

Comment

LACHES AND ABANDONMENT IN THE LAW OF REISSUED AND DIVISIONAL PATENTS

Both the reissued¹ and divisional² patent can be means of protecting discoveries disclosed but not claimed³ by the inventor in his original patent application. This protection, however, may enlarge the statutory patent monopoly, and the courts and Congress have long sought to reconcile the inventor's desire for full control of his whole discovery with the public's demand for prompt, free use of it. The law of reissued patents now clearly defines and balances these conflicting interests.⁴ The law of divisional patents does not.⁵ This Comment will trace the interrelated judicial and statutory evolution of the law in both channels and conclude with proposals for reshaping the law of divisional patents in this area to protect the rights of the public as well as those of the first discoverer.

Time Limitations on Applications for Reissue

Nearly fifty years had passed before the United States Supreme Court restricted the time of applying for the reissue patents first provided for in a statute of 1832.⁶ The practice of buying up narrowly claimed patents had apparently become common. The purchasers would hold them until an opportune time and then apply for reissue with broad, dominating claims, regardless of when the original patent had issued.⁷ Attempting to restrict this technique with a time limitation,

¹ A reissued patent is essentially a new, clarified publication of an old patent and runs for the unexpired term of the old. See notes 4 and 6 *infra*.

² A divisional patent is a new patent on a distinct invention that springs, however, from an earlier invention and patent application. A divisional has its own complete seventeen-year term. See note 33 *infra*.

³ The *disclosure* of an application for patent describes the nature and utility of the discovery. The inventor's *claims* in the application define exactly what aspects of the discovery he then wishes to monopolize. For a variety of reasons, the inventor may not want or be able to claim as much as his disclosure reveals. This Comment will be concerned only with those situations where the inventor tries later to claim a broader (by reissue application) or new (by divisional application) invention based on his original disclosure.

⁴ Appropriate reissue cases will be discussed later in detail. The Patent Act of 1952, 35 U.S.C. §§ 251, 252 (1952), mirrored and reinforced these cases. See text at note 24 *infra*. See also Riesefeld, *The New United States Patent Act in the Light of Comparative Law: Part II*, 102 U. PA. L. REV. 723, 735-38, 745-46 (1954), for a discussion of reissues and divisionals in relation to the new Patent Act.

⁵ See, e.g., the dissenting opinion of Justice Black in *Crown Cork and Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159, 168 (1938).

⁶ "An act concerning Patents for Useful Inventions," c. 162, § 3, 4 STAT. 559 (1832) was passed in response to *Grant v. Raymond*, 31 U.S. (6 Pet.) 141 (1832), discussed in note 12 *infra*. The original act, as modified by "An act to Promote the Progress of the Useful Arts and to repeal all Acts and Parts of Acts heretofore made for that Purpose," c. 357, § 13, 5 STAT. 117 (1836), allowed patents to reissue whenever the basic patent seemed "invalid or inoperative" because of defective disclosures or claims caused by "inadvertence, accident, or mistake." The statute said nothing about broadening claims, but courts later construed the wording as permitting that as well as the narrowing specifically allowed. See *Miller v. Brass Co.*, 104 U.S. 350, 354 (1881). No "new matter" undisclosed originally was permitted in the claims of the reissue. The reissue was given the benefit of the filing date of the parent patent, but no time limits on filing for reissue were specified. The basic intent and much of the language of these early provisions remained unchanged until passage of the Patent Act of 1952.

⁷ *Miller v. Brass Co.*, 104 U.S. 350, 352-53 (1881); see Note, *Equitable Restrictions on Divisional Patent Applications*, 8 GEO. WASH. L. REV. 200, 204 (1939).

the Supreme Court in *Miller v. Brass Co.*⁸ held that an application for reissue filed fifteen years after original issuance was so delayed that the newly claimed inventions must be considered to have been abandoned⁹ to the public. As the foundation for all reissue and divisional cases in this problem area, *Miller v. Brass Co.* is worthy of detailed analysis.

Applying principles of equity, the Court said, in effect, that an inventor should be able to correct a mistake of underclaiming but must do so with the utmost diligence in view of the disclaimer made of inventions not originally claimed, a disclaimer the public is entitled to rely on. The equitable rule of laches should therefore be applied strictly and reissue denied following an unreasonable delay. Without attempting to generalize—fifteen years was clearly unreasonable in the present case—but reluctant not to offer some criterion, the Court analogized to the two-year period of the basic patentability statute then in force:¹⁰

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 favorable to the public.¹¹

The decision concluded with the warning that an inventor could not be allowed to stand by indefinitely until another inventor makes an improvement over the former's narrow claims and then capture the other's invention by filing for broadened reissue covering the subsequent inventor's discovery: "[S]uch . . . would operate most unjustly against the public, and is totally unauthorized by law."¹²

