

ARTICLE

THE “PLANES, TRAINS, AND AUTOMOBILES” DEFENSE TO PATENT INFRINGEMENT FOR TODAY’S GLOBAL ECONOMY: SECTION 272 OF THE PATENT ACT

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I. INTRODUCTION

In 2004, for the first time ever, the U.S. Court of Appeals for the Federal Circuit applied the little-known "temporary-presence" defense of 35 U.S.C. § 272 in *National Steel Car, Ltd. v. Canadian Pacific Railway*.¹ This Federal Circuit decision demonstrated that § 272 can provide an accused patent infringer with a powerful defense to infringement where a foreign vessel, aircraft, or vehicle enters the United States temporarily.² Although this defense may not be well known yet, the temporary-presence defense of § 272 should become more important as the world continues to become smaller and commerce continues to become more global.

Section 272, entitled "Temporary presence in the United States," provides:

The use of any invention in any vessel, aircraft or vehicle of any

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¹ *Nat'l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC II)*, 357 F.3d 1319, 1326 (Fed. Cir. 2004).

² *Id.* ("In gross, section 272 provides that the use of certain foreign-owned means of transit or transport entering into the jurisdiction of the United States 'temporarily or accidentally' is not an infringing use provided a host of conditions are satisfied."). Although § 272 and similar provisions distinguish between "vessels," "aircraft," and "vehicles," *see* *United States v. Reid*, 206 F. Supp. 2d 132, 139 (D. Mass. 2002), this article sometimes uses the word "vehicle" as shorthand to refer to all three.

country which affords similar privileges to vessels, aircraft or vehicles of the United States, entering the United States temporarily or accidentally, shall not constitute infringement of any patent, if the invention is used exclusively for the needs of the vessel, aircraft or vehicle and is not offered for sale or sold in or used for the manufacture of anything to be sold in or exported from the United States.³

Thus, the temporary-presence defense of § 272 has five requirements:

- (1) *Vessel, aircraft, or vehicle* – the accused invention must be used in a vessel, aircraft, or vehicle;
- (2) *Reciprocity* – the vessel, aircraft, or vehicle must be from another country that provides a similar defense to U.S. vessels, aircraft, or vehicles;
- (3) *Temporary or accidental presence* – the vessel, aircraft or vehicle must be present in the United States only temporarily or accidentally;
- (4) *Exclusively for the needs of the vehicle* – the accused invention must be used “exclusively for the needs” of the vessel, aircraft, or vehicle; and
- (5) *No U.S. sales or manufacturing activity* – the accused infringer must not sell or offer to sell the accused invention, nor use it to manufacture anything to be sold in or exported from the United States.⁴

The major object and underlying policy of § 272 is to prevent patent enforcement from inhibiting international commerce.⁵ According to the Federal Circuit:

[The temporary-presence defense] demonstrate[s] a concern to leave the channels of international commerce, or more accurately the vessels and vehicles that pass through these channels, free from the excessive burdens that would result if such vessels or vehicles had to conform to the patent laws of all nations that the vessel or vehicle visited during its lifetime. Different inventions are likely to be patented in different countries, and the same invention may be owned by different parties in different countries. In section 272, Congress intended to join an international movement to place foreign-owned means of international transport beyond the reach of domestic patentees’ exclusive rights because the cost of complying with multiple, inconsistent rights of exclusion provided by the patent regimes of a large number of countries

³ 35 U.S.C. § 272 (2000).

⁴ *Id.*; see also *Hughes Aircraft Co. v. United States*, 29 Fed. Cl. 197, 240 (1993) (describing the five elements of § 272).

⁵ *NSC II*, 357 F.3d at 1330.

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would likely place an excessive drag on international commerce.⁶

Thus, the temporary-presence defense strikes a balance between a patentee's right to exclude and the exigencies of international trade.⁷

In today's global economy, the importance of the temporary-presence defense should continue to increase. Since the enactment of § 272 in 1952,⁸

⁶ *Id.*; see also *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120, 1126 (E.D.N.Y. 1974) ("It is difficult to see any other purpose in Section 272 and Article 5^{ter} than to meet the needs and realities of international trade and navigation."), *aff'd*, 535 F.2d 1240 (2d Cir. 1975) (unpublished table decision). Similarly, a commentator in 1930 described the policy behind the temporary-presence defense as follows:

The right of the patentee to prevent the use of his invention in foreign vessels or other means of transportation coming temporarily into the jurisdiction of a state may cause much inconvenience to the freedom of communication. It is too rigid to require a foreigner, who may be altogether ignorant of the grant of a patent in a country, to secure a license from the patentee for the use of the invention at the risk of being subjected to seizure of the machine or engine employed in the construction, fitting out, or functioning of his vessel or other means of transportation.

STEPHEN P. LADAS, *THE INTERNATIONAL PROTECTION OF INDUSTRIAL PROPERTY* 246 (1930).

⁷ See *NSC II*, 357 F.3d at 1330; Dan L. Burk, *Patents in Cyberspace: Territoriality and Infringement on Global Computer Networks*, 68 TUL. L. REV. 1, 66 (1993); cf. *Cali*, 380 F. Supp. at 1125-26 ("[T]he patent law must not be so interpreted as to impair the treaty-making capacity of the nation or to clog its power to regulate foreign commerce (since that would make patent grants a surrender *pro tanto* of 'sovereignty' to private persons).") (citations omitted).

Interestingly, one commentator has proposed using the balance struck by the temporary-presence defense of § 272 as a model for dealing with the issue of "enforc[ing] patent rights infringed by international data communications." Burk, *supra*, at 66. He suggests that:

The temporary presence doctrine represents judicial recognition that the balance struck in the quid pro quo patent bargain may be upset by international policy considerations, particularly when the harm to the patent holder is slight. Courts that are asked to enforce patent rights infringed by international data communications will be required to engage in a similar calculus: the patent incentive created by Congress must not be eroded, but at the same time, mechanical application of its provisions cannot be allowed to compromise important international goals. Systematic, substantial inroads into a patent holder's exclusivity by, for instance, an offshore data haven, are likely to render the patent worthless and must be discouraged. Particularly when such activity by data service providers or subscribers knowingly encroaches on the patent, imposition of liability for direct infringement and inducement would be appropriate. By contrast, when computer network activity occasionally and unwittingly impinges on the scope of a U.S. patent, the burdens on the U.S. international position imposed on society by judicial enforcement of the patent may exceed the value of the patent incentive.

Id.

⁸ See S. REP. NO. 82-1979, at 9, 28 (1952), *reprinted in* 1952 U.S.C.C.A.N. 2394, 2402, 2422.

U.S. commerce has become increasingly global in nature.⁹ Manufacturing of goods now regularly occurs across borders,¹⁰ and lower-cost transportation has played a major role in this phenomenon.¹¹ Vehicles such as refrigerated trucks, specially modified rail cars, and unique freight aircraft have become more important in facilitating transnational commerce. As the importance of international shipping continues to increase,¹² the temporary-presence defense of § 272 becomes of increasingly greater significance for preventing patent

⁹ See Stephen F. Befort, *A New Voice for the Workplace: A Proposal for an American Works Councils Act*, 69 MO. L. REV. 607, 617 (2004) (“Advances in technology and transportation have created a global economy in which American firms must compete on an international basis.”); Michael S. Knoll, *Perchance to Dream: The Global Economy and the American Dream*, 66 S. CAL. L. REV. 1599, 1603 (1993) (“Between 1950 and 1980, the share of U.S. gross national product (“GNP”) involved in international trade increased nearly tenfold, from two percent to almost twenty percent.”). Indeed, in 2004, U.S. international trade of goods comprised over \$1.4 trillion in imports and over \$800 billion in exports. U.S. CENSUS BUREAU, FOREIGN TRADE DIVISION, U.S. TRADE IN GOODS AND SERVICES (June 10, 2005), available at <http://www.census.gov/foreign-trade/statistics/historical/gands.pdf>.

¹⁰ See Arthur Donovan, *The Impact of Containerization: From Adam Smith to the 21st Century*, REV. OF BUS., October 1, 2004, at 10, 14 (“[I]ndustrial production is widely distributed rather than concentrated, and sub-assemblies and semi-finished components are routinely shipped in containers across borders and oceans. . . .”); Binyamin Netanyahu, *We’re Just Getting Started*, JERUSALEM POST, Mar. 4, 2005, at 17 (“Today, we live in a world of choice, . . . where goods can be manufactured on the other side of the globe and shipped at a pace scarcely imaginable a few decades ago.”); see also ROGER ALCALY, *THE NEW ECONOMY* 128-29 (2003) (describing how Dell Computer ships computers to its customers by having shipping companies combine its computers made in Austin, Texas with monitors made in Mexico).

¹¹ See Befort, *supra* note 9, at 617 (“Advances in technology and transportation have created a global economy”); George K. Walker, *Information Warfare and Neutrality*, 33 VAND. J. TRANSNAT’L L. 1079, 1088 (2000) (“The global economy was made possible by modern transportation.”) (quoting Roberta Cooper Ramo, *Executive Foreword* to G. BURGESS ALLISON, *THE LAWYER’S GUIDE TO THE INTERNET*, xi (1995)); see also Donovan, *supra* note 10, at 13-14 (“[C]ontainerization has taken global commerce to new levels of integration and has brought greatly increased wealth to many parts of the world. Before the 1960s, moving general cargoes across oceans cost roughly 10 to 15 percent of the retail value of the goods carried. . . . Today the cost of shipping goods in containers is between one and two percent of retail value, 90 percent less than before containerization.”).

¹² See *Chicago: Portal to the World*, TRANSP. & DISTRIBUTION, May 2003, at 51, 56 (“[I]nternational freight volumes are growing faster than domestic volume and will almost double by 2020.”).

enforcement from interfering with international trade.

As discussed in detail below, the temporary-presence defense first originated in England in the 1850s. The defense then came to America via an 1856 Supreme Court decision in *Brown v. Duchesne*,¹³ which held that even though there was no temporary-presence statute in effect at the time, a foreign ship was exempt from patent-infringement liability where it was only temporarily present in the United States. The temporary-presence defense went global in 1925 when it was incorporated into the Paris Convention.¹⁴ Congress enacted § 272 as part of the Patent Act of 1952 to codify the holding of the Supreme Court and the requirements of the Paris Convention.¹⁵

Although sparse, the case law applying § 272 up to and including *National Steel Car*¹⁶ shows the variety of transportation means to which § 272 can apply. Before *National Steel Car*, there were only two cases that interpreted § 272. In the first of these cases, *Cali v. Japan Airlines, Inc.*,¹⁷ a district court held that § 272 provided a complete defense to patent infringement for aircraft that were temporarily present in the United States. In the second case, *Hughes Aircraft Co. v. United States*,¹⁸ the United States Court of Federal Claims held that § 272 provided a patent-infringement defense for certain spacecraft.

Because temporary-presence-defense statutes analogous to § 272 exist in many countries, foreign cases interpreting these statutes are also instructive. Two cases are notable. In *Rolltrailer*,¹⁹ a German court held that the German temporary-presence statute protected vehicles called “roll trailers” from infringement liability. In *Stena Rederi AB v. Irish Ferries Ltd.*,²⁰ an English court held that the U.K. temporary-presence statute exempted certain ferries from infringement.

National Steel Car presents the most recent application of the temporary-presence defense in the United States. In *National Steel Car*, the U.S. District Court for the Eastern District of Pennsylvania held in 2003 that the defense of § 272 did not apply to certain Canadian rail cars that entered the United States, delivered lumber to U.S. destinations, and then returned empty to Canada.²¹ Unlike other courts that considered similar issues, the district court narrowly

¹³ *Brown v. Duchesne*, 60 U.S. (19 How.) 183 (1856).

¹⁴ LADAS, *supra* note 6, at 247.

¹⁵ S. REP. NO. 82-1979, at 9, 28 (1952), *as reprinted in* 1952 U.S.C.C.A.N. 2394, 2402, 2422.

¹⁶ 357 F.3d 1319 (Fed. Cir. 2004).

¹⁷ 380 F. Supp. 1120 (E.D.N.Y. 1974).

¹⁸ 29 Fed. Cl. 197 (1993).

¹⁹ LG Hamburg, GRUR Int. 1973, Heft 12, at 703 (F.R.G.).

²⁰ [2003] EWCA (Civ) 66 (Eng.), *aff'g* [2002] EWHC (Pat) 737 (Eng.).

²¹ *Nat'l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC I)*, 254 F. Supp. 2d 527, 556 (E.D. Pa. 2003), *rev'd*, 357 F.3d 1319 (Fed. Cir. 2004).

interpreted the elements of § 272. However, in 2004, the Federal Circuit reversed the district court's decision and broadly interpreted the terms of § 272.²² Thus, § 272 remains a potentially powerful defense to patent infringement for operators of foreign vessels, aircraft, and vehicles of many different types that are present only temporarily in the United States – a veritable “planes, trains, and automobiles”²³ defense.

This Article discusses the history and application of the temporary-presence defense of § 272. Part II describes the origins of the temporary-presence defense and § 272. Part III examines the judicial interpretation of § 272 and the temporary-presence defense, discussing the two cases interpreting § 272 before *National Steel Car*, as well as two foreign cases of interest. Part IV then analyzes the *National Steel Car* case. This Part discusses the decisions of both the district court and the Federal Circuit, contrasts the two decisions, and argues that the Federal Circuit's interpretation of § 272 was correct. Finally, Part V considers what may be the limits of the scope of § 272.

II. ORIGINS OF 35 U.S.C. § 272 AND THE TEMPORARY-PRESENCE DEFENSE

This Part discusses the origins of § 272 and the temporary-presence defense. Part II.A discusses the origins of the temporary-presence defense in England in the 1850s. Next, Part II.B examines the first application of the temporary-presence defense in the United States by the Supreme Court in *Brown v. Duchesne*. After that, Part II.C considers the international adoption of the defense by its incorporation into the Paris Convention as Article 5^{ter}. Finally, Part II.D describes the enactment of § 272 itself.

A. *Origins in England*

The temporary-presence defense originated in England in the 1850s.²⁴ After a court rejected the defense, England enacted the first temporary-presence statute.²⁵

An accused infringer first raised the temporary-presence defense in *Caldwell v. Vanvlissengen*²⁶ in the Chancery Court in 1851, but the court rejected the

²² *Nat'l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC II)*, 357 F.3d 1319, 1326 (Fed. Cir. 2004).

²³ *Planes, Trains & Automobiles* was a 1987 movie starring Steve Martin and John Candy. LEONARD MALTIN'S MOVIE GUIDE 1090 (Leonard Maltin ed., 2004).

²⁴ Maurice A. Moffat, *Section 23 of the Patent Act and the St. Lawrence Seaway*, 31 C.P.R. 27, 28-30 (1959); see *Brown v. Duchesne*, 60 U.S. (19 How.) 183, 189 (1856); LADAS, *supra* note 6, at 246; Rajita Sharma & Heather Forrest, *A Lifeline for Infringing Ships*, 25 EUR. INTELL. PROP. REV. 430, 434 (2003).

²⁵ *Brown*, 60 U.S. at 198; LADAS, *supra* note 6, at 246; Sharma & Forrest, *supra* note 24, at 434.

²⁶ *Caldwell v. Vanvlissengen*, (1851) 68 Eng. Rep. 571 (Ch.).

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defense.²⁷ The patent at issue covered an improvement to a ship’s propeller.²⁸ The accused infringers were from Holland and used this invention in Dutch ships that traveled between Holland and England to engage in trade.²⁹ Thus, the ships were only temporarily present in English waters.³⁰ The patentee sought a preliminary injunction preventing this use.³¹ In response, the accused infringers contended that the court should not “grant an injunction restraining the use by foreigners of the patent on board a ship built in a foreign country at amity with England, and manned and owned by the subjects of that country.”³² The accused infringers argued:

If a right of this kind were asserted against foreigners coming to [England] it would be a source of great inconvenience. There was not an article which a foreigner might bring to this country for his use or comfort but might be the subject of a patent, and, therefore, the subject of an application against him. The right, if it existed, might even be asserted against a ship accidentally driven into an English port by a tempest or stranded on the coast.³³

Although the accused infringers did not characterize their defense as a “temporary-presence” defense, the essence of their argument was that their use of an invention covered by an English patent on a foreign ship should not amount to infringement where the ship would be present in English waters only temporarily for the purpose of engaging in international trade.³⁴

The court rejected the infringers’ temporary-presence defense.³⁵ The court first noted the “universal” rule “that foreigners are in all cases subject to the laws of the country in which they happen to be.”³⁶ The court then observed:

²⁷ *Id.* at 576-78; LADAS, *supra* note 6, at 246; Moffat, *supra* note 24, at 28-30; Sharma & Forrest, *supra* note 24, at 434.

²⁸ *Caldwell*, 68 Eng. Rep. at 575. The court referred to the invention as a “screw propeller.” *Id.*

²⁹ *Id.* 572-73. Additionally, according to the accused infringers, the invention in question was not covered by a Dutch patent and “had been openly used and exercised in . . . Holland.” *Id.* at 572.

³⁰ *See id.* at 527-73.

³¹ *See id.* at 575 (describing the issue as “whether the Court will interfere to protect a patentee before he has established his right at law, or will suspend its interference until the right at law has been established”).

³² *Id.* at 574.

³³ *Id.* at 574. This argument is very similar to the Federal Circuit’s description of the underlying purpose and policy of § 272. *Compare id. with NSC II*, 357 F.3d at 1330. *See supra* text accompanying note 6 (quoting this description).

³⁴ *See Caldwell*, 68 Eng. Rep. at 574-75.

³⁵ *Id.* at 574-78.

³⁶ *Id.* at 575.

[U]ndoubtedly [the patent] grant gives to the grantee a right of action against persons who infringe upon the sole and exclusive right purported to be granted by it. Foreigners coming into [England] are, as I apprehend, subject to actions for injuries done by them whilst here to the subjects of the Crown. Why then are they not to be subject to actions for the injury done by their infringing upon the sole and exclusive right, which I have shewn to be granted in conformity with the laws and constitution of this country? And if they are subject to such actions, why is not the power of this Court, which is founded upon the insufficiency of the legal remedy, to be applied against them as well as against the subjects of the Crown.³⁷

The court ultimately observed that the accused infringers' argument "resolves itself into a question of national policy, and it is for the Legislature, and not for the Courts, to deal with that question: my duty is to administer the law and not to make it."³⁸ Thus, the court rejected the temporary-presence defense and granted the preliminary injunction.³⁹

In 1852, responding to the court's holding in *Caldwell*, Parliament amended the English patent law to provide for a temporary-presence defense to infringement.⁴⁰ Members of the House of Commons believed that the absence of such a provision would hamper commerce between England and other countries.⁴¹ This first temporary-presence statute read:

No letters patent for any invention (granted after the passing of this Act) shall extend to prevent the use of such invention in any foreign ship or vessel, or for the navigation of any foreign ship or vessel, which may be in any port of Her Majesty's dominions, or in any of the waters within the jurisdiction of any of Her Majesty's Courts, where such invention is not so used for the manufacture of any goods or commodities to be vended within or exported from Her Majesty's dominions: Provided always, that this enactment shall not extend to the ships or vessels of any foreign state of which the laws authorize subjects of such foreign state, having patents or like privileges for the exclusive use or exercise of inventions within its territories, to prevent or interfere with the use of such inventions in

³⁷ *Id.* at 576.

³⁸ *Id.* at 577. In contrast, a few years later, the U.S. Supreme Court rejected the reasoning of *Caldwell* and did not hesitate to interpret U.S. patent law as incorporating a temporary-presence defense, even in the absence of any explicit statute. See *Brown v. Duchesne*, 60 U.S. (19 How.) 183, 198-99 (1856). For a discussion of *Brown*, see *infra* Part II.B.

³⁹ *Caldwell v. Vanvlissengen*, (1851) 68 Eng. Rep. 571, 577 (Ch.). The accused infringers did not appeal the decision in *Caldwell*. Moffat, *supra* note 24, at 28.

⁴⁰ LADAS, *supra* note 6, at 246; Moffat, *supra* note 24, at 28-30; Sharma & Forrest, *supra* note 24, at 434.

⁴¹ Moffat, *supra* note 24, at 28.

British ships or vessels, or in or about the navigation of British ships or vessels, while in the ports of such foreign state, or in the waters within the jurisdiction of its Courts, where such inventions are not so used for the manufacture of goods or commodities to be vended within or exported from the territories of such foreign state.⁴²

Like § 272, the current U.S. temporary-presence provision, the first British statute: (1) applied to foreign ships temporarily present in the country; (2) excluded from the defense the use of the patented invention for manufacturing; and (3) required reciprocity between the two countries with respect to providing a temporary-presence defense.⁴³ Two important differences between the current U.S. law and the original British statute are: (1) the British statute applied only to ships and not to aircraft or land vehicles, whereas the U.S. provision applies to all three; and (2) the British statute applied to any use of a patented invention in a vessel or for the navigation of a vessel, whereas the U.S. statute applies only where the patented invention is used exclusively for the needs of the vessel.⁴⁴ The modern U.K. temporary-presence-defense statute is more similar to § 272.⁴⁵

Soon after its first appearance in England in 1852, the temporary-presence defense migrated across the Atlantic to the United States.

B. The U.S. Supreme Court: Brown v. Duchesne

Soon after the passage of the first British temporary-presence statute but long before the emergence of a similar codified law, the temporary-presence defense was first applied in the United States in 1856 by the Supreme Court in *Brown v. Duchesne*.⁴⁶ The patent involved “a new and useful improvement in constructing the gaff of sailing vessels.”⁴⁷ The accused infringer was a French

⁴² *Id.* at 30 (emphasis omitted) (quoting Patent Law Amendment Act, 1852, 15 and 16 Vict., c. 83, § 26 (Eng.)).

⁴³ Compare Patent Law Amendment Act, 1852, 15 and 16 Vict., c. 83, § 26 (Eng.), with 35 U.S.C. § 272.

⁴⁴ Compare Patent Law Amendment Act, 1852, 15 and 16 Vict., c. 83, § 26 (Eng.), with 35 U.S.C. § 272.

⁴⁵ Patents Act, 1977, c. 37, § 60 (U.K.). See *infra* text accompanying note 194 (for selected language from this statute).

⁴⁶ 60 U.S. (19 How.) 183 (1856); see *Hughes Aircraft Co. v. United States*, 29 Fed. Cl. 197, 231 (1993) (“The temporary presence doctrine was enunciated by the Supreme Court in *Brown v. Duchesne* . . .”). The first (and only) U.S. temporary-presence statute, 35 U.S.C. § 272, was not enacted until the Patent Act of 1952, S. REP. NO. 82-1979, at 9 (1952), reprinted in 1952 U.S.C.C.A.N. 2394, 2402, almost a century after the Court’s 1856 decision in *Brown*.

