in a very flexible way.<sup>45</sup>

Judgment is considered final if it is not subject to additional proceedings in the court that determined the judgment.<sup>46</sup> This definition does not include appeals or potential modifications based on changed circumstances. Thus, courts may stay the proceedings until an appeal or modification is decided, but under the view of the Restatement (Third) of Foreign Relations, a court is not required to do so.<sup>47</sup>

A judgment otherwise final remains so despite the taking of an appeal unless what is called an appeal actually consists of a trial de novo.<sup>48</sup> And, it is well established that the pendency of an appeal does not affect the finality of a trial court’s holding and thus does not affect issue preclusion. Further, post-trial motions are pending does not affect the finality of a judgment and thus does not prevent its preclusive effect either.<sup>49</sup>

It appears that the CAFC has not yet explicitly addressed the preclusive effect of a Markman hearing claim construction on subsequent litigation, but several district courts have addressed this issue without reaching a consensus.<sup>50</sup>

Issue preclusion may also prevent the relitigation of claim interpretation issues during the reexamination of a patent. In *In re Freeman case*, the CAFC held that a claim construction essential to a final judgment in an earlier infringement suit constituted issue estoppel during a reexamination proceeding for the same patent.<sup>51</sup> It is noted that reexamination in our country is different.

#### 4. *Full and Fair Opportunity to Litigate*

Although an issue is actually litigated and determined by a valid and final judgment, and the determination is essential to the judgment, relitigation of the issue in a subsequent action between the parties is not precluded when the party sought to be precluded, as a result of the conduct

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45. Asensio, *supra* note 1, at 24.

46. See RESTATEMENT (THIRD) OF FOREIGN RELATIONS, § 481 cmt. e (AM. LAW INST. 1987).

47. RESTATEMENT (SECOND) OF JUDGMENTS, § 27 cmt. k (AM. LAW INST. 1982); Bradley & Kubasta, *supra* note 9, at 328; Erichson, *supra* note 9, at 972; Asensio, *supra* note 1, at 23.

48. RESTATEMENT (SECOND) OF JUDGMENTS, § 13 cmt. f (AM. LAW INST. 1982).

49. *Pharmacia & Upjohn v. Mylan Pharmaceuticals*, 170 F.3d 1373, 1381 (Fed. Cir. 1999); Bradley & Kubasta, *supra* note 9, at 335.

50. *Id.* at 337.

51. *In re Freeman*, 30 F.3d 1469 (Fed. Cir. 1994); *Id.* at 346.

of his adversary or other special circumstances, did not have an adequate opportunity or incentive to obtain a full and fair adjudication in the initial action.<sup>52</sup> Therefore, issue preclusion is appropriate, if that a party has had its “day in court”, i.e., an opportunity afforded an individual to have a claim litigated in a judicial setting.<sup>53</sup>

The CAFC has also emphasized that a full and fair opportunity to litigate is quite narrow and does not involve a judgment on the merits: “It is clear from the case law that has developed since *Blonder-Tongue* that an inappropriate inquiry is whether the prior finding of invalidity was correct; instead, the court is only to decide whether the patentee had a full and fair opportunity to litigate the validity of his patent in the prior unsuccessful suit.” This guideline most likely applies with equal force to the application of collateral estoppel to claim interpretation issues.<sup>54</sup>

This requirement again emphasizes the equitable nature of issue preclusion and the resulting difficulty in predicting the success of a collateral estoppel defense. In *Blonder-Tongue*, however, the Supreme Court enumerated several factors that might be considered when determining whether a patentee had the “full and fair opportunity to litigate” on the issue of patent invalidity: (1) does the earlier court’s opinion indicate that it applied the appropriate legal standards in reaching its conclusion; (2) does the earlier court’s opinion indicate that the court “wholly failed to grasp the technical subject matter and issues in suit”; and/or (3) without fault of his own, was the patentee “deprived of crucial evidence or witnesses in the first litigation.” These factors may also apply for claim interpretation issues as well.<sup>55</sup>

Rationale for the full and fair opportunity to litigation is that the policy supporting issue preclusion is not so unyielding that it must invariably be applied, even in the face of strong competing considerations. There are instances in which the interests supporting a new determination of an issue already determined outweigh the resulting burden on the other party and on the courts. For example, the amount in controversy in the first action may have been so small in relation to the amount in controversy in the second that preclusion would be plainly unfair. But such instances must be the rare exception, and litigation to establish an exception in a particular case should not be encouraged. Thus it is important to admit an exception only when the need for a redetermination of the issue is a compelling one.<sup>56</sup> Absent a

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52. RESTATEMENT (SECOND) OF JUDGMENTS, § 28(5)(c) (AM. LAW INST. 1982).

53. West’s Encyclopedia of American Law 486 (2<sup>nd</sup> ed., 2005).

54. *Mylan Pharmaceuticals*, 170 F.3d 1373, 1380 (quoting *Stevenson v. Sears, Roebuck and Co.*, 713 F.2d 705, 709, 218 U.S.P.Q. (BNA) 969, 973 (Fed. Cir. 1983). Bradley & Kubasta, *supra* note 9, at 347.

55. *University of Illinois Foundation*, 402 U.S. at 333.

56. RESTATEMENT (SECOND) OF JUDGMENTS, § 28(5) and cmt. g (AM. LAW INST. 1982).

strong showing to the contrary, we assume that both had a full and fair opportunity to litigate the relevant issues.<sup>57</sup>

### C. *Transnational Recognition*

Given that each and every state's jurisdiction in the U.S. is independent to each other, the recognition of a previous case rendered by a court of different state for preclusion effect purpose shall pursuant to the Article IV, Section 1 of the U.S. Constitution, which provides that "Full Faith and Credit shall be given in each State to the . . . judicial Proceedings of every other State".<sup>58</sup>

When seeking to recognize of a previous case of foreign country for preclusion effect purpose, it is necessary to confirm whether the "other State" applies to a foreign country. The proponent suggested this clause had carried over into recognizing judgments of foreign states.<sup>59</sup> The opponent argued that foreign-country judgments are outside the sweep of full-faith-and-credit clause, but are generally recognized and enforced as a matter of "comity".<sup>60</sup> Comity is a basic explanation for the recognition and enforcement of foreign countries, as stressed by the U.S. Supreme Court in *Hilton v. Guyot* decision, defining it as "the recognition which one nation allows within its territory to the legislative, executive or judicial acts of another nation, having due regard both to international duty and convenience, and to the rights of its own citizens, or of other persons who are under the protection of its laws."<sup>61</sup>

The pertinent issue preclusion rules for purpose of recognizing a foreign judgment come from three sources, i.e., the *Hilton* case, Restatement (Third) of Foreign Relations, and Restatement (Second) of Judgments.<sup>62</sup>

In *Hilton*, the Court held that, in order to recognize a foreign judgment, an U.S. court shall be convinced of the following: (1) a full and fair trial took place in a competent foreign court; (2) the trial took place under regular proceedings; (3) the defendant appeared voluntarily or received due notice of the proceeding; (4) the foreign country's judicial system is likely to secure impartiality between foreign parties and its own domestic parties; (5) prejudice does not exist within the court or with respect to the foreign country's system of laws; (6) no fraud took place in the decision making

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57. RESTATEMENT (SECOND) OF JUDGMENTS, § 28 cmt. j (AM. LAW INST. 1982).

58. U.S. CONST. art. IV, § 1.

59. Muraff, *supra* note 12, at 646.

60. Graham C. Lilly, *The Symmetry of Preclusion*, 54 OHIO ST. L.J. 289, 316 n. 99 (1993); McGarrigle, *supra* note 14, at 109.

61. *Hilton v. Guyot*, 159 U.S. 113, 163-64 (1895).

62. Muraff, *supra* note 12, at 648.

process; and (7) the foreign court had jurisdiction to decide the case.<sup>63</sup>

This case had been interpreted in different ways, for example, many courts interpreted it to set forth the “reciprocity” requirement,<sup>64</sup> and provided grounds for non-recognition.<sup>65</sup> It is noted that reciprocity is a factor which may cause the failing to recognize the foreign judgment, thereby declines to apply issue preclusion. Reciprocity means the recognition of issue preclusion is based on the rendering country would recognize a judgment of the country where recognition is sought if the circumstances were reversed. However, most U.S. courts and the modern trend in many countries appear to abolish the reciprocity.<sup>66</sup>

Restatement (Third) of Foreign Relations addresses international considerations and provides that a judgment from a foreign country is entitled to recognition in the U.S. if the judgment rendered is final and conclusive between the parties; and the judgment granted or denied a sum of money, established or confirmed the status of a person, or determined interests in property.<sup>67</sup> The Restatement (Third) of Foreign Relations states that the Restatement (Second) of Judgments is applicable to foreign judgments as well.<sup>68</sup> Restatement (Second) of Conflict of Law conveys a similar rule.<sup>69</sup> And, effectiveness of foreign judgments after recognition is represented by doctrine of extension effect (*Wirkungserstreckung*) and doctrine of equalization effects (*Gleichstellung*).<sup>70</sup>

Since the Congress gives the CAFC exclusive appellate jurisdiction for district court cases involving patents, the CAFC’s decisions, as well as the Supreme Court’s decisions, should guide the district courts with respect to recognizing foreign judgments in U.S. patent litigation, wherein the CAFC has harsh view against recognizing foreign patent judgments.<sup>71</sup>

## II. ISSUE PRECLUSION BY FOREIGN PATENT JUDGMENT

### A. *Cuno Inc. v. Pall Corp.*

In *Cuno Inc. v. Pall Corp.*,<sup>72</sup> plaintiff Cuno Inc. (“Cuno”) and

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63. *Guyot*, 159 U.S. at 202.