⁸ 104 U.S. 350 (1881). In *Knight v. Baltimore & O. R.R.*, 14 Fed. Cas. 758, 759, No. 7882 (C.C.D. Md. 1840), Chief Justice Taney had ruled in a circuit decision that application for reissue must be made "within a reasonable time after [the error] . . . was discovered." While this was a kind of time restriction, it had little value in curbing delayed applications filed long after the original patent had issued. The Court had occasionally defeated the belated claim, however, by finding that there was no true mistake involved, *Burr v. Duryee*, 68 U.S. (1 Wall.) 531 (1863); and such was the alternative holding of *Miller v. Brass Co.*

⁹ A treatment of the general principle of abandonment is not within the scope of this Comment, but the following remarks are pertinent. A distinction exists between abandonment of application, which does not necessarily constitute abandonment of invention and which may in the proper case be overcome by revival of application, 37 C.F.R. § 1.137 (Supp. 1956), and abandonment of invention, which is the meaning of abandonment used in the basic patentability section of the Code, 35 U.S.C. § 102(c), (g) (1952), and, for the most part, in the courts. An inventor may lose protection on the theory of abandonment, for example, by delays or concealment before filing an initial application for patent, see *Electric Storage Battery Co. v. Shimadzu*, 307 U.S. 5, 15, 16 (1939); by failing to show non-abandonment as a condition of patentability, see 35 U.S.C. § 102(c) (1952); or, in such circumstances as those in the *Miller* case, by not claiming in the original application all the new inventions embraced in the disclosure, see *Miller v. Brass Co.*, 104 U.S. 350, 352 (1881), and *Crown Cork and Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159, 168 (1938) (dissent). This Comment will deal with abandonment in this last sense, the form of abandonment that inventors seek to avoid with the devices of reissue and divisional patents.

¹⁰ Act of July 8, 1870, c. 230, § 24, 10 STAT. 201.

¹¹ 104 U.S. at 352 (1881). In light of other statements in the case, the Court apparently meant that an inventor applying for reissue more than two years after issuance of his original should be presumed to have abandoned the broader claim unless he could show good reason for the delay.

¹² *Id.* at 355. In this philosophy the Court expressed a significant change in American patent theory followed since the time of *Grant v. Raymond*, 31 U.S. (6 Pet.) 141 (1832). Chief Justice Marshall in that case declared valid a reissued patent applied for four years after the original had issued on the rationale that, in return for the eventual use of his full discovery, the American people gave the inventor the consideration of what was then fourteen years' exclusive privilege. If a reissue based on mistake were not allowed, regardless of the delay in application, the public would be given the premature use of the originally unclaimed invention without paying the inventor his consideration of exclusive fourteen years' use in return. The reissue runs for the unexpired term of the original patent.

Anchoring its logic to principles of equitable correction of mistake qualified by laches, the Court thus balanced the interest of the public (opposition to dominant monopoly belatedly asserted) against that of the first inventor (protection for all claims arising from first disclosure).

The Supreme Court steadily adapted the *Miller* case to fit new reissue situations. While the Court in *Mahn v. Harwood*¹³ insisted that the two-year rule was a "mere suggestion by the way, and was not intended to lay down a general rule . . .,"¹⁴ each case having to be decided on its own merits, it firmly established the two-year analogy in *Wollensak v. Reiher*.¹⁵ Perhaps feeling the need for a definitely permissible delay period,¹⁶ the Court said unequivocally that a delay of more than two years between issuance of original patent and application for reissue would invalidate the latter unless the delay could be fully explained to the judge's satisfaction.¹⁷

Miller v. Brass Co. and its companion cases had weighed generalized public rights against the inventor's but had not incorporated into the two-year rule protection of actual, private, intervening rights¹⁸ accruing within the two-year delay period.¹⁹ Nor did the Court resolve the issue until 1940 in the case of *Sontag Chain Stores Co. v. National Nut Co.*²⁰ In this landmark decision the Court assumed the reissue valid and infringed but relieved the defendant, who had built his machine within the twenty months between plaintiff's original patent and ap-

¹³ 112 U.S. 354 (1884).

¹⁴ *Id.* at 363. This approach was probably correct. As stated in note 8 *supra*, the long delay in the *Miller* case was only an alternative reason for holding the reissue invalid.

¹⁵ 115 U.S. 96 (1885).

¹⁶ The Court in *Mahn v. Harwood*, 112 U.S. 354 (1884), was dealing with a four-year period of laches that, because of the nature of the disclosure, was inexcusable and probably did not arise from mistake at all. In *Wollensak v. Reiher*, 115 U.S. 96 (1885), although the delay was longer, the inventor had apparently offered a convincing explanation to the Patent Office but not to the Court. Consequently, the Court seemed reluctant to declare abandonment without strongly asserting as a rule the "mere suggestion" laid down in the *Miller* case. See note 14 *supra*.

