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## *Aspex Eyewear, Inc. V. Marchon Eyewear, Inc. and Brain Life, LLC. V. Elekta, Inc.:* Irreconcilable Conflict in the Law Governing Claim Preclusion in Patent Cases

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*ASPEX EYEWEAR, INC. V. MARCHON EYEWEAR, INC. AND BRAIN LIFE, LLC V. ELEKTA INC.: IRRECONCILABLE CONFLICT IN THE LAW GOVERNING CLAIM PRECLUSION IN PATENT CASES*

CHRISTOPHER PETRONI\*

ABSTRACT

In 1991, the Federal Circuit held that a judgment on the merits in a patent infringement action bars future claims based on products that are “essentially the same” as the product at issue in the former suit. This rule governed claim preclusion in patent actions until at least 2009. Then, in 2012, the Federal Circuit upended the apple cart with *Aspex Eyewear, Inc. v. Marchon Eyewear, Inc.*, 672 F.3d 1335 (Fed. Cir. 2012), holding that a judgment in an infringement suit never bars future claims against products that could not have been accused in the former litigation, essentially the same or not. The court reaffirmed this rule in 2014 in *Brain Life, LLC v. Elekta Inc.*, 746 F.3d 1045 (Fed. Cir. 2014). The Federal Circuit introduced this change in the law for a good reason: the “essentially the same” rule had the unfortunate effect of granting an adjudged infringer a license to continue infringing, secure in the knowledge that claim preclusion would bar a second suit. Unfortunately, *Aspex* and *Brain Life* are squarely in conflict with earlier Federal Circuit precedent. Because one three-judge panel cannot overrule another, the “essentially the same” test remains the law. The en banc Federal Circuit should address this conflict, and resolve it in favor of *Aspex* and *Brain Life*.

INTRODUCTION

If not as old as time, it’s a tale at least as old as Article I, section 8, clause 8. Inventor invents invention. Inventor obtains patent. Competitor sells infringing product. Inventor sues Competitor. Inventor wins judgment of infringement and damages. This scenario is Congress’s scheme for securing to the drivers of innovation the fruits of their labor, working as intended.

The story rarely ends so neatly, however. What happens if Competitor continues to sell the same infringing products after judgment of infringement is entered? If Inventor had obtained an injunction, one

might expect her to enforce it through a contempt action. Absent an injunction, perhaps Inventor would file a new infringement claim, perhaps even resting on offensive issue preclusion to avoid the need to relitigate the former suit. Whatever the precise mechanism, any fair-minded person would expect the law to provide Inventor some means of enforcing the judgment against continued acts of infringement. That the law would actively prevent Inventor from taking any action against Competitor would likely fall at the bottom of a ranked list of just outcomes. Yet, until very recently, this is exactly what the law required.

In 1991, in *Foster v. Hallco Manufacturing Co., Inc.*,<sup>1</sup> the Federal Circuit held that a judgment of patent infringement bars all future claims of infringement of the same patent by products that are “essentially the same” as those accused in the original suit.<sup>2</sup> This rule held even where the presently accused products were not produced or sold until after the former judgment issued and therefore could not have been accused in the former action.<sup>3</sup> The Federal Circuit upheld the “essentially the same” test in at least five subsequent opinions.<sup>4</sup>

The Federal Circuit attempted to address the dilemma of Inventor and Competitor in March of 2012, when a three-judge panel issued its opinion in *Aspex Eyewear, Inc. v. Marchon Eyewear, Inc.*<sup>5</sup> There, the court held that a judgment of infringement never bars a later accusation against a product that was not produced or sold when the judgment was issued.<sup>6</sup> The court made clear that whether the products at issue in the second action are “essentially the same” as those accused in the former one “does not matter” if the later products did not exist while the former action was pending.<sup>7</sup> To hold otherwise, the court reasoned, would in many cases amount to granting an adjudged infringer “an unpaid license for the remainder of the life of the patent.”<sup>8</sup>

Today, Inventor’s second suit against Competitor would require a district court to resolve two contradictory lines of authority. Through

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1. 947 F.2d 469 (Fed. Cir. 1991).

2. *Id.* at 479–80.

3. *See id.* at 472–23, 480 (holding that a second suit would be barred even as against products not produced or sold until four years after the prior judgment was rendered).

4. *Nystrom v. Trex Co., Inc.*, 580 F.3d 1281, 1285 (Fed. Cir. 2009); *Roche Palo Alto LLC v. Apotex, Inc.*, 531 F.3d 1372, 1379–80 (Fed. Cir. 2008); *Acumed v. Stryker Corp.*, 525 F.3d 1319, 1324 (Fed. Cir. 2008); *Ecolab, Inc. v. Paracclipse, Inc.*, 285 F.3d 1362, 1376 (Fed. Cir. 2002); *Hallco Mfg. Co., Inc. v. Foster*, 256 F.3d 1290, 1295–96 (Fed. Cir. 2001).

5. 672 F.3d 1335 (Fed. Cir. 2012).

6. *Id.* at 1342.

7. *Id.*

8. *Id.* at 1344.

at least 2009, the Federal Circuit held and reaffirmed that successive claims of infringement of a patent are barred if the presently and formerly accused products are “essentially the same.” In *Aspex* (and again in a three-judge panel opinion in *Brain Life, LLC v. Elekta Inc.*<sup>9</sup>), the court held to the contrary that a suit against a product that was not made or sold as of the former judgment is never barred, whether “essentially the same” as the formerly accused product or not. Because one three-judge panel cannot overrule another,<sup>10</sup> this dilemma has only one solution: as the earlier precedent, *Foster* and its progeny control. Though Inventor successfully accused Competitor’s products of infringement in the first action, unless it obtained an injunction, claim preclusion bars a later claim against that infringing product even if Competitor’s infringing sales continue. At least one district court has resolved the conflict between *Foster* and *Aspex/Brain Life* in this manner.<sup>11</sup>

This Comment will argue that the conclusion the law requires is not the result that sound policy dictates. The rule set forth in *Aspex* and *Brain Life* is preferable to the “essentially the same” test because it prevents a party to a judgment of infringement from gaining immunity from future infringement accusations. However, because *Aspex* and *Brain Life* are incompatible with *Foster*, the earlier precedent controls. Until the Federal Circuit endorses *Aspex* and *Brain Life* en banc, district courts are bound to apply the “essentially the same” test, even where a judgment of infringement leaves an alleged infringer free to practice the patent unchallenged.

Part I of this Comment exposes the conflict between *Aspex* and *Brain Life* and the *Foster* line of cases. Part II examines and dismisses the *Aspex* and *Brain Life* courts’ attempts to distinguish *Foster*. Finally, Part III argues that the *Aspex/Brain Life* rule leads to more just outcomes than the *Foster* rule, and urges the en banc Federal Circuit to overrule *Foster* accordingly.

9. 746 F.3d 1045, 1054 (Fed. Cir. 2014).

10. *Newell Cos., Inc. v. Kenny Mfg. Co.*, 864 F.2d 757, 765 (Fed. Cir.1988).

11. *Mentor Graphics Corp. v. EVE-USA, Inc.*, No. 10-954, 2014 WL 2533336, at \*1 (D. Or. June 4, 2014).