64. Muraff, *supra* note 12, at 649.

65. McGarrigle, *supra* note 14, at 107, 129-30.

66. Asensio, *supra* note 1, at 7.

67. RESTATEMENT (THIRD) OF FOREIGN RELATIONS, § 481(1) (AM. LAW INST. 1987).

68. *Id.* §§ 481-88 introductory note.

69. *Id.* (a valid judgment rendered in a foreign nation . . . will be recognized in the United States so far as the immediate parties and the underlying cause of action are concerned); Restatement (Second) of Conflict of Laws, § 98 (Am. Law Inst. 1969 & Supp. 1986).

70. Asensio, *supra* note 1, at 13.

71. Muraff, *supra* note 12, at 659.

72. *Cuno Inc. v. Pall Corp.*, 729 F. Supp. 234 (E.D.N.Y. 1989).

defendants Pall Corp. (“Pall”) are competitors in the microporous nylon membrane filters field. Pall developed said filters and applied in 1978 for a patent from the USPO. The following year Pall applied for counterpart patents in approximately two dozen countries, primarily through the European Patent Office (“EPO”) in Germany. Cuno opposed these foreign patent applications in the various patent offices.<sup>73</sup> In 1975 Cuno was granted the first of the patents, U.S. Patent No. 3,876,738 (“’738”). The ’738 patent describes a process for producing membrane filters, in part by mixing nylon with a solvent and a non-solvents and spreading the resultant liquid “dope solution” into sheet form under the surface of a quenching medium.<sup>74</sup>

Pall initiated a lawsuit in U.K. in 1987 against Cuno, claiming that Cuno’s membranes infringed key claims made in Pall’s EPC patent. The U.K. court ruled in Pall’s favor and concluded, *inter alia*, that Pall’s patent was valid and Cuno’s membranes infringed claims in Pall’s EPC patent.<sup>75</sup>

In 1989, Pall move for partial summary judgment in the U.S. district court based on the issue preclusion effect of factual findings made by the U.K. court in the prior adjudication between the parties. Pall argue that the findings of fact made by the foreign court are entitled to preclusive effect since the patent issued by the EPO describes the same technological invention and makes claims that are in all material ways identical to those contained in Pall’s U.S. patent. However, in light of the CAFC’s precedents, the court thereby held that it was bound by these prior decisions and did not grant the summary judgment.<sup>76</sup>

### 1. *Variances in Patent Laws*

It had long been known that the CAFC had a harsh view of recognizing foreign patent judgment, and can be shown in cases such as *In re Yarn Processing Patent validity Litigation*,<sup>77</sup> wherein the court pointed out that the invention day in Canada set forth as “reduce to practice”, i.e., the date when an inventor has actually created a patentable invention.<sup>78</sup> The CAFC considered it quite different from the invention date being the date of conception in the U.S.,<sup>79</sup> and would create an insurmountable barrier to negate rendering of issue preclusion.<sup>80</sup>

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73. *Id.* at 236.

74. *Id.*

75. *Id.* at 237.

76. *Id.* at 235.

77. *In re Yarn Processing Patent validity Litigation*, 498 F.2d 271 (8<sup>th</sup> Cir. 1974).

78. *Id.* at 279.

79. Muraff, *supra* note 12, at 657-58.

80. *Caterpillar Tractor Co. v. Berco S.p.A.*, 714 F.2d 1110, 1116 (Fed. Cir. 1983) (citing *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1538-39 (Fed. Cir. 1983)) (explaining that the “varying legal and procedural requirements for obtaining patent protection in foreign countries might



Here, there are some other significant differences in patent laws as well. Scholars pointed out that, in the U.S., an invention is required to have “utility,” while the EPO requires a similar but different limitation that an invention shall have “industrial applicability.” For example, Europe uses the industrial applicability requirement to exclude medical methods from patentability, while the U.S. does not exclude them under the utility requirement. Thus, it is quite possible that an applicant, filing a patent application in Europe, may be required to modify patent claims to meet the industrial applicability standard. Therefore, when the same patent is filed in the U.S., the different contents of patent claims may be found due to differences of industrial applicability requirement and utility requirement respectively. It is why that the CAFC consistently found that foreign proceedings had no relevance to U.S. patents.<sup>81</sup>

## 2. *Issue of Fact or Law*

Due to the CAFC’s harsh view of recognizing foreign judgment, the district court in *Cuno* thereby did not grant the summary judgment,<sup>82</sup> but strongly criticized that a well and thoroughly reasoned decision reached by a highly skilled and scientifically informed justice of the patent court of U.K. after four weeks of trial, but must be ignored and essentially the same issues with the same evidence must now be retried by American jurors with no background in science or patents, whose average formal education will be no more than high school. It is a quiddity of their law.<sup>83</sup>

In this case, it is therefore found that the issue preclusion effect applies only to finding of facts, not even facts mixed with law. Obviously, the CAFC’s reluctance to give issue preclusion effect to foreign judgments would seem to apply here to foreign findings of fact only.<sup>84</sup> Since claim interpretation is an issue of law, so the court did not discuss them. It is noted, however, that claim interpretation in practice is essentially a mixed issue of fact and law.<sup>85</sup>

Therefore, there were commentators suggested that courts should not distinguish between issues of fact and issues of law when deciding whether to accept the use of issue preclusion. Instead, courts should focus on the

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render consideration of certain types of representations inappropriate”); *Id.* at 654.

81. See Toshiko Takenaka, *The Best Patent Practice or Mere Compromise? A Review of the Current Draft of the Substantive Patent Law Treaty and a Proposal for a “First-to-Invent” Exception for Domestic Applicants*, 11 TEX. INTELL. PROP. L.J. 259, 339 (2003); Brian R. Cheslek, “*You Said What?*” *A Look at the Influence of Foreign Patent Prosecution on Domestic Infringement Litigation*, 3 J. MARSHALL REV. INTELL. PROP. L. 119, 133 (2003).

82. Muraff, *supra* note 12, at 658.

83. *Pall Corp.*, 729 F. Supp. at 239.

84. *Id.* at 239.

85. Muraff, *supra* note 12, at 663.

similarities in the subject matter between the two lawsuits, rather than whether the issue is legal or factual.<sup>86</sup> Indeed, the U.S. Supreme Court had held that issue preclusion prevents subsequent litigation on an “issue of fact or law” that was previously litigated and determined by a valid and final judgment, and such determination was essential to the judgment. Obviously, issue of law had not been excluded according to this decision.

Traditionally, distinguishing of fact and law is conducted for purpose of allocating the discretion power between the trier of fact, the jury, and the trier of law, the judge.<sup>87</sup> However, not all cases have a jury, and the judge needs to address issue of fact when there is no jury in said case. As mentioned, the determination of an issue by a judge in a proceeding without a jury is conclusive in a subsequent action whether or not there would have been a right to a jury in that subsequent action.<sup>88</sup>

Based on these statements, it may mistakenly lead us to conclude that, for purpose of applying issue preclusion, it is not necessary to distinguish issue of facts and law. However, this article argued that the very reason why CAFC uphold a harsh view of recognizing foreign judgment is due to difficulty of identifying the “identical issue,”<sup>89</sup> causing by variances between patent laws and associated regulations in different countries. Separating law from facts in essence is to avoid the impacts caused by variances of laws, therefore a necessity for ensuring to acquire the “identical issue” before applying issue preclusion.

#### B. *Vas-Cath v. Mahurkar*

In *Vas-Cath v. Mahurkar*,<sup>90</sup> Defendant Mahurkar held several patents on dual-lumen hemodialysis catheters. A dual-lumen catheter is a pair of tubes designed to allow blood to be removed from an artery, processed in a machine that removes impurities, and returned close to the place of removal.<sup>91</sup>

Plaintiff Vas-Cath filed this suit seeking a declaratory judgment that their dual-lumen hemodialysis catheters did not infringe Mahurkar’s U.S. patents, contending, *inter alia*, that those patents were invalid and the claims

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86. United States v. Stauffer Chem. Co., 464 U.S. 165, 170-71 (1984).

87. Hsieh Tsu-Sung (謝祖松), *Meiguo Zhuanli Susong Zhi Yuwai Quzheng Ji Zhengju Shenli Moshi* (美國專利訴訟之域外取證及證據審理模式) [*A Study of Extritorial Discovery in American Patent Litigation and Evidential Regulations Thereof*], 11 ZHONGZHENG CAIJING FAXUE (中正財經法學) [CHUNG CHENG FINANCIAL AND ECONOMIC L. REV.] 107, 126 (2015).

88. RESTATEMENT (SECOND) OF JUDGMENTS, § 27 cmt. d (AM. LAW INST. 1982).

89. See *supra* discussion of Part I.B.1.

90. *Vas-Cath v. Mahurkar*, 745 F. Supp. 517 (N.D. Ill. 1990), rev’d on other grounds, 935 F.2d 1555 (Fed. Cir. 1991).

91. *Id.* at 518.

of the patents did not cover Vas-Cath's catheters.<sup>92</sup>

In 1981 Mahurkar sent Vas-Cath some double-D tubing with a request for help in "forming a smooth tip and bevel satisfactory for penetration test". Vas-Cath crafted some tips along lines Mahurkar suggested, and sent along at least two tips of its own design. Mahurkar contended that Vas-Cath stole his ideas when it began to market its own dual-lumen catheters. Vas-Cath contended that Mahurkar stole its ideas when obtaining his patents.

This dispute led to patent litigation in Canada, Vas-Cath's base. Mahurkar sued Vas-Cath for infringing his Canadian Patent No. 1,193,508 ("508"). Vas-Cath defended on the usual grounds, i.e., obviousness, anticipation, non-infringement, etc. After a trial on the merits, the Federal Court of Canada resolved almost every issue of fact and law in favor of Mahurkar, holding that several of the claims of Canadian '508 were too broad.

