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COPYRIGHTS - LACHES AS A DEFENSE TO SUIT FOR COPYRIGHT AND PATENT INFRINGEMENT

David Davidoff
University of Michigan Law School

COPYRIGHTS — LACHES AS A DEFENSE TO SUIT FOR COPYRIGHT AND PATENT INFRINGEMENT — Plaintiff manufacturer sued, inter alia,[1] for copyright infringement in the appropriation of the content of his catalogues by defendant, a former employee. It appeared that plaintiff had known of the infringement for over three years before filing suit, during which time he had made no protest or complaint, but had stood by while defendant incurred large expense in printing and distributing the catalogues. *Held*, plaintiff's laches barred relief for the infringement. *Wiegand Co. v. Trent Co.*, (C. C. A. 3d, 1941) 122 F. (2d) 920.

Laches as an equitable defense to a suit for the infringement of a copyright or patent will not be found in mere lapse of time.[2] It is required that the copy-

[1] The point discussed in this note was one of several involved in the case. It was also held that where two claims of patent are indistinguishable, and one is invalid, the other must be promptly disclaimed or suit brought to determine its validity. 53 HARV. L. REV. 145 (1939); 4 GEO. WASH. L. REV. 153 (1935); 5 id. 243 (1937); 14 TEMP. L. Q. 380 (1940). Further held that no unfair competition was shown in breach of a contract not to compete. 41 HARV. L. REV. 782 (1928); Carpenter, "Validity of Contracts Not to Compete," 76 UNIV. PA. L. REV. 244 (1928); 28 COL. L. REV. 81 (1928). No unfair competition was found in the derogatory remarks of the defendant, since there was no trade libel. Nims, "Unfair Competition by False Statements or Disparagement," 19 CORN. L. Q. 63 (1933). Lastly, it was held that the solicitation by defendant of the plaintiff's customers was permissible. 11 N. Y. UNIV. L. Q. REV. 470 (1934); 46 HARV. L. REV. 1171 (1933); 21 VA. L. REV. 330 (1935); 37 MICH. L. REV. 505 (1939); 29 KY. L. J. 247 (1941); 23 A. L. R. 423 (1923); 34 A. L. R. 399 (1925). Contra: 19 COL. L. REV. 233 at 238 (1919); 22 VA. L. REV. 359 (1936).

[2] Menendez v. Holt, 128 U. S. 514, 9 S. Ct. 143 (1888); Gilmore v. Anderson, (C. C. N. Y. 1889) 38 F. 846; Hein v. Harris, (C. C. N. Y. 1910) 175 F. 875. Where there is a statute of limitations in the state which applies to both legal and equitable actions, the result is clear. Haynes & Co. v. Druggists' Circular, (C. C. A. 2d, 1929) 32 F. (2d) 215; Pond Creek Coal Co. v. Hatfield, (C. C. A. 6th, 1917) 239 F. 622. Even where the statute of limitations applies only to legal actions, equity applies the statute, and although not bound by it, by analogy it is used as a measure

right owner or patentee have knowledge of the infringement [3] and that his delay in instituting suit be unreasonable,[4] with resulting prejudice to the defendant.[5] The existence of these factors renders it inequitable to grant relief.[6] The extent to which laches will be used in bar and the nature of the facts giving rise to laches will vary, depending on the nature of the specific relief sought. Delay will militate most strongly against the plaintiff when he is seeking a preliminary injunction against the infringement, relief being denied in most cases where there has been a delay either in instituting [7] or prosecuting [8] suit. Prejudice to the defendant or the seeking of an undue advantage through the delay must be found in order for the defense to be invoked.[9] However, when relief through permanent injunction is sought, courts are much less ready to find a release of laches,[10] unless an abandonment of right or consent to the infringement can be

for the delay in establishing laches. Craftint Mfg. Co. v. Baker, (C. C. A. 9th, 1938) 94 F. (2d) 369; Patterson v. Hewitt, 195 U. S. 309, 25 S. Ct. 35 (1904); Hall v. Russell, 101 U. S. 503 (1879).