¹⁷ *Topliff v. Topliff*, 145 U.S. 156, 171 (1892), somewhat rephrased the rule by holding that a delay of over two years would "ordinarily, though not always" be treated as evidence of abandonment. The Court reaffirmed the right of an inventor to broaden his claims if he found genuine mistake and diligently attempted to correct it, all within a reasonable time.

¹⁸ As developed in the reissue infringement cases, "intervening rights" has become a phrase of art meaning those equitable rights acquired by the defendant relying on the narrow scope of plaintiff's original patent and making, using, or selling a device that does not infringe the original patent but does infringe the reissue. The rights accrue between the issuance of the plaintiff's original patent and his application for reissue. 2 WALKER, PATENTS 1372 (7th ed., Deller 1937).

¹⁹ That is, in cases where the reissue violated the two-year limitation, the intervening user could, just as any defendant, invoke the *Miller* rule without regard to his private rights. *White v. Dunbar*, 119 U.S. 47, 52 (1886). But where application for reissue had come safely within the delay period, the two-year rule did not avail an intervening user who had nevertheless acquired rights seemingly in need of protection against a dominating reissue.

²⁰ 310 U.S. 281 (1940). As the Supreme Court itself indicated in *Keller v. Adams-Campbell Co.*, 264 U.S. 314, 318 (1924), several contradictory circuit decisions had developed rules of intervening rights, but the law remained unsettled and confused until the *Sontag* decision. See 2 WALKER, PATENTS, 1372-85 (7th ed., Deller 1937). Two older cases, *Coon v. Wilson*, 113 U.S. 268 (1885), and *Parker & Whipple Co. v. Yale Clock Co.*, 123 U.S. 87 (1887), had invalidated reissues applied for after three months and twenty months, respectively, but they had done so primarily on the grounds that the reissue claims introduced new inventive matter on the basis of false rather than bona fide mistake. The fact of intervening right was at best an alternative reason for the holding in each case.

plication for reissue, solely on the basis of his intervening rights.²¹ Plaintiff had complied with the two-year limitation suggested by *Miller v. Brass Co.* and established by the later cases, but the rights of the user outweighed those of the original patentee nonetheless.²²

Recapture within two years of what a patentee dedicates to the public through omission is permissible under specific conditions, but not, we think, at the "expense of innocent parties." Otherwise, the door is open for gross injustice to alert inventors, and baffling uncertainty will hinder orderly development of the useful arts.

In rounding out the *Miller* case line with an intervening rights doctrine, the *Sontag* decision thus realized a dictum put forth in *Grant v. Raymond*:²³ Chief Justice Marshall had not been confronted with intervening rights in that case but had conceded that if they should appear, "the defence . . . may be sufficient in law"

The decisional approach to delayed reissue received nearly complete statutory confirmation in the Patent Act of 1952.²⁴ Although re-enacting in large part the old reissue provision, section 251 of the Patent Code gives the inventor a specific right to broaden, as well as narrow, claims but qualifies it by stating that "no reissue 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."²⁵ Section 252 guarantees wide protection to intervening users, enlarging the *Sontag* rule.²⁶

The success of the Supreme Court in dealing with this phase of reissue thus resulted in a strong statutory enactment of the developed case law. The court-made analogy had been weak as analogy²⁷ but valuable in itself as a standard.²⁸

²¹ The Court expressly adopted some of the reasoning of *Ashland Fire Brick Co. v. General Refractories Co.*, 27 F.2d 744 (6th Cir. 1928), an earlier intervening rights case, particularly the theory that the later inventor took from the original patentee an implied license that could not be revoked by broader, reissued claims.

²² 310 U.S. at 293.

²³ 31 U.S. (6 Pet.) 141, 158 (1832). See notes 6 and 12 *supra*.

²⁴ 35 U.S.C. §§ 251, 252 (1952). The report of the committee on the Judiciary, House of Representatives, noted that the two-year limitation codified "the present rule of decision." H.R. REP. No. 1923, 82d Cong., 2d Sess. 7 (1952). Actually, the statute went further than the case law by prohibiting absolutely application for reissue more than two years after the original grant and by spelling out and broadening the rights of intervening users.

²⁵ 35 U.S.C. § 251 (1952).

²⁶ The United States Code extends the period of intervening rights to the grant of the reissue instead of the application for reissue. It specifies in detail the protection granted the intervening user, allowing him to sell or use anything made before the grant of the reissue infringed and even, in the discretion of the court, allowing him in some cases to continue manufacturing the infringing products. 35 U.S.C. § 252 (1952).