Mahurkar's U.S. Patent No. 4,583,968 ("968") covered the same invention as Canadian '508. He sought summary judgment that Vas-Cath's first generation of catheters infringe the '968 patent, on the theory that the Canadian judgment precluded Vas-Cath from denying either the validity of the '968 patent or infringement by its catheters. Vas-Cath replied that the judgment concerning Canadian '508 had no force with respect to U.S. '968, but that, if it did, Vas-Cath was at least entitled to a declaration invalidating the American claims corresponding to the Canadian claims that the Canadian court found overbroad.<sup>93</sup> The district court acknowledged these arguments and used several factual determinations from the Canadian judgment to preclude those issues from argument in the U.S. court.<sup>94</sup>

This factual finding was as relevant to the inventorship of U.S. '968 as it was to Canadian '508. Who was the inventor and who the copier was a staple question in any patent system, and the Canadian decision did not depend on any features of Canadian law not shared by U.S. law. It was a decision of fact, reached after full and fair litigation.<sup>95</sup>

Again, this case revealed that, in terms of issue preclusion, facts are acceptable but not law based on the concern of differences of patent laws. And, from another perspective, this article further discusses the preclusion of novelty, non-obviousness, and description to illustrate the in depth differences of patent laws.

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92. *Id.* at 520.

93. *Id.* at 524-25.

94. Muraff, *supra* note 12, at 639.

95. *Mahurkar*, 745 F. Supp. at 527.

### 1. *Preclusion of Novelty*

In the first proceeding, the Canadian court reasoned that the '508 patent claims 7 and 14 referred to a catheter tube which was bisected into two equally-sized lumens that tapered toward the tip, and that the argued prior art references did not claim these features.<sup>96</sup> According to the court's interpretation of expert witnesses, the purpose of the tapered end differentiated the '508 patent from the argued prior art references, therefore the '508 patent was not anticipated by the argued prior art.<sup>97</sup>

It is noted that the Canadian law does not require a "person skilled in the art" to know about the prior art. On the other hand, in the U.S., if the prior art exists in the public, the courts impute the prior art to the knowledge of a "person having ordinary skill in the art" ("PHOSITA").<sup>98</sup> However, the expert witnesses in the Canadian case were actually aware of the prior art, so the U.S. court held that this difference was of no consequence, and that it would not consider prior art before the date of invention to show that the '968 patent was not novel.<sup>99</sup>

Since that the U.S. court held that this difference was of no consequence due to the expert witnesses in the Canadian case were actually aware of the prior art, so the U.S.'s PHOSITA in this regard may be equated to the Canadian "person skilled in the art", or more specifically, the "expert". However, according to the U.S. doctrine, the PHOSITA does not equate to the expert.<sup>100</sup> So, the U.S. court in this case, by imputing the prior art to the knowledge of an expert, appeared to adopt a more flexible way of defining PHOSITA and thereby interpreting preclusion of novelty.

### 2. *Preclusion of Non-obviousness*

In determining whether the patent was obvious, the Canadian court

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96. *Mahurkar v. Vas-Cath of Canada Ltd.*, [1988] 18 C.P.R. (3d) 417 (F.C.T.D.), aff'd [1990] 32 C.P.R. (3d) 409, 430-32 (F.C.A.).

97. *Id.* at 431-32.

98. The establishment of both novelty and non-obviousness are determined by comparing prior art(s) with the current invention. Since this comparing process is conducted by PHOSITA if the current invention is applying for an U.S. patent, and "a person skilled in the art" if for a Canada one. And, these determinations may involve novelty issues. See Sean B. Seymore, *Rethinking Novelty in Patent Law*, 60 DUKE L.J. 919, 943 n. 119 (2011) (exploring anticipation issues that can arise when the asserted prior art reference discloses a voluminous list of compounds. Nonetheless, hindsight problems might arise when the examiner is allowed to pick and choose among documents to describe what the PHOSITA knew in the past).

99. *Mahurkar*, 745 F. Supp. at 528.

100. See e.g., Hsieh Tsu-Sung (謝祖松), *Meiguo Zhuanli Fa Shang "Juyou Tongchang Jishu Zhe" Zhi Tantaos* (美國專利法上「具有通常技術者」之探討) [*A Study of U.S. Patent System's PHOSITA*], 76 TAIPEI DAXUE FAXUE LUNCONG (臺北大學法學論叢) [NAT'L TAIPEI UNIV. L. REV.] 43, 59-60 (2010).

considered testimony from an expert witness that a problem existed with catheter designs in the catheter industry.<sup>101</sup> Mahurkar's invention solved a catheter industry problem and the invention sustained substantial commercial success.<sup>102</sup> These factors, being relevant to the non-obviousness of the patentability of an invention in Canada, persuaded the court to conclude that the invention was not obvious and not invalid.<sup>103</sup>

The U.S. court also considered the differences between the obviousness requirements in the U.S. and Canada, and held that the requirements are nearly identical except for one aspect mentioned-above. And, the U.S. court did not consider this difference an obstacle to issue preclusion because two of the most skilled practitioners at the time, who were aware of the prior art, testified in the Canadian case that the '508 invention was not obvious. Hence, the court recognized the Canadian obviousness determination for all prior art which the Canadian court considered. In doing so, the U.S. court precluded Vas-Cath from arguing prior art before the date of invention to show that the '968 invention was obvious.<sup>104</sup>

Although the U.S. court held that prior art before the date of invention is precluded to show that the '968 invention was obvious, this article notes that if a new evidence before the date of invention is submitted to challenge the obviousness in the second proceeding, the court still needs to consider based on the reason mentioned in "ultimate fact".<sup>105</sup> And this article further argues that there are factors to be considered in terms of secondary consideration to non-obviousness. First, whether the industrial problem is referring to the Canadian industrial problem or the one in the US industrial. Second, whether the commercial success is referring to the Canadian market or the one in the US market.<sup>106</sup>

### 3. *Preclusion of Enablement Requirement*

Vas-Cath alleged that the specification failed to disclose information concerning where to obtain and how to create a specific portion of the invention claimed in Mahurkar's Canadian patent claims 5, 6, 7, and 14 as of the 1984 priority date<sup>107</sup> for the '508 patent.<sup>108</sup> The Canadian court

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101. *Vas-Cath of Canada Ltd.*, 18 C.P.R. (3d), at 432-36 (discussing witness testimony which proved that there was an unmet need for catheters that facilitated continuous hemodialysis).

102. *Vas-Cath of Canada Ltd.*, 18 C.P.R. (3d), at 436 (stating that there was "rapid acceptance of the product" into the market and that the product provided millions of dollars in sales over a four year period).

103. *Id.*

104. Muraff, *supra* note 12, at 641.

105. *See supra* discussion of Part I.B.1; *Id.* at 637.

106. *Id.*

107. *Mahurkar*, 745 F. Supp. at 529 ("In Canada, the patent laws take into consideration all prior art before the date of invention. In the United States, under 35 U.S.C. § 102(b) (1988), the patent laws

considered expert testimony on this issue and determined that persons skilled in the art knew about the materials and the creation techniques, and that the disclosure “enabled one to practice” the invention.<sup>109</sup> Thus, the court held that these patent claims were valid with respect to the disclosure enabling a person skilled in the art to practice the invention as of the 1984 priority date.<sup>110</sup>

This article further argues that, according to the U.S. patent law, the legal fiction PHOSITA in determining obviousness and description sufficiency plays different roles.<sup>111</sup> Here, the Canadian rule apparently utilizes the expert witness to fit both conditions. It is therefore necessary to consider the differences in this matter when the Canada court held the person skilled in art to be an expert because it is conflicted with the definition of the PHOSITA in the enablement arena in the U.S.

#### 4. *Differences in Patent Claims and Prior Arts*

A patent claim defines the boundaries of the patentee’s right to exclude,<sup>112</sup> which provides a line marking the limits of the patentee’s right to exclude others from using the “claimed” invention.<sup>113</sup> Before the scope of claimed invention is confirmed, it is normal that applicants would receive the office action during application of patent, and mostly the examiner would require the applicant to amend the claim(s). Then the applicant would more than likely amend to reduce the scope of the claim(s) of the invention. Not only because that the regulations providing no amendment may enlarge the scope of the claims of the patent, but also because that the applicant has to restrict the scope of claim such that he/she would be able to avoid the anticipation of the cited prior art.<sup>114</sup>

In *Vas-Cath*, there were such kind of differences exist between the U.S. patent and corresponding Canadian patent. Specifically, four elements of the U.S. patent claims 1 and 7 were parallel to but slightly narrower than the Canadian patent claims 1 and 5. The court did not state whether these

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take into consideration all prior art prior to one year before the patent application filing date.”). *Id.*

108. *Vas-Cath of Canada Ltd.*, 18 C.P.R. (3d), at 436-37.

109. *Id.* at 437-38.

110. *Id.* at 438.

111. Hsieh, *supra* note 100, at 120.

112. *See Bloomer v. McQuewan*, 55 U.S. 539, 549 (1852) (“The patent grants consists altogether in the right to exclude everyone from making, using or vending the thing patented without the permission of the patentee. This is all he obtains by the patent.”).

113. 35 U.S.C. § 112 (2000) (“The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.”).