### I. THE FEDERAL CIRCUIT'S ATTEMPT TO REIN IN THE "ESSENTIALLY THE SAME" TEST

Courts have moved away from the legal Latin of "res judicata" in favor of the modern terms "claim preclusion" and "issue preclusion."<sup>12</sup> Claim preclusion bars a plaintiff from suing a defendant on a claim on which she already obtained a final judgment on the merits against that defendant.<sup>13</sup> Issue preclusion, by contrast, bars relitigation of issues that were actually litigated in the prior action, even if raised as part of a different claim.<sup>14</sup> Though the Federal Circuit looks to the law of the appropriate regional circuit for the general principles of claim preclusion, Federal Circuit law governs whether two patent infringement claims are the "same" claim for preclusion purposes.<sup>15</sup>

In *Foster*, the Federal Circuit held that successive infringement claims are the "same" claim if the accused products in the present and former actions are "essentially the same."<sup>16</sup> There, Hallco accused Raymond Foster and two business entities of infringing two patents for conveyor systems to be used in truck beds.<sup>17</sup> The parties reached a settlement agreement under which Foster agreed to pay royalties to Hallco in exchange for a license, and disposed of the action through a consent judgment.<sup>18</sup> Four years later, Foster developed and sold new conveyor models, and Hallco demanded royalties under the license agreement.<sup>19</sup> Foster filed suit, seeking a declaration that its new conveyors did not infringe Hallco's patents.<sup>20</sup> In response, Hallco asserted that Foster's claim was barred under the doctrine of res judicata.<sup>21</sup>

12. See *Foster v. Hallco Mfg. Co. Inc.*, 947 F.2d 469, 478 (Fed. Cir. 1991) (citing *Haphey v. Linn Cnty.*, 924 F.2d 1512, 1515 (9th Cir. 1991)).

13. In the Ninth Circuit, for example, claim preclusion bars a subsequent action where "(1) the same parties, or their privies, were involved in the prior litigation, (2) the prior litigation involved the same claim or cause of action as the later suit, and (3) the prior litigation was terminated by a final judgment on the merits." *Cent. Delta Water Agency v. United States*, 306 F.3d 938, 952 (9th Cir. 2002) (citing *Blonder-Tongue Labs. v. Univ. of Ill. Found.*, 402 U.S. 313, 323-24 (1971)).

14. *Young Eng'rs., Inc. v. U.S. Int'l Trade Comm'n*, 721 F.2d 1305, 1314 (Fed. Cir. 1983). "When an issue of fact or law is actually litigated and determined by a valid and final judgment, and the determination is essential to the judgment, the determination is conclusive in a subsequent action between the parties, whether on the same or a different claim." RESTATEMENT (SECOND) OF JUDGMENTS § 27 (1982).

15. *Acumed LLC v. Stryker Corp.*, 525 F.3d 1319, 1323 (Fed. Cir. 2008).

16. *Foster*, 947 F.2d at 479-80.

17. *Id.* at 472.

18. *Id.*

19. *Id.* at 472-73.

20. *Id.* at 473.

21. *Id.*

Because “[a]n essential fact of a patent infringement claim is the structure of the device or devices in issue,” the Federal Circuit held that claim preclusion bars a subsequent action on the same patent where “the devices in the two suits [are] essentially the same.”<sup>22</sup> Conversely, where the products in the two suits are “materially different” in a manner related to the limitations of the contested patent claim, claim preclusion does not bar the later infringement claim.<sup>23</sup> Accordingly, the Federal Circuit remanded the case with instructions that the district court determine whether the later accused conveyors were essentially the same as the former ones.<sup>24</sup> The Federal Circuit reaffirmed this “essentially the same” test in cases spanning two decades.<sup>25</sup>

In *Aspex Eyewear, Inc. v. Marchon Eyewear, Inc.*,<sup>26</sup> the Federal Circuit departed from the *Foster* line and held that claim preclusion bars infringement claims against only those products that were made or sold at the time of the original judgment, “essentially the same” or not.<sup>27</sup> In 2002, Aspex sued Revolution Eyewear, Inc., for infringement of a patent directed to eyeglass frames to which sunglass lenses could be temporarily affixed magnetically.<sup>28</sup> The court granted summary judgment in favor of Aspex on the infringement claim, and Aspex won a large damages award at trial.<sup>29</sup> Later, in 2006, Aspex sued Marchon Eyewear, a licensee of Revolution’s, for infringement of the same patent.<sup>30</sup> In 2008, that action ended in a settlement agreement under which Marchon agreed to discontinue the allegedly infringing eyeglass design.<sup>31</sup> Aspex filed suit against both Revolution and Marchon again in 2009, alleging that both companies had begun to market a new eyeglass design that infringed the patent at issue in the earlier actions.<sup>32</sup>

The Southern District of Florida dismissed the action on claim preclusion grounds.<sup>33</sup> Because the new eyeglass design was “essentially the same” as the design accused in the prior two suits, the infringe-

22. *Id.* at 479–80.

23. *Id.* at 480.

24. *Id.* at 480, 483.

25. *Nystrom v. Trex Co., Inc.*, 580 F.3d 1281, 1285 (Fed. Cir. 2009); *Roche Palo Alto LLC v. Apotex, Inc.*, 531 F.3d 1372, 1379–80 (Fed. Cir. 2008); *Acumed v. Stryker Corp.*, 525 F.3d 1319, 1324 (Fed. Cir. 2008); *Ecolab, Inc. v. Paraclipse, Inc.*, 285 F.3d 1362, 1376 (Fed. Cir. 2002); *Hallco Mfg. Co., Inc. v. Foster*, 256 F.3d 1290, 1295–96 (Fed. Cir. 2001).

26. 672 F.3d 1335 (Fed. Cir. 2012).

27. *Id.* at 1342.

28. *Id.* at 1338.

29. *Id.* at 1338–39.

30. *Id.* at 1339.

31. *Id.*

32. *Id.* at 1340.

33. *Id.*

ment claims in all three cases “relate[d] to the same set of transactions.”<sup>34</sup> That the eyeglasses in the 2009 action may not have been produced and sold until after the 2002 and 2006 actions did not appear to trouble the district court.<sup>35</sup>

A three-judge panel of the Federal Circuit reversed.<sup>36</sup> It held that claim preclusion does not bar an infringement action against a product that did not exist during the earlier litigation.<sup>37</sup> Whether the products at issue in the present and former suits are “essentially the same,” then, “does not matter with respect to products that were made or sold after the time of the previous lawsuits.”<sup>38</sup> To hold otherwise, to allow an adjudged infringer to continue to produce and market new infringing products and hide behind claim preclusion when challenged, would “effectively giv[e] the infringer an unpaid license for the remainder of the life of the patent.”<sup>39</sup>

In *Brain Life, LLC v. Elekta Inc.*,<sup>40</sup> a three-judge panel reaffirmed the *Aspex* rule and suggested how it should interact with *Foster’s* “essentially the same” test.<sup>41</sup> In 1997, Medical Instrumentation Diagnostics Corporation, or MIDCO, accused Elekta, Inc., of infringing a patent for a device that combines various types of medical images into a single video presentation.<sup>42</sup> The Federal Circuit vacated a jury verdict in MIDCO’s favor and directed that judgment of noninfringement be entered for Elekta.<sup>43</sup> In 2009, Brain Life, LLC, obtained a license to practice MIDCO’s patent.<sup>44</sup> It filed suit against Elekta, accusing many of the same products at issue in the MIDCO suit and one new product of infringement.<sup>45</sup> As in *Aspex*, the trial court held that claim preclusion barred Brain Life’s infringement claims in their entirety because all the accused products were “essentially the same” as those in MIDCO’s action.<sup>46</sup>

34. *Id.*

35. *See id.* at 1342 (Revolution and Marchon revealed at oral argument that some of the accused eyeglass designs were produced after the 2002 and 2006 actions concluded, “and thus were not in existence at the time of that earlier litigation.”).