[3] Encyclopaedia Britannica Co. v. American Newspaper Assn., (C. C. N. J. 1904) 130 F. 460; Halstead v. Grinnan, 152 U. S. 412, 14 S. Ct. 641 (1894); Ritchie v. Sayers, (C. C. W. Va. 1900) 100 F. 520. It has been held that knowledge by one of co-owners of a copyright might be imputed to the others, and that notice to one might be notice to all. Haas v. Feist, (D. C. N. Y. 1916) 234 F. 105. See Tompkins v. St. Regis Paper Co., (C. C. A. 2d, 1916) 236 F. 221, holding that a patentee must have used reasonable diligence to have informed himself of the infringement.

[4] Haynes & Co. v. Druggists' Circular, (C. C. A. 2d, 1929) 32 F. (2d) 215; Drees v. Waldron, (C. C. A. 8th, 1914) 212 F. 93; Newberry v. Wilkinson, (C. C. A. 9th, 1912) 199 F. 673.

[5] Patterson v. Hewitt, 195 U. S. 309, 25 S. Ct. 35 (1904); Galliher v. Cadwell, 145 U. S. 368, 12 S. Ct. 873 (1892); United States v. Fletcher, (C. C. A. 8th, 1917) 242 F. 818. See AMDUR, COPYRIGHT LAW AND PRACTICE c. 30 § 22 (1936), where it is said that the unreasonable delay is assumed by law to have prejudiced the defendant.

[6] Encyclopaedia Britannica Co. v. American Newspaper Assn., (C. C. N. J. 1904) 130 F. 460; Imperial Chemical Mfg. Co. v. Stein, (C. C. N. Y. 1895) 69 F. 616; Galliher v. Cadwell, 145 U. S. 368, 12 S. Ct. 873 (1892).

[7] Keyes v. Eureka Consol. Mining Co., 158 U. S. 150, 15 S. Ct. 772 (1895); Eichel v. Marcin, (D. C. N. Y. 1913) 241 F. 404; Sawyer Spindle Co. v. Taylor, (C. C. N. J. 1895) 69 F. 837; Brush Electric Co. v. Electric Implements Co., (C. C. Cal. 1891) 45 F. 241; Mundy v. Kendall, (C. C. N. J. 1885) 23 F. 591.

[8] Johnston v. Standard Mining Co., 148 U. S. 360, 13 S. Ct. 585 (1893); American Grain Co. v. Twin City Co., (C. C. A. 8th, 1912) 202 F. 202 (where a delay of a few months was excused); West Publishing Co. v. Lawyers' Co-operative Publishing Co., (C. C. N. Y. 1893) 53 F. 265; Andrews v. Spear, (C. C. Minn. 1877) 1 F. Cas. No. 380.

[9] Hein v. Harris, (C. C. N. Y. 1910) 175 F. 875; Ney Mfg. Co. v. Superior Drill Co., (C. C. Ohio, 1893) 56 F. 152; Parker v. Sears, (C. C. Pa. 1850) 1 Fish. Pat. Cas. 93.

[10] McLean v. Fleming, 96 U. S. 245 (1877); Menendez v. Holt, 128 U. S. 514, 9 S. Ct. 143 (1888); Price v. Joliet Steel Co., (C. C. Ill. 1891) 46 F. 107; Rajah Auto Supply Co. v. Belvidere Screw Co., (C. C. A. 7th, 1921) 275 F. 761; Beattie Mfg. Co. v. Smith, (C. C. A. 2d, 1921) 275 F. 164.

expressly or impliedly found in the copyright owner or patentee.[11] There are many English cases holding laches to be a defense to a suit for a permanent injunction,[12] but the bulk of the American cases adopt a stricter view, and only where there is extreme hardship on the defendant has the defense been allowed.[13] There is no substantial difference in the treatment of delay by a patentee and that of a copyright owner, where the relief is to operate prospectively through injunction. Likewise, neither the patentee nor the copyright owner will be permitted to sit by with knowledge of the infringement and then seek to recover the profits from the infringement without being vulnerable to the defense of laches.[14] But where damages for the infringement are sought, at least one case has held that a copyright owner will not be barred by laches,[15] whereas a contrary result seems to have been reached in the patent cases.[16] No matter what the relief sought, circumstances which extenuate the delay will prevent the application of laches against the plaintiff.[17] The inexcusable delay by the plaintiff in the principal case in bringing suit, to the resultant injury of the defendant, required

[11] See Rundell v. Murray, 4 Eng. Ch. 145 at 148, 37 Eng. Rep. 868 (1821), where the court said, "There has often been great difficulty about granting injunctions, where the plaintiff has previously, by acquiescing, permitted many others to publish the work; where ten have been allowed to publish, the court will not restrain the eleventh."