114. 37 C.F.R. § 1.530(j).

differences would cause any effect,<sup>115</sup> nor did the court considered any factual evidence, such as the prosecution history or expert testimony, in its interpretation of the differences between the two patents. Thus, a commentator stated that the court may have overstated the similarity between the two patents.<sup>116</sup>

On the other hand, since the Canadian court considered several prior art references before the priority date in its determination of the validity of the patent claims, the U.S. court precluded all prior art before the priority date in its determination of novelty and obviousness. However, if prior art existed before the priority date and the Canadian court did not actually litigate this prior art, issue preclusion was limited. A court should not preclude consideration of prior art which was not actually litigated in a previous suit.<sup>117</sup>

From above-mentioned *Cuno to Vas-Cash*, this articles has pointed out several differences between the foreign (first) proceeding and the domestic (second) one, i.e., different patent law resulting in different regulation to patentability including industrial application, PHOSITA, enablement, and definition of prior art, etc.

### III. ISSUE PRECLUSION BY FOREIGN PATENT PROSECUTION HISTORY

The patent infringement analysis starts from construing the asserted claims. In determining proper claim construction, two forms of evidence are available for guidance, i.e., intrinsic evidence and extrinsic evidence, both are designed to help the court develop a complete understanding of a claim's meaning. Ironically, the distinguishing factors between these two forms of evidence are very vague.<sup>118</sup>

Intrinsic evidence in a patent case includes the patent claims, specification and prosecution history.<sup>119</sup> In particular, the prosecution history is of substantial importance in infringement suits that rely on the doctrine of equivalents as a basis of the infringement claim, because prosecution history estops patentees from trying to recover any subject matter that they were forced to relinquish in order to obtain the patent.<sup>120</sup>

Extrinsic evidence has been classified as everything but intrinsic evidence. This typically includes manuals, expert testimony, inventor

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115. *Mahurkar*, 745 F. Supp. at 529.

116. Muraff, *supra* note 12, at 664.

117. *Id.*

118. *Pitney Bowes, Inc. v. Hewlett Packard Co.*, 182 F.3d 1298, 1308 (Fed. Cir. 1999) (indicating there are no specially crafted rules governing extrinsic evidence).

119. *See Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979 (Fed. Cir. 1995).

120. *Tanabe Seiyaku Co. v. ITC*, 109 F.3d 726, 732 (Fed. Cir. 1997); *Berco, S.p.A.*, 714 F.2d at 1110, 1116.

testimony, and similar evidence. *Markman* held that extrinsic evidence is “evidence outside the record before the USPTO, such as expert testimony about how those PHOSITA would interpret certain language in the claim”. And, it may be considered “when appropriate as an inherent part of the process of claim construction and as an aid in arriving at the proper construction of the claim.”<sup>121</sup> Used properly, extrinsic evidence should help a court to fully understand the meaning of the patent.<sup>122</sup>

A. *Statements Made to Foreign Counsel - Caterpillar Tractor Co. v. Berco, S.p.A.*

In *Caterpillar Tractor Co. v. Berco, S.p.A.*,<sup>123</sup> Caterpillar Tractor Co. (“Caterpillar”) sued Berco, S.p.A. (“Berco”) in Wyoming for infringement of Caterpillar’s Patent No. 3,841,718 (“718 patent”) for an “Augmented Crescent Seal With Compensating Load Ring” owned by Caterpillar. After Caterpillar had charged Berco’s type I seal as an infringement, Berco began producing a modified seal (type II) in place of the type I.

After a five-day trial, the district court held claims 1, 10 and 19 valid and infringed by Berco’s type I and type II seals. Berco admitted infringement with respect to the type I seal, but challenged the finding that Berco’s type II seal constitutes an infringement of claims 1, 10, and 19. Berco cited instructions of Caterpillar’s counsel to his foreign counsel describing the embodiment, and a representation of his German counsel to the German patent office distinguishing over certain references, during Caterpillar’s prosecution of patent applications on the same invention in U.K. and Germany.

The court held that although the particular instructions and representation here cited indicate that Berco’s equivalent embodiment was not contemplated, that does not, however, serve as a basis for denying application of the doctrine of equivalents to claims 1 and 19. Nor could those cited instructions and representation serve as a basis for reading a limitation into claim 10. In the present case, the cited instructions and representation are insufficient to require a reversal of the district court’s findings on infringement as clearly erroneous.<sup>124</sup>

For a claim to be literally but not actually infringed, a claim mostly read on a structure having relation to the invention.<sup>125</sup> Since the hinge of Berco’s type II seal is thinner than the sealing flange, but it is not thinner than the

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121. See *Markman*, 52 F.3d at 979.

122. Cheslek, *supra* note 81, at 124.

123. *Berco*, S.p.A., 714 F.2d at 1110.

124. *Id.* at 1116 (citing *Aeroquip Corp.*, 713 F.2d 1530, slip op. at 18).

125. *Id.* at 1115.



driving flange, so Caterpillar's claims do not read on Berco's type II seal, and there is no literal infringement of those claims.<sup>126</sup> Then, Berco counters with the doctrine of file history estoppel. It has long been settled that recourse may not be available to the assertion of doctrine of equivalents to recapture claims which the patentee has surrendered by amendment.<sup>127</sup>

File history made to foreign counsel during foreign patent application can be estopped and cannot be used for claiming doctrine of equivalence, although patent procedure and prosecution may differ among foreign countries. Varying legal and procedural requirements for obtaining patent protection in foreign countries might render consideration of certain types of representations inappropriate.<sup>128</sup>

Nonetheless, the court concluded that the rejection of interest was related to section 112 of the Patent Law, not to prior art, and there is nothing in the file history to estop Caterpillar from relying on the doctrine of equivalents.<sup>129</sup>

#### B. *Statements Made to Foreign Examiner - Tanabe Seiyaku Co. v. ITC*

In *Tanabe Seiyaku Co. v. ITC*,<sup>130</sup> petitioner Tanabe Seiyaku Co., Ltd. (Tanabe) petitioned the United States International Trade Commission (the Commission) for a determination that the importation and sale of diltiazem by respondents was a violation of U.S. law because the product was produced by a process that infringed the U.S. Patent No. 4,438,035 ('035) owned by Tanabe.<sup>131</sup>

The Commission considered statements made by Tanabe to foreign patent offices in prosecuting '035 counterpart applications in Finland and Israel, and before the EPO. The '035 counterpart applications were initially rejected by all three of those patent offices, all citing U.S. Patent No. 3,075,967 to Krapcho ('967). In response to those rejections, Tanabe argued that the invention was patentable over the '967 patent because Tanabe's five specific base-solvent combinations gave unexpectedly better results than other combinations of bases and solvents. Tanabe submitted a Comparative Test Report to show the examiners that the five specific base-solvent combinations were better than other base-solvent combinations, and argued to each of the three patent offices that its invention was not obvious.<sup>132</sup>

The Commission concluded that, based on claim language and the

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126. *Id.*

127. *Id.* at 1114 (citing *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126, 136 (1942)).

128. *Id.* at 1116 (citing *Aeroquip Corp.*, 713 F.2d 1530); Cheslek, *supra* note 81, at 127.

129. *Id.* at 1115.

130. *ITC*, 109 F.3d at 726.

131. *Id.* at 727.

132. *Id.* at 729.

statements made to foreign patent offices as part of the prosecution history, Tanabe showed that it “intended to exclude all bases and solvents other than as particularly claimed, including those that might generally be thought of as equivalent, because the inventors believed that only through the unique base-solvent combinations stated could their requirements to produce diltiazem in high yield be realized.” The Commission therefore denied the petition. Tanabe appealed to the CAFC.<sup>133</sup>

Tanabe claimed that doctrine of equivalence should be applied because it used butanone mixed with water rather than acetone. However, the court held that Tanabe’s statements to the foreign examiner eliminated arguable equivalents from the scope in the U.S. claims and affirmed the Commission’s decision.<sup>134</sup>

Again, to construe the meaning and scope of a claim, it is an issue of law, which shall be determined by the judge. Accordingly, the judge examined the claim language, the specification, and the prosecution history.<sup>135</sup> Specifically, the court evaluated “representations to foreign patent offices should be considered . . . when the comprised relevant evidence.<sup>136</sup> The extrinsic evidence in this case included the comparative Test Report before the EPO, and the Finland and Israel patent offices.<sup>137</sup>

As the court affirmed the Commission’s decision, Tanabe argued that the court was conducting a “foreign prosecution estoppel”, however, the court held that it did not read the ITC’s decision to establish estoppel related to the prosecution of foreign counterpart to the ’035 patents.<sup>138</sup>

Yet, there is another issue to this case is that it involved of ITC, an administrative tribunal.<sup>139</sup> The applicable rule is that a valid and final adjudicative determination by an administrative tribunal has the same effects under the rules of *res judicata*, subject to the same exceptions and qualifications, as a judgment of a court.<sup>140</sup> This would, of course, apply to the issue preclusion.

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133. *Id.* at 727.

134. *Id.* at 730-31.

135. *Id.* at 732.

136. *Id.* at 733.

137. *Id.*

138. *Id.*

139. See generally Hsieh Tsu-Sung (謝祖松), *Lun Zhuanli Xingzheng Jiguan Zi Sifaquan – Yi Meiguo Ji Dalu Xiangguan Zhidu Wei Bijiao Duixiang* (論專利行政機關之司法權—以美國及大陸相關制度為比較對象) [A Study of the Judicial Power Exercised Within the Administrative Branch – Comparing the Respective Systems in the U.S. and P.R.C.], 22 MINGCHUAN DAXUE FAXUE LUNCONG (銘傳大學法學論叢) [MING CHUAN UNIV. L. REV.] 39, 39-73 (2015) (introducing these administrative agencies are called tribunals because they have ALJs, by whom render decisions rather than administrative officers).