36. *Id.* at 1337, 1350.

37. *Id.* at 1342.

38. *Id.*

39. *Id.* at 1344.

40. 746 F.3d 1045 (Fed. Cir. 2014).

41. *Id.* at 1053–54.

42. *Id.* at 1049.

43. *Id.* at 1050.

44. *Id.*

45. *Id.* at 1050–51.

46. *Id.* at 1051.

The Federal Circuit vacated this portion of the trial court's opinion as it concerned acts of infringement that occurred after the prior judgment was entered.<sup>47</sup> It reiterated the *Aspex* court's holding that claim preclusion does not bar an accusation of infringement against a product that was not produced or sold as of the prior infringement action.<sup>48</sup> It also restated the *Foster* holding that claim preclusion applies only where the accused product is "essentially the same" as the product accused in the earlier litigation.<sup>49</sup> In the *Aspex-Brain Life* universe, then, claim preclusion bars successive suits based on sales of the accused product and of any products that are "essentially the same" as of the former judgment, but in no event prevents a later infringement claim against a product that was made or sold after the conclusion of the former suit.

Interestingly, the fairness concern that troubled the *Aspex* court is missing in *Brain Life*. Where the prior action ended in a judgment of noninfringement, *Foster's* "essentially the same" test grants the prevailing party the right to continue to produce its products without being disturbed by successive accusations of infringement. In excepting new product sales from that test, the *Aspex* rule exposes a prevailing defendant to a risk of expensive successive litigation every time it introduces new products, no matter how similar they are to a product already judged not to infringe the patent. Perhaps recognizing this weakness of the *Aspex* rule, the *Brain Life* court found Brain Life's claims against several of Elekta's products barred by the *Kessler* doctrine.<sup>50</sup>

*Foster* and its progeny held that successive infringement claims are barred if the successively accused products are essentially the

47. *Id.* at 1055, 1059.

48. *Id.* at 1054.

49. *Id.* at 1053.

50. Over one hundred years ago, the Supreme Court held that a judgment of noninfringement in one action bars a future action alleging infringement of the same patent by the same product. *Kessler v. Eldred*, 206 U.S. 285, 289–90 (1907). The prior judgment of noninfringement "settled finally and everywhere" that the defendant in the prior action "had the right to manufacture, use, and sell" the accused product. *Id.* at 288. Later courts read *Kessler* to establish that a party that wins a judgment of noninfringement enjoys "a limited trade right which is 'the right to have that which [a court has determined] it lawfully produces freely bought and sold without restraint or interference.'" *MGA, Inc. v. Gen. Motors Corp.*, 827 F.2d 729, 734 (Fed. Cir. 1987) (quoting *Rubber Tire Wheel Co. v. Goodyear Tire & Rubber Co.*, 232 U.S. 413, 418–19 (1914) (alteration in original)). In *Brain Life*, the Federal Circuit applied the *Kessler* holding to the Elekta products that did not exist as of the prior judgment, independently of the claim preclusion doctrine. *Brain Life, LLC v. Elekta Inc.*, 746 F.3d 1045, 1058–59 (Fed. Cir. 2014). It noted that the parties did not dispute that several of the products at issue in the later case were not materially different in any respect from those at issue in the action ending in a judgment of noninfringement, and held that the *Kessler* doctrine barred infringement claims against those products. *Id.*



same. *Aspex* and *Brain Life* held that infringement claims against products that were not made or sold until after the previous action are not barred, essentially the same or not. The conflict between the two is apparent. Because one three-judge panel may not overrule the opinion of another,<sup>51</sup> unless *Aspex* and *Brain Life* can be reconciled with the opinions that came before them, the *Foster* line controls.

## II. *FOSTER* AND *ASPEX* ARE IRRECONCILABLE, LEAVING *FOSTER* IN CONTROL

The *Aspex* and *Brain Life* opinions suggest three ways in which the conflict with the *Foster* line of cases might be reasoned away. First, perhaps the *Aspex* rule follows necessarily from ancient *res judicata* principles with which *Foster* is at odds. Second, perhaps courts in practice applied the “essentially the same” test only to products already in existence during the pendency of the former action. Third, though *Foster* expressly set forth a claim preclusion doctrine, subsequent courts applying the “essentially the same” test may in practice have performed an analysis more akin to issue preclusion. The first two suggestions may be readily dispensed with, as they cannot be squared with the *Foster* opinion itself. The third requires a more thorough exploration of the Federal Circuit’s application of the “essentially the same” test from 1991 to the present. Ultimately, it too finds no support in the case law.

### A. *Did the Aspex/Brain Life Rule Flow Inevitably from Common-Law Principles Regarding the Preclusive Effect of Judgments?*

The *Aspex* court observed that, “[u]nder well-settled principles,” a plaintiff who has won a judgment against a defendant is ordinarily not barred from seeking relief for the defendant’s subsequent wrongful conduct.<sup>52</sup> To this effect, the court cited the Supreme Court’s mid-twentieth century opinion in *Lawlor v. National Screen Service Corporation*.<sup>53</sup> There, the high court held that, “[w]hile [a] judgment precludes recovery on claims arising prior to its entry, it cannot be given the effect of extinguishing claims which did not even then exist and which could not possibly have been sued upon in the previous case.”<sup>54</sup> The *Aspex* court also cited a string of opinions in the courts of appeals for

51. *Newell Cos., Inc. v. Kenny Mfg. Co.*, 864 F.2d 757, 765 (Fed.Cir.1988).

52. *Aspex Eyewear, Inc. v. Marchon Eyewear* 672 F.3d 1335, 1342 (Fed. Cir. 2012).

53. 349 U.S. 322 (1955); *Aspex*, 672 F.3d at 1342–43.

54. *Lawlor v. Nat’l Screen Serv. Corp.*, 349 U.S. 322, 328 (1955).

the same proposition, most of which predated *Foster*.<sup>55</sup> Finally, the Federal Circuit invoked the two great treatises on federal procedure: Wright & Miller's *Federal Practice and Procedure* and Moore's *Federal Practice*.<sup>56</sup> In *Brain Life*, as it reaffirmed the *Aspex* holding, the court briefly retreaded *Lawlor* and the same string of federal appellate opinions.<sup>57</sup>

Perhaps to head off the suggestion that issues unique to patent law call for diverging from the common-law rule, the *Aspex* court went on to cite patent cases in which claims that could have been raised in a prior suit were held barred in a subsequent one.<sup>58</sup> It quoted an early 1980s Federal Circuit case, *Young Engineers, Inc. v. U.S. International Trade Commission*,<sup>59</sup> as rejecting the notion that "an 'infringement claim,' for purposes of claim preclusion, embraces more than the specific devices before the court in the first suit."<sup>60</sup> The court went on to cite three district court opinions declining to apply claim preclusion to infringement claims against products that could not have been accused in the first suit.<sup>61</sup> In reaffirming *Aspex*, the *Brain Life* court quoted the

55. *Aspex*, 672 F.3d at 1343. See *Manning v. City of Auburn*, 953 F.2d 1355, 1359 (11th Cir. 1992) (holding that dismissal of a race discrimination class action did not prevent a passive class member from suing on subsequent discriminatory acts); *Blair v. City of Greenville*, 649 F.2d 365, 368 (5th Cir. 1981) (holding that a consent decree in a former race discrimination class action did not bar the class from asserting claims based on subsequent acts of discrimination); *Kilgoar v. Colbert Cnty. Bd. of Educ.*, 578 F.2d 1033, 1034–35 (5th Cir. 1978) (holding that judgment on a prior action against the school board for wrongful failure to rehire the plaintiffs did not bar action on the school board's subsequent refusal to adopt the superintendent's recommendation that plaintiffs be rehired).

