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Patent Law-Reissue Patents-Application of Public Use and Sale Bar: Section 102(b)

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PATENT LAW—REISSUE PATENTS—APPLICATION OF PUBLIC USE AND SALE BAR: SECTION 102(B)—Patentee applied for an original patent, defining a shelving unit; the patent was issued twenty-two months subsequent to the date of application. Less than two months later, application for a reissue patent was filed, describing and claiming a change in the dimensions of a given surface from “greater than one-half” to “greater than one-third” the height of a prescribed standard. The reissue patent was awarded eight

months after the application for reissue. Patentee subsequently assigned the reissue to plaintiff corporation. Plaintiff brought suit for infringement, and defendant moved for summary judgment on the ground that the reissue was invalid because the claimed subject matter had been on sale and in public use more than one year prior to the filing of the reissue application.¹ The district court denied the motion. On appeal to the Court of Appeals for the Seventh Circuit, sitting en banc, *held*, affirmed. The Patent Act of 1952 expressly provides that a broadened reissue patent may be applied for within two years of the grant of the original patent.² The one-year public use bar was inapplicable in this case; therefore, the reissue in question could not be judged invalid as a matter of law. *Union Asbestos & Rubber Co. v. Paltier Corp.*, 298 F.2d 48 (7th Cir.), *cert. denied*, 369 U.S. 865 (1962).

A reissue patent is a new and amended letter of patent, granted because the original is inoperative or invalid. The invalidity may be due to a defective specification or drawing, or because the patentee, without deceptive intent, claimed more or less than he had a right to claim. Also, it is clear that no new material may be introduced into the reissue application.³ The law of reissue patents, as reflected in successive judicial decisions and statutory changes, has undergone rather distinct stages of growth. First, reflected in the early nineteenth century are the concerns of an expanding society. In 1832, the Supreme Court, in *Grant v. Raymond*,⁴ upheld the validity of a reissue patent granted by Secretary of State Clay four years after issuance of a defective original. Mr. Chief Justice Marshall, seeking to establish a theoretical basis for the concept of reissue patent, quoted from the patent clause of the Constitution: "to promote the progress of science and useful arts." The patent was to serve both as a reward and stimulus to individual exertion in building the new nation. If error were to occur, "All would admit, that a new patent, correcting the error . . . ought to be issued."⁵ There was no need to elaborate on time limits and none were expressly provided; the reissue was to be considered as appended to the original and to run from the same date. "That sense of justice and of right which all feel"⁶ would provide the necessary standard for decision. Patent statutes enacted in 1832⁷ and 1836⁸ codified the *Grant v. Raymond* holding. Some fifty years later, a new stage of development

¹ 35 U.S.C. § 102(b) (1958). "A person shall be entitled to a patent unless . . . (b) the invention was . . . in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States . . ."

² 35 U.S.C. § 251 (1958). "No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent."

³ 35 U.S.C. § 251 (1958).

⁴ 31 U.S. (6 Pet.) 141 (1832).

⁵ *Id.* at 156.

⁶ *Id.* at 157.

⁷ Patent Act of 1832, ch. 162, § 3, 4 Stat. 559.

⁸ Patent Act of 1836, ch. 357, § 13, 5 Stat. 117.

had begun. The frontier fields of inventive activity were being individually appropriated, and the seemingly endless opportunities for industrial exploitation were becoming more limited. Thus, by 1881, the Court, in *Miller v. Brass Co.*,⁹ was concerned that "the evils which have grown from the practice [of permitting expanded reissues to issue indiscriminately] have assumed large proportions."¹⁰ Therefore, a patent reissued more than fifteen years after an original grant was held void. The "evils" to be avoided were clear to the Court: through the buying up and later broadening of narrow patents, areas of opportunity were being closed to thousands of inventors and manufacturers. But the reissue device itself was not challenged, since it was felt that abuses could be prevented by setting time limits on reissue applications. The problem thus resolved itself into one of defining a time standard. Having no prior standard to serve as a guide, the Court proceeded by analogy. Two types of analogy were employed in formulating a permissible period for reissue application. First, the Court considered the equitable doctrine of laches. But laches was not sufficiently precise, and a more certain measure was thought to be necessary. Secondly, the Court turned to the then recently enacted Patent Act of 1870, which prescribed a two-year public use bar to grants of original patents.¹¹ Since that statute provided that public use of a patentable invention for a period of two years resulted in loss of opportunity to obtain patent protection by the inventor, the same two-year period might be employed to determine when an inventor's rights to the broadened subject matter of a narrowly claimed patent should likewise be lost.¹²

During the decade following *Miller*, a series of cases was decided in which the Court, while repeatedly reaffirming the right to a broadened reissue, evolved a two-year limit on permissible delay between the original grant and the reissue application.¹³ This judicial limitation persisted, with little or no change, for over half a century. Then, in 1939, the Patent Act was amended, reducing the public use limit on original patents to one year.¹⁴ This new one-year rule was applied by the Court of Customs

⁹ 104 U.S. 350 (1881).