⁴⁷ *Brown*, 60 U.S. at 193. A “gaff” is “[a] spar attached to the mast and used to extend the upper edge of a fore-and-aft sail.” THE AMERICAN HERITAGE DICTIONARY OF THE ENGLISH LANGUAGE 740 (4th ed. 2000) [hereinafter

citizen, who used the patented invention on a French ship that traveled between a French colony and Boston.⁴⁸ No French patent covered the invention.⁴⁹ Indeed, the patentee admitted “that the [ship] was a foreign vessel, lawfully in a port of the United States for the purposes of commerce, and that the improvement in question was placed on her in a foreign port to fit her for sea.”⁵⁰ Thus, the Court framed the issue as:

whether any improvement in the construction or equipment of a foreign vessel, for which a patent has been obtained in the United States, can be used by such vessel within the jurisdiction of the United States, while she is temporarily there for the purposes of commerce, without the consent of the patentee.⁵¹

In an opinion authored by Chief Justice Roger Taney, the Supreme Court held that the temporary presence of the ship in the United States provided the accused infringer with a defense to infringement liability.⁵² The Court reasoned that such a result flowed from a proper construction of the patent infringement statute.⁵³ The Court began by noting that a literal interpretation of the language of the statute did not allow for a temporary-presence defense to infringement.⁵⁴ However, the Court interpreted the statute by looking beyond its plain language:

[I]t is well settled that, in interpreting a statute, the court will not look merely to a particular clause in which general words may be used, but

AMERICAN HERITAGE DICTIONARY]. A “spar” is “[a] wooden or metal pole, such as a mast, boom, yard, or bowsprit, used to support sails and rigging.” *Id.* at 1727.

⁴⁸ *Brown*, 60 U.S. at 193.

⁴⁹ *See id.* at 194.

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.* at 198-99.

⁵³ *Id.* at 194-97. The patent infringement provision in effect in 1856 read:

[I]f any person shall make, devise and use, or sell the thing so invented, the exclusive right of which shall, as aforesaid, have been secured to any person by patent, without the consent of the patentee, his executors, administrators or assigns, first obtained in writing, every person so offending, shall forfeit and pay to the patentee, a sum, that shall be at least equal to three times the price, for which the patentee has usually sold or licensed to other persons, the use of the said invention; which may be recovered in an action on the case founded on this act, in the circuit court of the United States, or any other court having competent jurisdiction.

9 DONALD S. CHISUM, CHISUM ON PATENTS App. 10-3 (2004) (quoting Patent Act of 1793, Ch. 11, 1 Stat. 318-323, § 5 (1793)).

⁵⁴ *Brown*, 60 U.S. at 194 (“The general words used in the clause of the patent laws granting the exclusive right to the patentee to use the improvement, taken by themselves, and literally construed, without regard to the object in view, would seem to sanction the claim of the plaintiff.”).

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will take in connection with it the whole statute (or statutes on the same subject) and the objects and policy of the law, as indicated by its various provisions, and give to it such a construction as will carry into execution the will of the Legislature, as thus ascertained, according to its true intent and meaning.⁵⁵

The Court further described its approach as follows:

Neither will the court, in expounding a statute, give to it a construction which would in any degree disarm the Government of a power which has been confided to it to be used for the general good – or which would enable individuals to embarrass it, in the discharge of the high duties it owes to the community – unless plain and express words indicated that such was the intention of the Legislature.⁵⁶

The Court reasoned that Congress did not intend the patent infringement statute to reach foreign vessels temporarily present in the United States because the constitutional authority for the patent laws was the Patent Clause, rather than the Commerce Clause.⁵⁷ The Court observed that where Congress was legislating “to protect authors and inventors,” Congress was presumably acting under the domestic power granted by the Patent Clause, “and it ought not lightly to be presumed that they intended to go beyond it, and exercise

⁵⁵ *Id.* Such an approach to statutory interpretation was consistent with precedent at the time. *See, e.g.,* *United States v. Boisdore’s Heirs*, 49 U.S. (8 How.) 113, 122 (1850) (“In expounding a statute, we must not be guided by a single sentence or member of a sentence, but look to the provisions of the whole law, and to its object and policy.”). Indeed, the Court still uses such an approach to statutory interpretation today. *See, e.g.,* *Crandon v. United States*, 494 U.S. 152, 158 (1990) (“In determining the meaning of the statute, we look not only to the particular statutory language, but to the design of the statute as a whole and to its object and policy.”).

⁵⁶ *Brown*, 60 U.S. at 195. The Court uses the word “embarrass” several times throughout the *Brown* opinion. *See id.* at 195, 197, 198. At the time of *Brown*, the primary meaning of “embarrass” differed from its current connotation. In 1856, the primary meaning of “embarrass” was “[t]o perplex ; to render intricate ; to entangle.” NOAH WEBSTER, AN AMERICAN DICTIONARY OF THE ENGLISH LANGUAGE 388 (1854). In contrast, today “embarrass” typically connotes the causing of discomfort or abashment. *See, e.g.,* AMERICAN HERITAGE DICTIONARY, *supra* note 47, at 600 (“To cause to feel self-conscious or ill at ease; disconcert . . .”).

⁵⁷ *Id.* The Patent Clause grants Congress the power “To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” U.S. CONST. art. I, § 8, cl. 8. The Commerce Clause grants Congress the power “To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.” U.S. CONST. art. I, § 8, cl. 3.

another and distinct power, conferred on them for a different purpose.”⁵⁸ The Court then noted that the Patent Clause “confers no power on Congress to regulate commerce, or the vehicles of commerce, which belong to a foreign nation, and occasionally visit our ports in their commercial pursuits.”⁵⁹

The Court then further reasoned that there was no infringement liability because there was at most only a minimal “use” of the patented invention in the United States, other than in navigating in and out of the harbor.⁶⁰ The Court further observed that the patentee had suffered no real damage from a foreign vessel’s use of his patented invention.⁶¹ The Court noted that the accused infringer only derived a benefit from the use of the patented invention while the ship was on “the high seas,” not while it was sitting in the harbor in the United States.⁶² The Court contrasted this minimal use of the patented

⁵⁸ *Brown*, 60 U.S. at 195.

⁵⁹ *Id.* The Court also noted that the patent laws “do not, and were not intended to, operate beyond the limits of the United States.” *Id.* Indeed, courts cite *Brown* most often for this principle – that U.S. patent law has no extraterritorial effect. *See, e.g.*, *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 527, 531 (1972) (citing *Brown*, 60 U.S. at 195); *Int’l Rectifier Corp. v. Samsung Elecs. Co.*, 361 F.3d 1355, 1360 (Fed. Cir. 2004) (quoting *Brown*, 60 U.S. at 195). This principle is now axiomatic. *See id.*

In contrast, the Court in *Brown* noted that U.S. law does apply to foreigners present in the United States. *Brown*, 60 U.S. at 194 (“[U]ndoubtedly every person who is found within the limits of a Government, whether for temporary purposes or as a resident, is bound by its laws. . . .”). Similarly, the English court in *Caldwell* observed that English law applied to foreigners present in Great Britain. *Caldwell v. Vanvlissengen*, (1851) 68 Eng. Rep. 571, 576 (Ch.). However, unlike the Court in *Brown*, the court in *Caldwell* applied this principle to conclude that a foreign ship temporarily present in the country was liable for patent infringement. *See id.* at 572-75 (rejecting the temporary-presence defense); *see also* discussion *supra* Part II.A (discussing *Caldwell*). Thus, the Supreme Court’s holding in *Brown* that the patent laws did not apply to a foreign vessel using a patented invention while temporarily present in the United States was far from a foregone conclusion.

⁶⁰ *See Brown*, 60 U.S. at 196. The Court stated:

[S]o far as the mere use is concerned, the vessel could hardly be said to use it while she was at anchor in the port, or lay at the wharf. It was certainly of no value to her while she was in the harbor; and the only use made of it, which can be supposed to interfere with the rights of the plaintiff, was in navigating the vessel into and out of the harbor, when she arrived or was about to depart, and while she was within the jurisdiction of the United States.

Id.

⁶¹ *See id.*

⁶² *Id.* However, the court interpreting § 272 in *Cali* in 1974 questioned the Supreme Court’s characterization of the use of the patented invention in *Brown* as non-damaging. *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120, 1126 (E.D.N.Y.

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invention with a hypothetical situation in which the accused infringer made or sold the invention in the United States, where liability for infringement would exist.⁶³

Thus, the Court concluded that the patent infringement statute could not be construed to cover patented inventions used in foreign vessels while only temporarily present in the United States.⁶⁴ According to the Court in *Brown*:

[S]uch a construction would be inconsistent with the principles that lie at the foundation of [the patent] laws; and instead of conferring legal rights on the inventor, in order to do equal justice between him and those who profit by his invention, they would confer a power to exact damages where no real damage had been sustained, and would moreover seriously embarrass the commerce of the country with foreign nations. We think these laws ought to be construed in the spirit in which they were made – that is, as founded in justice – and should not be strained by technical constructions to reach cases which Congress evidently could not have contemplated, without departing from the principle upon which they were legislating, and going far beyond the object they intended to accomplish.⁶⁵

The Court went on to discuss that a construction failing to recognize a temporary-presence defense would improperly confer political power, as opposed to merely a property right, on patentees.⁶⁶ The Court explained that such a construction would “enable [patentees] to embarrass the treaty-making power in its negotiations with foreign nations, and also to interfere with the legislation of Congress when exercising its constitutional power to regulate commerce.”⁶⁷ The patentee’s proposed construction would give the patentee a

1974) (“Such a use within the United States would not, perhaps, today be characterized as trivial and non-damaging since it was inevitable and necessary . . .”); see *infra* Part III.A (discussing *Cali*).

⁶³ *Brown*, 60 U.S. at 196.

⁶⁴ See *id.* at 196-97.

⁶⁵ *Id.* at 197. It is ironic that the Court considered that it would be a “strained . . . technical construction[]” to interpret the statute according to its plain language as applying to any “use within the United States.” *Id.* Arguably, it is the Court’s interpretation that is strained in its holding that despite the plain language of the statute there is no infringement where a foreign vessel uses a patented invention while temporarily present in the United States.

⁶⁶ See *id.* at 197-98.

⁶⁷ *Id.* at 197. The Court noted that:

[I]f a treaty should be negotiated with a foreign nation, by which the vessels of each party were to be freely admitted into the ports of the other, upon equal terms with its own, upon the payment of the ordinary port charges, and the foreign Government faithfully carried it into execution, yet the Government of the United States would find itself unable to fulfill its obligations if the foreign ship had about her, in her

private right at the expense of public rights: “[N]o sound rule of interpretation would justify the court in giving to the general words used in the patent laws the extended construction claimed by the plaintiff, in a case like this, where public rights and the interests of the whole community are concerned.”⁶⁸

Finally, the Court expressly rejected the patentee’s argument that the Court should adopt the holding of *Caldwell v. Vanvlissengen*,⁶⁹ in which the

construction or equipment, anything for which a patent had been granted.

Id.

⁶⁸ *Id.* at 198. *Brown* provides an early example of where the Supreme Court held that the public interest trumped private property rights. *See id.* In discussing *Brown* in the context of § 272, the district court in *Cali* cited a much later case, *Home Building & Loan Ass’n v. Blaisdell*, 290 U.S. 398, 442-44 (1934), for the proposition that “*Brown v. Duchesne* means at minimum that the patent law must not be so interpreted as to impair the treaty-making capacity of the nation or to clog its power to regulate foreign commerce (since that would make patent grants a surrender *pro tanto* of ‘sovereignty’ to private persons).” *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120, 1125-26 (E.D.N.Y. 1974) (also citing *Norman v. Balt. & O.R. Co.*, 294 U.S. 240, 316 (1935)).

Similar to its much earlier holding in *Brown*, the Court’s holding in *Blaisdell* recognized that public concerns sometimes must trump private rights. *See Blaisdell*, 290 U.S. at 442. In *Blaisdell*, the Court was confronted with the tension between the public interest and private contract rights in the context of interpreting the Contract Clause. *See id.* at 440-42. The Court described the evolutionary nature of the issue of public versus private rights under the Contract Clause:

It is manifest . . . that there has been a growing appreciation of public needs and of the necessity of finding ground for a rational compromise between individual rights and public welfare. The settlement and consequent contraction of the public domain, the pressure of a constantly increasing density of population, the interrelation of the activities of our people and the complexity of our economic interests, have inevitably led to an increased use of the organization of society in order to protect the very bases of individual opportunity. Where, in earlier days, it was thought that only the concerns of individuals or of classes were involved, and that those of the state itself were touched only remotely, it has later been found that the fundamental interests of the state are directly affected; and that the question is no longer merely that of one party to a contract as against another, but of the use of reasonable means to safeguard the economic structure upon which the good of all depends.

Id.; *see also* Samuel R. Olken, *Charles Evans Hughes and the Blaisdell Decision: A Historical Study Of Contract Clause Jurisprudence*, 72 OR. L. REV. 513, 516 (1993) (“[*Blaisdell*’s] points about the public interest in private contracts reflect an evolutionary process . . .”). Confirming the evolutionary nature of this issue is Justice Cardozo’s unpublished concurring opinion in *Blaisdell*: “The . . . court in its interpretation of the contract clause has been feeling its way toward a rational compromise between private rights and public welfare.” G. Edward White, *The “Constitutional Revolution” as a Crisis in Adaptivity*, 48 HASTINGS L.J. 867, 884 (1997). Thus, the holding in *Brown* may have been ahead of its time.

⁶⁹ *Brown*, 60 U.S. at 198 (citing *Caldwell v. Vanvlissengen*, (1851) 68 Eng. Rep.

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Chancery Court concluded that “the question of the exemption of foreign vessels [from patent infringement] is one of national policy, and to be dealt with by the Legislature, rather than by the courts.”⁷⁰ In rejecting the reasoning of *Caldwell*, the Supreme Court stated that it “must interpret our patent laws with reference to our own Constitution and laws and judicial decisions.”⁷¹

Consequently, the Court concluded that the accused infringer should not be liable for patent infringement based on the temporary-presence doctrine:

[T]he rights of property and exclusive use granted to a patentee does [sic] not extend to a foreign vessel lawfully entering one of our ports; and that the use of such improvement, in the construction, fitting out, or equipment of such vessel, while she is coming into or going out of a port of the United States, is not an infringement of the rights of an American patentee, provided it was placed upon her in a foreign port, and authorized by the laws of the country to which she belongs.⁷²

Thus, by Supreme Court precedent, the temporary-presence defense became part of U.S. patent law in 1856, long before the existence of a temporary-presence statute.

C. Article 5^{ter} of the Paris Convention

Eventually, the temporary-presence defense was adopted internationally. The first general temporary-presence-defense provision⁷³ was added to the

571 (Ch.)). For a discussion of *Caldwell*, see *supra* Part II.A.

⁷⁰ *Brown*, 60 U.S. at 184.

⁷¹ *Id.* at 198.

⁷² *Id.* at 198-99.

⁷³ Although the Paris Convention contained the first general temporary-presence provision covering ships, land vehicles, and aircraft, several years earlier a limited temporary-presence provision was incorporated into the 1919 Convention for the Regulation of Aerial Navigation. LADAS, *supra* note 6, at 246; Sharma & Forrest, *supra* note 24, at 434-35. This provision read:

Every aircraft passing through the territory of a contracting State, including landing and stoppages reasonably necessary for the purpose of such transit, shall be exempt from any seizure on the ground of infringement of patent, design, or model, subject to the deposit of security the amount of which in default of amicable agreement shall be fixed with the least delay by the competent authority of the place of seizure.

LADAS, *supra* note 6, at 246 (quoting Article 18 of the 1919 Convention); *accord* Sharma & Forrest, *supra* note 24, at 434-35 n.12. As one commentator described, this provision was quite limited compared to the later provision of the Paris Convention:

This timid attempt concerned only aircraft. Furthermore, it did not declare permissible the use of a patented invention in its construction, fitting out, or functioning. The Convention exempted aircraft from seizure only on condition of deposit of security.

LADAS, *supra* note 6, at 247; *see also* Sharma & Forrest, *supra* note 24, at 434-35.

Paris Convention in 1925.⁷⁴ The Paris Convention was “the first major international treaty designed to help the people of one country obtain protection in other countries for their intellectual creations in the form of industrial property rights,” including patents, trademarks, and industrial designs.⁷⁵ The Paris Convention was ratified and first went into effect in 1883 with fourteen signatory nations.⁷⁶ Since then, the Paris Convention has been revised several times, with the latest revision in Stockholm in 1967.⁷⁷ As of January 2005, the Paris Convention had 169 signatory nations.⁷⁸

The current version of the temporary-presence provision of Article 5^{ter} of the Paris Convention provides:

In any country of the Union the following shall not be considered as infringements of the rights of a patentee:

1. the use on board vessels of other countries of the Union of devices forming the subject of his patent in the body of the vessel, in the machinery, tackle, gear and other accessories, when such vessels temporarily or accidentally enter the waters of the said country, provided

⁷⁴ LADAS, *supra* note 6, at 247; Sharma & Forrest, *supra* note 24, at 435. The original version of this temporary-presence provision, Article 5^{ter}, read:

In each of the contracting countries the following shall not be considered as infringing the rights of the patentee:

(1) The use on board ships of other Unionist countries of anything the subject matter of his patent in the body of the ship, in the machinery, tackle, apparatus, and other accessories when such ships enter temporarily or accidentally the waters of the country, provided that such thing is employed there exclusively for the needs of the vessel.

(2) The use of anything the subject matter of the patent in the construction or functioning of the engines of locomotion for air or land of the other Unionist countries, or of the accessories of these engines, when these enter the country temporarily or accidentally.

Protection of Industrial Property: Message from the President of the United States Transmitting Certified Copy of a Convention Signed at the Hague on November 6, 1925, by the Plenipotentiaries of the United States and of the Other Governments Members of the International Union for the Protection of Industrial Property, Modifying the International Convention of March 20, 1883, Revised at Brussels on December 14, 1900, and at Washington on June 2, 1911, at 9 (1930) [hereinafter *Original Article 5^{ter}*].

⁷⁵ WORLD INTELL. PROP. ORG., TREATIES AND CONTRACTING PARTIES: GENERAL INFORMATION, <http://www.wipo.int/treaties/en/general/> (last visited Apr. 17, 2006).

⁷⁶ WORLD INTELL. PROP. ORG., WIPO INTELLECTUAL PROPERTY HANDBOOK: POLICY, LAW AND USE 241 (2d ed. 2004), available at <http://www.wipo.int/about-ip/en/iprm/>.

⁷⁷ *Id.* at 241-42.

⁷⁸ Paris Convention for the Protection of Industrial Property, <http://www.wipo.int/treaties/en/documents/pdf/d-paris.pdf> (last updated Jan. 3, 2005).

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that such devices are used there exclusively for the needs of the vessel;

2. the use of devices forming the subject of the patent in the construction or operation of aircraft or land vehicles of other countries of the Union, or of accessories of such aircraft or land vehicles, when those aircraft or land vehicles temporarily or accidentally enter the said country.⁷⁹

The first paragraph of Article 5^{ter} addresses the use of patented inventions on ships; the second paragraph relates to aircraft and land vehicles.⁸⁰ Overall, the requirements of Article 5^{ter} are quite similar to those of § 272: (1) vessel, aircraft, or vehicle; (2) reciprocity; (3) temporary or accidental presence; and (4) exclusively for the needs of the vehicle.⁸¹ However, unlike § 272, Article 5^{ter} has no restriction on domestic sales or manufacturing activity.⁸² Since its adoption, Article 5^{ter} has led to temporary-presence statutes in many countries.⁸³

⁷⁹ Paris Convention for the Protection of Industrial Property art. 5^{ter}, *opened for signature* Mar. 20, 1883, 25 Stat. 1372, *as revised at Stockholm* July 14, 1967, 21 U.S.T. 1583, 828 U.N.T.S. 305 [hereinafter *Paris Convention art. 5^{ter}*]. The changes in Article 5^{ter} from the original 1925 version to today's version do not appear to be substantive. Compare Original Article 5^{ter}, *supra* note 74, with Paris Convention art. 5^{ter}, *supra*.

⁸⁰ See Paris Convention art. 5^{ter}, *supra* note 79; see also LADAS, *supra* note 6, at 247.

⁸¹ Compare Paris Convention art. 5^{ter}, *supra* note 79, with 35 U.S.C. § 272.

⁸² Compare Paris Convention art. 5^{ter}, *supra* note 79, with 35 U.S.C. § 272.

⁸³ See, e.g., 35 U.S.C. § 272 (2000); Patents Act, 1990, § 118 (Austl.); Patent Act, R.S.C., ch. P-4, § 23 (Can.); Patentilaki [Patents Act], No. 550 of Dec. 15, 1967, as last amended by Act No. 243 of Mar. 21, 1997, § 5 (Fin.); Patentgesetz [Patent Law], Dec. 16, 1980, as last amended by the Laws of July 16 and August 6, 1998, § 11(4)-(6) (F.R.G.); Patents Act, No. 39 of 1970, § 49 (India); Patents Act, 1992, § 42(d)-(e) (Ir.) available at http://www.irishstatutebook.ie/1992_1.html (last visited Aug. 21, 2005); Patents Law, 5727-1967, § 181 (Isr.); The Industrial Property Act, (1989) Cap. 509 § 38(3) (Kenya); Rijksoctrooiwet [Patents Act], art. 54 (Neth.); The Patents Act 1953, § 79 (N.Z.); Ley No. 354, Sep. 19, 2000, Ley de Patentes de Invención, Modelo de Utilidad y Diseños Industriales [Law of Patents, Utility Models, and Industrial Designs], § 46(b) (Nicar.); Lov om patenter [Patents Act], Act No. 9 of Dec. 15, 1967, as last amended by Act No. 104 of Dec. 20, 1996, § 5 (Nor.); Ustawa O Wynalazczosci [Law on Inventive Activity], Oct. 19, 1972, as amended by the Law of Apr. 16, 1993, art. 15(5) (Pol.); Estatuto de la Propiedad Industrial [Industrial Property Code], Royal Decree-Law of July 26, 1929, as last amended by Law No. 17/1975 of May 2, 1975, § 52 (Spain); Loi Fédérale Sur les Brevets d'Invention [LBI] [Federal Law on Patents for Inventions], June 25, 1954, as last amended on Mar. 24, 1995, art. 35(3) (Switz.); Patents Act, 1977, § 60 (U.K.); Patents Act, 1971, as last amended by Act 20/1994

D. Congress Enacts Section 272

The holding in *Brown* and Article 5^{ter} of the Paris Convention led to the enactment of the U.S. temporary-presence-defense statute, 35 U.S.C. § 272, as part of the Patent Act of 1952.⁸⁴ Section 272 has little legislative history.⁸⁵ The first piece of legislative history reads: “Section 272 is a new section in the law relating to infringement, but it is of relatively little importance and it follows a paragraph in a treaty to which the United States is a party.”⁸⁶ The second piece reads: “This section follows the requirement of the International Convention for the Protection of Industrial Property, to which the United States is a party, and also codifies the holding of the Supreme Court that use of a patented invention on board a foreign ship does not infringe a patent.”⁸⁷

(s. 7), Ch. 26:03, § 81 (Zimb.).

