



Hallco Mfg. Co. v. Foster, 256 F.3d 1290 (Fed. Cir. 2001)

Author: Ken Aoki, Patent Agent, Japan

TOPIC

Res judicata

CASE HISTORY

Appeal from a trial court's decision invalidating the Foster's patent.

CASE FACTS

The previous patent infringement suit involves Hallco I (reciprocating conveyer). The parties settled, and then the district court dismissed the action with prejudice. After Hallco redesigned Hallco II, Foster sued Hallco again for infringement. The district court concluded that Hallco was not precluded from challenging validity and invalidated the Foster's patent. Foster appealed.

ISSUE

Is Hallco precluded from challenging validity by the previous dismissal of a suit based on a settlement agreement, where the present suit involves a redesigned device.

HOLDING

Yes, if the device is "essentially the same" as the previous device....

ANALYSIS

A previous judgment on the merits bar a challenge to the validity of the patent claims only if the accused device was "essentially the same" as the previous device admitted to infringe, or that any changes were merely "colorable" or "unrelated to the limitations in the claims of the patent."

The Hallco I case was terminated by a dismissal with prejudice, which is a judgment on the merits; therefore, Hallco is precluded from challenging validity if the suit involves the

same device as the Hallco I. However, the district court did not compare the Hallco I and Hallco II devices. Since the claim preclusion must be addressed before the court considers the infringement and validity, the district court's decision was vacated and remanded.

NOTE

The question of whether prior litigation results in claim preclusion in a later suit is a question of law, reviewed without deference.