140. RESTATEMENT (SECOND) OF JUDGMENTS § 83 (1) (AM. LAW INST. 1982).

### C. *Extrinsic Evidence and Burden of Proof*

Determining literal infringement and infringement under the doctrine of equivalents are both an issue of fact.<sup>141</sup> And, despite that the doctrine of equivalents is limited by several legal limitations such as prosecution history estoppel,<sup>142</sup> the prosecution history itself is an issue of fact, and indeed, as mentioned, an intrinsic evidence.<sup>143</sup>

It is noted that the issue of fact or even issue of law mixed with fact,<sup>144</sup> when coming from foreign countries, would be in essence an extrinsic evidence. So, if a prosecution history containing statements of related foreign patents, then it is no longer an intrinsic evidence, but extrinsic evidence. And, the most frequently overlooked and least used form of extrinsic evidence involves statements made in the prosecution of related foreign patents.<sup>145</sup> And, for purpose of discussing extrinsic evidence and burden of proof thereof, determining the admission of extrinsic evidence may need to heighten standard of proof.

A commentator argued that there are drawbacks regarding admission of foreign statements and foreign prosecution history,<sup>146</sup> and suggested prohibiting the use of the foreign statements and foreign prosecution history as extrinsic evidence.<sup>147</sup>

To avoid the problem caused by different systems, commentators suggested filing application via Patent Convention Treaty (PCT) route.<sup>148</sup> This is similar to the suggestion provided by judge of above-mentioned *Cuno* case about establishment of a universal patent system.<sup>149</sup> However, this article suggests that establishing a universal patent system may not be a realistic approach because it involves too much complexity and would more

141. *Crown Packaging Tech., Inc. v. Rexam Beverage Can Co.*, 599 F.3d 1308, 1312 (Fed. Cir. 2009).

142. *Warner-Jenkins Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 39 (1997).

143. *See Markman*, 52 F.3d at 979.

144. *See supra* discussion of Part II.A.2.

145. *Id.* at 126.

146. Cheslek, *supra* note 81, at 130-31 (“Foreign statements, in the form of foreign prosecution history and representations made by foreign associates, create yet another opportunity for accused infringers to bypass the expressed claims of a patent. Additionally, these forms of extrinsic evidence act to further complicate the coordination of domestic and foreign patent application processes. Moreover, foreign statements require judges to determine matters of law based on foreign patent prosecution, which may be different than U.S. patent prosecution. Lastly, the public notice function of the patent is severely compromised or altogether defeated when foreign statements are allowed to limit claim scope.”).

147. Cheslek, *supra* note 81, at 122.

148. The Patent Convention Treaty, <http://www.wipo.int/pct/en/> (last visited Apr. 13, 2016) (The PCT is an international treaty, which makes it possible to seek patent protection for an invention simultaneously in a large number of countries by filing a single international patent application instead of filing several separate national or regional patent applications.) *Id.* at 135.

149. *Pall Corp.*, 729 F. Supp. at 239.

than likely never be succeeded.

Yet there is another commentator who had suggested, from the perspective a heightening standard of proof, the “*Prima Facie* case of Issue Preclusion” (“PFIP”). The PFIP was designed to resolve the problem of overstating similarities between claims from the separate patents when the party did not actually prove the similarities proposing to the *Vas-Cath* case.<sup>150</sup> According to the PFIP model, it includes two main considerations, each one consisting of several factors. The first consideration is the foreign judicial system and the foreign forum. A party claiming preclusion must prove by a “preponderance of the evidence” to certain factors of the first consideration.<sup>151</sup> The second consideration relates to the specific issue in question. A party claiming preclusion must show by “clear and convincing evidence” for each issue to certain factors of the second consideration.<sup>152</sup>

Although this method puts a great burden on the party claiming preclusion, it prevents courts from overstating the effect of a foreign judgment, and comports with the CAFC’s current view.<sup>153</sup> This article considers it is also applicable to extrinsic evidence stemming from statements made to foreign counsels and/or examiners as well.

#### IV. COMPARATIVE ANALYSIS

##### A. *Comparative Analysis of Res Judicata*

*Res judicata*<sup>154</sup> in general, along with claim preclusion<sup>155</sup> and issue preclusion<sup>156</sup> in particular, are stemmed from the “principle of good faith”.<sup>157</sup> And, the goal of *res judicata* in our country is to guarantee certainty in litigation and to preclude repeated relitigation of matters already litigated and decided. However, the *res judicata* in civil law countries is

150. Muraff, *supra* note 12, at 663.

151. *Id.* at 661 (these factors include: (1) the foreign judicial system furnished the parties an impartial and competent tribunal; (2) the foreign judicial system provided the parties with procedures, including discovery, that comport with precepts of due process; (3) the foreign forum had jurisdiction to render the decision; and (4) the public policies in favor of issue preclusion outweigh any potential public policies disfavoring preclusion.86).

152. *Id.* at 661-62 (these factors include: (1) the decided issue in the initial suit is identical to the issue in the subsequent suit including the substantive law involved and the related burdens of proof; (2) the issue was actually litigated in the prior suit; (3) the determination of the issue was essential to the final judgment in the prior suit; and (4) the party adverse to preclusion had a full and fair opportunity to litigate the issue in the prior suit.).

153. *Id.*

154. Jipanli (既判力).

155. Qingqiu Paichu Xiao (請求排除效).

156. Zhengdianxiao (爭點效), or Fusui Jinfanyan (附隨禁反言) (collateral estoppel).

157. LOUCH YEONG-JIA (駱永家), XIN MINSHI SUSONG FA II (新民事訴訟法II) [NEW CIVIL PROCEDURE LAW II] 95 (2011) (Chengshi Xinyong Yuanze) (誠實信用原則).

narrower than the one in the common law countries,<sup>158</sup> so we would expect that the *res judicata* in our country is narrower than the one in the U.S. mentioned above.

Indeed, in our country the scope and effect of the *res judicata* are narrow. For example, in our civil system, only a judgment that is not subject to further appeal (*formelle Rechtskraft*) stands as the conclusive adjudication and is subject to *res judicata*. And, the preclusive effect of a judgment is limited to a later suit that is identical with the previous judgment in object, cause, and parties. And, the binding effect extends only to claims that could have been raised or might have arisen from the same occurrence. The identities of object and cause are similar to the identity of cause of action in the common law model. In fact, most civil law countries consider *res judicata* effects extending only to matters expressly declared in the dispositive part of the judgment, rather than to the reasons or the fact determinations on which the decision is based.<sup>159</sup>

Although the preclusion infrastructure to the civil cases can be found at our Code of Civil Procedure (“Civil Procedure”),<sup>160</sup> by reviewing these codes thereof, we find however that it provides only *res judicata*, or claim preclusion, instead of issue preclusion. For example, it sets forth that a party may not reinitiate an action which has been initiated during its pendency.<sup>161</sup> It provides the objective scope of *res judicata* which exists as to a claim adjudicated in a final judgment with binding effect,<sup>162</sup> and mandates the subjective scope of it to include such as successor or the opposite party.<sup>163</sup> But, as languages in the Civil Procedure merely mentioning about “action” and “claim” instead of “issue”, it literally shows of no existence of issue preclusion mechanism.<sup>164</sup> In fact, issue preclusion has not traditionally been

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158. Asensio, *supra* note 1, at 15; Robert C. Casad, *Issue Preclusion and Foreign Country Judgments: Whose Law?*, 70 IOWA L. REV. 53, 62 (1984); Asensio, *supra* note 1, at 24 (for example, in some civil law countries a judgment may only be considered final and produce the preclusive or binding effect of *res judicata* (*materielle Rechtskraftwirkung*) when it is no longer subject to ordinary forms of review (*formelle Rechtskraft*)).

159. Asensio, *supra* note 1, at 15.

160. There was cases involving *res judicata*, wherein the very first one: Zuigao Fayuan (最高法院) [Supreme Court], Minshi (民事) [Civil Division], 73 Tai Shang Zi No. 4062 (73台上字第4062號民事判決) (1984) (Taiwan).

161. Minshi Susong Fa (民事訴訟法) [Code of Civil Procedure] § 253 (promulgated Feb. 1, 1968, effective Feb. 1, 1968, as amended Jul. 1, 2015) (Taiwan).

162. *Id.* art. 400.

163. *Id.* art. 401 (“In addition to all parties, a final and binding judgment is binding on a person who becomes a party’s successor after the initiation of the action and on a person who possesses the claimed object for the parties or their successors.”).

A final and binding judgment to which a party has acted as the plaintiff or the defendant for another person is also binding on such other person. The provisions of the two preceding paragraphs shall apply *mutatis mutandis* to the declaration of provisional execution.

164. *See infra* note 177 and accompanying text (although scholars argue the amended Code of Civil Procedure shall be interpreted to include issue preclusion.).

a concept inherent to our legal system, which is common in most civil law countries.<sup>165</sup> Although Professor Louch had introduced it into our country,<sup>166</sup> but obviously, it had not been incubated to be full grown yet.

Despite that the articles in the Civil Procedure do not provide such a mechanism, the courts had rendered decisions involving issue preclusion. In particular, the court had held that the issue preclusion is the one of the fundamental principle to procedural laws,<sup>167</sup> yet another court had held that the issue preclusion is applicable to administrative suits.<sup>168</sup> Given the inconsistent developments in codes and cases, we conclude that issue preclusion can only be found in cases without literally mandating in the Civil Procedure yet.