⁸⁴ See S. REP. NO. 82-1979, at 9, 28 (1952), as reprinted in 1952 U.S.C.C.A.N. 2394, 2402, 2422. Section 272 was amended once in 1994 as part of the Uruguay Round Agreements Act, Pub. L. No. 103-465, 108 Stat. 4809 (codified as amended at 35 U.S.C. § 272 (2000)). The purpose of this Act was to “implement the trade agreements concluded in the Uruguay Round of multilateral trade negotiations,” which were “conducted under the auspices of the GATT” (i.e., the General Agreement on Tariffs and Trade). S. REP. NO. 103-412, at 1-2 (1994). Among other things, the patent provisions of this Act “amend[ed] the definition of infringing activity to include offers for sale.” *Id.* at 10. Thus, the Act amended § 272 to correspond to this change in the definition of infringing activity by eliminating the phrase “not sold” and replacing it with “not offered for sale or sold.” Uruguay Round Agreements Act, Pub. L. No. 103-465, 108 Stat. 4809 (codified as amended at 35 U.S.C. § 272 (2000)); S. REP. NO. 103-412, at 512 (1994).

⁸⁵ *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC II)*, 357 F.3d 1319, 1326 (Fed. Cir. 2004). Although it is not actual legislative history, it is informative that P.J. Federico, one of the drafters of the Patent Act of 1952, described § 272 as follows:

Section 272, which is new, providing that use of a patented invention in a vessel, aircraft or vehicle of a foreign country temporarily in the United States shall not constitute infringement, follows a provision in the International Convention for the Protection of Industrial Property, to which the United States is a party, and also codifies a holding of the Supreme Court that use of a patented invention on board a foreign ship does not infringe a patent. The general definition of vessel and vehicle in 1 U.S.C.A. §§ 3 and 4 would be applicable here.

P.J. Federico, *Commentary on the New Patent Act*, 35 U.S.C.A. § 1 (West 1954), reprinted in 75 J. PAT. & TRADEMARK OFF. SOC’Y 161, 214 (1993). The Federal Circuit recently relied on this commentary in interpreting the term “vehicle” in § 272. *NSC II*, 357 F.3d at 1328; see *infra* Part IV.B.1 (discussing the Federal Circuit’s interpretation of the term “vehicle” in § 272).

⁸⁶ S. REP. NO. 82-1979, at 9 (1952), as reprinted in 1952 U.S.C.C.A.N. 2394, 2402.

⁸⁷ *Id.* at 28, reprinted in 1952 U.S.C.C.A.N. at 2422. In this legislative history, the phrase “the requirement of the International Convention for the Protection of Industrial Property, to which the United States is a party” refers to Article 5^{ter} of

It is unfortunate that Congress chose to describe § 272 as “of relatively little importance.”⁸⁸ Although the revision to § 272 may have been less important than the other major revisions encompassed within the Patent Act of 1952,⁸⁹ § 272 nonetheless remains an important defense to accused infringers under the appropriate circumstances.⁹⁰ According to the district court in *Cali*, the “adoption [of § 272] implies that [this provision was] understood to create a useful immunity from infringement liability that was of enough importance to occupy the attention of the Congress and the negotiators of two treaties.”⁹¹ Moreover, the temporary-presence defense of § 272 should become even more important as commerce continues to become more global.⁹²

III. JUDICIAL INTERPRETATION OF SECTION 272 AND THE TEMPORARY-PRESENCE DEFENSE BEFORE *NATIONAL STEEL CAR*

This Part discusses cases interpreting § 272 and the temporary-presence defense before *National Steel Car*. As discussed below, the case law applying § 272 up to and including *National Steel Car* shows the variety of means of transportation to which § 272 can apply—namely airplanes, spacecraft, “roll trailers,” ferry boats, and rail cars. This case law includes two U.S. cases interpreting § 272, as well as foreign cases of interest interpreting temporary-presence-defense statutes analogous to § 272. Part III.A examines *Cali v.*

the Paris Convention. See *NSC II*, 357 F.3d at 1326. “[T]he holding of the Supreme Court” to which the legislative history refers is that of *Brown*. See *id.*; *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120, 1125 (E.D.N.Y. 1974) (“It will be seen that *Brown v. Duchesne* is to some extent the source of the ideas and language in Section 272”); *Hughes Aircraft Co. v. United States*, 29 Fed. Cl. 197, 231 (1993).

Article 5^{ter} itself has no force of law because the Paris Convention is not self-executing. *In re Rath*, 402 F.3d 1207, 1209-10 (Fed. Cir. 2005) (citing *Kawai v. Metlestics*, 480 F.2d 880, 884 (C.C.P.A. 1973)). As such, it was necessary for Congress to enact § 272. See *id.* at 1209 (holding that the Paris Convention had “no direct effect until implemented by domestic law”).

⁸⁸ S. REP. NO. 82-1979, at 9 (1952), reprinted in 1952 U.S.C.C.A.N. 2394, 2402.

⁸⁹ The 1952 Patent Act was a major amendment to the existing patent statutes, completely rewriting the patent statutes “[f]or the first time since 1879.” Federico, *supra* note 85, at 163. The Act had two purposes: (1) to substantively change some of the existing patent law and (2) to codify the existing patent statutes and some case law. *Id.* at 170.

⁹⁰ See *NSC II*, 357 F.3d at 1325-34; *Cali*, 380 F. Supp. at 1124-28; *Hughes Aircraft*, 29 Fed. Cl. at 240-41.

⁹¹ *Cali*, 380 F. Supp. at 1126.

⁹² See *supra* notes 9-12 and accompanying text (discussing the importance of the temporary-presence defense in today’s global economy).

Japan Airlines, Inc.,⁹³ in which a district court in 1974 held that § 272 provided a complete defense to patent infringement for aircraft that were temporarily present in the United States. Next, Part III.B discusses *Hughes Aircraft Co. v. United States*,⁹⁴ in which the United States Court of Federal Claims in 1993 held that § 272 provided a patent-infringement defense for certain spacecraft. Finally, Part III.C considers two foreign cases of interest – one from Germany and one from the United Kingdom.

A. *Cali v. Japan Airlines, Inc.*

The first case to interpret § 272 was *Cali v. Japan Airlines, Inc.*,⁹⁵ in which the meaning of “entering the United States temporarily” was at issue.⁹⁶ In *Cali*, a patentee sued three foreign airlines for infringement of a patent covering a modification to a jet engine.⁹⁷ The patentee claimed that these airlines infringed the patent by using the engines in regularly scheduled flights into, out of, and over the United States.⁹⁸ Indeed, the court characterized these flights as “regular, of very considerable extent, long continued, and supported by ground service, marketing facilities, etc.”⁹⁹ The patentee argued that § 272 should not provide the accused infringers with an infringement defense

⁹³ *Cali*, 380 F. Supp. 1120.

⁹⁴ *Hughes Aircraft*, 29 Fed. Cl. 197.

⁹⁵ *Cali*, 380 F. Supp. 1120.

⁹⁶ *Id.* at 1124. No other elements of § 272 were at issue in *Cali*. The accused aircraft in question were clearly aircraft of other countries that provided reciprocal temporary-presence privileges. *See id.* at 1127. Additionally, the parties did not dispute that the accused engines were used exclusively for the needs of the aircraft. *See id.* at 1122. Finally, there was no allegation that the accused engines were “offered for sale or sold in or used for the manufacture of anything to be sold in or exported from the United States.” 35 U.S.C. § 272; *see Cali*, 380 F. Supp. at 1122.

⁹⁷ *Cali*, 380 F. Supp. at 1122 (citing Axial Flow Compressors for Jet Engines, U.S. Patent No. 3,265,290 (filed Sept. 1, 1964)). In an earlier decision in the same case, the Second Circuit described the patentee and his invention as follows:

Cali . . . is a mechanic employed by one of the pioneers in the airlines industry, Pan American World Airways (Pan Am). The kernel of the patented invention which is the subject of this suit was contained in an idea which Cali submitted to Pan Am on a standard form soliciting employees’ suggestions in December 1962. . . . Cali’s proposal apparently resulted in the correction of a persistent defect in the design of the JT-4 jet engine, then used in Pan Am’s Boeing 707 and Douglas DC-8 aircraft before the introduction of the fan jet. Cali’s ‘suggestion-box’ solution had eluded the industry’s professional engineers.

Cali v. E. Airlines, Inc., 442 F.2d 65, 66 (2d Cir. 1971) (reversing grant of summary judgment in favor of accused infringer for invalidity under 35 U.S.C. § 102(b) based on alleged public use).

⁹⁸ *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120, 1122 (E.D.N.Y. 1974).

⁹⁹ *Id.*

because: (1) the accused aircraft were not “temporarily” present in the United States under a proper interpretation of § 272 and (2) § 272 was unconstitutional.¹⁰⁰ The court rejected both these arguments and held that § 272 and Article 5^{ter} of the Paris Convention¹⁰¹ provided the airlines with “a complete defense to the claims against them for patent infringement.”¹⁰² The court held that “temporarily” means no “less than entering for the purpose of completing a voyage, turning about, and continuing or commencing a new

¹⁰⁰ *Id.* at 1123-24.

¹⁰¹ The court also relied on Article 27 of the Chicago Convention on International Civil Aviation of 1944. *See id.* at 1123-24, 1126-28. Article 27, entitled “Exemption from seizure on patent claims,” provides for a temporary-presence defense to patent infringement for aircraft:

(a) While engaged in international air navigation, any authorized entry of aircraft of a contracting State into the territory of another contracting State or authorized transit across the territory of such State with or without landings shall not entail any seizure or detention of the aircraft or any claim against the owner or operator thereof or any other interference therewith by or on behalf of such State or any person therein, on the ground that the construction, mechanism, parts, accessories or operation of the aircraft is an infringement of any patent, design, or model duly granted or registered in the State whose territory is entered by the aircraft, it being agreed that no deposit of security in connection with the foregoing exemption from seizure or detention of the aircraft shall in any case be required in the State entered by such aircraft.

(b) The provisions of paragraph (a) of this Article shall also be applicable to the storage of spare parts and spare equipment for the aircraft and the right to use and install the same in the repair of an aircraft of a contracting State in the territory of any other contracting State, provided that any patented part or equipment so stored shall not be sold or distributed internally in or exported commercially from the contracting State entered by the aircraft.

(c) The benefits of this Article shall apply only to such States, parties to this Convention, as either (1) are parties to the International Convention for the Protection of Industrial Property and to any amendments thereof; or (2) have enacted patent laws which recognize and give adequate protection to inventions made by the nationals of the other States parties to this Convention.

Convention on International Civil Aviation art. 27, Dec. 7, 1944, 61 Stat. 1180, 15 U.N.T.S. 295. The scope of the Chicago Convention is broader than that of § 272 because it “allow[s] the ‘storage of spare parts and spare equipment for the aircraft’ in the domestic country.” 5 CHISUM, *supra* note 53, § 16.05[4], at 16-247 n.12.

¹⁰² *Cali*, 380 F. Supp. at 1124. To the extent that the court relied directly on Article 5^{ter} as a source of law, rather than just § 272, the court was incorrect because the Paris Convention is not self-executing. *In re Rath*, 402 F.3d at 1209-10 (citing *Kawai v. Metlestics*, 480 F.2d 880, 884 (C.C.P.A. 1973)). The procedural posture of *Cali* was that the patentee had moved “for summary judgment in substance striking the defenses based on Section 272.” *Cali*, 380 F. Supp. at 1128. The court denied the patentee’s motion. *Id.*

voyage,”¹⁰³ and that § 272 was not unconstitutional.¹⁰⁴

The patentee first argued that § 272 should not apply because the accused aircraft would not be “temporarily” present in the United States.¹⁰⁵ The patentee contended that § 272 “cannot be taken to cover the maintenance of a regular and systematic international aircraft service to the United states [sic], including overflights of it.”¹⁰⁶ The court disagreed. The court began by looking at the Supreme Court’s holding in *Brown v. Duchesne*.¹⁰⁷ The court observed that *Brown* “means at a minimum that the patent law must not be so interpreted as to impair the treaty-making capacity of the nation or to clog its power to regulate foreign commerce.”¹⁰⁸ The court further reasoned that the holding of *Brown* “does not mean . . . that only trivial uses” fall under § 272, even though “[t]he [Supreme] Court emphasized the ‘no damage’ aspect in reaching its conclusion.”¹⁰⁹

Additionally, the court looked to the negotiating history of Article 5^{ter} of the Paris Convention for insight into the meaning of “temporarily.”¹¹⁰ The court observed that a committee considering the adoption of Article 5^{ter} at the Hague Conference discussed the meaning of “temporarily.”¹¹¹ According to the court, “the committee indicated that the words ‘temporarily’ and ‘accidentally’ were chosen to cover entries into port for more or less brief periods whether periodically or exceptionally and whether unintentionally or not.”¹¹²

Thus, the court concluded that “[t]emporarily’ . . . could not sensibly mean any less than entering for the purpose of completing a voyage, turning about, and continuing or commencing a new voyage.”¹¹³ The court reasoned:

¹⁰³ *Cali*, 380 F. Supp at 1126.

¹⁰⁴ *Id.* at 1127-28.

¹⁰⁵ *Id.* at 1124.

¹⁰⁶ *Id.*

¹⁰⁷ *Id.* at 1124-26 (discussing *Brown v. Duchesne*, 60 U.S. (19 How.) 183 (1856)). For an overview of *Brown*, see *supra* Part II.B.

¹⁰⁸ *Cali*, 380 F. Supp. at 1125-26.

¹⁰⁹ *Id.* at 1126.

¹¹⁰ *Id.* at 1124. The court relied on the negotiating history of this treaty provision in interpreting § 272 because

the United States has in substance so interpreted its own patent laws in unhesitatingly becoming a party to the Paris Convention and the Chicago Convention, both of which specifically deal with the very subject matter of *Brown v. Duchesne* and Section 272, and do so in an historical evolution which furnishes an insight into the meaning of the word ‘temporarily’ as used in the phrase ‘entering the United States temporarily or accidentally.’

Id. at 1126.

¹¹¹ *Id.*

¹¹² *Id.*

¹¹³ *Id.*

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The enactment of Section 272 and the adoption of Article 5^{ter} would be incomprehensible if they were intended to cover only trivia. Their adoption implies that they were understood to create a useful immunity from infringement liability that was of enough importance to occupy the attention of the Congress and the negotiators of two treaties. Their language was chosen to deal with an internationally significant matter arising in a world in which scheduled freight and passenger services by established international carriers by air and sea were likely to require such an immunity to cover countless articles aboard aircraft or vessels that could turn out to be covered by patents in the United States that were without counterpart abroad. It is difficult to see any other purpose in Section 272 and Article 5^{ter} than to meet the needs and realities of international trade and navigation.¹¹⁴

The court then drew an important distinction between domestic and international traffic:

The distinction would be between a Caravelle,¹¹⁵ manufactured in France and powered with such an engine, delivered here for use by an airline in this country for domestic traffic, even though manufactured and sold in France, and a foreign aircraft arriving here on an international flight only to unload, turn about, reload and depart.¹¹⁶

The court concluded that the travels of the accused aircraft were international, rather than domestic, in character.¹¹⁷ Therefore, the accused aircraft were “temporarily” present in the United States and covered by § 272.¹¹⁸

The court also considered and rejected the patentee’s argument that § 272 is unconstitutional.¹¹⁹ Specifically, the patentee argued “that if an invention is patentable, the Government [sic] is constitutionally precluded from according the inventor anything less than the exclusive grant described in the Constitution and provided for in” 35 U.S.C. § 154.¹²⁰ In rejecting this

¹¹⁴ *Id.*

¹¹⁵ The Caravelle was “[a] highly successful French-built medium-range airliner, [which] was one of the first commercial aircraft to place its two jet engines at the tail.” ENCYCLOPEDIA OF AVIATION 42 (1977). The Caravelle made its first flight in 1955 and entered regular service in 1959. *Id.*

¹¹⁶ *Cali*, 380 F. Supp. at 1126.

¹¹⁷ *See id.* at 1124.

¹¹⁸ *See id.*

¹¹⁹ *See id.* at 1123-25, 1127-28.

¹²⁰ *Id.* at 1123-24. Section 154 provides, in relevant part: “Every patent shall contain . . . a grant to the patentee . . . of the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States” 35 U.S.C. § 154(a) (2000).

argument, the court noted that the Patent Clause “is not self-executing.”¹²¹ The court observed that the Patent Clause “empowers but does not command the Congress to grant patent rights, and the source of any specific right is the statute which defines the nature and extent of the patent right granted.”¹²² The court then noted that under Supreme Court precedent, “Congress having created the monopoly, may put such limitations upon it as it pleases.”¹²³ Thus, § 272 merely represents a permissible limitation on the patent monopoly.¹²⁴

The patentee also argued that the application of § 272 and Article 5^{ter} of the Paris Convention amounted to an unconstitutional taking.¹²⁵ The court rejected this argument.¹²⁶

Whatever might have been the case as to patents granted before *Brown v. Duchesne*, it has not been the case as to patents granted since the expiration of the patents then extant. All such later patents have *Brown v. Duchesne* read into them. . . . The enactment of the patent law under the constitutional provision simply was not a compact with all future inventors never to make such treaties as the Paris and Chicago Conventions and never to add a Section 272 to the patent laws. That is what *Brown v. Duchesne* decided in pointing out that the patent law must not be interpreted to abridge the nation’s capacity to carry on its treaty-making powers and its power to regulate foreign commerce.¹²⁷

Thus, because the patent-in-suit was issued in 1966, after the enactment of § 272, Article 5^{ter} of the Paris Convention, and Article 27 of the Chicago Convention, the court reasoned that these provisions “were integral limitations on the [patent] grant.”¹²⁸

Therefore, the court ultimately concluded

that the statute, Section 272, and the Paris Convention, Article 5^{ter}, cannot be so narrowly interpreted as [the patentee] contends, and that Article 27 of the Chicago Convention, Article 5^{ter}, of the Paris Convention, and Section 272, are constitutionally valid as applied to the [accused infringers’] uses of [the patentee’s] patented engines, and, therefore, accord [the accused infringers] a complete defense to the claims against them for patent infringement.¹²⁹

¹²¹ *Cali*, 380 F. Supp. at 1124.

¹²² *Id.*

¹²³ *Id.* (quoting *Mast, Foos, & Co. v. Stover Mfg. Co.*, 177 U.S. 485, 494 (1900)).

¹²⁴ *See id.*

¹²⁵ *Id.* at 1127.

¹²⁶ *Id.* at 1127-28.

¹²⁷ *Id.* at 1128.

¹²⁸ *Id.*

¹²⁹ *Id.* at 1124.

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The Second Circuit subsequently affirmed this decision without an opinion.¹³⁰

B. Hughes Aircraft Co. v. United States

The second case interpreting § 272 before *National Steel Car* was *Hughes Aircraft Co. v. United States*.¹³¹ In *Hughes Aircraft*, the Court of Federal Claims held that the temporary-presence defense of § 272 did not apply to spacecraft launched before 1981, but that § 272 did cover the launch of certain spacecraft after 1981.¹³² The reason for this distinction was that in 1981, Congress passed a statute that brought spacecraft within the definition of “vehicle” for purposes of the § 272 temporary-presence defense.¹³³ This statute, 42 U.S.C. § 2457(k), reads: “Any object intended for launch, launched, or assembled in outer space shall be considered a vehicle for the purpose of section 272 of Title 35.”¹³⁴

Hughes Aircraft involved a patent covering “an apparatus for controlling the attitude of a spin-stabilized spacecraft.”¹³⁵ The patentee sought compensation from the United States for its alleged use of the patented invention in numerous spacecraft.¹³⁶ Five of the spacecraft at issue in *Hughes Aircraft* were developed in partnership with other nations, such as West Germany and the United Kingdom.¹³⁷ Before launch in the United States, each of these

¹³⁰ See *Cali v. Japan Airlines Co.*, 535 F.2d 1240 (2d Cir. 1975) (unpublished table decision).

¹³¹ 29 Fed. Cl. 197 (1993).

¹³² *Id.* at 231-33, 240-41.

¹³³ *Id.* at 232; see National Aeronautics and Space Administration Authorization Act, Pub. L. No. 97-96, 95 Stat. 1207 (1981).

¹³⁴ 42 U.S.C. § 2457(k) (2000). Section 2457 is entitled “Property rights in inventions.” *Id.*

¹³⁵ *Hughes Aircraft*, 29 Fed. Cl. at 201 (citing Velocity Control and Orientation of a Spin-Stabilized Body, U.S. Patent No. 3,758,051 (filed Aug. 21, 1964)).

¹³⁶ *Id.* The patentee sought “compensation in excess of four billion dollars” from the United States under 28 U.S.C. § 1498. *Id.* This statute provides, in relevant part:

Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner’s remedy shall be by action against the United States in the United States Court of Federal Claims for the recovery of his reasonable and entire compensation for such use and manufacture.

28 U.S.C. § 1498(a) (2000). “The theoretical basis for [a] recovery [under § 1498] is the doctrine of eminent domain. In this context, the United States is not in the position of an ordinary infringer, but rather a compulsory, nonexclusive licensee.” *Motorola, Inc. v. United States*, 729 F.2d 765, 768 (Fed. Cir. 1984) (citations omitted).

¹³⁷ See *Hughes Aircraft*, 29 Fed. Cl. at 224-25, 237-39.

spacecraft “was manufactured in another country and funded by another nation.”¹³⁸ In addition to advancing other defenses, the United States contended that 35 U.S.C. § 272 provided a complete defense for any use of the patented invention because the spacecraft at issue would be only temporarily present in the United States.¹³⁹

The court first considered whether § 272 applied to spacecraft launched before 1981.¹⁴⁰ The patentee argued that such pre-1981 launches should not fall under § 272 because before the enactment of 42 U.S.C. § 2457(k), spacecraft “were not vessels, aircraft or vehicles.”¹⁴¹ The court agreed, reasoning that in the absence of § 2457(k), “such spacecraft would properly be deemed cargo brought to this country for use (i.e., launch), not a vehicle or vessel within the contemplation of the temporary presence doctrine.”¹⁴² The court noted that spacecraft did not fit under the definition of “vessel” or “vehicle” provided in 1 U.S.C. §§ 3 and 4.¹⁴³ The court then distinguished *Brown*¹⁴⁴ and *Cali*,¹⁴⁵ observing that:

In those cases, the entries of the vessels and aircraft (operating as means of conveyance) were for purposes of depositing cargo and passengers and initiating new trips elsewhere. When a spacecraft is delivered to the United States for the purpose of allowing the United States to launch it, the spacecraft is the cargo brought here for an essential use, not a “vessel” or “vehicle” which enters the United States as a means of conveyance.¹⁴⁶

Thus, the court held that § 272 cannot apply to spacecraft launched before 1981.¹⁴⁷

The court also considered whether § 272 applied to a certain spacecraft launched after 1981.¹⁴⁸ The court held that § 272 did provide the United States

¹³⁸ *Id.* at 225.

¹³⁹ *See id.* at 231.

¹⁴⁰ *Id.* at 231-33.

¹⁴¹ *Id.* at 232.

¹⁴² *Id.* (emphasis omitted).

¹⁴³ *Id.* at 232 n.46. The definition of “vessel” under § 3 “includes every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water.” 1 U.S.C. § 3 (2000). The definition of “vehicle” under § 4 “includes every description of carriage or other artificial contrivance used, or capable of being used, as a means of transportation on land.” 1 U.S.C. § 4 (2000). These provisions are a part of the Dictionary Act. *See infra* note 302 (discussing the Dictionary Act).

¹⁴⁴ 60 U.S. (19 How.) 183 (1856).

¹⁴⁵ 380 F. Supp. 1120 (E.D.N.Y. 1974).

¹⁴⁶ *Hughes Aircraft*, 29 Fed. Cl. at 232.