²⁷ As the Court in *Mahn v. Harwood*, 112 U.S. 354, 363 (1884) noted, *Miller v. Brass Co.*, 104 U.S. 350 (1881), had pressed the comparison no further than "mere suggestion," and, in fact, there would seem to be little relation between an arbitrary period of public use or publication affecting patentability and a reasonable time to correct an error in an issued patent. Dedication to the public of an unclaimed invention for two years may be somewhat comparable to not applying for patent at all until after two years' public use or knowledge and therefore being denied patent. But the actual statute applying to reissues did not in itself have a time limitation, the reissued patent did not prolong the monopoly as would a delay in filing initially, and essentially the courts were looking for a reasonable time within which the inventor should be permitted to claim all that his disclosures allowed.

²⁸ As the text at note 15 *supra* states, the Court in *Wollensak v. Reiher*, 115 U.S. 96 (1885), elevated the "mere suggestion" in the *Miller* case to a positive decisional rule, and it was incorporated into the 1952 statute as such.

This was evidenced by the fact that although the statutory basis changed, the standard remained.²⁹ Perhaps the strength of the rule lay in the Court's applying it with the aid of equitable principles of mistake qualified by laches, thereby striking a balance between inventor and the public. Finally, the Court in the *Sontag* decision supplied a necessary addition to the two-year guide by holding that an inventor acting diligently to correct an honest mistake by reissue could still be subject to intervening rights.³⁰

Attempts to Limit Delay in Filing Divisional Applications

The law of divisional patents stands in notable contrast with the settled law of reissues as to how long an inventor can wait to apply for a new patent on an old disclosure without meeting the bar of abandonment. Striving to follow the already established line of reissue cases, the Supreme Court wandered into a dilemma still unresolved.

Patent Office practice³¹ and the courts³² early allowed a divisional application the filing date of the original so long as the original was co-pending and the later claim had been earlier disclosed,³³ but imposed no time limit on filing.³⁴ In *Rown-*

²⁹ The period barring patentability was changed in 1939 from two years to one. Act of Aug. 5, 1939, c. 450, § 1, 53 STAT. 1212. The *Sontag* case, decided shortly after the amendment, reiterated the two-year rule without mentioning the statutory change. A later district court case, *Interstate Bakeries v. General Baking Co.*, 84 F. Supp. 92, 107 (D. Kan. 1948), followed the two-year rule but implied that it should be changed to match its statutory basis. A court in 1949 actually did apply a one-year rule in view of the amendment. *Application of Hayes*, 178 F.2d 940 (C.C.P.A. 1949). The new act, of course, settled the matter by enacting the two-year period, indicating well the value of the rule itself whatever the worth of the analogy that produced it.

³⁰ The use of equity theory might have been carried further had not the *Sontag* case ignored the question of estoppel raised, for example, in *Ashland Fire Brick Co. v. General Refractories Co.*, 27 F.2d 744 (6th Cir. 1928), note 21 *supra*. In the latter, where the defendant proved actual knowledge of and reliance on plaintiff's original patent, the court found estoppel but applied it hesitantly. *Id.* at 746, 747. The *Sontag* Court, finding no actual knowledge or reliance, did not estop the plaintiff from suing defendant for infringement. The Court did, however, find implied knowledge and reliance on the part of defendant as an element of his intervening right. Apparently, neither actual nor implied knowledge or reliance are requisites for protection under the new act. 35 U.S.C. § 252 (1952).

³¹ McCrady, *PATENT OFFICE PRACTICE* 66, 280-84 (3d ed. 1950).

³² See, e.g., *Smith & Griggs Mfg. Co. v. Sprague*, 123 U.S. 249 (1887); *Duryea v. Rice*, 28 App. D.C. 423 (D.C. Cir. 1906).

³³ Divisional patents arose from the implication of the earliest and succeeding patent acts that only one patent could issue for each invention although dependent and related inventions have definitely been capable of joinder, under varying circumstances, since *Steinmetz v. Allen*, 192 U.S. 543 (1904). See 37 C.F.R. § 1.141 (Supp. 1956). The Patent Office has therefore required applications disclosing distinct inventions to be restricted to one or related inventions with the inventor having the opportunity of asserting his other inventions in divisional applications. 35 U.S.C. § 121 (1952); 37 C.F.R. § 1.147 (Supp. 1956). Statutory recognition of divisionals was not given until 1952. 35 U.S.C. § 121 (1952).