#### B. *Comparative Analysis of Issue Preclusion to Patent Cases*

To further find out whether these cases include patent ones, we need to review the decisions made by the Intellectual Property Court (“the IP Court”).<sup>169</sup> The IP Court seems to have laid out a proper foundation for issue preclusion to patent cases. It had held that the objective scope of issue preclusion contains four factors. 1. resolution of the issue was essential to a final judgment in the first action; 2. plaintiff had a full and fair opportunity to litigate the issue in the first action; 3. the issue was actually litigated in the first action; and 4. the interest in the first action is about the one in the

165. Asensio, *supra* note 1, at 15.

166. LOUCH YEONG-JIA (駱永家), *Panjue Liyou Yu Jipanli* (判決理由與既判力) [*Reasons of Judgment and Res Judicata*], in JIPANLI ZHI YANJIU (既判力之研究) [A STUDY OF RES JUDICATA] 51-88 (10<sup>th</sup> ed., 1997) (discussing the relations between reasons of judgment and res judicata); Huang Kuo-Chang (黃國昌), *Jipanli: Di Yi Jiang-Jipanli Zonglun* (既判力：第一講—既判力總論) [*Res Judicata: Lesson One—General Discussion of Res Judicata*], 30 YUEDAN FAXUE JIAOSHI (月旦法學教室) [TAIWAN JURIST] 88 (2005); Shyyu Shu-Huan (許士宦), *Chongfu Qisu Jinzhi Yuanze Yu Jhipanli Keguanfanwei* (重複起訴禁止原則與既判力客觀範圍) [*Relitigation Estoppel Principle and Objective Scope of Res Judicata*], 31 TAIDA FAXUE LUNCONG (臺大法學論叢) [NAT. TAIWAN UNIV. L.J.] 269, 290 (2002).

167. Zuigao Fayuan (最高法院) [Supreme Court], Minshi (民事) [Civil Division], 96 Tai Shang Zi No. 1782 (96台上字第1782號民事判決) (2007) (Taiwan).

168. Zuigao Xingzheng Fayuan (最高行政法院) [Supreme Administrative Court], 96 Pan Zi No. 820 (96判字第820號判決) (2007) (Taiwan); Zhihui Caichan Fayuan (智慧財產法院) [Intellectual Property Court], Xingzheng (行政) [Administrative Division], 100 Xing Zhuan Geng (1) No. 4 (100行專更(一)字第4號判決) (2011) (Taiwan).

169. Zhihui Caichan Fayuan (智慧財產法院) [Intellectual Property Court], Minshi (民事) [Civil Division], 99 Ming Zhuan Su No. 65 (99民專訴字第65號判決) (2010) (Taiwan); Zhihui Caichan Fayuan (智慧財產法院) [Intellectual Property Court], Xingzheng (行政) [Administrative Division], 98 Xing Zhuan Su No. 60 (98行專訴字第60號判決) (2009) (Taiwan); Zhihui Caichan Fayuan (智慧財產法院) [Intellectual Property Court], Xingzheng (行政) [Administrative Division], 101 Xing Zhuan Su No. 36 (101行專訴字第36號判決) (2012) (Taiwan).

second action.<sup>170</sup> These four factors are similar to the ones in *Freeman* case, except the “the issue is identical to one decided in the first action” is replaced by the “interest” factor.<sup>171</sup>

It is noted that the establishment of the IP Court had achieved a breakthrough to a dual system typically exists in most civil system countries which separates civil and administrative courts for adjudication. And, like in Germany, it would separate questions of validity from patent infringement.<sup>172</sup> Indeed, before the establishment of the IP Court, the dual system would mandate a stay.<sup>173</sup> Since the establishment the IP Court, laws had been enacted or amended to facilitate the breakthrough. Not only the article 101 of the current Patent Act had lift this bar,<sup>174</sup> but also the article 16 of the Intellectual Property Case Adjudication Act (Adjudication Act) authorized the IP court the discretion to determine the trial of an IP case on the merit without staying of the case,<sup>175</sup> because the IP Court had contained both civil and administrative tribunals for adjudicating patent cases.

However, scholars argued that the second paragraph of the article 16 of the Adjudication Act sets forth that it cannot against “the opposing party”,<sup>176</sup> and thus substantially restricted the effect of the judgment,<sup>177</sup> and suggested it should provide third party effect in order to achieve the issue preclusion thereof.<sup>178</sup> The third party effect argument had extended to the interpretation

170. 99 *Ming Zhuan Su No. 60*.

171. See *Guyot*, 159 U.S. 113, 163-64; and associated text (the “interest” factor is essential to the “a full and fair opportunity to litigate” factor).

172. Cheslek, *supra* note 81, at 133; Asensio, *supra* note 1, at 18.

173. Xingzheng Chengxu Fa (行政程序法) [Administrative Procedure Act] art. 12 (promulgated Feb. 3, 1999, effective Jan. 1, 2001, as amended Dec. 30, 2015) (Taiwan).

174. *Ref. Zhuanli Fa* (專利法) [Patent Act] art. 90 paras. I & II (promulgated and effective May 29, 1944, as amended Jan. 22, 2014) (Taiwan) (providing that the court may “stay” a case in civil suit before the decision made to the opposition of the patent application at issue).

175. *Zhahui Caichan Anjian Shenli Fa* (智慧財產案件審理法) [Intellectual Property Case Adjudication Act] art. 16 para. I (promulgated Mar. 28, 2007, as amended June 4, 2014) (Taiwan) (“When a party claims or defends that an intellectual property right shall be cancelled or revoked, the court shall decide based on the merit of the case, and the Code of Civil Procedure, Code of Administrative Litigation Procedure, Trademark Act, Patent Act, Species of Plants and Seedling Act, or other applicable laws concerning the stay of an action shall not apply.”).

176. *Id.* art. 16 para. II (“Under the circumstances in the preceding paragraph, the holder of the intellectual property right shall not claim any rights during the civil action against the opposing party where the court has recognized the grounds for cancellation or revocation of the intellectual property right.”).

177. Huang Ming-Jye (黃銘傑), *Cong Riben Fa Kan Woguo Zhuanli Qinquan Susong Guifan Zhi Jiagou Yu Jizhi* (從日本法看我國專利侵權訴訟規範之架構與機制) [*A Comparative Study of the Patent Litigation from the Perspective of Japan Law System*] in Symposium, Tai-Ri Zhuanli Susong Yantaohui (台日專利訴訟研討會) [Taiwan-Japan Patent Litigation Conference] 4-8 (Mar. 28, 2013), <http://www.judicial.gov.tw/work/work12/從日本法看我國專利侵權訴訟規範之架構與機制.pdf> (last visited Feb. 20, 2016).

178. *Id.* at 7; see also Huang Kuo-Chang (黃國昌), *Zhengdianxiao Zhi Disanren Xiaoli* (爭點效之第三人效力) [*The Third Party Effect of Issue Preclusion*], 16 DONGWU FALU XUEBAO (東吳法律學報) [SOOCHOW L. REV.] 225, 231 (2005).

of “same party” of the article 34 of Regulation of Intellectual Property Case Adjudication Act (Regulation of Adjudication Act),<sup>179</sup> and the same of the article 249 II of Civil Procedure as well.<sup>180</sup> Some argued that it means “both parties” shall be the same, and therefore restricts the scope of issue preclusion, while others argued that only “one party” being the same suffices because in current dual system like this country, it is impossible to have both parties being the same.<sup>181</sup>

When the ambiguity of wording “same party” left uncertainty for interpretation, it had seemingly caused the IP Court rendering splitting decisions. For example, there is a case where the court held that since the party petitioned the opposition in the first proceeding is the plaintiff of the second proceeding, and the first proceeding is determined and final, the issue preclusion applies in the second proceeding.<sup>182</sup> And, there is another case where the court held that, in an administrative suit, the subjective scope of issue preclusion shall not be restrictively applied to same parties only.<sup>183</sup> On the other hand, there is another case where the court held that the issue preclusion is binding if the parties are identical between both litigations. However, if the parties are not identical between both litigations, the determination regarding the validity of the patent right rendered during the prior litigation will not be able to bind the parties of the subsequent litigation.<sup>184</sup> This case illustrated that the restriction to “same party” negated

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179. Zhihui Caichan Anjian Shenli Xize (智慧財產案件審理細則) [Code Regulation of Intellectual Property Case Adjudication Act] (promulgated Apr. 24, 2008, as amended July 31, 2014) (Taiwan) (hereinafter Regulation of Adjudication Act) art. 34 (“Where in a final judgment of an intellectual property civil action that substantively found on the issue as to whether an intellectual property right shall be cancelled or revoked, if in other actions concerning whether the same intellectual property right shall be cancelled or revoked, the same party raises a claim or defense contrary to the gist of the final judgment on the basis of the same basic facts, the court shall make its determination by deliberating on the relevant circumstances such as whether the above final judgment is obviously contrary to the laws and regulations, whether new litigation information emerges that may affect the outcome of the judgment, and the principle of good faith.”).

180. Mingshi Susong Fa (民事訴訟法) [Code of Civil Procedure] art. 249 para. II (“In case of any of the following, the court shall dismiss the plaintiff’s action by a ruling, but where the defect is rectifiable, the presiding judge shall order rectification within a designated period of time: . . . II. Where the plaintiff’s claim, given the facts that he/she alleges, is manifestly without legal grounds, the court may, without oral argument, issue a judgment dismissing the action with prejudice.”)

181. Huang, *supra* note 177, at 8.

182. Zhihui Caichan Fayuan (智慧財產法院) [Intellectual Property Court], Xingzheng (行政) [Administrative Division], 99 Xing Zhuan Su No. 60 (99行專訴字第60號判決) (2010) (Taiwan).

183. Zhihui Caichan Fayuan (智慧財產法院) [Intellectual Property Court], Xingzheng (行政) [Administrative Division], 101 Xing Zhuan Su No. 12 (101行專訴字第12號判決) (2012) (Taiwan) (pointing out that in an administrative suit, the subjective scope of issue preclusion shall not be restricted to the application of same parties).