¹⁴⁷ *Id.* at 232-33.

¹⁴⁸ *Id.* at 240-41.

with a defense with respect to the launch of this spacecraft.¹⁴⁹ First, the court concluded that the spacecraft had to qualify as a “vehicle” under § 272 due to the enactment of 42 U.S.C. § 2457(k).¹⁵⁰ Second, the court held that the spacecraft was “temporarily” present in the United States because the spacecraft “entered the United States one time for the sole purpose of being launched into outer space.”¹⁵¹ Third, the court observed that “the United Kingdom extends ‘similar privileges’ to ‘vessels, aircraft and vehicles’ of the United States.”¹⁵² Finally, the court held that “[t]here can be no dispute” that “[t]he invention—the attitude control system—was used exclusively for the needs of the vehicle, and the invention was not sold or used for manufacture within the United States.”¹⁵³ Therefore, the court concluded that for the spacecraft launched after 1981, § 272 provided the United States with a complete defense to infringement.¹⁵⁴

¹⁴⁹ *See id.*

¹⁵⁰ *Id.* at 240.

¹⁵¹ *Id.* The court looked to *Cali* and reasoned that if the systematic presence of the aircraft in *Cali* was temporary, then the presence of a spacecraft “in the United States one time for a short duration” must also be temporary. *Id.* (citing *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120, 1126 (E.D.N.Y. 1974)).

¹⁵² *Id.* The court rejected the patentee’s argument “that the doctrine does not apply because the United Kingdom does not have a statute making the temporary presence doctrine applicable to spacecraft.” *Id.* at 241 n.67. The court reasoned:

Section 272 does not require that the United Kingdom and the United States have identical temporary presence doctrines—only that the United Kingdom have a doctrine relating to “vessels, aircraft and vehicles.” Further, defendant’s expert witness on United Kingdom law testified that the United Kingdom would apply its doctrine to a United States spacecraft entering the United Kingdom temporarily.

Id. (citation omitted).

¹⁵³ *Id.* at 241. The patentee also argued that an additional condition should be read into § 272—“that the use of the invention be solely by another country and that the use be of no benefit to the United States.” *Id.* at 240 n.66. However, the court rejected this argument as unpersuasive because the argument was “based on the legislative history of another provision – 42 U.S.C. § 2457(l).” *Id.*

¹⁵⁴ *See id.* Interestingly, the temporary-presence doctrine as applied to spacecraft also appeared in an intergovernmental agreement (“IGA”) concerning the international space station *Freedom*. Agreement Among the Government of the United States of America, Governments of Member States of the European Space Agency, the Government of Japan, and the Government of Canada on Cooperation in the Detailed Design, Development, Operation, and Utilization of the Permanently Manned Civil Space Station art. 21(6), Sept. 29, 1988, State Dept. No. 92-65, KAV No. 2382, available at 1992 WL 466295 [hereinafter *Space Station IGA*]; see Leo B. Malagar & Marlo Apalisok Magdoza-Malagar, *International Law of Outer Space and the Protection of Intellectual Property Rights*, 17 B.U. INT’L L.J. 311, 363 n.260 (1999); see also Arnold Vahrenwald, *Intellectual Property on the Space Station “Freedom,”* 15 EUR. INTELL. PROP.

C. *Foreign Cases*

Temporary-presence statutes analogous to § 272 exist in many countries.¹⁵⁵ It is interesting to look to the interpretation that foreign courts have given to these counterpart temporary-presence provisions, particularly because such statutes are often based on Article 5^{ter} of the Paris Convention – the same treaty provision that underlies § 272.¹⁵⁶ In particular, two cases are notable. Part III.C.1 discusses the first such case, *Rolltrailer*,¹⁵⁷ in which a German court in 1973 held that the German temporary-presence statute protected vehicles called “roll trailers” from infringement liability. Next, Part III.C.2 discusses *Stena Rederi AB v. Irish Ferries Ltd.*,¹⁵⁸ in which an English court held that the U.K. temporary-presence statute exempted certain ferries from infringement.

1. Germany: *Rolltrailer*

In the 1973 *Rolltrailer*¹⁵⁹ case, a West German court held that Germany’s

REV. 318, 323-24 (1993). The stated object of this IGA was “to establish a long-term international cooperative framework among the Partners . . . for the detailed design, development, operation, and utilization of a permanently manned civil Space Station for peaceful purposes, in accordance with international law.” *Space Station IGA*, *supra*, art. 1(1). Article 21(6) of the IGA provides:

The temporary presence in the territory of a Partner State of any articles, including the components of a flight element, in transit between any place on Earth and any flight element of the Space Station registered by another Partner State or ESA shall not in itself form the basis for any proceedings in the first Partner State for patent infringement.

Id. art. 21(6). “[I]t was the purpose of this provision to exclude that the transport of payloads or flight elements of the European partner by US launchers could infringe US patents—a particular concern to the European partner who will be dependent on US launchers for some time.” Vahrenwald, *supra*, at 323. This “IGA was superseded in 1998 by the Space Station Intergovernmental Agreement.” Malagar, *supra*, at 363 n.262 (citing 1998 U.S. Treaty Actions, 37 I.L.M. 1495 (1998)).

¹⁵⁵ For examples of such provisions, see *supra* note 83.

¹⁵⁶ Cf. *Rotec Indus., Inc. v. Mitsubishi Corp.*, 215 F.3d 1246, 1253 (Fed. Cir. 2000) (looking to U.K. case law to determine whether a provision of U.S. patent law conformed to an international agreement); *Stena Rederi AB v. Irish Ferries Ltd. (Irish Ferries II)*, [2003] EWCA (Civ) 66, [67] (Munby, J.) (“I am glad to think that on a point arising in this area of the law, relating to international commerce, whether by sea or in the air, and founded moreover on an international Convention, the courts of this country should feel able to come to precisely the same essential conclusion as courts in Germany and the United States.”).

¹⁵⁷ LG Hamburg, GRUR Int. 1973, Heft 12, at 703 (F.R.G.).

¹⁵⁸ [2003] EWCA (Civ) 66 (Eng.).

¹⁵⁹ LG Hamburg, GRUR Int. 1973, Heft 12, at 703 (F.R.G.), *translated in* Brief for Defendants-Appellants at B6-B13, *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC*

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temporary-presence statute provided a defense to infringement.¹⁶⁰ The patent at issue in *Rolltrailer* covered couplings used in conjunction with roll trailers, which “are used to transport containers . . . onto ships.”¹⁶¹ The court described roll trailers as follows:

They are loaded with the goods for transportation in the departure dock, pulled onto the ship thus laden and parked there for the journey. At the arrival dock they are unloaded onto the quayside with their load where they are unloaded. Having been loaded again they can then be used for transportation on another ship. All in all, they serve to facilitate and speed up the transportation of goods and to shorten the time the ships spend in harbour.¹⁶²

Roll trailers have no means for self-propulsion; instead, they are pulled by tractors.¹⁶³ The accused infringer was a Finnish shipping company that regularly brought roll trailers allegedly using the patented invention into Germany on German ships, used the roll trailers to unload and load cargo, then exited Germany with the roll trailers on the ships.¹⁶⁴ The accused infringer asserted a defense under the German temporary-presence statute.¹⁶⁵ According to the court, pursuant to that statute, “the effect of a German patent does not extend to equipment on vehicles which enter the country only temporarily.”¹⁶⁶ At issue was whether the roll trailers in question were vehicles under the statute, whether they were of another country, and whether they were temporarily present in Germany.¹⁶⁷

The court held that roll trailers are vehicles.¹⁶⁸ The court relied on a broad

II), 357 F.3d 1319 (Fed. Cir. 2004) [hereinafter *Rolltrailer* Translation].

¹⁶⁰ *Rolltrailer* Translation, *supra* note 159, at B13.

¹⁶¹ *Id.* at B6 (citing German Patent No. 1,297,999 (published Mar. 26, 1970) and German Utility Model No. 1,968,449).

¹⁶² *Id.*; *see also* SDV Oilfield, Glossary of International Trade Terms, <http://www.sdvoilfield.com/genst.htm> (last visited Apr. 17, 2006) (“[‘Roll trailer’ is a] generic term for a wheeled trailer used for carrying cargo, also known as a mafi. It may remain on board throughout ocean passage or be used as a ‘slave’ trailer to transport cargo to and from the vessel once on quay. It has an under layer with a steel chassis and equipped with solid rubber tyres. It is attached to a tug master with a gooseneck.”).

¹⁶³ *See Rolltrailer* Translation, *supra* note 159, at B6-B7.

¹⁶⁴ *Id.*; *see id.* at B12.

¹⁶⁵ *Id.* at B7.

¹⁶⁶ *Id.* at B8. At the time, this statute had not been amended to conform to Article 5^{ter} of the Paris Convention. *See Stena Rederi AB v. Irish Ferries Ltd. (Irish Ferries II)*, [2003] EWCA (Civ) 66, [35] (Eng.) (commenting on the *Rolltrailer* case).

¹⁶⁷ *See Rolltrailer* Translation, *supra* note 159, at B8-B13.

¹⁶⁸ *See id.* at B9.

definition of “vehicle” from German case law: “a vehicle is ‘any object which is arranged to travel on the earth, in water or in the air, either in the manner of one of the known transporting means or in some other manner, and in the use of which the movement plays an essential part.’”¹⁶⁹ The court discussed other, broader definitions of “vehicle” from the literature.¹⁷⁰ The court found that roll trailers meet these definitions of “vehicle.”¹⁷¹ Even though roll trailers themselves have no means for propulsion, the court still found that roll trailers are vehicles, noting that according to the literature, “it is not crucial how the vehicle moves and whether it has its own driving force.”¹⁷² The court also rejected the argument that roll trailers are not vehicles because they entered the country on ships “without performing [their] natural function as transporting means.”¹⁷³ The court emphasized that “[t]he only important point is that the vehicles are used as such in the country.”¹⁷⁴ The court justified its broad interpretation of “vehicle” with the policy behind the temporary-presence defense: “The imposition of any more stringent demands is forbidden . . . by the sense and purpose of the provision[], which is to promote free international trade.”¹⁷⁵

The court next considered whether the roll trailers were of another country.¹⁷⁶ The patentee argued that the roll trailers were not of another country because the accused infringer used them on German ships owned by third parties, rather than on foreign ships.¹⁷⁷ The court rejected this argument, stating that “[t]he prerequisite for satisfying this condition of the application of

¹⁶⁹ *Id.* This definition includes ships and aircraft as being “vehicles”. *See id.* Thus, this definition is broader than the U.S. statutory definition of “vehicle,” which includes only land vehicles. *Compare id. with* 1 U.S.C. § 4 (“The word ‘vehicle’ includes every description of carriage or other artificial contrivance used, or capable of being used, as a *means of transportation on land.*” (emphasis added)).

¹⁷⁰ *Rolltrailer Translation, supra* note 159, at B9. One such definition “state[d] that the only essential feature [of a ‘vehicle’] is ‘the ability to travel in space.’” *Id.* The court also noted that “[t]here is general consent in the literature that all types of vehicles, without any distinctions, are to be regarded as vehicles in the sense of” the temporary-presence statute. *Id.* The court also noted “that it does not matter whether the vehicle is used for carrying people or objects.” *Id.* (citations omitted).

¹⁷¹ *Id.*

¹⁷² *Id.*

¹⁷³ *Id.* The court noted that “[v]ehicles which enter the country, for example on a railway truck or ship, are also covered by” the temporary-presence statute. *Id.*

¹⁷⁴ *Id.* at B10.

¹⁷⁵ *Id.*

¹⁷⁶ *Id.* at B10-B12.

¹⁷⁷ *See id.* The court considered that the roll trailers “take the nationality of the ships on which they were carried.” *Id.* at B11.

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[the temporary-presence statute] is that the vehicle is based in another country.”¹⁷⁸ The court then found that the roll trailers were, indeed, based in Finland.¹⁷⁹ The court again looked for support for its broad interpretation in the policy behind the temporary-presence defense:

[O]ne major consideration is that the terms of [the temporary-presence statute] are . . . designed to promote trade wherever possible and must be adapted to the constantly altering circumstances of international transport in a progressive manner. However, this principle would be infringed if in determining the home of the roll[] trailers used by the defendant a decision were based on the ships which carry them. The result of this would be to force the [accused infringers], through German patent law, to refrain from using German ships, irrespective of the increasing cooperation and interdependency of international transport. The freedom of international trade would thus be seriously jeopardised, contrary to the spirit and intention of [the temporary-presence statute].¹⁸⁰

Thus, the court concluded that the roll trailers were vehicles of another country.¹⁸¹

Finally, the court considered whether the roll trailers were only temporarily present in Germany.¹⁸² The court found that the roll trailers were temporarily present despite “[t]he fact that the roll[] trailers enter Germany regularly and repeatedly.”¹⁸³ Without explicitly defining “temporarily” as used in the statute, the court’s reasoning as to the meaning of “temporarily” was time-based.¹⁸⁴ The court observed that “after this stay, as envisaged from the outset, [the roll trailers] leave Germany again after a relatively short period.”¹⁸⁵ The court then speculated that “a stay in the country can only be regarded as no longer temporary if it lasts for at least several months in one go.”¹⁸⁶ The court

¹⁷⁸ *Id.* at B10.

¹⁷⁹ *Id.* at B11. The court reasoned as follows:

The [accused infringer] obtained the roll[] trailers from a manufacturer in Finland and brought them from Finland for their own purposes. Irrespective of their use on ships owned by third parties these roll[] trailers continue to be their property and are administered and managed from Finland, the country in which the [accused infringer’s] business is based. They are accordingly based in Finland.

Id.

¹⁸⁰ *Id.* at B11-B12 (citations omitted).

¹⁸¹ *Id.* at B11.

¹⁸² *Id.* at B12-B13.

¹⁸³ *Id.* at B12.

¹⁸⁴ *See id.*

¹⁸⁵ *Id.*

¹⁸⁶ *Id.* The court found that “this does not appear to be the case here, as indicated by the purpose and function of the roll[] trailers and the rapidity of modern day sea travel.” *Id.*

also rejected the argument that the roll trailers were not temporarily present because a number of the accused infringer's roll trailers might always be present in Germany.¹⁸⁷ The court reasoned that “[a]s the subject of the patent infringement is only the individual roll[] trailer, the only important point is whether the individual roll[] trailer is only temporarily in the country.”¹⁸⁸ Again, the court supported its conclusion with the policy behind the temporary-presence defense: “This [interpretation] corresponds to the purposes of [the temporary presence statute], which is intended to protect international transport trade from claims arising from patents. Mean-spiritedness is not compatible with this concept.”¹⁸⁹

For these reasons, the court dismissed the patentee's complaint, holding that the temporary-presence statute provided the accused infringer with a complete defense.¹⁹⁰

2. United Kingdom: *Stena Rederi AB v. Irish Ferries Ltd.*

Another interesting foreign case is *Stena Rederi AB v. Irish Ferries Ltd.*,¹⁹¹ in which the English Court of Appeal in 2003 held that the U.K. temporary-presence defense applied to a ferry boat that traveled regularly between Ireland and Wales.¹⁹² The U.K. temporary-presence defense is contained in section 60 of the Patents Act of 1977.¹⁹³ This statute provides, in relevant part:

(5) An act which, apart from this subsection, would constitute an infringement of a patent for an invention shall not do so if—

. . . .

(d) it consists of the use, exclusively for the needs of a relevant ship, of a product or process in the body of such a ship or in its machinery, tackle, apparatus or other accessories, in a case where the ship has temporarily or accidentally entered the internal or territorial waters of the United Kingdom

. . . .

(7) In this section—

¹⁸⁷ *Id.* at B12-B13.

¹⁸⁸ *Id.* at B13.

¹⁸⁹ *Id.* at B12.

¹⁹⁰ *Id.* at B13.

¹⁹¹ *Stena Rederi AB v. Irish Ferries Ltd. (Irish Ferries II)*, [2003] EWCA (Civ) 66 (Eng.).

¹⁹² *Id.* at [12]-[38]. The *Irish Ferries* case was the first case in which a U.K. court interpreted the phrase “temporarily or accidentally” in the U.K. temporary-presence statute. Sharma & Forrest, *supra* note 24, at 430 n.2.

¹⁹³ *Irish Ferries II*, [2003] EWCA (Civ) 66, [12].

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“relevant ship” and “relevant aircraft, hovercraft or vehicle” mean respectively a ship and an aircraft, hovercraft or vehicle registered in, or belonging to, any country, other than the United Kingdom, which is a party to the Convention for the Protection of Industrial Property signed at Paris on 20th March 1883 or which is a member of the World Trade Organisation¹⁹⁴

The patent at issue in *Irish Ferries* was for a “multi-hull vessel of the catamaran type which has two or more hulls connected by means of one or more decks and an overlying superstructure.”¹⁹⁵ The accused infringer allegedly employed this patented invention in its catamaran, the *Jonathan Swift*, that operated between Dublin, Ireland and Holyhead, Wales.¹⁹⁶ The court described the use of the catamaran by the accused infringer as follows: “The *Jonathan Swift* is a ferry registered in Eire which sails between Dublin and Holyhead three or four times a day. On each visit it is in UK territorial waters for about three hours.”¹⁹⁷ At issue in *Irish Ferries* was: (1) whether the accused catamaran was temporarily present in the U.K.; and (2) whether the accused use met the requirement of the U.K. temporary-presence statute that it be “of a product or process in the body or operation of the” ship, even though “the invention as claimed was the whole ship” rather than just a part of it.¹⁹⁸

The trial court first considered whether the accused ship was temporarily present in the United Kingdom.¹⁹⁹ In interpreting the term “temporarily,” the court first looked to the negotiating history of Article 5^{ter} of the Paris Convention, which formed the basis for the U.K. temporary-presence statute.²⁰⁰ The court noted that the Czechoslovakian delegation “wanted to ensure that regular and periodical entries into a country were covered by the

¹⁹⁴ Patents Act, 1977, § 60 (U.K.). The U.K. temporary-presence statute also includes provisions for land vehicles and aircraft. *Id.* The language of the U.K. temporary-presence statute is similar to that of Article 5^{ter} of the Paris Convention. *Compare id.*, with Paris Convention art. 5^{ter}, *supra* note 79.

¹⁹⁵ *Irish Ferries II*, [2003] EWCA (Civ) 66, [4]; *see also id.* at [1] (citing Superstructure for Multihull Vessels, European Patent (U.K.) No. 0 648 173 (filed June 30, 1993)).

¹⁹⁶ *See id.* at [2].

¹⁹⁷ *Id.* at [13]; *see also* Stena Rederi AB v. Irish Ferries Ltd. (*Irish Ferries I*), [2002] EWHC (Pat) 737, [62] (“Its home port is Dublin which means amongst other things that, where possible, it berths there overnight.”), *aff’d* [2003] EWCA (Civ) 66, [35] (Eng.).

¹⁹⁸ *Irish Ferries II*, [2003] EWCA (Civ) 66, [12]-[15]. This requirement of the U.K. temporary-presence statute is part of the “exclusively for the needs of the vessel” element.

¹⁹⁹ *Irish Ferries I*, [2002] EWHC (Pat) 737, [64]-[79].

²⁰⁰ *Id.* at [67].

Convention” and thus changed the word “penetrate” to “enter.”²⁰¹ The court also considered the holding of the German court in *Rolltrailer*,²⁰² that regular and repeated entries into a country could be considered temporary.²⁰³

The trial court observed that the U.K. statute and Article 5^{ter} of the Paris Convention “are concerned to ensure that trade and the carriage of persons between countries is not hindered by patent rights applying to the means of transport.”²⁰⁴ The court noted that “the underlying principle is that the normal operation of the vehicle is to be taken out of the scope of patent infringement.”²⁰⁵ Consistent with these policies, the court interpreted the term “temporarily” as follows:

[The U.K. temporary-presence statute] comes into play to protect the vehicle in so far as it is engaged in inter-State passage. The word “temporarily” should be construed in that context. Its primary purpose is to distinguish between vehicles which are engaged essentially in internal operations and those which travel between countries. For that reason, . . . questions of frequency, persistency and regularity have little to do with determining whether a vessel is temporarily within the territorial waters of the United Kingdom. Temporarily means “for a limited period of time.”²⁰⁶

The trial court rejected an interpretation of “temporarily” as meaning the opposite of “permanently.”²⁰⁷ Instead, the court stated that the statute “must be read to be consistent with [its] legislative purpose.”²⁰⁸ The court reasoned:

It should be noticed that the legislation is concerned with ships and other vehicles which “enter temporarily” the territory of the State. This suggest [sic] that one has to have regard to the intention of the operator of the vehicle at the time of entry. If, at that time, it is the intention that the

²⁰¹ *Id.* at [68]-[69]. *But see Irish Ferries II*, [2003] EWCA (Civ) 66, [32]-[34] (noting that in the original and official French text of Article 5^{ter}, the word “pénétréront [sic]” remained unchanged); *infra* nn.232-236 and accompanying text (discussing the Court of Appeal’s reasoning concerning this discrepancy). A U.S. district court apparently considered the same negotiating history of Article 5^{ter} in *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120, 1126 (E.D.N.Y. 1974).

²⁰² LG Hamburg, GRUR Int. 1973, Heft 12, at 703 (F.R.G.). For a discussion of *Rolltrailer*, see *supra* Part III.C.1.

²⁰³ *Irish Ferries I*, [2002] EWHC (Pat) 737, [70]-[72].

²⁰⁴ *Id.* at [73].

²⁰⁵ *Id.*

²⁰⁶ *Id.* at [75]. The *Irish Ferries* trial court’s distinction between internal and international operations is similar to that of the U.S. district court in *Cali*, 380 F. Supp. at 1126.

²⁰⁷ *Irish Ferries I*, [2002] EWHC (Pat) 737, [76].

²⁰⁸ *Id.*

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vehicle should move in and then move out, the entry would be temporary. Although an exact date of expected departure may not be necessary, the operator must intend that the vehicle should continue its journey by leaving the territory in reasonable time consistent with carrying out its role as a means of transport used in international carriage of goods and persons. An expectation that the vehicle may well leave the State at some time in the future, and in this sense has not entered the territory on a permanent basis, should not be enough.²⁰⁹

The trial court also rejected the patentee’s argument that under a broad interpretation of “temporarily,” “the *Jonathan Swift* would be held to be temporarily in both Irish and British waters and permanently in neither.”²¹⁰ The patentee argued that such an interpretation would allow an infringer to escape liability in both countries because Ireland also has a temporary-presence provision.²¹¹ However, the court reasoned:

It is possible that “enter” should be contrasted with “return”. A vehicle which returns to its operational home may not be treated the same way as one which temporarily visits foreign lands. If that is so, the *Jonathan Swift* would not be immune from suit in Dublin, its home port. Thus, [the patentee’s] *reductio ad absurdum* that the ship could not infringe anywhere (other than the place of construction) would not be true.²¹²

Applying its interpretation of “temporarily,” the trial court concluded that the accused ship entered the waters of the United Kingdom only temporarily.²¹³ The court reasoned:

Applying the above principles to the *Jonathan Swift*, it can only infringe when it is within our territorial waters. The issue of infringement therefore has to be looked each time it is here. Weather permitting, it does not stay in our waters for more than about three hours at a time. That is the intention of the operator The fact that the same journey is repeated over and over again, does not alter the fact that each entry into our waters is designed to be short-lived. Indeed, the fact that it is repeated so frequently emphasises the temporary nature of its entry and the fact that it is a means of transport being used in the international

²⁰⁹ *Id.* The trial court did not decide whether an entry would be temporary “if the vehicle enters a country’s territory temporarily but, once there, the operator changes his mind,” though the court did speculate that such an entry would not be considered temporary. *Id.* at [77].