The Patent Office has also allowed the inventor to file divisional applications entirely on his own initiative, "carving out," as it has often been termed, new inventions out of the original disclosure, 37 C.F.R. § 1.147 (Supp. 1956). See Fredrico, *Commentary on the New Patent Act*, 35 U.S.C.A. 1, 33 (1952). This Comment will be concerned with the latter, "voluntary divisional" technique, which may often consist of an inventor copying claims from another inventor's related patent and then asserting his own prior filing date. But the so-called "involuntary divisions" may impinge on this area. The inventor is not compelled to file a divisional after a requirement for restriction, and nothing would prevent him from taking advantage of an earlier filing date if his new claims were based on his original disclosure. 35 U.S.C. § 121 (1952). This has apparently been Office practice in the past. But the involuntary divisionals

tree v. Sloan,³⁵ however, the United States Court of Appeals for the District of Columbia construed a divisional application filed three years after the original to be an amendment and therefore subject to the then one-year period allowed for amendment following an Office action.³⁶ The Court went on to hold the divisional patentee in this interference proceeding³⁷ barred by laches from copying claims from an intervening patent. Without the stature of a Supreme Court decision, the *Rowntree* case, unlike *Miller v. Brass Co.* in the reissue field, was nevertheless an unfortunate beginning in the effort to control the use of divisional patents.

In *Chapman v. Wintroath*,³⁸ another interference case,³⁹ the Supreme Court hastened to correct the rule of *Rowntree v. Sloan* but in so doing touched off a confusing series of cases that had to be corrected and modified in turn. Nor did the Court free itself from statutory analogy in general nor the amendment analogy in particular;⁴⁰ the problem of characterizing the divisional patent (and thus limiting the time of application in accordance with the characterization) has persisted.⁴¹

are more likely to present questions of whether the application must be restricted when the inventor wishes only one patent for all his claims. Of crucial significance is the fact that, unlike reissues, divisional patents are distinct grants with a full seventeen-year term running from date of issue, regardless of when the original issued. 35 U.S.C. §§ 121, 154 (1952). The 1952 act did not disturb this feature despite the recommendations of the preliminary draftsmen to limit the divisional to the unexpired term of the original. PROPOSED REVISION AND AMENDMENT OF THE PATENT LAWS, PRELIMINARY DRAFT WITH NOTES 21 (Committee on the Judiciary, House of Representatives, Committee Print, 1950).

³⁴ See *Lotz v. Kenney*, 31 App. D.C. 205, 209 (D.C. Cir. 1908).

³⁵ 45 App. D.C. 207 (D.C. Cir. 1916).

³⁶ Act of July 8, 1870, c. 230, § 32, 16 STAT. 202. The time was subsequently shortened to six months and remains so in the current statute. 35 U.S.C. § 133 (1952).

³⁷ The problem of placing time limitations on divisional applications often arise as a result of an "interference proceeding." When the Patent Office receives an application, divisional or otherwise, whose claims seem to "interfere," i.e., be too much like, the claims of another pending application or an unexpired patent, it will call for an interference proceeding to determine the priority of invention. 35 U.S.C. § 135 (1952). The subsequent inventor may here raise the question of laches on the part of the original patentee in filing his divisional application, but only priority of invention is at issue. Public sale, use, etc., will not be considered in the determination. See, e.g., *McBerty v. Cook*, 16 App. D.C. 133, 139 (D.C. Cir. 1900). This restriction is particularly significant when intervening rights are involved. See note 51 *infra*. Infringement suits, which may indirectly arise out of interference situations, bring in a much broader span of issues, including public manufacture, use, and sale. 35 U.S.C. § 271 (1952).

³⁸ 252 U.S. 126 (1920).

³⁹ See note 37 *supra*.

⁴⁰ See, e.g., *Wagenhorst v. Hydraulic Steel Co.*, 27 F.2d 27, 28 (6th Cir. 1928): "A divisional application is a form of amendment, and we see no basis for distinction in the principles applicable to a divisional application and to any other kind of amendment." See also *Crown Cork and Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159, 168 (1938) (dissent). *But cf.* *Harder v. Hayward*, 150 F.2d 256, 261 (C.C.P.A. 1945) (amendments are not to be confused with continuation applications).

⁴¹ The terms "amendment," "continuation," and "divisional" as they are apparently used by the Patent Office should be carefully distinguished. Strictly speaking, an amendment is a change in any parent application made in response to an Office action. Generally, failure to amend within six months constitutes abandonment of application (but not necessarily of invention), although revival and other considerations may come into play. 37 C.F.R. §§ 1.115-1.117 (Supp. 1956). Continuation applications are, on the other hand, new applications complete in themselves filed during the pendency of the parent application and seeking eventually to protect the inventor's discovery in some new channel. They relate back to the filing date of the original application and are not subject to the six months' limitation applied to amendments. *Godfrey v. Eames*, 68 U.S. (1 Wall.) 317 (1864); *McCRADY, PATENT OFFICE PRACTICE* 66 (3d ed. 1950). A divisional application, then, is a form of continuation. *Fredrico, Commentary on the New Patent Act*, 35 U.S.C.A. 1, 33 (1952). But it is one with its own peculiarities and which for clarity's sake should be considered separately. The failure of most courts to distinguish and apply clearly the terms "amendment," "continuation," and "divisional," and "intervening rights," note 51 *infra*, has been one of the chief obstacles to settling the law in this area.

