

In the Matter of

CERTAIN SURVEYING DEVICES

Investigation No. 337-TA-68

ADVISORY OPINION PROCEEDING

USITC PUBLICATION 1178

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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letter was sent also to Gammon Reel, Inc., the complainant in the original investigation, soliciting its comments on the request for an advisory opinion. Both Woods and Gammon Reel subsequently filed their comments on the merits of Woods' request.

Need For An Advisory Opinion

Advisory opinions are provided for in subsection 211.54(b) of the Commission's Rules of Practice and Procedure (19 C.F.R. § 211.54(b)). This subsection provides that in determining whether to issue an advisory opinion, the Commission will consider whether such an opinion would facilitate enforcement of section 337, be in the public interest, or benefit consumers and competitive conditions in the United States.

Where the Commission finds a violation of section 337, it may issue an exclusion order or a cease and desist order if such relief is consistent with the public interest. Although these orders are intended to protect a domestic industry from import-related unfair acts, they may also have the unintended side effect of inhibiting legitimate trade practices. Thus, both domestic and foreign companies may be deterred from embarking upon various business enterprises for fear that those enterprises may be proscribed by the Commission's remedial order. It is therefore incumbent on the Commission to dispel unnecessary business uncertainty by issuing advisory opinions upon the request of concerned parties.

To be weighed against the business-certainty interest of potential importers are the interests of the Commission and those of the domestic industry which the Commission has acted to defend. The Commission does not have the resources to conduct a formal adjudication concerning every

hypothetical question presented to it. And a complainant, which has gone through an investigation to obtain necessary relief, ought not be continually called upon to defend the Commission's remedial order. Moreover, a complainant has a business-certainty interest, not unlike that of a potential importer, in the finality of the Commission's orders.

We therefore impose several duties upon a respondent requesting an advisory opinion. First, a respondent seeking such advice must demonstrate a compelling business need for the advice sought. An example of such need might be the obvious risk of building a productive facility for the manufacture of an article which may or may not be covered by a United States patent. If the Commission ultimately determines that the manufactured article, although modified, infringes a United States patent, the building of the productive facility may be a costly mistake.

Second, a party seeking the Commission's advice must take care to frame its request as fully and accurately as possible. The Commission relies upon the requester to state the facts accurately in its request; the Commission's advice may be of little value if it is given in response to incomplete or inaccurate information.

Third, the Commission does not wish to become involved in giving a series of advisory opinions in response to reiterated requests based on facts that differ only slightly from one request to the next. Therefore, the party seeking advice should fully state its request in its first submission to the Commission.

Finally, the Commission will consider any equitable factor which might affect the balance of interests among the parties and between the parties and the Commission.

In the instant case, John Woods has submitted an appropriate request for a Commission advisory opinion. Here, Woods is attempting "to design around" a patent which it has previously been found to infringe. We may reasonably infer that the retooling of its productive facilities to accommodate the modified surveying device proposed in its submission to the Commission would be costly. Second, Woods intends to increase dramatically its importation of surveying devices into the United States during the next year over its level of importation for 1977 and 1978. Cf., Transcript of hearing before ALJ, p. 620. If Woods acts, without first obtaining the Commission's advice on the question of whether the modified device infringes Gammon Reel's '205 patent, it will be taking a substantial financial risk.

Infringement of the '205 Patent

The sole question posed by Woods' request is whether its modified surveying device would infringe the '205 patent if imported into the United States. For the purposes of this advisory opinion we accept as stipulated facts all the assertions made by Woods in its request. Certain Apparatus for the Continuous Production of Copper Rod, Inv. No. 337-TA-52, p.8 (Advisory Opinion Proceeding, 1980). 1/

1/ However, we do not necessarily accept as true the inferences drawn by Woods from those facts, nor do we necessarily accept the legal arguments made by Woods. Moreover, even if we were to find that the modified device does not infringe the '205 patent, we could reserve the right to inspect Woods' device upon importation to determine whether its description of that device in its request for an advisory opinion is accurate and complete. Cf., Copper Rod, supra, at 8, 12.

The principal features of the surveying device described in the '205 patent are a target and a cord which is held in place by a guide means. The operation of the device is quite simple. One person holds the device so that its target faces a second person who is standing at a distance. A cord, to the end of which a cone-shaped piece called a plumb bob is attached, extends downward out of the device. The cord and therefore the plumb bob are held in a line perfectly vertical to the ground by a cord guide means which restrains the cord at least at the top and the bottom of the device. When the first person holds the device with the cord and plumb bob extended precisely above a desired point of land, the second person may view the target on the device through a surveyor's transit and thereby determine the distance between him and the desired point of land.

The sole claim of the '205 patent reads as follows:

A surveying device which includes:

a housing having two opposed sides having edges and an end extending between said sides, said end having a centrally located hole leading into the interior of said housing formed therein;

a reel rotatably mounted within the interior of said housing;

a cord wrapped around said reel and extending out of said hole, a plumb bob secured to said cord;

cord guide means formed in alignment with said hole, said cord being capable of fitting within said cord guide means to extend along one of the sides of said housing, said cord guide means restraining said cord at least at the edges of said one side;

target means located on said side of said housing and covering substantially said entire side adjacent to said cord guide means;

a projection formed on the other side of said housing, said projection having an edge against said housing in the same plane as said cord guide means and said hole;

a spring means located within the interior of said housing and secured to said housing and said reel, said spring means being connected to said reel and to said housing and being for turning said reel so as to reel said cord into the interior of said housing after said cord has been pulled from said housing through said hole, said spring exerting a tension in through said hole, said spring exerting a tension in said cord in excess of the weight of said surveying device and less than the weight of said plumb bob.