¹⁰ *Ibid.*

¹¹ Patent Act of 1870, ch. 230, § 24, 16 Stat. 198.

¹² "If two years' public enjoyment of an invention with the consent and allowance of the inventor is evidence of abandonment, and a bar to application for a patent, a public disclaimer in the patent itself should be construed equally favorably to the public." *Miller v. Brass Co.*, 104 U.S. 350, 352 (1881). An alternative ground for the *Miller v. Brass Co.* holding was that there was in fact no mistake.

¹³ *Topliff v. Topliff*, 145 U.S. 156 (1891); *Wollensak v. Reiher*, 115 U.S. 96 (1885); *Mahn v. Harwood*, 112 U.S. 354 (1884). The Court in *Topliff* stated, "That due diligence must be exercised in discovering the mistake in the original patent, and that, if it be sought for the purpose of enlarging the claim, the lapse of two years, will ordinarily, though not always, be treated as evidence of an abandonment of the new matter to the public to the same extent that a failure by the inventor to apply for a patent within two years from the public use or sale of his invention is regarded by the statute as conclusive evidence of an abandonment of the patent to the public." 145 U.S. at 170-71.

¹⁴ Patent Act of 1870, ch. 230, § 24, 16 Stat. 198, as amended, ch. 450, § 1, 53 Stat. 1212 (1939).

and Patent Appeals to reissues as well;¹⁵ but the Supreme Court has not as yet ruled on the effect of the statutory change. In *Sontag Chain Stores Co. v. National Nut Co.*,¹⁶ its latest decision involving reissue time limits, the Court omitted any reference to the 1939 amendment and merely reaffirmed the two-year bar.¹⁷ The Patent Act of 1952, regarded as a codification of existing case law,¹⁸ has preserved the dual time formulas. Section 102(b) states, as a condition of patentability, a one-year limit on public use and sale.¹⁹ Section 251 provides for application for broadened reissue within two years after the original grant.²⁰ Thus, while the Court in *Miller v. Brass Co.* had postulated a two-year limit between original patent and reissue on an analogy to the two-year public use bar of original patents, by 1952 the Patent Act had explicitly set up different time limits.

Within the past three years, the Court of Appeals for the Seventh Circuit has handed down two crucial decisions, apparently initiating a new phase of development. In 1960 *Crane Packing Co. v. Spitfire Tool & Mach. Co.*²¹ was decided. In an opinion written by Judge Castle, the court stated that a reissue application which seeks to broaden the original claim is subject to both time limits: the application must be filed within two years of the original grant *and* the broadened subject matter must not have been in public use or on sale for more than one year.²² Then, in 1961, the same court, this time speaking through Judge Duffy, seemingly held, by implication, that a reissue application which does not broaden the original claim, but rather is concerned with correcting defects in the original specifications, is subject to neither time limit.²³ Thus, the Seventh Circuit first imposed the one-year public use bar on broadened reissue claims; then, in the following year, re-emphasized that only broadened claims are to be barred by one year of public use. In the principal case, the court sitting en banc refused to hold invalid, as a matter of law, a reissue patent claiming subject matter in public use more than one year

¹⁵ See, e.g., *In re Dufault*, 41 C.C.P.A. (Patents) 971, 214 F.2d 181 (1954); *In re Hayes*, 37 C.C.P.A. (Patents) 806, 178 F.2d 940 (1949); *In re Croskey*, 35 C.C.P.A. (Patents) 864, 165 F.2d 797 (1948).

¹⁶ 310 U.S. 281 (1940).

¹⁷ "Recapture within two years of what a patentee dedicates to the public through omission is permissible, under specified condition . . ." *Id.* at 293.

¹⁸ See S. REP. No. 1464, 84th Cong., 2d Sess. 12 (1956).

¹⁹ See note 1 *supra*.

²⁰ See note 2 *supra*.

²¹ 276 F.2d 271 (7th Cir. 1960).

²² *Id.* at 274.

²³ *England v. Deere & Co.*, 284 F.2d 460 (7th Cir. 1961) (original patent issued April 22, 1952; device sold to defendant June 3, 1953; plaintiff filed application for reissue Sept. 23, 1954; court held reissue patent valid). *Cf.* principal case at 53-54, where Judge Castle in his concurring opinion stated: "The two year limitation for applications is expressly confined to applications for enlargement of the scope of claims. And all invention defined by the original claims is protected by the original patent and it is only a reissue application for broadened or enlarged scope of claims and consequent preemption of additional subject matter which must fall before the interdict of § 102(b). And Spitfire stands for no more than this."