In the *Chapman* case the Court conceded that while there should be some limit as to how long an inventor could delay filing a divisional, it should by no means be the period allowed for amendatory response to an Office action since a divisional patent is so unlike an amendment.⁴² Searching for an alternative, the Court reasoned that a two-year period was fundamental to American patent law in regard to general patentability,⁴³ patentability as affected by a foreign patent,⁴⁴ time for filing a renewal after forfeiture,⁴⁵ and the period of public use or sale that a defendant may prove in contesting an infringement action.⁴⁶ While admitting that the statutes said nothing about divisionals, the Court stated that the law did not specifically exclude them from its time provisions. The period of delay must therefore be taken from the statutes, particularly the basic patentability section.⁴⁷ Justice Clarke then referred briefly to the rule adopted in the reissue cases but, significantly, did not by analogy make the reissue rule determinative of divisionals. Validating a divisional patent applied for twenty months after the original had issued, the Court, affirming, made its oft-repeated statement that would set the tone for subsequent cases:⁴⁸

To this we must add that not only have later or divisional applications not been dealt with in a hostile spirit by the courts, but, on the contrary, designed as they are to secure the patent to the first discoverer, they have been favored to the extent that where an invention clearly disclosed in an application, as in this case, is not claimed therein but is subsequently claimed in another application, the original will be deemed a constructive reduction of the invention to practice, and the later one will be given the filing date of the earlier, with all its priority of right.

Application of the statement and the case, however, caused confusion among the circuits.⁴⁹ The Court sought to resolve this confusion in *Webster Elec. Co. v. Splittorf Elec. Co.*⁵⁰ After quickly disposing of what was obviously a case of unreasonable delay between original and divisional application of over eight years, coupled with intervening rights,⁵¹ the Court went on to construe *Chapman v. Win-*

⁴² See note 41 *supra*.

⁴³ Act of July 8, 1870, c. 230, § 24, 16 STAT. 201.

⁴⁴ Act of July 8, 1870, c. 230, § 25, 16 STAT. 201.

⁴⁵ Act of July 8, 1870, c. 230, § 35, 16 STAT. 202.

⁴⁶ Act of July 8, 1870, c. 230, § 61, 16 STAT. 208.

⁴⁷ Act of July 8, 1870, c. 230, § 24, 16 STAT. 201. This, of course, was the same provision analogized to for reissues in *Miller v. Brass Co.*, 104 U.S. 350 (1881). See note 36 *supra*; text at note 10 *supra*.

⁴⁸ 252 U.S. at 137.

⁴⁹ The Seventh Circuit in *Splittorf Elec. Co. v. Webster Elec. Co.*, 283 Fed. 83 (7th Cir. 1922), interpreted *Chapman v. Wintroath* as having equated divisionals with originals so that a proper publication of more than two years, even of the original patent, would bar the divisional. The Second Circuit in *American Laundry Machine Co. v. Prosperity Co.*, 295 Fed. 819 (2d Cir. 1924), construed the *Chapman* case as so favoring the divisional patent that whatever the delay in filing, the application could always relate back unless intervening rights came in to start the two-year period running. See note 51 *infra*.

⁵⁰ 264 U.S. 463 (1924).

⁵¹ As indicated in note 41 *supra*, the courts have not clearly defined "intervening rights" in divisional patent cases, either as to their nature or effect on the law. As used in divisional cases, the term has by no means the well-defined content it has in the reissue cases. See note 18 *supra*. "Intervening rights" in a divisional case may often mean, for example, a patent issued a later inventor from which claims are copied in a divisional application by the holder of a still earlier patent, see, e.g., *Crown Cork and Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159 (1938); or an infringing device manufactured between the date of an original patent and a divisional patent, see, e.g., *Dwight and Lloyd Sintering Co. v. Greenawalt*, 27 F.2d 823 (2d Cir. 1928). Although public use may give intervening rights, *Hazeltine Research Inc. v. General*

troath by adding considerable modification of its own. Justice Sutherland touched only lightly on the statutory analogy so basic to the *Chapman* case and emphasized the rule, barely mentioned in that decision, of the *reissue* cases:⁵²

While the analogy between the case of a reissue patent and that of copying for interference is not always an exact one, it is sufficiently so, as applied to the present case, to make these decisions pertinent and the *principle which they announce controlling*.