²¹⁰ *Id.* at [65], [77].

²¹¹ *Id.* at [65]; see Patents Act, 1992, § 42(d)-(e) (Ir.) available at http://www.irishstatutebook.ie/1992_1.html (last visited Apr. 17, 2006).

²¹² *Irish Ferries I*, [2002] EWHC (Pat) 737, [77].

²¹³ *Id.* at [78].

carriage of goods and people. Its entry each time is temporary.²¹⁴

Next, the trial court considered the patentee's second argument – that the temporary-presence defense applied only to patents covering “parts of the ship, not . . . the ship as a whole.”²¹⁵ The statute at issue read: “exclusively for the needs of a relevant ship, of a product or process *in the body of such a ship* or in its machinery, tackle, or other accessories.”²¹⁶ The patentee argued that because the patent claims at issue were directed to “a multihull vessel, it is the *Jonathan Swift* as a whole which is the infringing article[, which therefore] falls outside the scope of the” temporary-presence defense.²¹⁷

The trial court rejected this argument for four reasons.²¹⁸ First, the court said that there was no “logic . . . in having an exclusion effective against parts but not the whole of a vessel.”²¹⁹ Second, the patentee's proposed construction of the statute would “undermine” its purpose – “to prevent patents interfering with the means used to carry international trade.”²²⁰ Third, the patentee's proposed construction was not consistent with Article 5^{ter} of the Paris Convention, in that Article 5^{ter} “excludes ‘the use of devices forming the subject of the patent in the construction’” of the vessel, aircraft, or vehicle.²²¹ Finally, although the claims of the patent-in-suit were written to cover the vessel as a whole, the invention itself “is much more limited” – “the use of the special strengthening design in part of” the ship, “not the totality of the ship.”²²² For these reasons, the trial court held that the U.K. temporary-

²¹⁴ *Id.* The court's focus on each individual entry of the vessel into the country is consistent with the German court's decision in *Rolltrailer*. See *Rolltrailer* Translation, *supra* note 159, at B13 (“As the subject of the patent infringement is only the individual roll[] trailer, the only important point is whether the individual roll[] trailer is only temporarily in the country.”).

²¹⁵ *Irish Ferries I*, [2002] EWHC (Pat) 737, [80]-[82].

²¹⁶ Patents Act, 1977, § 60(5)(d) (U.K.) (emphasis added). This language is analogous to the “exclusively for the needs of the vessel, aircraft, or vehicle” language of 35 U.S.C. § 272.

²¹⁷ *Irish Ferries I*, [2002] EWHC (Pat) 737, [80].

²¹⁸ *Id.* at [81].

²¹⁹ *Id.*

²²⁰ *Id.*

²²¹ *Id.* (quoting Paris Convention art. 5^{ter}, *supra* note 79).

²²² *Id.* at [82]. The court explained:

If [the patentee] is right, whether or not the exclusion is effective would be, in some cases, a matter of chance. The claims here are written in a form which covers the multi-hull vessel as a whole, but the invention is much more limited. It is not concerned with most of what goes into the vessel, such as the design of the propulsion, steering, hull, hydrodynamics, the accommodation and so forth. The inventive concept in claim 3 is the employment of the lattice work and box structure in the superstructure of the ship. The claims could have been limited to that feature. The point can be illustrated by reference to the well known patent example of the invention of a new

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presence statute applied, providing the accused infringer with a defense to infringement.²²³

The Court of Appeal affirmed,²²⁴ mainly agreeing with the trial court’s reasoning but considering additional issues.²²⁵ First, the court considered a case interpreting the word “temporarily” in the context of a vehicle regulation as meaning “for a limited time.”²²⁶ It rejected this definition, reasoning that the court in that case interpreted “temporarily” in a far different context – that of “particular road traffic regulations,” rather than international commerce as in the temporary-presence statute.²²⁷

Next, the court agreed with the trial court’s definition of “temporarily”:

The judge was right . . . that the word “temporarily” should be construed as “transient” or “for a limited period of time”. That word cannot have been intended to be construed so that vessels which regularly went between this country and say New York or Sydney or Rotterdam would not come within the exception, but vessels who did that occasionally would do so. Whether a vessel visits temporarily, in the context of [Article 5^{ter} of the Paris Convention], cannot depend on frequency.²²⁸

The court found support for this definition in the U.S. *Cali* case, which the trial court had not considered.²²⁹

The court next disagreed with the trial court’s treatment of the negotiating history of Article 5^{ter} of the Paris Convention.²³⁰ The trial court relied on the Czechoslovakian delegation’s urging to change the word “penetrate” to “enter” to ensure that Article 5^{ter} would apply to “regular and periodical entries into a

steam whistle. Claim 1 of the patent is to the steam whistle. Claim 10 is to a container ship with a steam whistle attached to the funnel. It would make little sense if claim 1 was caught by the subsection but claim 10 was not. For this reason, even if [the patentee] were otherwise right on this issue, I would hold that the question whether an act “consists of the use, exclusively for the needs of a relevant ship, of a product or process in the body of such a ship” should be answered purposively. In other words, is the *invention* the whole ship or is it for a part only? In this case the invention or inventive concept is not the totality of the ship but the use of the special strengthening design in part of it.

Id.

²²³ *Id.* at [83].

²²⁴ *Irish Ferries II*, [2003] EWCA (Civ) 66 (Eng.).

²²⁵ *Id.* at [19].

²²⁶ *Id.* at [21]-[25] (citing *British Road Servs. v. Wurzal*, [1971] 1 W.L.R. 1508 (Eng.)).

²²⁷ *Id.* at [25].

²²⁸ *Id.* at [26].

²²⁹ *Id.* at [26]-[31].

²³⁰ *Id.* at [32]-[34].

country.”²³¹ However, the court noted that in the original French text, which the trial court had not considered, the word “pénétréront [sic; pénétreront]”²³² remained unchanged.²³³ Thus, the court stated that “it is not possible to come to any conclusion as to the effect of [the Czechoslovakian delegation’s] intervention nor what was the attitude of the Sous-Commission.”²³⁴ However, the word “pénétreront” can mean “will enter” in addition to “will penetrate.”²³⁵ Hence, the lack of change in this wording does not indicate that the committee rejected the Czechoslovakian delegation’s proposal. Thus, the negotiating history of Article 5^{ter} may indicate that the committee intended to include regular and periodic entries within the scope of Article 5^{ter}.²³⁶

Turning to the trial court’s reliance on the *Rolltrailer* decision,²³⁷ the court observed that the German law applied in *Rolltrailer* had not been amended to comply with Article 5^{ter}; hence, reliance on that case “must be treated with caution.”²³⁸ Nevertheless, the Court of Appeal agreed with the trial court that the *Rolltrailer* decision supported its definition of “temporarily.”²³⁹

The court further looked to the “Guide to the application of the Paris Convention as revised in 1967 by Professor G. H. C. Bodenhausen who was the Director of the body now known as WIPO,”²⁴⁰ which the trial court also had not considered. According to this Guide, under Article 5^{ter}: “Temporary entry includes periodical entries.”²⁴¹ This source provided further support for the court’s holding that the accused catamaran was present in U.K. waters only temporarily.

Finally, the Court of Appeal affirmed the trial court’s conclusion that the accused use met the requirement of the U.K. temporary-presence statute that it be “of a product or process in the body or operation of the” ship, even though

²³¹ *Id.* at [32]-[33].

²³² The word “pénétréront” means “will enter” or “will penetrate” in French. See GRAND DICTIONNAIRE: FRANÇAIS-ANGLAIS – ANGLAIS-FRANÇAIS 655 (1993) [hereinafter GRAND DICTIONNAIRE] (defining “pénétrer” as, *inter alia*, “to enter” or “to penetrate”).

²³³ *Irish Ferries II*, [2003] EWCA (Civ) 66, [34].

²³⁴ *Id.*

²³⁵ See GRAND DICTIONNAIRE, *supra* note 232, at 655.

²³⁶ See LADAS, *supra* note 6, at 248 (“‘Temporairement,’ it was admitted at the Conference of The Hague, on the suggestion of the Czechoslovakian delegation, comprises also the periodical entries of vessels into the territorial waters of another country.”).

²³⁷ *Irish Ferries II*, [2003] EWCA (Civ) 66, at [35].

²³⁸ *Id.*

²³⁹ See *id.*

²⁴⁰ *Id.* at [36].

²⁴¹ *Id.*

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“the invention as claimed was the whole ship” rather than just a part of it²⁴² for the same reasons the trial court gave.²⁴³ The court stated: “The invention is that set out in the claim. . . . However the product of the invention is the features of the claim which are properly referred to as ‘in the body’ of the ship.”²⁴⁴ In sum, the Court of Appeal affirmed the trial court’s holding that the U.K. temporary-presence defense provided the accused infringer with a complete defense to patent infringement.²⁴⁵

IV. NATIONAL STEEL CAR, LTD. V. CANADIAN PACIFIC RAILWAY

In 2004, the Federal Circuit for the first time interpreted § 272 in *National Steel Car, Ltd. v. Canadian Pacific Railway*.²⁴⁶ The patent in *National Steel Car* covered a type of rail car known as “a depressed center-beam flat car” or a “drop-deck” center-beam car.²⁴⁷ Railroads use center-beam cars to haul lumber.²⁴⁸ “The car described in the ‘575 patent is a ‘depressed,’ or ‘drop-deck,’ car because the portion of the floor between the [wheels] is lowered relative to the height of the floor over the [wheels].”²⁴⁹ The accused infringer,

²⁴² *Id.* at [14]-[15].

²⁴³ *Id.* at [37].

²⁴⁴ *Id.*

²⁴⁵ *Id.* at [38].

²⁴⁶ *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC II)*, 357 F.3d 1319, 1326 (Fed. Cir. 2004). Although the interpretation of § 272 was a case of first impression for the Federal Circuit, it was not the first time a court of appeals considered the statute. The Second Circuit necessarily addressed the district court’s interpretation of § 272 in *Cali v. Japan Airlines Co.*, 535 F.2d 1240 (2d Cir. 1975), although the Second Circuit did not issue a written opinion.

²⁴⁷ *NSC II*, 357 F.3d at 1322 (citing *Depressed Center Beam Flat Car*, U.S. Patent No. 4,951,575 (filed June 9, 1989)).

²⁴⁸ *Id.* The Federal Circuit described the center-beam rail car as follows:

The car described in the ‘575 patent is a “center-beam” car because the primary structure of the car is a truss-like beam element that runs the length of the center of the car between the wheel assemblies Center-beam cars are an industry standard for hauling lumber, which is piled onto a floor that extends laterally to each side of the car from the bottom of the center beam and then secured to the center beam.

Id.

²⁴⁹ *Id.* The court described two advantages of the drop-deck center-beam “over the non-drop-deck version”:

First, it can carry a volumetrically larger load. Given the relatively low density of wood, ordinary center-beam cars reach volume capacity before they reach weight capacity, leaving each car inefficiently under-loaded in terms of weight. Second, the dropping of the deck lowers the car’s center of the gravity, permitting safer loading, transit, and unloading because a higher center of gravity renders the car more vulnerable to tipping.

Id.

a Canadian railroad company,²⁵⁰ entered into a contract to purchase a fleet of drop-deck center-beam cars.²⁵¹ The accused infringer intended to use the cars ninety percent of the time to haul lumber from Canada to the United States, and ten percent of the time to haul lumber within Canada only.²⁵² The court described the use of the cars as follows:

Because there is no market need for American lumber to be shipped into Canada, [the accused infringer's] center-beam flat cars return to Canada empty 99.2 percent of the time. Measured either on the basis of days or track mileage traveled, a center-beam flat car is in the United States approximately 56 to 57 percent of the time.²⁵³

The patentee²⁵⁴ filed a patent infringement suit and moved for a preliminary injunction.²⁵⁵ The district court granted the motion,²⁵⁶ holding that “neither of

²⁵⁰ The accused infringer was Canadian Pacific Railway (“CPR”), which “is a Canadian railroad company that owns rail lines in Canada and in the United States and operates trains on these lines.” *Id.* at 1323 (footnote omitted).

²⁵¹ *Id.*

²⁵² *Id.* At the time the patentee filed suit, and during the pendency of the suit, the accused cars had not yet entered the United States from Canada, where they were manufactured. *See id.* Thus, interestingly, there could be no actual infringement because the cars had not been in the United States yet. *See Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 527 (1972) (“[I]t is not an infringement to make or use a patented product outside of the United States.”); *Brown v. Duchesne*, 60 U.S. (19 How.) 183, 195 (1856) (noting that the patent laws, particularly 35 U.S.C. § 271 “do not, and were not intended to, operate beyond the limits of the United States”). Thus, it may seem at first glance that subject matter jurisdiction was lacking, given that the Federal Circuit has held that the patent laws “cannot be interpreted to cover acts other than an actual making, using or selling of the patented invention.” *Lang v. Pac. Marine & Supply Co.*, 895 F.2d 761, 765 (Fed. Cir. 1990). However, subject matter jurisdiction did exist in *National Steel Car*. According to the Federal Circuit in *Lang*, “[i]f the controversy requirement is met by a sufficient allegation of immediacy and reality, we see no reason why a patentee should be unable to seek a declaration of infringement against a future infringer when a future infringer is able to maintain a declaratory judgment action for noninfringement under the same circumstances.” *Id.* at 764. *National Steel Car* was such a suit for declaratory judgment. *See* 1st Am. Compl. at 3-4; *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC I)*, 254 F. Supp. 2d 527, 557 (E.D. Pa. 2003), *rev’d*, 357 F.3d 1319 (Fed. Cir. 2004). Therefore, subject matter jurisdiction did exist.

²⁵³ *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC II)*, 357 F.3d 1319, 1323-24 (Fed. Cir. 2004).

²⁵⁴ The patentee was National Steel Car, Ltd. (“NSC”), which is “a manufacturer of railway cars.” *Id.* at 1322.

²⁵⁵ *Id.* at 1324. The patentee also sued The Greenbrier Companies, Inc., the manufacturer of the accused rail cars, in a separate action in the District of

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the two defenses raised by [the accused infringer] had substantial merit.”²⁵⁷ However, the Federal Circuit reversed the district court’s decision.²⁵⁸

Because of the contrast between the district court’s interpretation of the language of § 272 and that of the Federal Circuit, it is interesting to first consider the district court’s opinion in detail. Therefore, Part IV.A first discusses the district court’s opinion in *National Steel Car*. Next, Part IV.B examines the Federal Circuit’s opinion and concludes that the Federal Circuit correctly interpreted § 272.

A. *The District Court Narrowly Interprets Section 272*

In concluding that the accused infringer’s temporary-presence defense lacked substantial merit, the district court interpreted the language of § 272 narrowly. At issue before the district court were almost all the elements of § 272: (1) whether the accused cars were vehicles of another country; (2) whether the accused cars would be temporarily present in the United States; (3) whether the patented invention was used exclusively for the needs of the vehicle; and (4) whether the accused cars were sold in the United States.²⁵⁹

1. *Whether the Accused Cars Were Vehicles of Another Country*

After discussing the history of § 272²⁶⁰ and examining cases interpreting § 272,²⁶¹ the district court first considered whether the accused cars were

Delaware. *See* Complaint, *Nat’l Steel Car v. Greenbrier Cos.*, No. 02-1427-SLR (D. Del. Aug. 22, 2002).

²⁵⁶ *NSC II*, 357 F.3d at 1324.

²⁵⁷ *Id.* To succeed in its preliminary-injunction motion, the patentee had to, *inter alia*, “demonstrate a reasonable likelihood of success on the merits.” *Id.* at 1324-25. However, no preliminary injunction could issue if the accused infringer “raise[d] a substantial question concerning either infringement or validity, *i.e.*, assert[ed] an infringement or invalidity defense that the patentee [could not] prove lack[ed] substantial merit.” *Id.* at 1325 (internal quotation marks omitted).

In addition to its temporary-presence defense under § 272, the accused infringer asserted an invalidity defense. *Id.* at 1324. Moreover, the accused infringer also asserted a defense of unenforceability due to inequitable conduct. *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC I)*, 254 F. Supp. 2d 527, 572-73 (E.D. Pa. 2003), *rev’d*, 357 F.3d 1319 (Fed. Cir. 2004).

²⁵⁸ *NSC II*, 357 F.3d at 1340.

²⁵⁹ *NSC I*, 254 F. Supp. 2d at 555-57.

²⁶⁰ *See id.* at 555. As part of this discussion the court examined *Brown v. Duchesne*, 60 U.S. (19 How.) 183 (1856). *See supra* Part II.B.

²⁶¹ *NSC I*, 254 F. Supp. 2d at 555-56 (referring to *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120 (E.D.N.Y. 1974), and *Hughes Aircraft Co. v. United States*, 29 Fed. Cl. 197 (1993)). For discussions of these cases, *see supra* Parts III.A and III.B, respectively.

vehicles of another country.²⁶² With no analysis or explanation, the district court stated: “The accused rail car, itself, is not a vehicle. It is part of a vehicle – a train. A train satisfies the vehicle requirement of § 272. The question is whether the train carrying the accused rail cars is a vehicle of another country.”²⁶³ The court then went on to hold that the U.S. trains that would be carrying the accused cars were not vehicles of another country.²⁶⁴ The court reasoned that these trains were not foreign vehicles because the railroad intended to routinely transfer the accused cars from trains pulled by Canadian locomotives to trains pulled by U.S. locomotives upon reaching particular destinations in the United States.²⁶⁵ The court distinguished *Brown*,²⁶⁶ *Cali*,²⁶⁷ and *Hughes Aircraft*²⁶⁸ because the patented inventions at issue in those cases “remained a part of a vehicle that was under the flag of the other country when the vehicle and the invention were in the United States.”²⁶⁹ Thus, the court concluded that the relevant vehicle, the train, would not be a vehicle of another country.²⁷⁰

2. Whether the Accused Cars Would Be Temporarily Present in the United States

The district court next concluded that for two reasons the accused rail cars would not be temporarily present in the United States.²⁷¹ First, the court reasoned that the cars would not be temporarily present because “[a]n accused rail car [would] spend the majority of its time delivering lumber to United

²⁶² *NSC I*, 254 F. Supp. 2d at 556.

²⁶³ *Id.*

²⁶⁴ *Id.*

²⁶⁵ *Id.* The court observed:

The accused rail cars will be brought into the United States on a train powered by a CPR locomotive, and for as long as CPR’s rail lines continue in the United States, the cars will remain part of a train powered by a CPR locomotive. During this period, the accused rail cars are part of a vehicle of another country.

After the CPR rail lines end in the United States, the cars will be switched to trains powered by locomotives owned and operated by United States companies. The cars will then continue to travel to various destinations in the United States. The cars will not return to trains powered by CPR locomotives until the cars return to places in the United States served by CPR. During the time the accused rail cars are part of trains powered by locomotives owned and operated by United States companies, the accused rail cars are not used in a vehicle of another country.

Id.

²⁶⁶ 60 U.S. (19 How.) 183 (1856); *see supra* Part II.B.

²⁶⁷ 380 F. Supp. 1120 (E.D.N.Y. 1974); *see supra* Part III.A.

²⁶⁸ 29 Fed. Cl. 197 (1993); *see supra* Part III.B.

²⁶⁹ *NSC I*, 254 F. Supp. 2d at 556.

²⁷⁰ *Id.*

²⁷¹ *Id.*

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States destinations.”²⁷² The court observed: “This is not the same as the airplanes in *Cali* that returned home after flying into the country, the ship in *Brown* which returned home after sailing to Boston, or the spacecraft in *Hughes Aircraft* which went to outer space after being in the United States for the spacecraft’s takeoff.”²⁷³ Second, the court held that the cars would not be temporarily present because the accused infringer would “derive significant benefits from using [them] in the United States by transporting its lumber on the . . . cars to various destinations throughout the United States.”²⁷⁴ The court again distinguished *Brown*, *Cali*, and *Hughes Aircraft*: “The presence in the United States of the patented invention in *Brown*, *Cali*, and *Hughes Aircraft* was temporary because the only real benefits of using the accused product for the defendants in those cases came when the product was used outside of the United States.”²⁷⁵ Thus, the court concluded that the cars would not be temporarily present in the United States.²⁷⁶

3. Whether the Patented Invention Was Used Exclusively for the Needs of the Vehicle

The district court next concluded that the patented invention was not used exclusively for the needs of the vehicle.²⁷⁷ The court contrasted the situation in *National Steel Car* with that in *Brown*, *Cali*, and *Hughes Aircraft*, observing that in those cases, “the accused product was being used in a part of the vehicle that was essential to making the vehicle work.”²⁷⁸ According to the court, in *National Steel Car* “the trains can work without the accused rail car. The accused rail car does not help propel the trains, help in positioning the trains, or help in any other way to make the trains work.”²⁷⁹ Thus, the court held that the patented invention was not used exclusively for the needs of the vehicle.²⁸⁰

4. Whether the Accused Cars Were Sold or Offered for Sale in the United States

Finally, the district court considered whether the accused rail cars were sold in the United States.²⁸¹ This portion of the district court’s opinion has been

²⁷² *Id.*

²⁷³ *Id.*

²⁷⁴ *Id.*

²⁷⁵ *Id.*

²⁷⁶ *Id.*

²⁷⁷ *Id.* at 557. Recall that the court considered the relevant vehicle to be a train carrying the accused rail cars, not the rail car itself. *Id.* at 556.

²⁷⁸ *Id.* at 557.

²⁷⁹ *Id.*

²⁸⁰ *Id.*

²⁸¹ *Id.*

redacted.²⁸² However, the Federal Circuit described the district court's conclusions as follows:

[T]he district court held that the use of the [patented] invention in the [accused rail car] did not qualify as a noninfringing use under section 272 because the language of section 272 requires that the invention not be "offered for sale or sold in . . . the United States." The district court found that [the car's manufacturer] had "offered the accused rail car for sale to at least three different companies in the United States," and that "[the accused infringer], itself, may sell the accused rail cars to leasing companies in the United States."²⁸³

Therefore, the district court concluded:

Because at least three of the required elements—being part of a vehicle of another country, temporary presence in the United States, and use exclusively for the train's needs—are not present and because it appears that the accused rail cars will be sold in the United States, [the accused infringer's] defense based on Section 272 lacks substantial merit.²⁸⁴

The accused infringer appealed the decision to the Federal Circuit.²⁸⁵

²⁸² *See id.*

²⁸³ *Nat'l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC II)*, 357 F.3d 1319, 1333 (Fed. Cir. 2004) (omission in original).

²⁸⁴ *NSC I*, 254 F. Supp. 2d at 557. The court also considered the accused infringer's invalidity defense for anticipation and obviousness and held that these defenses lacked substantial merit. *Id.* at 557-72. Further, the court held that the accused infringer's defense of unenforceability due to inequitable conduct likewise lacked substantial merit. *Id.* at 572-73. Moreover, the court held that the patentee would suffer irreparable harm in the absence of a preliminary injunction. *Id.* at 573-75. Finally, the court considered the other two preliminary-injunction factors—balance of hardships and public interest—and concluded that these factors favored the granting of the injunction. *Id.* at 575-77. Thus, the court granted the patentee's motion for a preliminary injunction.