prior to application. Judge Duffy, for the majority, based the decision on the explicit language of section 251 of the Patent Act.²⁴ Judge Castle, in his separate concurring opinion, vigorously took exception, arguing that the reissue section of the act expressly incorporates by reference a one-year public use and sale bar, as an added restriction on *broadened* reissue patents.²⁵ He based his concurrence on the further ground that this reissue did not constitute a broadening of the scope of the original claim. So unresolved, denial of summary judgment below was affirmed, and the case remanded for trial on the merits.²⁶

At issue here are considerations which go beyond a question of statutory interpretation, *i.e.*, whether or not the opening clause of section 251²⁷ incorporates by reference the one-year public use bar of section 102(b). The problem is basic to the function of the reissue concept in the American patent system. A 1956 Senate report disclosed the following facts: sixty percent of all patents now go to corporations (seventeen percent to corporations owning assets of fifty million dollars or more); during the period 1947-1954 sixty percent of patents litigated before United States courts of appeals were invalidated; in 1954 the average length of time between application and grant of patent was over three and one-half years, with in excess of 220,000 applications pending.²⁸ The report concluded that the individual "garret" inventor has been gradually losing out to the large corporate laboratory.²⁹ Yet, the contribution of the "garret" inventor is of crucial importance to the scientific and technological progress of the American community, and his position must be safeguarded by the patent system.³⁰ Some of the problems facing the individual inventor are: (1) financing the research he must undertake; (2) the cost of obtaining patents and marketing his inventions; (3) the high mortality rate of patents; (4) the delay and red tape in obtaining patents.³¹ Were the *Spitfire* rule—that the one-year public use bar applies to broadened reissue patents—to be upheld, the position of the individual inventor would be further undermined. As a consequence of the delay by the Patent Office in processing his application for an original patent, usually in excess of one year, the prospec-

²⁴ See note 2 *supra*.

²⁵ Judge Castle contends that paragraph 3 of § 251 ("The provisions of this title relating to applications for patent shall be applicable to applications for reissue of a patent . . .") incorporates by reference § 102(b).

²⁶ Two recent cases are in accord with the majority opinion in the principal case. *Ex parte* Strassburger, 127 U.S.P.Q. 417 (Pat. Off. Bd. App. 1960), refused to follow *Spitfire* if the decision meant that any reissue patent more than one year after the date of the original patent was barred. See also *Hartzell Indus., Inc. v. McCauley Industrial Corp.*, 304 F.2d 481, 484 (6th Cir. 1962).

²⁷ 35 U.S.C. § 251 (1958): "The provisions of this title relating to applications for patent shall be applicable to applications for reissue of a patent . . ."

²⁸ S. REP. NO. 1464, 84th Cong., 2d Sess. 2, 4, 6 (1956).

²⁹ In 1955, there were 4,835 laboratories in operation in this country; in 1950, there were 3,313 scientific laboratories employing 165,032 persons. *Id.* at 1-2 & n.1.

³⁰ *Id.* at 2.

³¹ *Id.* at 2 n.5.

tive patentee faces a serious dilemma. Should he maintain the secrecy of his invention until the original patent has actually issued, so as to be sure that the claims are fully and correctly described and reissue is not required? Or should he make his invention public at once and risk the possibility that the one-year bar will fall before he can apply for reissue? The "garret" inventor, possessing limited financial resources and frequently operating on borrowed capital, may have to meet interest and repayment schedules. The resulting pressure to realize a return on his investment, made more severe because of a possible three and one-half year wait in obtaining his patent, might well force such an inventor to premature public disclosure. Should the one-year public use bar become decisive, the possibility of reissue would thus be lost. The added restriction to reissue validity would also expose the independent inventor to increased likelihood that his patent rights will be infringed, resulting in greater litigation burdens and higher probability of invalidation by the courts. As a consequence, the property interest of the inventor in his invention would be made more tenuous, and financing of his research more difficult to obtain.³²

Moreover, additional restrictions on reissues would result in a reaction of secrecy and suspicion; a condition labeled a "disease" by an eminent scientist and statesman;³³ an obstacle to the constitutional purpose of "promoting the progress of science and public arts"; a threat to the advance of a modern technological society. There is need for a new look at reissue patents as a legal concept.³⁴ Three-quarters of a century ago the Court, seeking to eliminate the evils it then saw, postulated an analogy between original and reissue patents.³⁵ Once crystallized, this analogy became an unquestioned premise in deciding later cases. Now, the court in the principal case must re-examine, in terms of the modern problems of patent law, whether original and reissue patents are actually equivalent, whether they serve the same purpose, and whether the same interests are at stake. A subsequent decision in this litigation, now remanded for trial on the merits, may help to clarify this troubled area of patent law.

Robert V. Seymour

³² *Id.* at 4-5.

³³ Dr. Vannevar Bush, in *Some Proposals for Improving the Patent System*, 39 J. PAT. OFF. SOC'Y 11, 22 (1957).

³⁴ See S. REP. No. 1464, 84th Cong., 2d Sess. 6, 15 (1956).

³⁵ *Miller v. Brass Co.*, 104 U.S. 350 (1881).