184. Zhihui Caichan Fayuan (智慧財產法院) [Intellectual Property Court], Xingzheng (行政) [Administrative Division], 99 Xing Zhuan Su No. 210 (99行專訴字第210號判決) (2011) (Taiwan) (pointing out “issue preclusion” means that when a party argued an issue as a major issue in dispute, and the court tried said issue and rendered a judgment accordingly in a prior litigation, then during a



a “third party” effect to issue preclusion.<sup>185</sup>

In continuously seeking the proof of issue preclusion mechanism being existed in our patent system, another scholar stated that the issue preclusion mechanism can be shown in article 33 of the Adjudication Act by its dealing with new evidence.<sup>186</sup> This provision provides that in an administrative action concerning cancellation or revocation of a registered trademark or patent, the IP Court shall take into account any new evidence submitted on the same grounds for the cancellation or revocation prior to the end of the oral argument.<sup>187</sup> This article agrees with his opinion because new evidence is not allowed in claim preclusion generally, but allowed in issue preclusion, except in English law,<sup>188</sup> or decisions rendered by the rabbinical trial court in Israel.<sup>189</sup>

The term “new evidence” had been defined in a case as being evidence with high probable value, independent from original evidences, which would thereby negate admission of the “original evidences”.<sup>190</sup> Therefore, it is reasonable to see the article 81 of the Patent Act which provides that under certain circumstances, any person shall not be allowed to separately file an invalidation action against the same patent based on the same facts and evidence.<sup>191</sup>

It is noted that there are literal ambiguity about wording in this provision which may confuse a situation about how to reversely apply “new

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trial of a subsequent independent litigation with said issue as a previous question, no assertion or producing of evidence that contradicts said judgment shall be allowed, nor a contradicting judgment shall be rendered).

185. Zhihui Caichan Fayuan (智慧財產法院) [Intellectual Property Court], Minshi (民事) [Civil Division], 102 Min Zhuan Shang Zai No. 4 (102民專上再字第4號判決) (2013) (Taiwan); Huang, *supra* note 178, at 229.

186. Huang, *supra* note 177, at 3-4; *see generally* SIFA YUAN (司法院) [JUDICIAL YUAN], SIFAYUAN ZHIHUI CAICHAN ANJIAN SHENLI ZHIDU YANJIU XIUZHENG WEIYUANHUI HUIYI JILU (司法院智慧財產案件審理制度研究修正委員會會議紀錄) [MINUTES OF AMENDMENT COMMITTEE OF JUDICIAL YUAN REGARDING INTELLECTUAL PROPERTY CASE ADJUDICATION SYSTEM], No. 5 (2010), <http://www.judicial.gov.tw/work/work12/991124meeting5.doc> (last visited Apr. 13, 2016).

187. Code Intellectual Property Case Adjudication Act [Adjudication Act] art. 33 (“The competent intellectual property authority shall provide written briefs in response to the new evidence in the preceding paragraph, indicating whether arguments provided by the opposing party concerning such new evidence have merit.”).

188. Yuval Sinai, *Reconsidering Res Judicata: A Comparative Perspective*, 21 DUKE J. COMP. & INT’L L. 353, 364 (2011).

189. *Id.* at 391, 399.

190. Taipei Gaodeng Xingzheng Fayuan (臺北高等行政法院) [Taipei High Administrative Court], 89 Su Zi No. 3334 (89訴字第3334號判決) (2000) (Taiwan).

191. Patent Act art. 81 (“Principle of *ne bis in idem*: Under any of the following circumstances, any person shall not be allowed to separately file an invalidation action against the same patent based on the same facts and evidence: 1. where another invalidation action has been filed based on the same facts and evidence and considered groundless by a decision; or 2. where new evidence is provided to the Intellectual Property Court pursuant to Article 33 of the Intellectual Property Case Adjudication Act and considered groundless by a judgment.”).

evidence”, and the corresponding issue preclusion. Specifically, as to the “same facts and evidence” in the article 81 of the Patent Act, the “same facts” in fact is a superordinate concept of the “same evidence”. That is, the “same facts” is like the “identical issue”<sup>192</sup> or the “ultimate facts” as mentioned previously.<sup>193</sup> On the other hand, the “same evidence” of the Article 81 of the Patent Act, should be analogous to terms “same basic facts” of the articles 34 and 41 of Regulation of Adjudication Act.<sup>194</sup> That is, the “same evidence” is like the “same evidentiary facts”. Accordingly, new evidence in article 33 of Adjudication Act should be “new basic facts”, or “new evidentiary facts”. Promulgated by the TIPO, the “Collection of Patent Examination Guidance” lists examples showing the “same facts” may be issue of novelty, while the “same evidence” can be identified by a comparison between cited prior art A and B.<sup>195</sup>

C. *Comparative Analysis of Recognizing Foreign Patent Judgments or Prosecution History for Purpose of Issue Preclusion*

Although our Constitution does not have a similar Full-Faith-and-Credit clause which can be found in the U.S. Constitution, the associated laws have otherwise provided authorities.<sup>196</sup> Indeed, pursuant to these provisions, a final and binding judgment rendered by a foreign court, except of certain situations, shall be recognized<sup>197</sup> and enforced.<sup>198</sup>

In addition, our IP Court had recognized an application at issue was non-obvious when its counterpart U.S. application had overcome the prior

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192. *See supra* discussion of Part I.B.1.

193. *Id.*

194. Regulation of Adjudication Act art. 41 (“An intellectual property civil or criminal appeal and an intellectual property administrative action being based on the same basic facts and pending concurrently or successively at the Intellectual Property Court may be handled by the same independent or commissioned judge; the same shall apply where the former action is concluded.”).

195. Zhuanli Shencha Jizhun Huibian (專利審查基準彙編) [Collection of Patent Examination Guidance] § 5.5.1 (*ne bis in idem*), pp. 40-41 (promulgated by the Central Bureau of Standards, Nov. 25, 1994, as amended Taiwan Intellectual Property Office, Mar. 25, 2013) (Taiwan).

196. LOUCH, *supra* note 157, at 164-66 (2011).

197. *See e.g.*, Civil Procedure art. 402 (“A final and binding judgment rendered by a foreign court shall be recognized, except in case of any of the following circumstances: 1. Where the foreign court lacks jurisdiction pursuant to the R.O.C. laws; 2. Where a default judgment is rendered against the losing defendant, except in the case where the notice or summons of the initiation of action had been legally served in a reasonable time in the foreign country or had been served through judicial assistance provided under the R.O.C. laws; 3. Where the performance ordered by such judgment or its litigation procedure is contrary to R.O.C. public policy or morals; 4. Where there exists no mutual recognition between the foreign country and the R.O.C. The provision of the preceding paragraph shall apply mutatis mutandis to a final and binding ruling rendered by a foreign court.”).

198. Qiangzhi Zhixing Fa (強制執行法) [Compulsory Enforcement Act] art. 4-1 (promulgated Jan. 19, 1940, as amended June 4, 2014) (Taiwan) (“The compulsory enforcement set forth in this Act is applicable to a foreign final judgment if, without having the events set forth in article 402 of said Act, had been declared being enforceable by a R.O.C. court per petition.”).

art before being allowed and granted an US patent by the USPTO.<sup>199</sup> In this case, the granting of a patent was done by the USPTO which is a foreign administrative agency rather than a court judgment. On the other hand, our administrative court had held that a prior patent infringement judgment rendered by a Singapore court favoring the defendant did not suffice to show that the patent at issue in the current case failed to meet patentability requirements.<sup>200</sup> Yet, this judgment merely negated but did not apply issue preclusion to the patentability issue. In sum, there is no decision which had actually recognized foreign judgment and/or foreign file history and applied issue preclusion yet.

Referring to the hypothetical introduced in the beginning of this article, we would cast doubt on whether our courts would be able to solve these disputes by effectively analyzing the variances caused by different regulations before concluding whether issue preclusion shall be applied. The analytical ability is important especially when the court had extended the opinion that a foreign judgment shall not be recognized if it would be undermined by these variances.<sup>201</sup> To improve the current status, this article summarizes that there are three kinds of regulations which need to be reformed, *i.e.*, preclusion regulations, patent regulations, and evidence regulations.

First, there are variances in our preclusion regulations, *e.g.*, uncertainties about the existence of issue preclusion. No code had expressly stipulated issue preclusion, while courts had otherwise rendered decisions supporting or negating this effect to non-IP cases, along with some issue preclusion decisions to patent cases as well. On the other hand, while associated IP codes had arguably provided preclusion authority to domestic cases, scholars continuously debate about ways of interpreting terms of these codes.<sup>202</sup> As to the recognizing of foreign decision for purpose of applying issue preclusion to domestic patent disputes, again codes have seemingly provided authority, but no judicial case had actually recognized foreign judgment and/or foreign file history before conducting issue preclusion yet. This article suggests to provide clear issue preclusion languages stipulating issue preclusion while allowing a more flexible scope of subject matters thereof.

Second, our patent system is unique in several respects and therefore

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199. Zhihui Caichan Fayuan (智慧財產法院) [Intellectual Property Court], Xingzheng (行政) [Administrative Division], 100 Xing Zhuan Geng (1) No. 60 (100行專更(一)字第60號判決) (2011) (Taiwan).

200. Taipei Gaodeng Xingzheng Fayuan (臺北高等行政法院) [Taipei High Administrative Court], 92 Su Zi No. 1606 (92訴字第1606號判決) (2003) (Taiwan).

201. 99 Xing Zhuan Su No. 60.