²⁸⁵ *See NSC II*, 357 F.3d 1319. After the district court's decision but before the Federal Circuit's decision, an Oregon congressman introduced a bill that would amend § 272 to explicitly include rail cars within its coverage. *See* H.R. 1946, 108th Cong. (2003); *Bill Exempts Rail Cars from Patent Infringement*, 66 BNA'S PAT., TRADEMARK & COPYRIGHT J. 50, 50 (2003). The bill was sponsored by Rep. Greg Walden (R-Or.) and cosponsored by Reps. Earl Blumenauer (D-Or.) and Norman Dicks (D-Wash.). *Id.* The bill reads: "Section 272 of title 35, United States Code, is amended by adding at the end the following: 'This section shall apply to any vehicle that is a railroad car entering and leaving the United States on a recurring basis.'" H.R. 1946, 108th Cong. (2003). According to a published report, "[t]he bill seems to have been prompted by" the district court's decision in *National Steel Car. Bill Exempts Rail Cars from Patent Infringement, supra*, at 50.

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B. *The Federal Circuit Reverses the District Court and Correctly Interprets Section 272*

The Federal Circuit in *National Steel Car* reversed the district court's order granting the patentee's preliminary-injunction motion.²⁸⁶ The Federal Circuit held "that the district court abused its discretion in holding that [the accused infringer's] section 272 defense lacked substantial merit."²⁸⁷ Unlike the district court, the Federal Circuit broadly interpreted the language of § 272.²⁸⁸ This broad interpretation of § 272 is consistent with applicable statutes, precedent, and international obligations, as well as with the policies underlying the temporary-presence defense. Indeed, the Federal Circuit's broad interpretation of § 272 bolsters the value of the temporary-presence defense in today's global economy.²⁸⁹

The interpretation of § 272 was an issue of first impression for the Federal Circuit in *National Steel Car*.²⁹⁰ The court first set the stage by addressing the statute's legislative history.²⁹¹ Next, the court discussed the Supreme Court's holding in *Brown*.²⁹² After that, the court quoted Article 5^{ter} of the Paris Convention²⁹³ and briefly summarized *Cali* and *Hughes Aircraft*.²⁹⁴ Analyzing the accused infringer's defense under § 272,²⁹⁵ the court then addressed each of

The bill was referred to the Judiciary Committee. *Id.* Since then, Congress has taken no further action. See Bill Summary and Status, <http://thomas.loc.gov/cgi-bin/bdquery/z?d108:HR01946:@@L&summ2=m&> (last visited Aug. 8, 2005). Indeed, such an amendment is arguably no longer necessary in light of the Federal Circuit's decision in *National Steel Car* reversing the district court's decision and holding that the scope of § 272 does include a rail car entering and leaving the United States on a recurring basis.

²⁸⁶ *NSC II*, 357 F.3d at 1340.

²⁸⁷ *Id.* at 1334. Additionally, the Federal Circuit held "that the district court erred in its conclusion that [the patentee] demonstrated that [the accused infringer's] obviousness defense lacked substantial merit." *Id.* at 1335.

²⁸⁸ See *id.* at 1325-34.

²⁸⁹ See *supra* notes 9-12 and accompanying text (discussing the importance of the temporary-presence defense in today's global economy).

²⁹⁰ *NSC II*, 357 F.3d at 1326.

²⁹¹ *Id.* For a discussion of the legislative history of § 272, see *supra* Part II.D.

²⁹² *NSC II*, 357 F.3d at 1326-27 (citing *Brown v. Duchesne*, 60 U.S. (19 How.) 183 (1856)). For a discussion of *Brown*, see *supra* Part II.B.

²⁹³ *NSC II*, 357 F.3d at 1327 (citing Paris Convention art. 5^{ter}, *supra* note 79). For a discussion of Article 5^{ter} of the Paris Convention, see *supra* Part II.C.

²⁹⁴ *NSC II*, 357 F.3d at 1327-28 (citing *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120 (E.D.N.Y. 1974); *Hughes Aircraft Co. v. United States*, 29 Fed. Cl. 197 (1993)). For a discussion of *Cali* and *Hughes Aircraft*, see *supra* Parts III.A and III.B, respectively.

²⁹⁵ *NSC II*, 357 F.3d at 1328-34. The court reviewed the district court's statutory

the four elements of § 272 at issue: (1) whether the accused rail cars were vehicles of another country;²⁹⁶ (2) whether the accused cars would be only temporarily present in the United States;²⁹⁷ (3) whether the patented invention was used exclusively for the needs of the vehicle;²⁹⁸ and (4) whether the accused cars were sold or offered for sale in the United States.²⁹⁹

1. Whether the Accused Cars Were Vehicles of Another Country

The Federal Circuit disagreed with the district court's reasoning that the focus should be on the train rather than the individual accused cars.³⁰⁰

Although we recognize that in some instances there may be ambiguity between containers that are merely the cargo of a vessel or vehicle, and vessels or vehicles that are themselves aggregated and transported in a collective fashion for greater efficiency, we discern no such ambiguity here: Congress has defined "vehicle" with sufficient breadth to include an individual rail car.³⁰¹

The Federal Circuit looked to the statutory definition of "vehicle" in the Dictionary Act,³⁰² concluding that "[t]his definition controls our interpretation

interpretation of § 272 "without deference." *Id.* at 1325.

²⁹⁶ *Id.* at 1328-29.

²⁹⁷ *Id.* at 1329-32.

²⁹⁸ *Id.* at 1332-33.

²⁹⁹ *Id.* at 1333-34.

³⁰⁰ *Id.* at 1328-29 ("[A]ccording to the district court, the train, not the rail car, is the relevant vehicle to examine under section 272, and the nationality of the locomotive determines the nationality of the train.").

³⁰¹ *Id.* at 1328.

³⁰² 1 U.S.C. § 4. A district court recently applied the Dictionary Act to determine whether an aircraft was a vehicle under the USA Patriot Act of 2001 in a case involving the so-called "shoe bomber," Richard C. Reid. *United States v. Reid*, 206 F. Supp. 2d 132, 138-39 (D. Mass. 2002) (granting motion to dismiss one count against the defendant because an aircraft is not a vehicle under the USA Patriot Act of 2001); see Kevin Cullen, *More Suspects Are Charged in July 21 London Conspiracy*, BOSTON GLOBE, Aug. 8, 2005, at A7 (describing Richard Reid as "the 'shoe bomber' who was convicted . . . of trying to down a Paris-to-Miami flight with explosives hidden in his sneakers in December 2001"). The court described the Dictionary Act:

The Dictionary Act of the United States Code, 1 U.S.C. § 1 *et seq.*, provides general definitions for a handful of words appearing within the code, along with general rules of construction, that apply to the entire code in the absence of a more specific indication within the statute being analyzed. Although the Dictionary Act defines but a few words appearing in the code, the word "vehicle" is one of them.

Reid, 206 F. Supp. 2d at 138 (citation omitted). The court in *Reid* further observed that "the Dictionary Act is not an obscure, forgotten portion of the United States

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of ‘vehicle’ in section 272.”³⁰³ The Dictionary Act broadly defines “vehicle” as follows: “The word ‘vehicle’ includes every description of carriage or other artificial contrivance used, or capable of being used, as a means of transportation on land.”³⁰⁴ The Federal Circuit reasoned that “[t]his definition . . . leads us to define a rail car individually—not only the train as a whole—as a vehicle within the meaning of section 272.”³⁰⁵ Therefore, the court “conclude[d] that [an accused rail car] may be a foreign vehicle and therefore” may be covered by § 272.³⁰⁶

The Federal Circuit’s reasoning is sound. The Dictionary Act, which the district court ignored, mandates that a rail car be considered a “vehicle” under

Code, but instead remains vital to the process of interpreting the rest of the code.” *Id.* at 139. Interestingly, some commentators have argued that the Dictionary Act is unconstitutional for violating separation-of-powers concerns. Gary E. O’Connor, *Restatement (First) of Statutory Interpretation*, 7 N.Y.U. J. LEGIS. & PUB. POL’Y 333, 348 & n.78 (2004).

³⁰³ *NSC II*, 357 F.3d at 1328 (citing 1 U.S.C. § 4; *Reid*, 206 F. Supp. 2d at 138; Federico, *supra* note 85); *see also* *Hughes Aircraft Co. v. United States*, 29 Fed. Cl. 197, 232 n.46 (1993) (applying the Dictionary Act definitions of “vessel” and “vehicle” in determining whether § 272 applied to spacecraft). The Federal Circuit in *National Steel Car* noted that the *Commentary* of P.J. Federico, one of the drafters of the Patent Act of 1952 in which § 272 was first enacted, explicitly stated “that the definition of vehicle provided in 1 U.S.C. § 4 would apply to section 272.” *NSC II*, 357 F.3d at 1328.

³⁰⁴ 1 U.S.C. § 4. Further emphasizing the breadth of the definition of “vehicle,” this statute is entitled “‘Vehicle’ as including all means of land transportation.” *Id.*

³⁰⁵ *NSC II*, 357 F.3d at 1328. To determine whether a rail car falls within the Dictionary Act definition of vehicle, the court determined that “[t]he ordinary meaning of ‘carriage’ . . . is defined to encompass ‘means of conveyance,’ ‘a wheeled vehicle for people,’ or ‘a wheeled support carrying a burden,’ such as ‘a gun carriage.’” *Id.* (citing WEBSTER’S THIRD NEW INTERNATIONAL DICTIONARY 343 (1993)).

³⁰⁶ *NSC II*, 357 F.3d at 1328-29. Moreover, the court concluded that the accused rail cars were “vehicles of Canada [and that Canada] afford[s] similar privileges to United States vehicles as required by the reciprocity provision in section 272.” *Id.* at 1328 n.10. The current Canadian temporary-presence statute provides:

No patent shall extend to prevent the use of any invention in any ship, vessel, aircraft or land vehicle of any country entering Canada temporarily or accidentally, if the invention is employed exclusively for the needs of the ship, vessel, aircraft or land vehicle, and not so used for the manufacture of any goods to be sold within or exported from Canada.

Patent Act, R.S.C., ch. P-4, § 23 (Can.). Although the Canadian and U.S. statutes are, for the most part, very similar, the scope of the Canadian statute is broader in that it does not require reciprocity, whereas the U.S. statute does. *Compare id. with* 35 U.S.C. § 272.

§ 272.³⁰⁷ Indeed, where Congress supplies an “explicit definition” of a statutory term, courts must follow that definition.³⁰⁸

Moreover, even in the absence of such an explicit definition, a rail car falls under the ordinary meaning of the word “vehicle.”³⁰⁹ When § 272 was enacted in 1952,³¹⁰ the relevant dictionary definition of “vehicle” was: “Any kind of a carriage moving on land, either on wheels or runners, comprehending coaches, chariots, buggies, wagons, carts of every kind, sleighs, sleds, and the like; a conveyance.”³¹¹ Thus, because a rail car is “a carriage moving on land . . . on wheels,” a rail car is a “vehicle” under the ordinary meaning of the word at the time of the enactment of § 272.

Additionally, the Federal Circuit was correct in rejecting the district court’s implicit view that something must provide its own propulsive power to be a “vehicle.”³¹² There is ample legal authority that a “vehicle” need not be capable of self-propulsion. For example, under U.S. statutory and case law, a non-self-propelled spacecraft is considered a vehicle under § 272.³¹³ Further,

³⁰⁷ See *NSC II*, 357 F.3d at 1328.

³⁰⁸ *Stenberg v. Carhart*, 530 U.S. 914, 942 (2000); accord *AK Steel Corp. v. United States*, 226 F.3d 1361, 1372 (Fed. Cir. 2000) (holding that courts may not “substitute their own definition for that of Congress”).

³⁰⁹ Where “terms used in a statute are undefined, [a court must] give them their ordinary meaning.” *Asgrow Seed Co. v. Winterboer*, 513 U.S. 179, 187 (1995) (citing *FDIC v. Meyer*, 510 U.S. 471, 476 (1994)).

³¹⁰ “[T]he most relevant time for determining a statutory term’s meaning” is when the statute “became law.” *MCI Telecomms. Corp. v. AT&T Co.*, 512 U.S. 218, 228 (1994).

³¹¹ WEBSTER’S NEW TWENTIETH CENTURY DICTIONARY OF THE ENGLISH LANGUAGE: UNABRIDGED 1903 (1951). To determine the ordinary meaning of a statutory term, “it is appropriate [for a court] to consult dictionaries.” *Huffman v. Office of Pers. Mgmt.*, 263 F.3d 1341, 1349 (Fed. Cir. 2001); see *B.V.D. Licensing Corp. v. Body Action Design, Inc.*, 846 F.2d 727, 728 (Fed. Cir. 1988) (“Courts may take judicial notice of . . . dictionaries.”).

There are even broader dictionary definitions that include aircraft and watercraft as vehicles. See *United States v. Reid*, 206 F. Supp. 2d 132, 138 (D. Mass. 2002) (“An example is found in the seventh edition of *Black’s Law Dictionary* (1999), which defines vehicle as ‘any conveyance used in transporting passengers or merchandise by land, water, or air.’”); cf. *McBoyle v. United States*, 283 U.S. 25, 26 (1931) (“No doubt etymologically it is possible to use the word [vehicle] to signify a conveyance working on land, water or air, and sometimes legislation extends the use in that direction . . .”).

³¹² See *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC I)*, 254 F. Supp. 2d 527, 556 (E.D. Pa. 2003), *rev’d*, 357 F.3d 1319 (Fed. Cir. 2004) (“The accused rail car, itself, is not a vehicle. It is part of a vehicle – a train.”).

³¹³ 49 U.S.C. § 2457(k); *Hughes Aircraft Co. v. United States*, 29 Fed. Cl. 197, 239-40 (1993) (holding that a non-self-propelled spacecraft attached to a rocket is

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many federal regulations treat non-self-propelled rail cars as vehicles.³¹⁴ Additionally, non-self-propelled truck trailers are considered to be vehicles under federal regulations, state vehicle codes, and case law.³¹⁵

The Federal Circuit’s interpretation of “vehicle” is consistent with that of the *Rolltrailer*³¹⁶ court in Germany, which lends further support to the conclusion that the Federal Circuit’s interpretation was correct.³¹⁷ In *Rolltrailer*, the court held that non-self-propelled roll trailers were vehicles, stating that “it is not crucial how the vehicle moves and whether it has its own driving force.”³¹⁸ The court further held that the Finnish roll trailers remained vehicles of another country even though they were deposited on and transported by German ships.³¹⁹ Therefore, based on the reasoning of the German court in *Rolltrailer*, a rail car is a vehicle, and it remains a vehicle of another country even if is switched from a Canadian locomotive to a U.S. locomotive.

a vehicle for the purposes of § 272 under 49 U.S.C. § 2457(k)).

³¹⁴ See, e.g., 40 C.F.R. § 201.1(t) (2005) (“Rail car means a non-self-propelled *vehicle* designed for and used on railroad tracks.” (emphasis added)); 26 C.F.R. § 1.190-2(2) (2005) (referring to “a *vehicle*, such as a bus, a railroad car . . .” (emphasis added)); 49 C.F.R. § 661.3 (2005) (“Rolling stock means transit *vehicles* such as buses, vans, cars, railcars” (emphasis added)). *But cf.* Stena Rederi AB v. Irish Ferries Ltd. (*Irish Ferries II*), [2003] EWCA (Civ) 66, [21]-[25] (Eng.) (concluding that the definition of “temporarily” from case law concerning vehicle regulations was not applicable to a temporary-presence provision because of differing policy considerations).

³¹⁵ See, e.g., 49 C.F.R. § 571.3 (2005) (“Trailer means a motor vehicle with or without motive power, designed for carrying persons or property and for being drawn by another motor vehicle.”); 75 PA. CONS. STAT. § 102 (defining a “trailer” as “[a] vehicle designed to be towed by a motor vehicle”); *United States v. A Single Story Double Wide Trailer*, 727 F. Supp. 149, 152 n.3 (D. Del. 1989) (holding that a trailer is a vehicle under Delaware law).

³¹⁶ LG Hamburg, GRUR Int. 1973, Heft 12, at 703 (F.R.G.), *translated in Rolltrailer* Translation, *supra* note 159. For a discussion of the *Rolltrailer* case, see *supra* Part III.C.1.

³¹⁷ *Cf.* *Rotec Indus., Inc. v. Mitsubishi Corp.*, 215 F.3d 1246, 1253 (Fed. Cir. 2000) (looking to U.K. case law to determine whether a provision of U.S. patent law conformed to an international agreement); *Irish Ferries II*, [2003] EWCA (Civ) 66, [67] (Munby, J.) (“I am glad to think that on a point arising in this area of the law, relating to international commerce, whether by sea or in the air, and founded moreover on an international Convention, the courts of this country should feel able to come to precisely the same essential conclusion as courts in Germany and the United States.”).

³¹⁸ *Rolltrailer* Translation, *supra* note 159, at B9.

³¹⁹ *Id.* at B9-B10.

2. Whether the Accused Cars Would Be Temporarily Present in the United States

The Federal Circuit next interpreted the phrase “entering the United States temporarily” of § 272.³²⁰ The Federal Circuit rejected the district court’s conclusion that whether a vehicle enters “temporarily” hinges on “either the duration of the vehicle’s stay in the United States, in relation to the duration of its stay elsewhere, or the benefit of which the patent owner is deprived by virtue of the exception to patent rights created by section 272.”³²¹ Instead, the court “define[d] a vehicle entering the United States ‘temporarily’ as a vehicle entering the United States for a limited period of time for the sole purpose of engaging in international commerce.”³²²

The court began its analysis by observing that the term “temporarily” in § 272 is ambiguous.³²³ The court stated that the plain meaning of “temporarily” is either “for a brief period” or “during a limited time.”³²⁴ However, the court noted that neither of these definitions was satisfactory.³²⁵ With respect to “for a brief period,” the court stated that the term “‘brief’ is itself indeterminate.”³²⁶ The court reasoned that “[b]rief is only a relative concept and must be measured in relation to something, but the plain statutory language, considered in isolation, does not provide sufficient context to determine the appropriate meaning of brief.”³²⁷ The court also rejected “during a limited time” as unsatisfactory.³²⁸ The court explained:

[T]he idea of an entering for a “limited time” provides a rule that is determinable, but that seems to lead to absurdly broad results if applied literally without any further qualifications. Limited means nothing more than “restricted in . . . duration.” Entry is literally limited provided only that it is not permanent. An interpretation of section 272 that only required a limited entry in this literal sense—that only required a vehicle to exit the United States at some point before the end of its useful life—and nothing more would create a loophole in a patentee’s rights too large

³²⁰ *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC II)*, 357 F.3d 1319, 1329-32 (Fed. Cir. 2004).

³²¹ *Id.* at 1329.

³²² *Id.*

³²³ *Id.*

³²⁴ *Id.* (quoting WEBSTER’S THIRD INTERNATIONAL WORLD DICTIONARY 2353 (1993)).

³²⁵ *Id.*

³²⁶ *Id.*

³²⁷ *Id.*

³²⁸ *Id.*

to be a rational interpretation of Congress’ intent.³²⁹

Because the use of the term “temporarily” in § 272 is ambiguous, the court turned to the legislative history of § 272 to determine Congress’ intent with respect to the meaning of “temporarily.”³³⁰ According to the legislative history, Congress enacted § 272 to codify the Supreme Court’s holding in *Brown v. Duchesne*³³¹ and meet the requirements of Article 5^{ter} of the Paris Convention³³² to which the United States is a party.³³³ The court noted that both *Brown* and Article 5^{ter} “suggest that ‘temporarily’ should be interpreted in light of a vehicle’s purpose to participate in international commerce at the time of entry – namely, a purpose to enter the United States, engage in international commerce, and then depart.”³³⁴ The court explained:

Both *Brown* and Article 5^{ter} of the Paris Convention demonstrate a concern to leave the channels of international commerce, or more accurately the vessels and vehicles that pass through these channels, free from the excessive burdens that would result if such vessels or vehicles had to conform to the patent laws of all nations that the vessel or vehicle visited during its lifetime. Different inventions are likely to be patented in different countries, and the same invention may be owned by different parties in different countries. In section 272, Congress intended to join an international movement to place foreign-owned means of international transport beyond the reach of domestic patentees’ exclusive rights because the cost of complying with multiple, inconsistent rights of exclusion provided by the patent regimes of a large number of countries

³²⁹ *Id.* (omission in original; citation omitted) (quoting WEBSTER’S THIRD NEW INTERNATIONAL DICTIONARY 1312 (1993)). The U.K. trial court in *Irish Ferries I* similarly rejected an interpretation of “temporarily” as meaning merely “the opposite of permanently.” See *Stena Rederi AB v. Irish Ferries Ltd. (Irish Ferries I)*, [2002] EWHC (Pat) 737, [76] (Eng.), aff’d [2003] EWCA (Civ) 66 (Eng.). According to that court, “[a]n expectation that the vehicle may well leave the State at some time in the future, and in this sense has not entered the territory on a permanent basis, should not be enough.” *Id.* For a discussion of *Irish Ferries*, see *supra* Part III.C.2.

³³⁰ *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC II)*, 357 F.3d 1319, 1329 (Fed. Cir. 2004).

³³¹ *Brown v. Duchesne*, 60 U.S. (19 How.) 183 (1856).

³³² Paris Convention art. 5^{ter}, *supra* note 79. For a discussion of Article 5^{ter} of the Paris Convention, see *supra* Part II.C.

³³³ *NSC II*, 357 F.3d at 1329; see S. REP. NO. 82-1979, at 28 (1952) (“This section follows the requirement of the International Convention for the Protection of Industrial Property, to which the United States is a party, and also codifies the holding of the Supreme Court that use of a patented invention on board a foreign ship does not infringe a patent.”), as reprinted in 1952 U.S.C.C.A.N. 2394, 2422.

³³⁴ *NSC II*, 357 F.3d at 1329-30.

would likely place an excessive drag on international commerce.³³⁵

The court also considered as persuasive authority the definition of “temporarily” in *Cali*.³³⁶ The Federal Circuit noted that like the way it defined the term, the *Cali* court defined “temporarily” “in relation to the ‘international trade’ that section 272 was intended to protect, not in relation to the duration of the entry.”³³⁷

The Federal Circuit rejected both of the district court’s reasons for its conclusion that the accused rail cars would not be “temporarily” present in the United States.³³⁸ The Federal Circuit stated that the fact that the accused rail cars would be present in the United States a majority of time was “not relevant to the section 272 analysis.”³³⁹ Based on its definition of “temporarily,” the court reasoned:

If the cars are entering the United States for a limited time – that is, they are not entering permanently – and are entering only for the purpose of engaging in international commerce – that is, they are entering to unload foreign goods and/or to load domestic goods destined for foreign markets – they are entering “temporarily” for the purposes of section 272 regardless of the length of their stay within the jurisdiction of the United States.³⁴⁰

³³⁵ *Id.* at 1330. The court also reasoned that the reciprocity requirement in “both Article 5^{ter} of the Paris Convention and section 272 demonstrate the centrality of international commerce in the statutory scheme.” *Id.*

³³⁶ *Id.* at 1330-31 (citing *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120, 1122, 1126 (E.D.N.Y. 1974)).