56. *Aspex*, 672 F.3d at 1343 (citing 18 Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, FEDERAL PRACTICE & PROCEDURE § 4409 (2002); 18 James W. Moore, MOORE'S FEDERAL PRACTICE § 131.23[3][c] (2011)).

57. *Brain Life, LLC v. Elekta Inc.*, 746 F.3d 1045, 1055 (Fed. Cir. 2014).

58. *Aspex* 672 F.3d at 1343.

59. 721 F.2d 1305 (Fed. Cir. 1983)

60. *Aspex*, 672 F.3d at 1343 (quoting *Young Eng'rs.*, 721 F.3d at 1316).

61. *Id.* See also *Cordis Corp. v. Boston Sci. Corp.*, 635 F. Supp. 2d 361, 369–70 (D. Del. 2009) (holding that claim preclusion did not bar a subsequent infringement action against post-judgment sales of the same product at issue in the former suit); *Williams v. Gillette Co.*, 887 F. Supp. 181, 184 (N.D. Ill. 1995) (holding that claim preclusion does not bar suits for damages based on post-judgment infringing acts, even against an identical product); *MGA, Inc. v. Centri-Spay Corp.*, 699 F. Supp. 610, 614 (E.D. Mich. 1987) ("if the plaintiff claimed that different products infringed the patent in suit, the prior adjudication would not act as a bar to the subsequent claim"). In *Cordis*, the court acknowledged early in the opinion that "[t]wo infringement 'claims' are considered the 'same claim' if the accused products in the two suits are 'essentially the same,'" but failed to apply this principle when analyzing whether claim preclusion applied. 635 F. Supp. 2d at 366, 369–70. The *Williams* court reasoned that the *Foster* rule applied only to consent decrees. 887 F. Supp. at 185. As the opinion issued in 1995, before the Federal Circuit established more firmly in cases like *Roche Palo Alto* and *Acumed* that the "essentially the same" test applies to defenses of claim preclusion generally, this was a plausible position to take. See *Roche Palo Alto LLC v. Apotex, Inc.*, 531 F.3d 1372, 1379–80 (Fed. Cir. 2008) (applying the "essentially the same" test where the first litigation ended in a bench trial); *Acumed LLC v. Stryker Corp.*, 525 F.3d 1319, 1324 (Fed. Cir. 2008) (applying *Foster* where the prior suit ended in a jury verdict). In

same passage from *Young Engineers* and cited the same string of district court opinions.<sup>62</sup> The *Aspex* and *Brain Life* courts appear not to have thought that unique patent law considerations required variation from the principle that a judgment cuts off all claims that could have been asserted before it was rendered.

The implication is unstated but unmistakable: the *Aspex/Brain Life* rule is a natural outgrowth of an ancient common-law *res judicata* principle, solidified in Supreme Court and early<sup>63</sup> Federal Circuit precedent. The *Foster* rule, on the other hand, with its allowance for preclusion of claims that did not exist until after the prior judgment, is an illegitimate departure from that august principle. The argument is superficially plausible. If *Foster* ran counter to settled law when it was decided, then *Aspex* and *Brain Life* did not attempt to depart from valid precedent but merely corrected an error. Unfortunately for this neat hypothesis, *Foster's* "essentially the same" test is not at odds with *Lawlor* and the other cases that *Aspex* and *Brain Life* cited. Instead, the two lines of authority answer different questions.

*Lawlor* teaches that judgment on a claim does not bar future claims that could not have been asserted before the judgment was rendered.<sup>64</sup> Indeed, it is well understood that a final judgment extinguishes all claims that arise from the same transaction as the subject matter of the judgment and that could have been raised in the former suit.<sup>65</sup> Put another way, if a plaintiff raises a claim that is "the same claim" as one that the plaintiff raised or could have raised in an action that led to final judgment, the new claim is barred. *Foster* is not at odds with this basic claim preclusion principle. Instead, *Foster* explains that successive accusations of infringement against products that are essentially the same are the "same claim" for preclusion purposes.<sup>66</sup> Under the *Foster* rule, if final judgment of infringement is en-

*MGA*, the court concluded based on *Young Engineers* that *res judicata* bars subsequent infringement claims, but only if the presently and formerly accused products are "identical." *MGA*, 699 F. Supp. at 615. Contrary to the Federal Circuit's opinion in *Aspex*, the *MGA* court did not hold that a judgment of infringement does not bar any claims based on post-judgment infringing acts.

62. *Brain Life*, 746 F.3d at 1053.

63. *Young Engineers* is an "early" opinion only in that it was decided shortly after Congress established the Federal Circuit in 1982. See An Act To Establish a United States Court of Appeals for the Federal Circuit, To Establish a United States Claims Court, and for Other Purposes, Pub. L. 97-164, 96 Stat. 25, 25, 58 (1982).

64. *Lawlor v. Nat'l Screen Serv. Corp.*, 349 U.S. 322, 328 (1955).

65. *E.g.*, RESTATEMENT (SECOND) OF JUDGMENTS § 24(1) (1982).

66. *Roche Palo Alto v. Apotex*, 531 F.3d 1372, 1379 (Fed. Cir. 2008) (citing *Foster*, 972 F.3d at 479-80). See also *Acumed v. Stryker*, 525 F.3d 1319, 1324 (Fed. Cir. 2008) (reasoning that "one of the essential transactional facts giving rise to a patent infringement claim is 'the structure of the device or devices in issue'" (quoting *Foster*, 972 F.2d at 479)).

tered against a product, then that judgment establishes between the parties to the suit that any future products that do not differ materially with respect to the contested patent claims are also infringing.