After an examination of the record in the original investigation, the Commission found that each element of the '205 patent read on Woods' device and therefore concluded that the Woods' device directly infringed and induced the infringement of the '205 patent. 1/

The Woods' surveying device now before the Commission differs from that previously found to infringe the '205 patent in only one respect. The newly modified Woods device avoids the centered restraint effect by the addition,

at both the top and bottom of the center of its target front, of metal brad or nodule which prevents a vertically hanging cord from being held in check by the plastic marking material on the target face of the device, and, likewise, prevents such a cord from centering on the face. 2/

Woods contends that the cord is no longer "capable of fitting within said cord guide means to extend along one of the sides of the said housing" (as required by the '205 patent) because the cord guide means is now obstructed by the nodules. It is on the basis of these nodules that Woods requests an advisory opinion stating that its modified surveying device does not infringe the '205 patent.

However, an examination of a sample modified device submitted by Woods reveals that the nodules can be pulled out of the cord guide means in a matter of seconds by one exercising minimal skill in the mechanical arts. Without the nodules, the cord guide means is unobstructed and again capable of functioning as required by the '205 patent.

1/ Opinion of July 7, 1980, at 19-20 (USITC Publication 1085).

2/ Woods' Request for Advisory Opinion, January 30, 1981.

Woods replies that even if its modified surveying device is capable of being restored to its infringing condition, such capability is of no legal significance. Woods cites Brinkman v. Laurette Mfg. Co., 21 F.2d 607, 611 (D.N.J. 1927) for the proposition that "mere capability of being turned into an infringing [article], however, does not constitute infringement."

Although "mere capability" does not constitute infringement, "reasonable capability" does.

[F]or a manufacturer, infringement is determined by the use to which the device may reasonably be put, or of which it is reasonably capable. Huck Mfg. Co. v. Textron, 187 U.S.P.Q. 388, 408 (E.D.Mich 1975).

Where it is commercially feasible for a distributor or a consumer to transform a product into an infringing article, such capability will constitute infringement. Certain Apparatus for the Continuous Production of Copper Rod, Inv. No. 337-TA-89, Temporary Relief Proceeding, at 12 (I.T.C. 1980); Kearney & Trecker Corporation v. Goddings & Lewis, Inc., 306 F.Supp. 189, 194 (E.D.Wisc. 1969); Hansen v. Siebrer, 142 USPQ 465, 472 (N.D.Iowa 1964); Autokraft Box Corporation v. Nu-Box Corporation, 16 F.Supp. 794, 797 (M.D.Pa. 1936). In the instant case, the Woods surveying device is "reasonably capable" of infringement because of the undeniable ease of removing the nodules and the possibility if not likelihood that at least some distributors will in fact remove the nodules. 1/

1/ The instant case is distinguishable from the Brinkman case cited by Woods. The patent in that case concerned a double-brim hat in which the edges were not sewn together. The allegedly infringing hat was also double-brimmed, but the edges were sewn together. Although the court found no infringement, it did so only because of its utter disbelief that any consumer would go to the trouble of meticulously tearing out the sewing to convert the defendant's hat into an infringing article. 21 F.2d, at 611.

The facts of this case closely parallel those of Eureka Tool Co. v. Wire Rope Appliicance Co., 265 Fed. 673 (8th Cir. 1920). That case involved a contempt proceeding to enforce a prior judgment that the defendant had infringed plaintiff's patent. The patent concerned a swivel jar socket used in oil and gas drilling. The socket had two beneficial results: (1) when the drill struck bottom, a core in the socket fell slightly to permit the drill line to turn and its operation to continue, and (2) when the drill line was lifted, the core rose sharply hitting the top of the socket and thereby loosening the drill point. After the defendant had been found to infringe this patent, he modified his drill by inserting a pin through the socket and the edge of the core so as to prevent movement of the core. Circuit Judge Stone pointed out that the pins could be readily removed by its users, or even dislodged through use. Such a mere "colorable change" did not alter the infringing nature of the defendant's machine. 265 Fed., at 674.

Woods also contends that at some point in the future, it may manufacture a surveying device, unlike the one submitted to the Commission for this Advisory Opinion, on which the nodules are not merely attached to, but are an integral part of, the target surface. According to Woods, these nodules would be permanently affixed to the target surface, rendering the surveying device incapable of infringing use. However, without physical samples of this anticipated new design of surveying device, we cannot determine whether it would be subject to our exclusion order. It is conceivable that the nodules, although an integral part of the target surface, could be readily sliced off, reopening the path of the cord guide means. It is also possible that a slot could be cut through the nodules themselves, again reopening the cord guide

means. Since Woods has not submitted a sample of its further modified surveying device, we cannot determine the commercial feasibility of converting to an infringing product and, therefore, cannot advise Woods whether that device is within the scope of the Commission's exclusion order.

Conclusion

Given the commercial feasibility of restoring the Woods' modified surveying device to its original infringing state, we conclude that the modified device is infringing because it is capable of infringing the '205 patent. We therefore advise Woods that its modified surveying device is covered by the exclusion order currently in force.