[12] Lewis v. Chapman, 43 Eng. Ch. 132, 49 Eng. Rep. 52 (1840); Campbell v. Scott, 34 Eng. Ch. 31, 59 Eng. Rep. 784 (1842). See 13 C. J. 1171, note 38 (1917), for a list of the English cases so holding.

[13] West Publishing Co. v. Thompson Co., (C. C. A. 2d, 1910) 176 F. 833 (a copyright case); Westco-Chippewa Pump Co. v. Delaware Electric Co., (D. C. Del. 1931) 57 F. (2d) 559 (a patent case).

[14] Haas v. Feist, (D. C. N. Y. 1916) 234 F. 105; West Publishing Co. v. Thompson Co., (C. C. A. 2d, 1910) 176 F. 833; New York Grape Sugar Co. v. Buffalo Co., (C. C. N. Y. 1885) 24 F. 604.

[15] West Publishing Co. v. Thompson Co., (C. C. A. 2d, 1910) 176 F. 833.

[16] Rajah Auto Supply Co. v. Belvidere Screw Co., (C. C. A. 7th, 1921) 275 F. 761 at 764: "Laches may be one, and a most important element in proving estoppel, but ordinarily, where laches alone is shown, the patentee should not be barred from asserting his rights under the patent so far as future infringement are concerned, though he may, because of that fact alone, be refused damages for past infringements. McLean v. Fleming, 96 U. S. 245 (1877); Menendez v. Holt, 128 U. S. 514," 9 S. Ct. 143 (1888).

[17] Laches is not found where the delay was due to the prosecution or defense of other suits in relation to the copyright or patent. Wooster v. Crane, (C. C. A. 8th, 1906) 147 F. 515; Claude Neon Lights, Inc. v. Gardner Sign Co., (D. C. Pa. 1929) 39 F. (2d) 487. Poverty of the patentee or copyright holder is no excuse for the delay. Leggett v. Standard Oil Co., 149 U. S. 287, 13 S. Ct. 902 (1893); Nagy v. L. Mundet & Son, (D. C. N. Y. 1938) 23 F. Supp. 543, aff'd. (C. C. A. 2d, 1939) 101 F. (2d) 82. See Smith Hardware Co. v. Pomeroy Co., (C. C. A. 2d, 1924) 299 F. 544, where it was held that poverty alone is not sufficient to excuse delay, but it may be considered as a factor if there are other reasons to excuse the delay. Prevention of earlier suit by the plaintiff's partner in the ownership of the patent was held not to excuse laches in Richardson v. D. M. Osborne & Co., (C. C. N. Y. 1897) 82 F. 95; Hall v. Frank, (D. C. N. Y. 1912) 195 F. 946. Patentee excused for suing for infringement during period in which none of the infringing machines was made. De Simone v. R. H. Macy & Co., (C. C. A. 2d, 1932) 57 F. (2d) 179. Death of patentee, bankruptcy of his estate and failure of trustee in bankruptcy to act did not

the court to refuse relief. To have reached a contrary result would have produced considerable hardship, for the prevention of which the doctrine of laches is designed.[18]

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excuse laches in Delaney Patents Corp. v. Johns-Manville, (D. C. Cal., 1939) 29 F. Supp. 431.

[18] For a complete and extremely comprehensive analysis of the effect of laches in suits for infringement of copyrights and patents, see AMDUR, COPYRIGHT LAW AND PRACTICE, c. 30, §§ 22, 22a (1936), and AMDUR, PATENT LAW AND PRACTICE, c. 20, § 52, and c. 24, § 30 (1935).