The Federal Circuit's remark in *Young Engineers* that judgment on a patent infringement claim does not "embrace[] more than the specific devices before the court in the first suit"<sup>67</sup> does not require a different conclusion. There, Shur-Lok Corporation, a manufacturer, accused The Young Engineers, Inc., of importing aircraft components that infringed Shur-Lok's patents.<sup>68</sup> The Central District of California dismissed Shur-Lok's claims with prejudice.<sup>69</sup> When The Young Engineers continued to import similar components, Shur-Lok filed a complaint under the Tariff Act<sup>70</sup> premised on patent infringement before the International Trade Commission, who found infringement and prohibited further importation of the components.<sup>71</sup>

On appeal, The Young Engineers argued that the prior dismissal of Shur-Lok's claims barred all future claims against it for infringement of the same patent.<sup>72</sup> The Federal Circuit rejected this argument as "clearly untenable."<sup>73</sup> The court reviewed the familiar principles discussed above from the unique perspective of patent law, noting that a judgment of infringement establishes that the accused devices were "used or sold without authority," and that a judgment of noninfringement affords those devices "the status of noninfringement."<sup>74</sup> Critically, it concluded that The Young Engineers were not entitled to enjoy noninfringer status in the case before the ITC because the company "made no attempt" to prove "that the devices [accused] were the same as those in the [former] suit."<sup>75</sup> The court's reasoning suggests that a judgment embracing "the specific devices before the court in the first suit" would also sweep in subsequent devices that are "the same." Indeed, the *Foster* court and at least one subsequent Federal Circuit panel remarked that the "essentially the same" test follows naturally from *Young Engineers*.<sup>76</sup>

67. *Young Eng'rs, Inc. v. U.S. Int'l Trade Comm'n*, 721 F.2d 1305, 1316 (Fed. Cir. 1983)

68. *Id.* at 1307.

69. *Id.* at 1307-08.

70. Tariff Act of 1930, Pub. L. 71-361, 46 Stat. 590 (1930) (codified as amended at 19 U.S.C. §§ 1202-1683g).

71. *Young Eng'rs*, 721 F.2d at 1308-09.

72. *Id.* at 1316.

73. *Id.*

74. *Id.*

75. *Id.* at 1316.

76. *Acumed v. Stryker*, 525 F.3d 1319, 1324 (Fed. Cir. 2008); *Foster v. Hallco Mfg. Co., Inc.*, 947 F.2d 469, 479-80 (Fed. Cir. 1991).

Contrary to the necessary implication of *Aspex* and *Brain Life*, the “essentially the same” test does not depart from the common-law principle that judgment on a claim bars action on the same claim in later suits. It merely defines the “same claim” to include accusations against new products that do not differ in any material respect from those formerly at issue.

*B. In Practice, Did Courts Apply the “Essentially the Same” Test Only to Products That Could Have Been Accused of Infringement in the Former Action?*

The *Brain Life* court reiterated *Foster*’s holding that successive infringement claims are the same claim if the successively accused products are “essentially the same,” but went on to restrict the rule to products that existed while the former lawsuit was pending.<sup>77</sup> If previous courts applied the “essentially the same” test only to such products, then *Aspex* and *Brain Life* do not cause tension with *Foster*.

Of course, as noted in the previous section, *Foster* itself does not fit into the box that the *Brain Life* court has drawn. *Foster* began to sell new truck bed conveyors four years after Hallco’s former infringement action ended in a consent judgment.<sup>78</sup> These products certainly did not exist while the earlier suit was pending. Nevertheless, the Federal Circuit held that *Foster*’s subsequent declaratory judgment action was barred if the new conveyor products were essentially the same as the ones Hallco had earlier accused of infringement.<sup>79</sup> *Brain Life*’s suggestion that the “essentially the same” test only applies to products that could have been accused of infringement in the first suit is squarely at odds with *Foster*.

*C. In Practice, Did Courts in the Foster Line of Cases Actually Apply Issue Preclusion Principles?*

In *Aspex*, one of the defendants relied on the last opinion in the *Foster* line, *Nystrom v. Trex Co.*,<sup>80</sup> in arguing that *Aspex*’s latest infringement claims were barred.<sup>81</sup> The *Aspex* court noted that the first round of litigation in *Nystrom* “had resolved certain issues against the appellant,” and that the second action amounted to an attempt “to liti-

77. *Brain Life, LLC v. Elekta Inc.*, 746 F.3d 1045, 1053--54 (Fed. Cir. 2014).

78. 947 F.2d at 472.

79. *Id.* at 479–80.

80. *Nystrom v. Trex Co., Inc.*, 580 F.3d 1281 (Fed. Cir. 2009).

81. *Aspex Eyewear, Inc. v. Marchon Eyewear, Inc.*, 672 F.3d 1335, 1343 (Fed. Cir. 2012).

gate those issues again . . . , hoping for a different outcome.”<sup>82</sup> According to the *Aspex* court, the *Nystrom* court applied the doctrine of issue preclusion, determining that the parties had fully and fairly litigated the issues in the earlier action and that the appellant was barred from raising them again.<sup>83</sup> The *Aspex* court reached this conclusion despite observing that the *Nystrom* court expressly relied on claim preclusion, not issue preclusion.<sup>84</sup> In other words, the *Aspex* court has attempted to reclassify the “essentially the same” test as an issue preclusion doctrine rather than a claim preclusion one, on the ground that opinions in the *Foster* line actually apply issue preclusion principles. At least one district court has followed *Aspex* in this effort.<sup>85</sup>

Like *Nystrom*, all but one of the Federal Circuit opinions to apply the “essentially the same” test did so expressly in the context of claim preclusion.<sup>86</sup> The sole exception is *Ecolab, Inc. v. Paraclipse, Inc.*,<sup>87</sup> in which the Federal Circuit applied the “essentially the same” test without stating whether it did so under the claim preclusion or issue preclusion doctrine.<sup>88</sup> Further, the *Aspex* court only discussed *Nystrom*, and did not investigate whether the other cases in the *Foster* line applied the “essentially the same” test only where issues raised in the present infringement action were fully and fairly litigated in the former one.<sup>89</sup> Nevertheless, if *Foster* and all its progeny prohibited successive suits against substantially similar products only where the prior infringement claim was actually litigated to a final judgment on the merits, then the *Aspex* court’s attempt to cabin the “essentially the same” test within issue preclusion may have merit.

82. *Id.*

83. *Id.*

84. *Id.*

85. *See* Pet Prod. Innovations, LLC v. Paw Wash, L.L.C., No. 11-7182, 2012 WL 4461765, at \*5 (N.D. Ill. Sept. 25, 2012) (reasoning based on *Aspex* that a prior suit between the parties resolved the issue of whether the presently accused products were the same as the formerly accused products).

86. *See* *Nystrom v. Trex Co., Inc.*, 580 F.3d 1281, 1285 (Fed. Cir. 2009) (“[f]or claim preclusion in a patent case, an accused infringer must show that the accused product or process in the second suit is ‘essentially the same’ as the accused product or process in the first suit.”); *Acumed v. Stryker*, 525 F.3d 1319, 1326 (Fed. Cir. 2008) 1326 (remarking that two patent claims are the same for claim preclusion purposes if the devices in each case are “essentially the same”); *Roche Palo Alto v. Apotex*, 531 F.3d 1372, 1379 (Fed. Cir. 2008) (“[u]nder the law of the Federal Circuit, an infringement claim in a second suit is the ‘same claim’ as in an earlier infringement suit if the accused products in the two suits are ‘essentially the same.’”); *Hallco Mfg. Co. v. Foster*, 256 F.3d 1290, 1295 (Fed. Cir. 2001) (discussing *Foster* and the “essentially the same” test in the context of claim preclusion); *Foster*, 947 F.2d at 479–80 (holding that claim preclusion bars successive infringement claims if the presently and formerly accused products are “essentially the same”).

87. *Ecolab, Inc. v. Paraclipse, Inc.*, 285 F.3d 1362 (Fed. Cir. 2002).

88. *Id.* at 1376–77.