The opinion then stated that the two-year period of the *Chapman* case was not to be construed strictly as barring all divisionals filed more than two years after the original, but that delays of over two years could be excused if sufficiently explained. The Court concluded with what it conceived to be the general rule, one that attempted to apply with finality the rule of the reissues to divisional patents but which was to cause more confusion:⁵³

Our conclusion, therefore, is that in cases involving laches, equitable estoppel, or intervening private or public rights, the two-year time limit *prima facie* applies to divisional applications and can only be avoided by proof of special circumstances justifying a longer delay. In other words, we follow in that respect the analogy furnished by the patent reissue cases.

The Court in *Webster* thus derived its two-year rule largely from the reissue cases rather than from the patentability statute as the *Chapman* Court had.

As is clear from a reading of the Court's conclusion, the *Webster* case by no means solved the persistent questions: (1) What time limit would apply where there were no laches, estoppel, or intervening rights? (2) When, in any event, would the period begin to run? If the reissue analogy were strictly followed, an application filed more than two years after issuance of the original patent would raise the presumption of abandonment⁵⁴ regardless of intervening rights. If there were intervening rights, would the period run from the original issuance, from the original application,⁵⁵ or from the date of intervention?⁵⁶ The reissue cases had established a firm rule of delay and then grafted on an exception in the form of intervening rights. The *Chapman* and *Webster* cases both involved intervening rights but failed to combine that issue with others into a clear formulation of a rule.⁵⁷ That formulation came several years later with *Crown Cork and Seal Co. v. Ferdinand Gutmann Co.*⁵⁸ but at the expense of what the dissenting justice and

Motors Corp., 170 F.2d 6, 9 (6th Cir. 1948), the limiting rule finally evolved has grown out of cases involving a second patentee (*Chapman*, *Webster*, and *Crown*, for example) and *his* rights. See also note 61 *infra*. As one recent opinion phrased it, then, there is still "no fixed rule" as to intervening rights in divisional cases. *Hazeltine Research Inc. v. General Motors Corp.*, *supra* at 9. The confusion might be harmless were it not for the fact that the general concept of intervening rights has become a keystone of the language and application of the two-year rule on divisionals as formulated in the *Chapman*, *Webster*, and *Crown* cases.

⁵² *Webster Elec. Co. v. Splittorf Elec. Co.*, 264 U.S. 463, 469 (1924). (Emphasis added.) *Wollensak v. Reiher*, 115 U.S. 96 (1885), discussed in text at note 15 *supra*, was particularly emphasized.

⁵³ 264 U.S. at 471.

⁵⁴ See note 17 *supra*.

⁵⁵ *Hartford Empire Co. v. Obear-Nester Glass Co.*, 39 F.2d 769 (8th Cir. 1930), adopted this interpretation.

⁵⁶ *Wagenhorst v. Hydraulic Steel Co.*, 27 F.2d 27 (6th Cir. 1928) so construed the *Webster* case.

⁵⁷ See note 51 *supra*.

⁵⁸ 304 U.S. 159 (1938).

other critics would consider a wise balance of right between inventor and the public.

Dismissing the *Webster* case as having been decided purely on abandonment principles, the Court in *Crown* implied that the troublesome "conclusion" of that decision was an incidental correcting of a lower court's interpretation and therefore not controlling. In such a manner, Justice Butler in the *Crown* case negated laches and the two-year period as a defense in cases not involving intervening rights and defined the two-year period as running from the appearance of intervening rights in cases where such rights were involved. Only proof of abandonment as such, without the aid of the two-year presumption, would bar a divisional application in the absence of intervening rights, and only proof of abandonment would defeat the original inventor within the two-year span after their appearance. Accordingly, the Court approved a "divisional on a divisional." It approved a claim-copying divisional patent applied for twenty-seven months after a divisional of the original and five years after the original application.⁵⁹

Dissenting, Justice Black disagreed with the Court's flat dismissal of the supposed conclusion of *Webster* and with its acceptance of a divisional on a divisional; in general he reflected the growing apprehension that the divisional device was an unfair weapon for extending the patent monopoly far beyond the limited period contemplated by law.⁶⁰

In effect the *Crown* rule places on the public the whole risk of defending its interest against such extensions.⁶¹ Before the limitation on a divisional application will begin running, a subsequent inventor or other holder of an intervening right must appear and then wait two years in hopes a divisional claim will not be filed dominating his. It is true that the divisional application must be filed during pendency of the parent.⁶² Yet in view of the complexity of many modern inventions and the administrative burden in other respects, a case can linger for years in the Patent Office.⁶³ Compounding the difficulty is the tacit recognition in the *Crown* case and in Office practice⁶⁴ that a divisional may spawn another divisional, the second of which may be filed long after the original patent application has been issued or abandoned, so long as the first divisional remains before the Office.

⁵⁹ Although the statute then in effect did not expressly authorize a "divisional on a divisional," the Court accepted the procedure as valid, and it was evidently approved Patent Office practice. While the original application and disclosure had not been pending when the second divisional was filed, the first divisional had been.