202. See *supra* discussion of Parts IV.B.

quite different from ones in other countries, including the U.S.<sup>203</sup> Specifically, we stipulate “industrial applicability” requirement similar to the one in Europe, rather than the “utility” in U.S.<sup>204</sup> In addition, the novelty, PHOSITA, and description requirements set forth here are also different from the ones in U.S.,<sup>205</sup> this would add difficulty to determining whether patentability in the first and the second proceeding are the same.<sup>206</sup> Further, our country does not adopt the peripheral claiming doctrine for claim interpretation as does the U.S., but utilize a so-called “hybrid claiming doctrine” instead,<sup>207</sup> this would add difficulty to determining whether claims in the first and the second proceeding are the same.<sup>208</sup> In light of these, we need to harmonize our patent regulations with the ones in U.S. and rest of the world to avoid occurring unnecessary deviations. In addition, we should not mistakenly believe that it is not necessary to separate law from facts because it is required for allocating discretion between jury and judge while there is no jury system in our country.<sup>209</sup> In fact, the U.S. courts, by doing so, were trying to identify “identical issue”<sup>210</sup> with the one in the first proceeding regulated by different laws. So, we need to do the same.

Third, referring to evidence regulations, we should acknowledge that issue of fact or law, extrinsic evidence and burden of proof thereof are correlated to each other regarding matters discussed in this article. After properly separating law from facts, the next concern is the classification of intrinsic evidence and extrinsic evidence. However, this classification is different from the one used in the U.S.,<sup>211</sup> it would add difficulty to determine whether the evidence in the first and the second proceeding are

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203. See generally Hsieh Tsu-Sung (謝祖松), *Meiguo Zhuanli Yuwaixiaoli—Jianlun Qi Dui Zhuanli Shewai Minshianjian Shenli Zhi Yingxiang* (美國專利域外效力—兼論其對專利涉外民事案件審理之影響) [*The U.S. Patent Extraterritoriality and Its Influence to Related Cases from the Perspectives of International Private Law*], 17 XINGDA FAXUE (興大法學) [CHUNG HSING UNIV. L. REV.] 189, 189 (2015) (indicating different regulations such as indirect infringement and extraterritorial infringement).

204. See *supra* discussion of Parts II.A.1.

205. See generally Hsieh, *supra* note 100.

206. See *supra* discussion of Parts II.B.1, II.B.2.

207. Hsieh Tsu-Sung (謝祖松), *Zhuanli Zhoubian Xianding Zhuyi Ji Zhongxin Xianding Zhuyi Zhi Bian Yu Bian - Jianlun Zhezhong Zhuyi* (專利周邊限定主義及中心限定主義之辯與辨—兼論折衷主義) [*Claim Interpretation in Patent System of the Republic of China: Peripheral, Central, or Mongrel?*], 22 ZHUANLISHI (專利師) [TAIWAN PATENT ATTORNEYS JOURNAL] 81, 92 (2015) (indicating that, according to the history of patent system, it had developed from the “central claiming doctrine” to the current “peripheral claiming doctrine”, and there had never been developed a “hybrid claiming doctrine”, which nonetheless appears to be the scheme adopted by our country); Muraff, *supra* note 12, at 657.

208. See *supra* discussion of Parts I.B.1, II.B.4.

209. Hsieh, *supra* note 87, at 20

210. See *supra* discussion of Part I.B.1.

211. Zhihui Caichan Fayuan (智慧財產法院) [Intellectual Property Court], Minshi (民事) [Civil Division], 98 Min Zhuan Su No. 46 (98民專訴字第46號判決) (2009) (Taiwan).

the same and whether it should be admitted.<sup>212</sup> Even further, recognizing of foreign judgment and extrinsic evidences such as file history require different level of burden of proof, so facilitating of delicate burden of proof system is vital in this regard.<sup>213</sup> For example, if we want to consider the PFIP, we need to establish the mechanism of heightening the standard of proof such that we would be able to conduct this mechanism, but there are rooms for improvement in this regard.<sup>214</sup>

As suggested by the *Cuno* case, establishment of a universal patent system would have a very slim chance of success.<sup>215</sup> Likewise, few international agreements had been successful, for example, the failed Hague Convention on Jurisdiction and Foreign Judgments in Civil and Commercial Matters.<sup>216</sup> That is, waiting for a universal patent system or international agreement would not be a realistic approach. Therefore, in order to improve the current status, this article suggests that we should manage to reform the above-mentioned events as soon as possible.

## V. CONCLUSION

Issue preclusion prevents subsequent litigation on an issue of fact or law that was previously litigated and determined by a valid and final judgment on the merits, and such determination was essential to the judgment. In light of the situation where an invention asserted in multiple suits against infringers in different countries happened more frequently, the doctrine of issue preclusion had become increasingly important to patent litigants for acquiring efficient and consistent judgments, while reducing related costs as well.

Claim preclusion cannot provide resolution to in this regard because the parties and accused products may not be the same between the first and second judicial proceedings here, despite of the same invention at issue. Instead, the issue preclusion mechanism, as distinguished from claim preclusion, does not include any requirement that the claim (or cause of action) in the first and second judicial proceedings be the same. After comparing with the U.S. system, we summarize that:

Since the *Blonder-Tongue* first applies issue preclusion in a patent case. CAFC followed the Restatement (Second) of Judgments and established four factors test to determine the issue preclusion in *In re Freeman*. In terms of recognizing a foreign judgment, pertinent issue preclusion rules come from

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212. See *supra* discussion of Parts II.B.2., III.C.

213. Hsieh, *supra* note 87, at 20.

214. *Id.* at 42-46.

215. *Pall Corp.*, 729 F. Supp. at 239.

216. Asensio, *supra* note 1, at 4-5.

three sources, i.e., the *Hilton* case, Restatement (Third) of Foreign Relations, and Restatement (Second) of Judgments. The *Cuno* case revealed variances in patent laws between the first and second proceedings, and pointed out the importance of separating issue of fact from law. *Vas-Cath* case provided us a chance to identify preclusion of novelty, non-obviousness, and enablement requirement, along with variances in patent claims and prior arts. Issue preclusion by foreign patent prosecution history perhaps is an unique feature and can only be found in issue preclusion involving foreign patent cases wherein the *Caterpillar* and *Tanabe* demonstrated the importance of extrinsic evidence and burden of proof by revealing statements made to foreign counsel and statements made to foreign examiner respectively.

This article further suggests that, in order to establish issue preclusion based on the foreign patent judgment and prosecution history, our patent system is currently in want of reform. In particular, there are three kinds of regulations to which we must conduct reform, i.e., preclusion regulations, patent regulations, and evidence regulations.

First, although Professor Louch had introduced the concept of issue preclusion into our country decades ago, the statutes as a whole have not been properly constructed to serve as a functioning platform in this regard. Ironically, associated statutes are preceded by courts' issue preclusion decisions rendered to certain cases, a judge-made law phenomenon which does not traditionally appear in a civil law country due to lack of the *stare decisis* mechanism. We hereby must manage to amend the current statutes to lay out a proper foundation for providing issue preclusion effect needed.

Further, to be effectively applying issue preclusion, it is necessary to ensure the satisfaction of the "identical issue" requirement which turns out to be the most complicated prong among the four factors test initiated by *In re Freeman*, and it is the very reason why CAFC uphold a harsh view of recognizing foreign judgment. In fact, variances between patent laws and associated regulations in different countries render the "identical issue" prong difficult to meet. Separating law from facts in essence is to avoid the impacts caused by variances of laws, and therefore a necessity for applying issue preclusion. This article notes that CAFC's harsh view of recognizing foreign judgment should not be interpreted as a conservative attitude to associated issue preclusion. On the contrary, given that the complicity of validity issue inherent to patent cases, and even more complicated to the foreign ones, it can be objectively concluded that CAFC had managing cautiously but aggressively to resolve this increasingly important problem. And, the U.S. system in this regard would be considered or even followed by others countries sooner or later because it is the common problem to every country. Since our patent system is unique in several respects and therefore quite different from ones in other countries, we need to first consider the

pros and cons of U.S. system and then try to harmonize our patent regulations with the rest of the world to reduce the variances of patent law with other countries.

Last but not least, while file history itself is intrinsic evidence, however it becomes extrinsic evidence when containing a statement made to foreign counsel or patent office examiner. Since that issue of fact or law, extrinsic evidence and burden of proof thereof are correlated to each other regarding matters discussed in this article, we need to improve the regulations of evidence classification, and even provide a heighten-of-standard-of-proof mechanism to deal with extrinsic evidence such as file history.

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# 專利域外判決及申請歷史之 爭點效：以美國專利法制 為比較中心

謝 祖 松

## 摘 要

在國際貿易盛行之今日，同一發明申請多國專利乃普遍現象，發生訴訟時，若前訴於外國法院已就特定爭點進行審理，於本國法院之後訴應無重覆審理之必要，此對於訴訟經濟、效率，甚至公平性均有實益。然此情況無法以既判力處理，因為即便發明標的相同，前後訴當事人及被控物很可能不同，不符既判力原則致無法適用，而英美法之爭點效則能提供救濟，故爭點效對專利訴訟十分重要且為我國所需。

與美國法制比較後本文認為，若要建構處理域外判決及申請歷史對內國專利案件之爭點效，應對三種法規進行修正，第一，排除效法規、專利法規，及證據法規。

有關排除效法規之修正，乃著眼於爭點效理論自駱永家教授引進至今，理論尚持續討論中，而未有明確法規建立，實務上卻有領先法規之判決，出現較類似英美法系中之法官造法現象，故應儘速修法因應。有關專利法規之修正，乃著眼於我國在可專利性、申請專利範圍解釋等，與他國之規範有所不同，應致力與國際接軌並調和之。有關證據法規之修正，乃著眼證據分類，舉證責任分配，證據力，及證明度（升高）等機制尚待明確建立，亦應努力改進。

**關鍵詞：**既判力、請求排除效、爭點效、專利、訴訟法歷史