89. *Aspex Eyewear, Inc. v. Marchon Eyewear* 672 F.3d 1335, 1343 (Fed. Cir. 2012).

Including *Foster*, the Federal Circuit applied the “essentially the same” test (or remanded for application of the test) in six opinions before *Aspex*.<sup>90</sup> In some of these cases, issues of infringement do appear to have been actually litigated in the prior action. In *Nystrom*, after the district court issued a claim construction order, Nystrom conceded that he could not prove infringement, and the court granted summary judgment of noninfringement on all contested patent claims.<sup>91</sup> The Federal Circuit reversed the district court’s construction in part, and on remand the district court dismissed Nystrom’s claims on waiver grounds.<sup>92</sup> At the very least, then, the parties in the former action litigated issues pertaining to the proper construction of the patent’s claims. In *Acumed*, the parties pursued the prior suit all the way to trial and a jury verdict of infringement.<sup>93</sup> There can be little doubt that issues pertinent to infringement were actually litigated. In *Roche Palo Alto*, the preclusion defense was directed not at an infringement claim but at a defense of invalidity.<sup>94</sup> In the prior suit, the district court held after a bench trial that the patent at issue was valid, and the defendant challenged the patent’s validity in a subsequent suit.<sup>95</sup> The issue of validity therefore appears to have been actually litigated.<sup>96</sup> Finally, in *Hallco*, after the district court entered summary judgment of infringement, the parties moved for dismissal with prejudice pursuant to a settlement agreement.<sup>97</sup> Though the case ultimately settled, then, the issues pertaining to infringement were actually litigated in the summary judgment proceedings.<sup>98</sup>

In the remaining two cases, however, the prior action ended in settlement without prior dispositive rulings from the trial court. In

90. This number is based on a Westlaw search for Federal Circuit opinions containing the terms “Foster” and “essentially the same” and issued after September 27, 1991. The search was conducted on June 14, 2014.

91. *Nystrom v. Trex Co., Inc.*, 580 F.3d 1281, 1284 (Fed. Cir. 2009).

92. *Id.*

93. *Acumed v. Stryker Corp.*, 525 F.3d 1319, 1322 (Fed. Cir. 2008).

94. *Roche Palo Alto LLC v. Apotex, Inc.*, 531 F.3d 1372, 1379 (Fed. Cir. 2008).

95. *Id.* at 1376.

96. Interestingly, the district court in this case applied both claim preclusion and issue preclusion to conclude that the subsequent invalidity defense was barred. *Id.* at 1376–77; *Roche Palo Alto LLC v. Apotex, Inc.*, 526 F. Supp. 2d 958, 994–96, 997–99. The Federal Circuit expressly considered only claim preclusion, *Roche Palo Alto*, 531 F.3d at 1379–81, but the appellant may not have challenged the district court’s issue preclusion ruling because it left open an assertion of invalidity based on obviousness, *Roche Palo Alto*, 526 F. Supp. 2d at 997.

97. 256 F.3d at 1293.

98. Where the court has issued rulings before the parties reach a settlement, those rulings may have issue preclusive effect if they “are firm and consistent with the subsequent settlement agreement.” *Hartley v. Mentor Corp.*, 869 F.2d 1469, 1471–72 (Fed. Cir. 1989). That the parties in *Hallco* ultimately settled does not necessarily strip the court’s summary judgment ruling of preclusive effect.

*Ecolab*, the first action between the parties ended in entry of a consent judgment of infringement.<sup>99</sup> The Federal Circuit concluded that the product accused in the second action was materially different from that in the first, and held that claim preclusion did not bar the defendant from asserting an invalidity defense.<sup>100</sup> In *Foster*, the case that started it all, the parties settled Hallco's prior patent infringement action and terminated it with a consent judgment.<sup>101</sup> As noted above, the Federal Circuit remanded the subsequent action for determination whether the respectively accused products were essentially the same.<sup>102</sup>

When an action ends pursuant to a settlement before dispositive rulings have been made, "no issue may be said to have been fully, fairly or actually litigated."<sup>103</sup> In *Ecolab* and *Foster*, the Federal Circuit's opinions give no indication that the court in the prior litigation issued any rulings with potential issue preclusive effect. To infer that the court in these cases actually relied on issue preclusion principles when applying the "essentially the same" test therefore would be an unjustified leap. On the other hand, the outcomes in all six of the cases in the *Foster* line are explained more parsimoniously by accepting that the court did what it said it did: apply the "essentially the same" test in the context of claim preclusion.

Each of the Federal Circuit's three attempts to reconcile *Aspex* and *Brain Life* with its prior precedent collides fatally with the opinions in the *Foster* line. This failure is perhaps inevitable, as the conflict is irreconcilable. *Foster* and its progeny provide that claim preclusion bars successive infringement claims against products that are essentially the same, full stop, while *Aspex* and *Brain Life* declare that claim preclusion never bars claims against products that did not exist as of the prior judgment, essentially the same or not. The two lines are squarely

99. *Ecolab, Inc. v. Paraclipse, Inc.*, 285 F.3d 1362, 1367 (Fed. Cir. 2002). Though the parties litigated the earlier infringement claim for two years, *id.*, no dispositive rulings were entered before the parties agreed to entry of a consent judgment, Docket Report, *Ecolab, Inc. v. Paraclipse, Inc.*, No. 94-601. Accordingly, resolution of the earlier suit could not have had issue preclusive effect in the subsequent action. *Hartley*, 869 F.2d at 1471-72.

100. *Ecolab, Inc.*, 285 F.3d at 1377.

101. *Foster v. Hallco*, 947 F.2d 469, 472 (Fed. Cir. 1991). Though the parties in *Hallco* and *Foster* are the same, the prior actions referred to in each opinion are different. The settlement agreement in *Hallco* was executed in 1995 or later. See *Hallco Mfg. Co. v. Foster*, 256 F.3d 1290, 1293 (Fed. Cir. 2001) (noting that the patent at issue was issued in 1995). The consent judgment in *Foster* was entered in 1982. 947 F.2d at 472.

102. *Foster*, 947 F.2d at 472.

103. *Id.* at 480; see also *Hartley*, 869 F.2d at 1471-72 (noting that generally, a stipulated judgment pursuant to settlement "will give rise only to claim preclusion, not issue preclusion").



at odds. Because the three-judge panels in *Aspex* and *Brain Life* lacked the power to overrule the opinions in the *Foster* line,<sup>104</sup> *Foster* controls.

III. THE EN BANC FEDERAL CIRCUIT SHOULD OVERRULE *FOSTER* AND AFFIRM THE *ASPEX/BRAIN LIFE* RULE BECAUSE IT PREVENTS ADJUDGED INFRINGERS FROM ENJOYING PERPETUAL LICENSES TO CONTINUE INFRINGING

“[T]he peace and repose of society” is “the very object for which civil courts have been established.”<sup>105</sup> The doctrine of *res judicata* accomplishes this object by ensuring that a final judgment on the merits is “a finality as to the claim or demand in controversy.”<sup>106</sup> A party who wins a judgment of infringement enjoys repose in the form of a determination that the accused product “is made, used or sold without authority under the claim(s) of a valid enforceable patent.”<sup>107</sup> On the other hand, “where the alleged infringer prevails, the accused devices have the status of noninfringements, and the defendant acquires the status of a noninfringer to that extent.”<sup>108</sup> In short, a judgment of infringement should shield the prevailing party from future infringing activities by the other party, and a judgment of noninfringement should confer protection from wasteful successive litigation.