³³⁷ *Id.* (citing *Cali*, 380 F. Supp. at 1126). The Federal Circuit’s consideration of the accused infringer’s purpose for being in the country in its interpretation of “temporarily” is similar to that of the English trial court in *Irish Ferries*. See *Stena Rederi AB v. Irish Ferries Ltd. (Irish Ferries I)*, [2002] EWHC (Pat) 737, [76] (Eng.) (“Although an exact date of expected departure may not be necessary, the operator must intend that the vehicle should continue its journey by leaving the territory in reasonable time consistent with carrying out its role as a means of transport used in international carriage of goods and persons.”), *aff’d* [2003] EWCA (Civ) 66 (Eng.).

³³⁸ *NSC II*, 357 F.3d at 1331. The district court’s two reasons that the cars would not be temporarily present in the United States were: (1) “[a]n accused rail car [would] spend the majority of its time delivering lumber to United States destinations”; and (2) the accused infringer would “derive significant benefits from using [the cars] in the United States by transporting its lumber on the . . . cars to various destinations throughout the United States.” *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC I)*, 254 F. Supp. 2d 527, 556 (E.D. Pa. 2003), *rev’d*, 357 F.3d 1319 (Fed. Cir. 2004).

³³⁹ *NSC II*, 357 F.3d at 1331.

³⁴⁰ *Id.*

Further, the Federal Circuit observed that “neither the magnitude of the benefit derived by [the accused infringer] from use of the cars nor the burden imposed on [the patentee] from the carve-out of [the accused infringer’s] use from the scope of its right to exclude . . . is relevant to the section 272 analysis.”³⁴¹ Therefore, the Federal Circuit held that the patentee failed to demonstrate that the accused infringer’s defense under § 272 “lack[ed] ‘substantial merit’ because the entering ‘temporarily’ condition [was] not satisfied.”³⁴²

The Federal Circuit’s broad interpretation of the term “temporarily” is correct. The definition is workable, and it properly takes into account the policy underlying § 272 based on the statute’s origins in *Brown* and Article 5^{ter} of the Paris Convention. The court was correct in holding that § 272 includes vehicles that regularly or periodically enter the United States to engage in international trade, as opposed to only vehicles that enter the United States infrequently. Such an interpretation is consistent with the conclusions of the courts in *Cali* in the United States,³⁴³ *Rolltrailer* in Germany,³⁴⁴ and *Irish*

³⁴¹ *Id.* The Federal Circuit adopted the reasoning of the *Cali* court that although the subtraction from the patentee’s right to exclude may be large as a result of § 272, “[t]hat subtraction . . . appears nevertheless plainly to be what the statutory and treaty immunities intend.” *Id.* (quoting *Cali*, 380 F. Supp. at 1127).

³⁴² *Id.* In addition, the patentee asserted an argument that “raise[d] a question regarding whether [the accused infringer would] succeed on the merits of the section 272 noninfringement defense.” *Id.* at 1331-32. The patentee noted the testimony of a witness employed by the accused infringer that “sometimes . . . the U.S. [r]ailway will grab one of our [center-beam flat] cars with[out] our permission . . . [a]nd . . . they will move it, you know load it to another point [in the United States].” *Id.* at 1332 (omissions and all but the final alteration in original; footnote omitted). The patentee argued that this testimony showed that the accused infringer’s cars would enter the United States “in part with a purpose to engage in domestic, rather than international, commerce.” *Id.* In response, the court commented:

Certainly, the unforeseen “grabbing” of one of [the accused infringer’s] large fleet of cars without [its] permission cannot lead to a reasonable inference that [the accused infringer] had a purpose to engage in commerce other than international commerce. However, if [the accused infringer] regularly condones such repeated “grabbing” of its cars for domestic commerce and [the accused infringer] receives remuneration for the “grabbing” that is substantial in relation to the income that the cars produce through their use in international commerce, a factfinder could infer that [the accused infringer’s] intent is not to engage in essentially international commerce. Based on the current record, however, we hold that [the patentee’s] allegations do not deprive [the accused infringer’s] section 272 defense of substantial merit.

Id. (footnote omitted).

³⁴³ See *Cali*, 380 F. Supp. at 1126 (“[The] language [of § 272] was chosen to deal with an internationally significant matter arising in a world in which *scheduled* freight and passenger services by established international carriers by air and sea were likely to require such an immunity to cover countless articles . . . that could

Ferries in England.³⁴⁵ Furthermore, such an interpretation is consistent with the negotiating history of Article 5^{ter}, in which a committee considering the adoption of Article 5^{ter} at the Hague Conference “indicated that the words ‘temporarily’ and ‘accidentally’ were chosen to cover entries into port for more or less brief periods *whether periodically or exceptionally*”³⁴⁶

The Federal Circuit was correct in rejecting the district court’s definition that would exclude from § 272 vehicles that spend a majority of their time in the United States. Such an interpretation would fail to further the policy behind § 272 of encouraging international commerce. Additionally, such an interpretation would artificially discriminate between vehicles based on the

turn out to be covered by patents in the United States” (emphasis added)).

³⁴⁴ See *Rolltrailer* Translation, *supra* note 159, at B12 (“The fact that the defendant’s roll trailers enter Germany regularly and repeatedly does not alter the fact that the roll[] trailers enter the country only temporarily.” (citations omitted)).

³⁴⁵ See *Stena Rederi AB v. Irish Ferries Ltd. (Irish Ferries II)*, [2003] EWCA (Civ) 66, [26] (Eng.) (“Whether a vessel visits temporarily . . . cannot depend on frequency.”).

³⁴⁶ *Cali*, 380 F. Supp. at 1126 (emphasis added); *accord Irish Ferries I*, [2002] EWHC (Pat) 737, [68]-[69], *aff’d* [2003] EWCA (Civ) 66; LADAS, *supra* note 6, at 248 (“‘Temporairement,’ it was admitted at the Conference of The Hague, on the suggestion of the Czechoslovakian delegation, comprises also the periodical entries of vessels into the territorial waters of another country.”). *But see Irish Ferries II*, [2003] EWCA (Civ) 66, [32]-[34] (concluding that the negotiating history was inconclusive because the word “pénétreront” remained unchanged in the official French text after the Czechoslovakian delegation had urged changing “penetrate” to “enter” to cover regular and periodic entries).

Additionally, the patentee in *National Steel Car* could have argued that § 272 should not protect the use of the accused rail cars because of the very nature of these cars. The main use of these cars was to deliver lumber from Canada into the United States and then return to Canada. See *NSC II*, 357 F.3d at 1323-24 (“Ninety percent of [the accused infringer’s] lumber shipments travel from Canada to the United States. . . . Because there is no market need for American lumber to be shipped into Canada, [the accused infringer’s] cars return to Canada empty 99.2 percent of the time.”). Thus, the temporary-presence defense of § 272 arguably should not apply to these rail cars whose main purpose is to regularly travel between Canada and the United States. *Cf. Sharma & Forrest*, *supra* note 24, at 436 (“Surely there is an argument that an international ferry that regularly plies only between two ports and if it is built and acquired solely for the purpose of voyages between only the United Kingdom and Ireland, cannot claim [temporary-presence] protection. An owner or operator of such a vessel should take precautions against infringing third-party rights.”). However, such an interpretation of § 272 would be inconsistent with the underlying purpose of § 272 – to protect even regular and periodic entries of foreign vehicles from patent infringement so as to prevent patent enforcement from inhibiting international commerce.

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locations of their countries of origin and their destinations. For example, a Canadian airplane flying from Toronto to Atlanta, unloading in Atlanta, and immediately returning to Toronto would spend a majority of its time within the United States because of geography. In contrast, a British airplane flying between London and New York would not spend a majority of its time within the United States because of geography. There is no reason to differentiate between these two situations in determining whether § 272 applies. Thus, an artificial distinction based on whether the vehicle spends a majority of its time in the United States makes no sense.³⁴⁷

On the other hand, a pair of commentators has suggested that a broad interpretation of “temporarily” in a temporary-presence provision is improper because it would unacceptably decrease the incentive for innovation with respect to inventions used in means of transportation.³⁴⁸ These commentators argue that would-be infringers can register their ships in “‘flag of convenience’ states” that offer little patent protection, thus allowing their ships to be temporarily present in every other country in which they travel while remaining immune from infringement liability in all those countries.³⁴⁹ Hence, they argue, such patentees could enforce their patent rights only for the making (as opposed to the using) of their inventions in the countries in which these ships were built.³⁵⁰ According to these commentators:

From a practical perspective, this means that companies involved in innovation will be required to maintain a large portfolio of patents and will need to register in a large number of countries. The extra cost associated with maintenance of intellectual property rights can be expected to reduce drastically the incentive to seek patent protection and, in turn, diminish the incentive to engage in research and development activities.³⁵¹

This argument is somewhat specious, however. It ignores the fact that

³⁴⁷ Similarly, a test solely involving the actual duration of a vehicle in the United States would be improper. Such a test would artificially discriminate between different types of vessels, aircraft, and vehicles. For example, a truck or a rail car traveling from Toronto to Atlanta to deliver goods and then return to Toronto would be in the United States for several days because trucks and rail cars are relatively slow-moving vehicles. In contrast, an airplane making that same trip for the same purpose would be in the United States only a few hours. There is no reason to make such an artificial distinction.

³⁴⁸ Sharma & Forrest, *supra* note 24, at 436-37 (commenting on the English Court of Appeal’s broad interpretation of “temporarily” in the U.K. temporary-presence statute, which was similar to the Federal Circuit’s interpretation of § 272).

³⁴⁹ *Id.* at 436.

³⁵⁰ *Id.*

³⁵¹ *Id.* at 436.

vessels, aircraft, and vehicles can normally be used not only for international travel but also for purely domestic travel, for which the temporary-presence defense provides no haven for infringers.³⁵² The amount of domestic travel that occurs is significant, particularly in geographically large countries such as the United States.³⁵³ Indeed, even if would-be infringers were registering their vessels, aircraft, and vehicles in “flag of convenience”³⁵⁴ countries to avoid infringement for international travel under the temporary-presence defense, patentees still could enforce their patent rights against infringers using their patented inventions domestically. The patent system will continue to provide incentives for innovation in technologies used in means for transportation in spite of a broad interpretation of the term “temporarily” of § 272.

3. Whether the Patented Invention Was Used Exclusively for the Needs of the Vehicle

Next, the Federal Circuit considered whether the patented invention was used exclusively for the needs of the vehicle.³⁵⁵ The district court concluded that it was not, because as a structural invention, it did not “help propel the trains, help in positioning the trains, or help in [some] other way to make the trains work.”³⁵⁶ The Federal Circuit rejected this reasoning, holding that the phrase “exclusively for the needs of the . . . vehicle”³⁵⁷ should not be interpreted “so narrowly as to exclude inventions . . . pertaining to the

³⁵² See *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC II)*, 357 F.3d 1319, 1331 (Fed. Cir. 2004) (defining “temporarily” as requiring entry “*only* for the purpose of engaging in *international* commerce” (emphasis added)); *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120, 1126 (E.D.N.Y. 1974) (“The distinction would be between [an aircraft] manufactured in France, delivered [to the United States] for use . . . in this country for domestic traffic . . . and a foreign aircraft arriving here on an international flight only to unload, turn about, reload and depart.”).

³⁵³ For example, in the United States, the number of domestic airline flights far outpaces the number of international flights. In 2004, there were 11,007,185 domestic departures, whereas there were only 715,294 international departures. U.S. DEP’T OF TRANSP. BUREAU OF TRANSP. STATISTICS, AIR CARRIER TRAFFIC STATISTICS, available at http://www.bts.gov/xml/air_traffic/src/index.xml (last visited Apr. 17, 2006). (To access this data, in the “Customize Table” section: (1) check the boxes “Domestic” and “International” for “Service Type”; (2) check the box “Total” for “Schedule Type”; (3) check the box “Departures” for “Airline Operating Statistical Type”; (4) select a date range of January 2004 through December 2004; and (5) click the “Submit” button.)

³⁵⁴ *Sharma & Forrest*, *supra* note 24, at 436.

³⁵⁵ *NSC II*, 357 F.3d at 1332-33.

³⁵⁶ *Id.* at 1332 (alteration in original).

³⁵⁷ 35 U.S.C. § 272.

construction of a vehicle.”³⁵⁸ According to the Federal Circuit, “[t]he district court erroneously overlaid the concept of ‘propulsive needs’ onto the statute; ‘structural needs’ are also encompassed within the plain meaning of the statute.”³⁵⁹

Importantly, the court observed that its broader interpretation was consistent with *Brown v. Duchesne*³⁶⁰ and Article 5^{ter} of the Paris Convention,³⁶¹ unlike the district court’s narrower interpretation.³⁶² The court noted that in *Brown*, the Supreme Court described its holding as applying to “inventions ‘used in the construction, fitting out, or equipment’ of a vessel.”³⁶³ Further, the court noted that Article 5^{ter} applies “to inventions used ‘in the construction or operation of . . . land vehicles . . . or of accessories of such . . . land vehicles.’”³⁶⁴ As the court stated, “[t]he text of the Paris Convention expressly applies to inventions used in either the construction or the operation of a vehicle, whereas the district court limited the meaning of the ‘exclusively for the needs of the . . . vehicle’ language in section 272 to only the latter.”³⁶⁵

Once again, the Federal Circuit’s broad interpretation is correct. Importantly, the interpretation is consistent with Article 5^{ter} of the Paris Convention.³⁶⁶ Such consistency is necessary to avoid conflicting with the United States’ international obligations under the Paris Convention.³⁶⁷ Indeed, any interpretation of § 272 that was inconsistent with Article 5^{ter} would improperly “impair the treaty-making capacity of the nation or . . . clog its power to regulate foreign commerce.”³⁶⁸ Additionally, the Federal Circuit’s interpretation of the “exclusively for the needs of the . . . vehicle” element is

³⁵⁸ *NSC II*, 357 F.3d at 1332.

³⁵⁹ *Id.* at 1332-33.

³⁶⁰ *Brown v. Duchesne*, 60 U.S. (19 How.) 183 (1856).

³⁶¹ Paris Convention art. 5^{ter}, *supra* note 79.

³⁶² *See NSC II*, 357 F.3d at 1332.

³⁶³ *Id.* (quoting *Brown*, 60 U.S. at 198).

³⁶⁴ *Id.* (omissions in original) (quoting Paris Convention art. 5^{ter}, *supra* note 79).

³⁶⁵ *Id.* (omission in original).

³⁶⁶ *See id.*

³⁶⁷ *See Fed.-Mogul Corp. v. United States*, 63 F.3d 1572, 1581 (Fed. Cir. 1995) (“[A]bsent Congressional language to the contrary, statutes should not be interpreted to conflict with international obligations.”); *cf. Stena Rederi AB v. Irish Ferries Ltd. (Irish Ferries I)*, [2002] EWHC (Pat) 737, [81] (holding that the U.K. temporary presence provision “should be construed in a way which is consistent with the meaning of” Article 5^{ter}).

³⁶⁸ *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120, 1125-26 (E.D.N.Y. 1974) (discussing *Brown*); *cf. The Amiable Isabella*, 19 U.S. (6 Wheat.) 1, 71 (1821) (“[T]o alter, amend, or add to any treaty, by inserting any clause, whether small or great, important or trivial, would be on our part an usurpation of power, and not an exercise of judicial functions.”).

consistent with the holding of the English court in *Irish Ferries*,³⁶⁹ that the U.K. temporary-presence statute applied where the claims of the patent-in-suit covered the entire vessel as opposed to just a part of it.³⁷⁰ Likewise, in *National Steel Car*, the Federal Circuit held that the U.S. provision applied where the claims of the patent-in-suit covered the entire vehicle—a drop-deck center-beam rail car.³⁷¹

4. Whether the Accused Cars Were Sold or Offered for Sale in the United States

Finally, the Federal Circuit considered the district court’s determination that § 272 did not apply because the accused rail cars were offered for sale or sold.³⁷² The district court based its conclusion on its findings that the cars’ manufacturer “had ‘offered the accused rail car[s] for sale to at least three different companies in the United States,’ and that ‘[the accused infringer], itself, may sell the accused rail cars to leasing companies in the United States.’”³⁷³ However, the Federal Circuit rejected this reasoning.³⁷⁴ With respect to sales by the third-party manufacturer, the court held that “[t]he ‘offered for sale or sold in . . . the United States’ provision of section 272 does not apply to sales made by third parties of embodiments of the invention other than those [embodiments] that temporarily enter the United States.”³⁷⁵ With respect to the finding that the accused infringer “may” sell the accused cars, the Federal Circuit concluded that “a finding that [the accused infringer] ‘may’ engage in such conduct is, alone, insufficient to deprive [the accused

³⁶⁹ See *Irish Ferries II*, [2003] EWCA (Civ) 66, [18], [37]; See also *Irish Ferries I*, [2002] EWHC (Pat) 737, [80]-[82].

³⁷⁰ *Irish Ferries II*, [2003] EWCA (Civ) 66, [18], [37]; *Irish Ferries I*, [2002] EWHC (Pat) 737, [80]-[82].

³⁷¹ *NSC II*, 357 F.3d at 1332-33.

³⁷² *Id.* at 1333-34.

³⁷³ *Id.* at 1333.

³⁷⁴ *Id.*

³⁷⁵ *Id.* (omission in original). The Federal Circuit noted that this reasoning was consistent with the language of *Brown*, explaining:

In *Brown*, the Court noted that the captain would be liable under the patent laws “if the captain had sold [the invention] there,” namely in the port of Boston. This concept—the prohibition on selling the very embodiment of the invention that had been used in the vessel or vehicle while the vehicle was temporarily or accidentally in the United States—has been codified in the language of section 272 that permits the statute’s application only “if the invention . . . is not offered for sale or sold in . . . the United States.”

Id. (alteration and omissions in original; citations omitted) (quoting *Brown v. Duchesne*, 60 U.S. (19 How.) 183, 196 (1856)).

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infringer’s] section 272 defense of substantial merit.”³⁷⁶

The Federal Circuit correctly interpreted the “offered for sale or sold” element of § 272 as applying only to sales of the actual temporarily-present vehicles themselves, rather than to sales of other vehicles embodying the patented invention, including those by third parties. No object or policy of § 272 supports making a foreign party’s defense to infringement contingent upon the actions of third parties.³⁷⁷ Section 272 is directed to what does and does not constitute infringement.³⁷⁸ There is no support for the view that a third party’s sales activities are applicable to the infringement defense of § 272.

Additionally, the Federal Circuit correctly rejected the district court’s interpretation of the term “offered for sale or sold” because the district court’s interpretation contradicts Congress’ use of the same or similar language in other parts of the Patent Act to refer solely to the activities of accused infringers, not third parties. “[T]he normal rule of statutory construction [is] that identical words used in different parts of the same act are intended to have the same meaning.”³⁷⁹ The sections in the Patent Act in which Congress used terms such as “offered for sale or sold” or “offers to sell or sells” are all directed toward the activities of accused infringers.³⁸⁰ Notably, Congress used

³⁷⁶ *Id.* at 1334. The Federal Circuit accepted this finding of fact by the district court. *Id.* Moreover, according to the Federal Circuit:

[W]e agree with the district court’s implicit conclusion that a sale-leaseback arrangement between [the accused infringer] and a U.S. company would, even at this preliminary-injunction phase, remove substantial merit from [the accused infringer’s § 272 defense]. . . . Not only might the sale-leaseback arrangement constitute a sale of “the invention,” as prohibited by the language in the second half of section 272, it also might transform the rail car into a vehicle of the United States and thus remove the use of the invention from the scope of the uses provided for in the first half of section 272.

Id. The court also noted that if in the future, the patentee could show that the accused infringer decided to sell the cars to a U.S. company and then lease them back, “and that [this] chosen ownership structure would deprive [the accused infringer’s] section 272 defense of substantial merit, [the patentee might] request appropriate relief at that time.” *Id.*

³⁷⁷ *Cf. Doyon, Ltd. v. United States*, 214 F.3d 1309, 1314 (Fed. Cir. 2000) (quoting *Crandon v. United States*, 494 U.S. 152, 158 (1990) (“[T]o fully understand the meaning of a statute, [a court] look[s] ‘not only to the particular statutory language, but to the design of the statute as a whole and to its object and policy.’”). The major object and underlying policy of § 272 is to prevent patent enforcement from inhibiting international commerce. *NSC II*, 357 F.3d at 1330.

³⁷⁸ *See* 35 U.S.C. § 272.

³⁷⁹ *Comm’r v. Lundy*, 516 U.S. 235, 250 (1996) (internal quotation marks omitted); *accord Nat’l Org. of Veterans’ Advocates v. Sec’y of Veterans Affairs*, 260 F.3d 1365, 1379 (Fed. Cir. 2001).

³⁸⁰ *See, e.g.*, 35 U.S.C. § 154(a)(1) (providing patentees with the right to exclude

the term “offers to sell or sells” in § 271, the section immediately preceding § 272.³⁸¹ In § 271, the term “offers to sell or sells” refers exclusively to the activities of an accused infringer, not the activities of third parties. There is no reason that Congress would use the phrase “offers to sell or sells” one way in § 271 dealing with infringement and intend the phrase “offered for sale or sold” to mean something else in § 272 – the very next section of the statute – which deals with a defense to infringement.³⁸²

Moreover, where Congress intended to include the activity of third parties in sales or offers to sell, Congress used the term “on sale,” rather than the term “offered for sale or sold.”³⁸³ By its use of the term “on sale,” Congress indicated that it does not matter who places the invention ‘on sale’; it only matters that someone – inventor, supplier or other third party – placed it on sale.³⁸⁴ Hence, had Congress intended the sales activity of § 272 to apply to any sales of the patent invention, including those by third parties, it would have used the words “on sale” instead of “offered for sale or sold.” Therefore, like its interpretation of all the other elements of § 272, the Federal Circuit’s interpretation of this element is also correct.

V. THE LIMITS OF SECTION 272

Although the Federal Circuit’s interpretation of § 272 in *National Steel Car* provides much guidance as to the scope and meaning of the elements of § 272, it does not resolve all questions that might arise. Thus, this Part considers what the outer limits of the scope of § 272 might be. This part examines what the limits might be of each of the following elements of § 272: (A) “vessel,” “aircraft,” or “vehicle” of another country; (B) “affords similar privileges”; (C) “temporarily or accidentally” present; and (D) “exclusively for the needs of the vessel, aircraft or vehicle.”

infringers from selling or offering to sell the invention); 35 U.S.C. § 252 (2000) (providing provisional rights to those who would otherwise be infringers); 35 U.S.C. § 271 (2000) (defining the activities by an infringer that constitute infringement).

³⁸¹ 35 U.S.C. § 271(a) (“Except as otherwise provided in this title, whoever without authority makes, uses, *offers to sell, or sells* any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.”)

³⁸² See *Lundy*, 516 U.S. at 249-50 (“[W]e have been given no reason to believe that Congress meant the term ‘claim’ to mean one thing in § 6511 but to mean something else altogether in the very next section of the statute.”).

³⁸³ See 35 U.S.C. § 102(b) (2000).