In defining successive infringement accusations against products that are essentially the same as the “same claim” for preclusion purposes, *Foster* achieves these objectives in at least two respects. The *Foster* rule protects parties whose products have been found not to infringe from the harassment and expense of multiple lawsuits.<sup>109</sup> The rule also protects parties who prevail on their infringement claims from future claims for declaratory judgment of invalidity or noninfringement, an effect that would disappear if the *Aspex/Brain Life* rule were the law.<sup>110</sup>

104. “This court has adopted the rule that prior decisions of a panel of the court are binding precedent on subsequent panels unless and until overturned *in banc*.” *Newell Cos. v. Kenney Mfg. Co.*, 864 F.2d 757, 765 (Fed. Cir. 1988).

105. *Nevada v. United States*, 463 U.S. 110, 129 (1983) (quoting *S. Pac. R.R. v. United States*, 168 U.S. 1, 49 (1897)).

106. *Id.* (quoting *Cromwell v. Cnty. of Sac*, 94 U.S. 351, 352 (1876)).

107. *Young Eng’rs. Inc. v. U.S. Int’l Trade Comm’n*, 721 F.3d 1305, 1316 (Fed. Cir. 1983).

108. *Id.*

109. *See Nystrom v. Trex Co.*, 580 F.3d 1281, 1284–85 (Fed. Cir. 2009) (holding that a prior judgment of noninfringement barred a subsequent accusation of infringement against products that were “essentially the same” as those accused in the first suit).

110. *See Foster v. Hallco*, 947 F.2d 469, 473, 479–80 (Fed. Cir. 1991) (concluding that *Foster*’s claim for declaratory judgment of invalidity and unenforceability is the “same” as a prior claim between the parties that ended in a consent judgment if the products accused in the two suits are essentially the same). The *Foster* court took care to point out that a party cannot maintain an action for a declaratory judgment of invalidity unless an underlying infringement dispute exists.

A less laudable consequence obtains when the following sequence occurs: a party wins a judgment of infringement, the other party continues to produce and sell essentially the same infringing product, and the prevailing party in the prior action sues for infringement again. The district court's application of the rule in *Aspex* illustrates the problem. There, *Aspex's* prior action against Revolution's eyeglasses ended in a judgment of infringement, and Revolution continued to manufacture similar products afterward.<sup>111</sup> The district court threw out *Aspex's* subsequent infringement accusation against the new eyeglasses because it found them to be essentially the same as those at issue in the prior suit.<sup>112</sup> In other words, even as the judgment in the prior action established that Revolution's eyeglasses infringed *Aspex's* patent, the judgment barred *Aspex* from pursuing Revolution for continuing to infringe the patent with substantially the same products. Similarly, the district court held that *Aspex's* settlement agreement with Marchon, in which Marchon agreed not to produce and sell any more of the accused eyeglasses "and substantially similar designs," prevented *Aspex* from bringing a subsequent action against essentially the same Marchon eyeglasses.<sup>113</sup> In effect, the district court's application of the "essentially the same" test in this case had the effect of "giving the infringer[s] an unpaid license for the remainder of the life of the patent," an "exceptionally unfair" result.<sup>114</sup>

The *Aspex/Brain Life* rule is preferable to *Foster* because it prevents a judgment of infringement from granting the infringer a gratuitous license to practice the patent. In defining an infringement "claim" to embrace accusations against only the prior accused product and any substantially similar products that were made or sold during the former suit, the rule ensures that a party who proves infringement may

A district court lacks jurisdiction over a declaratory judgment action unless it arises from a "case" or "controversy" as the terms are used in Article III of the Constitution. See 28 U.S.C. § 2201(a) (2012) (providing that a declaratory judgment action requires "a case of actual controversy"); *Teva Pharms. USA, Inc. v. Novartis Pharms. Corp.*, 482 F.3d 1330, 1338 (Fed. Cir. 2007) (remark- ing that "an 'actual controversy' . . . is the same as an Article III case or controversy") (citing *Aetna Life Ins. Co. of Hartford, Conn. v. Haworth*, 300 U.S. 227, 239-41 (1937)). Accordingly, a district court lacks jurisdiction over a claim for a declaration of invalidity unless the claim rests on a "controversy" over infringement. *Foster*, 972 F.2d at 479. Under the *Aspex/Brain Life* rule, a later infringement suit against a product that did not exist as of a former judgment of infringement is not barred, and so the possibility of such a suit furnishes a "controversy" based on which the formerly adjudged infringer may seek declaratory judgment of noninfringement or invalidity.

111. *Aspex Eyewear, Inc. v. Marchon Eyewear, Inc.*, 672 F.3d 1335,1338 (Fed. Cir. 2012); see also *id.* at 1342 (noting that at least some of the new designs "were not in existence at the time of [the] earlier litigation").

112. *Id.* at 1340.

113. *Id.* at 1339-40.

114. *Id.* at 1344.

accuse future products that practice its patent in essentially the same way.

Even as the new rule prevents adjudged infringers from obtaining a perpetual license to practice the patent, it also eliminates the *Foster* rule's beneficial consequences. First, if adjudged infringers are no longer protected from action against future infringing products, then adjudged noninfringers are also fair game for successive infringement accusations. The *Brain Life* court solved this problem by breathing new life into the *Kessler* doctrine.<sup>115</sup> When a party prevails over an infringement accusation, it obtains "a limited trade right" to "have that which [a court has determined] it lawfully produces freely bought and sold without restraint or interference."<sup>116</sup> Accordingly, the *Kessler* doctrine bars successive suits against products already judged not to infringe.<sup>117</sup> The doctrine also applies to subsequent products that are essentially the same as the adjudged noninfringing ones: because they do not differ materially in a manner pertinent to the challenged patent claims, they also benefit from the trade right conferred by the judgment of noninfringement.<sup>118</sup>

Of course, as noted above, the *Aspex/Brain Life* rule also does not shield parties who prevail on an infringement claim from future actions for declaratory judgments of invalidity or noninfringement. This should not be lamented. It would be unusual to allow one party to assert infringement while not allowing the other to contend that the patent in question is not valid or that the accused product does not infringe. More importantly, if the issues of validity or infringement were actually litigated in the former suit, issue preclusion may bar a party's attempt to litigate those questions again in a declaratory judgment action. A settlement agreement that includes a clear and unambiguous release of future invalidity claims may also forestall future declaratory judgment actions.<sup>119</sup>

The *Aspex/Brain Life* rule resolves the inequity that results from the *Foster* rule, and other doctrines patch up the holes that would be

115. *Brain Life, LLC v. Elekta Inc.*, 746 F.3d 1045, 1056 (Fed. Cir. 2014); *see supra*, note 50 (discussing the origin and history of the *Kessler* doctrine).

116. *MGA, Inc. v. General Motors Corp.*, 827 F.2d 729, 734 (Fed. Cir. 1987) (quoting *Rubber TireWheel Co. v. Goodyear Tire and Rubber Co.*, 232 U.S. 413, 418-19 (1914)) (alteration in original).

117. *See Brain Life*, 746 F.3d at 1057.

118. *See id.* at 1058 (holding a subsequent suit against products that were essentially the same as those judged not to infringe in the former suit was barred under the *Kessler* doctrine).

119. *See, e.g., Baseload Energy, Inc. v. Roberts*, 619 F.3d 1357, 1361-62 (Fed. Cir. 2010) ("invalidity and unenforceability claims may be released, but only if the language of the agreement or consent decree is clear and unambiguous.").

left if *Foster* were excised from Federal Circuit precedent. To overrule *Foster* in favor of *Aspex* seems a no-brainer. Unfortunately, until the Federal Circuit weighs in en banc, *Foster* remains the law.

Since the three-judge panel in *Aspex* attempted to depart from *Foster*, district courts have fallen all over the map in their attempts to square the two lines of precedent. At least three courts have applied *Foster*'s unrestrained "essentially the same" test, though each for a different reason. One district court recognized that the conflict between the two lines of cases is irreconcilable, and rested on *Foster* as the earlier authority.<sup>120</sup> Another simply applied the "essentially the same" test without mentioning *Aspex* at all.<sup>121</sup> A third acknowledged *Aspex*'s existence but distinguished it based on its reasoning.<sup>122</sup> Only one court followed *Aspex* in restricting claim preclusion to products that existed as of the prior judgment, by concluding that the "essentially the same" test is actually an issue preclusion doctrine.<sup>123</sup> An en banc opinion is needed not only to replace the *Foster* rule with the more just *Aspex/Brain Life* rule, but also to provide clear guidance to the district courts.

The courts of appeals disfavor hearing an appeal en banc, either initially or after a panel has issued an opinion, unless doing so "is necessary to secure or maintain uniformity of the court's decisions," or the appeal presents "a question of exceptional importance."<sup>124</sup> A court may grant rehearing on a party's petition or may do so sua sponte.<sup>125</sup> The Federal Circuit in particular has shown itself willing to hear ap-

120. *Mentor Graphics Corp. v. EVE-USA*, No. 10-954, 2014 WL 2533336, at \*1 (D. Or. June 4, 2014) ("[b]ecause one three-judge panel cannot overrule another, *Foster* controls until the Federal Circuit sitting en banc says otherwise.") (internal citation omitted).

121. See *Multimedia Patent Trust v. LG Elecs., Inc.*, No. 12-2731, 2013 WL 5779645, at \*9 (S.D. Cal. Aug. 1, 2013) (reasoning that "the only issue . . . is whether there are material differences for the purposes of infringement between the accused products in this action and the accused products in the prior action").

122. *Senju Pharm. Co., Ltd. v. Apotex*, 891 F. Supp. 2d 656, 660, 662 n.5 (D. Del. 2012) (citing *Nystrom*, *Acumed*, and *Foster* favorably for the "essentially the same" test and asserting that the Federal Circuit's opinion in *Aspex* "was based on that Court's finding that the products at issue were different than in the first litigation"), *aff'd* by 746 F.3d 1344 (Fed. Cir. 2014). Much of the district court's opinion, and the Federal Circuit opinion affirming it, concerned the effect of reexamination on claim preclusion. 891 F. Supp. 2d at 661-62; 746 F.3d at 1352-53. In fact, the reviewing court expressly limited its analysis to the reexamination question, and expressly declined to address arguments premised on *Aspex*'s holding on the scope of claim preclusion. 746 F.3d at 1351.

123. See *Pet Prod. Innovations, LLC v. Paw Wash, L.L.C.*, No. 11-7182, 2012 WL 4461765, at \*5 (N.D. Ill. Sept. 25, 2012) (reasoning based on *Aspex* that a prior suit between the parties resolved the issue of whether the presently accused products were the same as the formerly accused products).

124. Fed. R. App. P. 35(a)(1), (2).

125. Fed. R. App. P. 35(a), (b); *United States v. Grumman Aerospace Corp.*, 927 F.2d 575, 581 n.1 (Fed. Cir. 1991) (Plager, J., dissenting from refusal to hear appeal en banc).

peals en banc on its own initiative.<sup>126</sup> Whether or not the conflict between *Foster* and *Aspex/Brain Life* is “a question of exceptional importance,” it certainly demonstrates that an en banc opinion is needed to “secure . . . uniformity of the court’s decisions.” The Federal Circuit should order an en banc hearing or rehearing when an appeal presents the opportunity, and install the *Aspex/Brain Life* rule as the law governing claim preclusion in patent infringement cases.

### CONCLUSION

In *Aspex* and *Brain Life*, the Federal Circuit has attempted admirably to correct an unfortunate consequence of *Foster*’s “essentially the same” test. Because three-judge panels issued both opinions, however, the attempt so far must be regarded a failure. The full court should seize the next opportunity to visit the question en banc and clean up the mess.

And a mess it is. That *Aspex* and *Foster* are in conflict is apparent. *Foster* established that successive claims of infringement of a patent are barred if the successively accused products are “essentially the same,” whether or not the later accused products postdate the prior judgment. By contrast, the *Aspex* court held that a judgment of infringement never bars suit against products that were not made or sold as of the prior judgment, “essentially the same” or not. The two holdings are squarely in conflict, obliging district courts to favor the one that came first: *Foster*.

Both the *Aspex* and *Brain Life* courts reasoned as though their opinions were perfectly compatible with *Foster*, but their reasoning does not withstand scrutiny. The Federal Circuit did not depart from long-established claim preclusion principles in *Foster*, but merely defined what makes up a “claim” in a patent infringement action. The opinions in the *Foster* line applied the “essentially the same” test to each accused product in a subsequent action, not merely those that could have been accused of infringement before the prior judgment. Finally, the Federal Circuit’s application of the “essentially the same” test has not been limited to circumstances in which issue preclusion would bar a subsequent infringement claim. The conflict between

126. See Ryan Vacca, *Acting Like an Administrative Agency: The Federal Circuit En Banc*, 76 Mo. L. REV. 733, 739 (2011) (calculating that, of the cases in which the Federal Circuit has ordered an en banc hearing, it did so sua sponte in nearly half of them). Because of this high rate of sua sponte en banc hearings, the court has been accused of “establish[ing] broad patent rules on its own initiative and act[ing] more like a policymaker than an adjudicator.” *Id.*

*Aspex* and *Foster* is real, and only the en banc Federal Circuit can resolve it.

When it takes the question up, the en banc court should favor *Aspex* over *Foster*. In defining a “claim” of patent infringement to embrace only acts of infringement that occurred while the prior action was pending, *Aspex* prevents a judgment of infringement from becoming a perpetual license to infringe. Other doctrines will fill the openings left by *Foster*’s absence. Courts can invoke the *Kessler* doctrine to protect adjudged noninfringers from harassing litigation, and issue preclusion will likely prevent successive declaratory judgment actions by adjudged infringers. In short, overruling *Foster* in favor of *Aspex* will preserve *Foster*’s benefits and eliminate its disadvantages, leading to more just results overall.

Whatever the advantages of the *Aspex/Brain Life* rule, the current state of the case law prevents parties from realizing them. “[W]hether it proceeds upon good reasons or upon bad reasons, whether it was right or wrong,”<sup>127</sup> *Foster* remains the law. It falls to the Federal Circuit to change that.

127. *Kessler v. Eldred*, 206 U.S. 285, 288 (1907).