³⁸⁴ *Special Devices, Inc. v. OEA, Inc.*, 270 F.3d 1353, 1355 (Fed. Cir. 2001).

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A. “Vessel,” “Aircraft,” or “Vehicle” of Another Country

Section 272 applies to “vessels, aircraft or vehicles.”³⁸⁵ This language “is consistent with the general structure of the United States Code, which distinguishes among three types of conveyances: vessels, which provide transportation on water; vehicles, which provide transportation on land; and aircraft, which provide transportation through the air.”³⁸⁶

The Dictionary Act definition of “vessel” applies to § 272.³⁸⁷ The Dictionary Act broadly defines “vessel” as “includ[ing] every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water.”³⁸⁸ Thus, § 272 should clearly apply to any type of ship or boat.³⁸⁹ Indeed, under the broad Dictionary Act definition of “vessel,”³⁹⁰ § 272 should apply to even a raft, a kayak, a small rowboat, or a JET SKI® watercraft. However, it is doubtful that such a vessel would meet the “entering the United States temporarily” element of § 272 as the Federal Circuit has defined it – “entering for a period of time of finite duration with the sole purpose of engaging in international commerce”³⁹¹ – because a vessel of

³⁸⁵ 35 U.S.C. § 272.

³⁸⁶ *United States v. Reid*, 206 F. Supp. 2d 132, 139 (D. Mass. 2002) (citations omitted) (determining whether an aircraft is included as a “vehicle” under the USA Patriot Act of 2001).

³⁸⁷ *Hughes Aircraft Co. v. United States*, 29 Fed. Cl. 197, 232 n.46 (1993) (applying the Dictionary Act definition of “vessel” in determining whether § 272 applied to spacecraft); Federico, *supra* note 85, at 214 (“The general definition of vessel and vehicle in 1 U.S.C.A. §§ 3 and 4 would be applicable here [in § 272].”); *cf.* *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry. (NSC II)*, 357 F.3d 1319, 1328 (Fed. Cir. 2004) (applying the Dictionary Act definition of “vehicle” in determining whether a rail car is a vehicle under § 272). For a discussion of the Dictionary Act, see *supra* note 302.

³⁸⁸ 1 U.S.C. § 3.

³⁸⁹ When it emerged in the nineteenth century, the temporary-presence defense applied only to watercraft. See *Brown v. Duchesne*, 60 U.S. (19 How.) 183, 198-99 (1856) (“[T]he rights of property and exclusive use granted to a patentee does not extend to a foreign vessel lawfully entering one of our ports; and that the use of such improvement, in the construction, fitting out, or equipment of such vessel, while she is coming into or going out of a port of the United States, is not an infringement of the rights of an American patentee, provided it was placed upon her in a foreign port, and authorized by the laws of the country to which she belongs.” (emphasis added)); Moffat, *supra* note 24, at 30 (quoting the first British temporary-presence statute as applying to “any foreign ship or vessel”). Thus, given its origins, it is logical that § 272 should apply broadly to any type of ship or boat.

³⁹⁰ 1 U.S.C. § 3.

³⁹¹ *NSC II*, 357 F.3d at 1331 (emphasis added).

this type would likely not be used to engage in international commerce.

The Dictionary Act does not define the term “aircraft.”³⁹² However, the plain meaning of “aircraft” according to a dictionary definition³⁹³ is: “A machine or device, such as an airplane, a helicopter, a glider, or a dirigible, that is capable of atmospheric flight.”³⁹⁴ Thus, keeping with the broad definitions of “vessel” and “vehicle” under the Dictionary Act,³⁹⁵ “aircraft” should be defined broadly under § 272. Hence, any type of flying machine should be included – even a balloon or a blimp, for example.

With respect to “vehicle,” the Dictionary Act definition applies.³⁹⁶ The Dictionary Act defines “vehicle” as “includ[ing] every description of carriage or other artificial contrivance used, or capable of being used, as a means of transportation on land.”³⁹⁷ This broad definition encompasses every type of land vehicle—such as rail cars, trucks, and automobiles. Even small land vehicles such as motorcycles, bicycles, and skateboards fit within this definition.³⁹⁸ However, as discussed above in connection with small watercraft,³⁹⁹ it is doubtful that such small vehicles would meet the “entering the United States temporarily” element of § 272 because vehicles of this type would likely not be used to engage in international commerce.⁴⁰⁰

With respect to the limits of what constitutes a “vehicle” under § 272, the Federal Circuit noted in *National Steel Car* “that in some instances there may be ambiguity between containers that are merely the cargo of a vessel or vehicle, and vessels or vehicles that are themselves aggregated and transported in a collective fashion for greater efficiency.”⁴⁰¹ The German court in *Rolltrailer* confronted a similar issue and held that roll trailers were vehicles

³⁹² See 1 U.S.C. §§ 1-8.

³⁹³ Where “terms used in a statute are undefined, [a court must] give them their ordinary meaning.” *Asgrow Seed Co. v. Winterboer*, 513 U.S. 179, 187 (1995). To determine the ordinary meaning of a statutory term, “it is appropriate [for a court] to consult dictionaries.” *Huffman*, 263 F.3d at 1349; see *B.V.D. Licensing Corp. v. Body Action Design, Inc.*, 846 F.2d 727, 728 (Fed. Cir. 1988) (“Courts may take judicial notice of ... dictionaries.”).

³⁹⁴ AMERICAN HERITAGE DICTIONARY, *supra* note 47, at 38.

³⁹⁵ 1 U.S.C. §§ 3, 4.

³⁹⁶ *NSC II*, 357 F.3d at 1328 (“[The Dictionary Act] definition controls our interpretation of ‘vehicle’ in section 272”); Federico, *supra* note 85, at 214 (“The general definition of vessel and vehicle in 1 U.S.C.A. §§ 3 and 4 would be applicable here [to § 272].”).

³⁹⁷ 1 U.S.C. § 4.

³⁹⁸ Cf. *LADAS*, *supra* note 6, at 250 (“Engines of locomotion for land [under Article 5^{ter} of the Paris Convention] may range from a train to a bicycle.”).

³⁹⁹ See *supra* p. 69.

⁴⁰⁰ See *NSC II*, 357 F.3d at 1331.

⁴⁰¹ *Id.* at 1328.

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under the German temporary-presence statute.⁴⁰² Roll trailers “are used to transport containers . . . onto ships.”⁴⁰³ Roll trailers lack any means for self-propulsion; instead, they are pulled by tractors on and off of the ships.⁴⁰⁴ Nevertheless, the court held that such roll trailers were vehicles rather than cargo.⁴⁰⁵

An interesting question that might arise in this context relates to intermodal containers—containers used to ship goods on multiple forms of transportation, usually ships, rail cars, and trucks.⁴⁰⁶ Such containers typically arrive in the United States on ships from foreign countries.⁴⁰⁷ These containers are then transferred to rail cars,⁴⁰⁸ which take the containers to their next destinations.⁴⁰⁹ Eventually, when the containers are near their final destination, the containers are transferred to trucks, which then deliver them to their final destinations.⁴¹⁰ Intermodal containers are much like the roll trailers at issue in *Rolltrailer*. However, unlike roll trailers, intermodal containers do not have wheels. As such, they must be loaded and unloaded from ships, rail

⁴⁰² *Rolltrailer* Translation, *supra* note 159, at B8-B10.

⁴⁰³ *Id.* at B6.

⁴⁰⁴ *See id.* at B6-B7.

⁴⁰⁵ *See id.* at B8-B10.

⁴⁰⁶ *See* James P. Miller, *Trains Trucking Farther Out: 2 Intermodal Transfer Sites Located Away from Chicago*, CHI. TRIB., Feb. 9, 2003, § 5, at 1; *see also* THE CAR AND LOCOMOTIVE CYCLOPEDIA OF AMERICAN PRACTICES 205 (William W. Kratville ed., 6th ed. 1997) [hereinafter CYCLOPEDIA]; Yuri V. Yevdokimov, *Measuring Economic Benefits of Intermodal Transportation*, 27 TRANSP. L.J. 439, 440 (2000) (“Intermodal transportation can be thought of as a process for transporting freight and passengers by means of a system of interconnected networks, involving various combinations of modes of transportation, in which all of the components are seamlessly linked and efficiently combined.”); WIKIPEDIA, http://en.wikipedia.org/wiki/Intermodal_freight_transport (last visited Aug. 28, 2005). *See generally* Donovan, *supra* note 10 (describing how intermodal transportation using containers has “transformed surface freight transportation worldwide”).

⁴⁰⁷ Miller, *supra* note 406. Many such containers arrive on the west coast containing goods from Asia. *See id.*

⁴⁰⁸ Not surprisingly, rail cars that haul intermodal containers are called intermodal rail cars. *See* CYCLOPEDIA, *supra* note 406, at 205. Such intermodal rail cars are often “double-stack” cars, which provide for two containers to be stacked on top of each rail car. *See id.*; WIKIPEDIA, *supra* note 406.

⁴⁰⁹ Miller, *supra* note 406.

⁴¹⁰ *Id.* Before the use of containers became popular, intermodal operations involved the use of trailers with wheels, rather than containers. *See* CYCLOPEDIA, *supra* note 406, at 205; WIKIPEDIA, *supra* note 406. This use of trailers on rail cars was commonly called “piggyback” service. *Id.*

cars, or trucks using crane equipment,⁴¹¹ rather than pulled by tractors as with roll trailers.

A court could consider that intermodal containers are “vehicles” under § 272. Intermodal containers are “artificial contrivance[s] used . . . as . . . means of transportation on land.”⁴¹² After arriving on foreign ships, intermodal containers are used to transport goods on land on rail cars or trucks. After being loaded onto rail cars or truck, the containers essentially become part of the rail cars or trucks – i.e., they are “vehicles that are themselves aggregated and transported in a collective fashion for greater efficiency.”⁴¹³ Applying § 272 to intermodal containers is consistent with the importance of containerized intermodal shipping to today’s global economy.⁴¹⁴ Considering intermodal containers to be vehicles in this context may be the better rule because such a rule is certainly consistent with the underlying policy rationale for the temporary-presence defense – preventing domestic patents from inhibiting the means of transportation used to carry out international commerce.

On the other hand, intermodal containers could be outside the scope of § 272. They arguably fall into the category of “containers that are merely the cargo of a vessel or vehicle.”⁴¹⁵ Indeed, they are called containers. Although in some sense they do essentially become part of the rail cars or trucks onto which they are loaded, in another sense they are more like boxes of goods loaded onto rail cars or trucks rather than aggregated vehicles. Arguably, if intermodal containers were considered to be vehicles under § 272, then boxes of goods would also have to be considered to be vehicles. Moreover, because they lack wheels, intermodal containers could never themselves be used “as a means of transportation on land,” even with the help of a trailer or other source of propulsion, unlike the roll trailers at issue in the German *Rolltrailer* case.⁴¹⁶ In sum, intermodal containers lie near the edge of what constitutes a “vehicle” under § 272.

⁴¹¹ Miller, *supra* note 406 (“A gantry crane . . . is used to transfer large cargo containers onto trucks.”).

⁴¹² 1 U.S.C. § 4.

⁴¹³ *NSC II*, 357 F.3d at 1328.

⁴¹⁴ See Donovan, *supra* note 10, at 13 (“[C]ontainerization has taken global commerce to new levels of integration and has brought greatly increased wealth to many parts of the world.”); see also *supra* notes 9-12 and accompanying text (discussing the importance of the temporary-presence defense in today’s global economy).

⁴¹⁵ *NSC II*, 357 F.3d at 1328.

⁴¹⁶ 1 U.S.C. § 4.

B. “Affords Similar Privileges”

Section 272 requires reciprocity in that it applies to “any vessel, aircraft or vehicle of any country which *affords similar privileges* to vessels, aircraft, or vehicles of the United States.”⁴¹⁷ An issue could arise as to whether the “affords similar privileges” language means that the foreign country must merely have a temporary-presence provision similar to § 272, or whether it means that the foreign country must interpret its temporary-presence provision as applying to the situation at hand. For example, in the situation in *National Steel Car*, although Canada has a temporary-presence provision similar to § 272,⁴¹⁸ Canadian courts could have narrowly interpreted this provision as not covering a rail car entering Canada to deliver lumber and then returning to the United States. In this hypothetical example, in spite of the existence of a Canadian temporary-presence statute, Canada really would not “afford similar privileges” to U.S. rail cars present under similar circumstances in Canada. Hence, § 272 arguably could not apply to Canadian rail cars in this example.

However, the court in *Hughes Aircraft* rejected such an argument.⁴¹⁹ In *Hughes Aircraft*, the patentee argued “that the doctrine does not apply because the United Kingdom does not have a statute making the temporary presence doctrine applicable to spacecraft.”⁴²⁰ The court concluded that “[s]ection 272 does not require that the United Kingdom and the United States have identical temporary presence doctrines – only that the United Kingdom have a doctrine relating to ‘vessels, aircraft and vehicles.’”⁴²¹ Indeed, the wording of § 272 is “affords similar privileges to vessels, aircraft, or vehicles of the United States,”⁴²² not “affords *similar* privileges to similar vessels, aircraft, or vehicles.” Thus, the reciprocity requirement of § 272 is likely met where the foreign nation in question merely provides for a temporary-presence defense similar to that of § 272.⁴²³

C. “Temporarily or Accidentally” Present

The Federal Circuit interpreted “entering the United States temporarily” in § 272 as meaning “entering for a period of finite duration with the sole purpose

⁴¹⁷ 35 U.S.C. § 272.

⁴¹⁸ Patent Act, R.S.C., ch. P-4, § 23 (1985) (Can.). For the text of this statute, see *supra* note 306.

⁴¹⁹ *Hughes Aircraft Co. v. United States*, 29 Fed. Cl. 197, 241 n.67 (1993).

⁴²⁰ *Id.*

⁴²¹ *Id.*

⁴²² 35 U.S.C. § 272.

⁴²³ Such a provision could be created by a statute (such as § 272 today), case law (such as in *Brown v. Duchesne*, 60 U.S. (19 How.) 183 (1856), before the enactment of § 272), or a self-executing treaty between the United States and the country in question.

of engaging in international commerce.”⁴²⁴ A vehicle goes beyond the limits of being temporarily present under § 272 once it engages in any domestic commerce, rather than purely international commerce.⁴²⁵ Thus, the rail cars in *National Steel Car* would have been outside the protection of § 272 had they entered the United States with Canadian lumber, dropped it off, reloaded with cargo, and delivered that cargo to another U.S. destination.⁴²⁶ On the other hand, § 272 would still protect these rail cars if they were to reload with cargo in the United States and ship the cargo directly back to Canada, instead of returning empty to Canada.⁴²⁷

No court has yet interpreted what constitutes “accidental” presence under § 272. “Temporarily” and “accidentally” cannot mean the same thing; otherwise the use of “accidentally” in addition to “temporarily” would be redundant.⁴²⁸ Unlike the case of temporary entry,⁴²⁹ there should be no time or purpose restriction on an accidental entry into the United States. Indeed, if a vessel, aircraft, or vehicle enters the United States accidentally, it should be immune from infringement liability under § 272 even if it then remains in the United States permanently.⁴³⁰

⁴²⁴ *NSC II*, 357 F.3d at 1331.

⁴²⁵ *See id.* at 1331-32; *Cali v. Japan Airlines, Inc.*, 380 F. Supp. 1120, 1126 (E.D.N.Y. 1974) (“Temporarily, then, could not sensibly mean any less than entering for the purpose of completing a voyage, turning about, and continuing or commencing a new voyage. The distinction would be between [an aircraft] manufactured in France, delivered [to the United States] for use . . . in this country for domestic traffic . . . and a foreign aircraft arriving here on an international flight only to unload, turn about, reload and depart.”).

⁴²⁶ *See NSC II*, 357 F.3d at 1332.

⁴²⁷ *See id.* at 1331 n.12.

⁴²⁸ *See, e.g.*, *United States v. Alaska*, 521 U.S. 1, 59 (1997) (“The Court will avoid an interpretation of a statute that ‘renders some words altogether redundant.’”); *Clark v. United States*, 322 F.3d 1358, 1365 (Fed. Cir. 2003) (quoting *Alaska*, 521 U.S. at 59).

⁴²⁹ *NSC II*, 357 F.3d at 1331 (restricting temporary entries under § 272 to those of “finite duration with the sole purpose of engaging in international commerce”).

⁴³⁰ *Cf. Stena Rederi AB v. Irish Ferries Ltd. (Irish Ferries II)*, [2003] EWCA (Civ) 66, [25] (Eng.) (“The purpose of [Article 5^{ter} of the Paris Convention] was to prevent national patents impinging upon foreign vessels coming into and out of territorial waters temporarily and also *permanently if the cause was accidental.*” (emphasis added)); *Irish Ferries I*, [2002] EWHC (Pat) 737, [66] (“These two words are intended to deal with unrelated activities, [“temporarily”] being concerned with deliberate short-term entries, [and “accidentally”] being concerned with unintentional entries, *no matter how long they last.*” (emphasis added)). *But cf. Cali*, 380 F. Supp. at 1126 (“[T]he committee [drafting Article 5^{ter} of the Paris Convention] indicated that the words ‘temporarily’ and ‘accidentally’ were chosen to cover entries into port for more or less *brief periods* whether periodically or

The ordinary meaning of “accidental” is: “Occurring unexpectedly, unintentionally, or by chance.”⁴³¹ Hence, any unexpected or unintentional entry into the United States should be accidental under § 272.⁴³² For example, the following should be accidental entries into the United States: (1) a foreign ship taking unplanned refuge in a U.S. port because of a storm; (2) a foreign airplane making an emergency landing at a U.S. airport because of engine trouble; and (3) a foreign rail car entering the United States on a train diverted to an alternate track to avoid a derailment on the foreign track on which it was originally supposed to have traveled.

D. “*Exclusively for the Needs of the Vessel, Aircraft or Vehicle*”

The interpretation of the “exclusively for the needs” element of § 272 must be consistent with *Brown v. Duchesne* and Article 5^{ter} of the Paris Convention.⁴³³ The holding of *Brown* applies to inventions used “in the construction, fitting out, or equipment of such vessel.”⁴³⁴ Similarly, Article 5^{ter} applies to inventions used “in the body of [a] vessel, in the machinery, tackle, gear and other accessories” or “in the construction or operation of aircraft or land vehicles . . . or of accessories of such aircraft or land vehicles.”⁴³⁵ Thus, the “exclusively for the needs” language of § 272 should be broadly interpreted.⁴³⁶ As one commentator suggested in 1930 concerning Article 5^{ter}: “This wide exemption is justified by the nature of the modern vessel, by the fact that a ship enters only the territorial waters of a country, and by a desire to

exceptionally and *whether unintentionally or not.*” (emphasis added).

⁴³¹ AMERICAN HERITAGE DICTIONARY, *supra* note 47, at 11.

⁴³² *See, e.g.,* *Asgrow Seed Co. v. Winterboer*, 513 U.S. 179, 187 (1995) (“[Where] terms used in a statute are undefined, [a court must] give them their ordinary meaning.”).

⁴³³ *See NSC II*, 357 F.3d at 1333.

⁴³⁴ *Brown v. Duchesne*, 60 U.S. (19 How.) 183, 198 (1856).

⁴³⁵ Paris Convention art. 5^{ter}, *supra* note 79. Unlike § 272, Article 5^{ter} has different provisions for vessels on the one hand and vehicles and aircraft on the other hand with respect to the “exclusively for the needs” requirement.

⁴³⁶ *Cf. LADAS*, *supra* note 6, at 249 (“The needs of the vessel [under Article 5^{ter} of the Paris Convention] must be understood in a broad sense, as including every apparatus or machine necessary for the navigation, fitting out, and good equipment of a vessel.”); *Moffat*, *supra* note 24, at 40 (“It might well be argued that every piece of equipment throughout a ship, whether it be a winch or a can-opener, is employed exclusively for the needs of the ship [under Article 5^{ter}].”); *But cf. Sharma & Forrest*, *supra* note 24, at 436 (“The wording of [the U.K. temporary-presence statute and Article 5^{ter}] shows that the exemption is narrow, covering only ‘use’ of patented invention [sic] and that which is ‘exclusively for the needs’ of the vessel.”).

exempt vessels from all unnecessary inconveniences and impediments.”⁴³⁷

Under such a broad interpretation of this element, something such as the heating and air conditioning system of a vehicle should be included within the scope of § 272.⁴³⁸ Even something such as a DVD player built into a minivan could be considered within the scope of § 272 because it is part of the “construction . . . or equipment”⁴³⁹ of the minivan and used for the needs of its passengers.⁴⁴⁰ Moreover, different vessels, aircraft, and vehicles have different needs.⁴⁴¹ For example, the needs of a cruise ship involve the entertainment of its passengers. Thus, even a slot machine built into such a cruise ship could be considered to be used exclusively for the needs of the vessel.⁴⁴² This interpretation is consistent with the underlying purpose of § 272 and would allow such a cruise ship to travel from country to country unfettered by the burden of “complying with multiple, inconsistent rights of exclusion provided by the patent regimes of [these] countries.”⁴⁴³

VI. CONCLUSION

Although it may not be well-known, the temporary-presence provision of 35 U.S.C. § 272 offers a potentially powerful defense under proper circumstances. This defense protects foreign vessels, aircraft, or vehicles from patent infringement liability where these vessels, aircraft, or vehicles enter the United States temporarily or accidentally. Thanks to the Federal Circuit’s recent

⁴³⁷ LADAS, *supra* note 6, at 249; *see also* NSC II, 357 F.3d at 1330 (“Article 5^{ter} of the Paris Convention demonstrate[s] a concern to leave the channels of international commerce, or more accurately the vessels and vehicles that pass through these channels, free from the excessive burdens that would result if such vessels or vehicles had to conform to the patent laws of all nations that the vessel or vehicle visited during its lifetime.”).

⁴³⁸ *Cf.* LADAS, *supra* note 6, at 249 (“[The needs of a vessel under Article 5^{ter} of the Paris Convention] include machinery necessary for the lighting of the ship, its heating, and the like.”).

⁴³⁹ *Brown*, 60 U.S. at 198.

⁴⁴⁰ *See* 5 CHISUM, *supra* note 53, § 16.05[4], at 16-247 (“The phrase ‘exclusively for the needs of the vessel, aircraft or vehicle’ in Section 272 should cover *any use for the benefit of the passengers or crew* or for the operation of the vessel.” (emphasis added)). *But cf.* Sharma & Forrest, *supra* note 24, at 436 (“If the device, for instance, is equipment for entertainment, then this should not be covered by the exemption [in the U.K. temporary-presence statute].”).

⁴⁴¹ *See* LADAS, *supra* note 6, at 249 (“Every vessel has different needs. A floating hospital, a cargo boat, a sailboat, and a steamer have not the same needs.”).

⁴⁴² If the slot machine were not actually part of the construction of the boat, however, it should not be considered to be used exclusively for the needs of the vessel.

⁴⁴³ NSC II, 357 F.3d at 1330.

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broad and correct interpretation of the scope of § 272, the temporary-presence defense should assume an increasingly important role in today’s global economy. Indeed, the Federal Circuit’s decision should ensure that the temporary-presence defense will continue to prevent patent enforcement from interfering with the “planes, trains, and automobiles” of international commerce.