⁶⁰ *Crown Cork and Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159, 168 (1938) (dissent).

⁶¹ While the issue of intervening public use and its effect on divisionals has not been settled, recent cases have applied the *Crown* rule and held that public use will initiate the two-year period. See, e.g., *Hazeltine Research Inc. v. General Motors Corp.*, 170 F.2d 6, 9 (6th Cir. 1948). But a public use by the patentee himself will not begin the period. *General Talking Pictures Corp. v. Western Elec. Co.*, 304 U.S. 175 (1938), decided the same day as the *Crown* case.

⁶² 35 U.S.C. § 120 (1952).

⁶³ The courts have never questioned the right of an inventor to avail himself of Patent Office procedure and delay, even if those factors work heavily to his advantage. See, e.g., *Chapman v. Wintroath*, 252 U.S. 126, 137 (1920); *Jacquard Knitting Machine Co. v. Ordnance Gauge Co.*, 95 F. Supp. 902, 907 (E.D. Pa. 1951). In 1942, 7.7% of an average group of patents issued had been pending four to ten years. Morse, *Alleged Evil of Long Pendency of Patent Applications*, 26 J. PAT. OFF. SOC'Y 359, 360 (1944). In 1955 the average patent took 3.5 years to issue, and at the end of the year there were 221,872 applications pending. *Review of the American Patent System*, 38 J. PAT. OFF. SOC'Y 75, 83 (1956); *Patent Office Annual Report*, 38 J. PAT. OFF. SOC'Y 102 (1956).

⁶⁴ And now by statute. 35 U.S.C. § 120 (1952). See text at note 72 *infra*.

While the Supreme Court has never disturbed the *Crown* decision,⁶⁵ a 1951 federal district court case not only indicates the dissatisfaction with the *Crown* rule as expressed in Justice Black's dissent but illustrates the surprising results of its application as well. *Jacquard Knitting Mach. Co. v. Ordnance Gauge Co.*,⁶⁶ like *Crown*, involved successive divisionals, the last of which was filed during the pendency of the first divisional but not of the original application. While conceding the right of the patentee to "proceed even interminably in the Patent Office in the prosecution of a patent application . . .,"⁶⁷ the court pointed out the effects of the long delays and consequent extensions of the patent monopoly through the divisional technique. In the end, however, it reluctantly followed the *Crown* rule.⁶⁸ The net result was that the patentee had been permitted to file one divisional three years after original application, a second divisional seven years after original application, and obtain successive patents beginning in 1939, 1943, and 1946, on a knitting machine, needle, and method, all of which the court admitted was technologically dominated by the method patent. For any practical purpose, therefore, the patentee had a twenty-four year monopoly since use of the first two inventions would infringe the third.⁶⁹

The Patent Act of 1952 provided for divisional applications for the first time by statute⁷⁰ but failed to limit the time of application⁷¹ and actually affirmed one

⁶⁵ Shortly after the *Crown* decision, Congress added to the Patent Code the following requirement: "No amendment for the first time presenting or asserting a claim which is the same as, or for substantially the same subject matter as, a claim of an issued patent may be made in any application unless such amendment is filed within one year from the date on which said patent was granted." Act of Aug. 5, 1939, c. 452, § 1, 53 STAT. 1213. While this provision would seemingly affect the *Crown* rule as applied to claim-copying situations, the Court of Customs and Patent Appeals interpreted the statute as a mere legislative indorsement of old rule 94 of the Patent Office. *Cryns v. Musher*, 161 F.2d 217 (C.C.P.A. 1947). As construed in Office practice, that rule had only required that amendment to applications copying or substantially copying claims from an already issued patent must have been urged within a two-year period following issuance of the copied patent. The meaning of the word "amendment" is doubtful in this context to begin with. See note 41 *supra*. Furthermore, since co-pendency of an earlier application would nearly always meet this requirement, and since co-pendency is essential to divisional applications anyway, rule 94 had no particular impact on the *Crown* rule. *Cryns v. Musher*, *supra*. But cf. *Application of Frey*, 182 F.2d 184 (C.C.P.A. 1950). The new Patent Act carries over the 1939 statutory provision with some changes in wording (the ambiguous "amendment" is dropped, for instance), but neither the preliminary draft nor the revisers' report indicate that any changes in the law were intended. Both documents merely state that the new provision is based on the old. PROPOSED REVISION AND AMENDMENT OF THE PATENT LAWS, PRELIMINARY DRAFT WITH NOTES, 33 (Committee on the Judiciary, House of Representatives, Committee Print, 1950); H.R. REP. No. 1923, 82d Cong., 2d Sess. 21 (1952). *Application of Tanke*, 213 F.2d 551, 552 (C.C.P.A. 1954), interprets the new statute no differently than the old. Like *Application of Frey*, *supra*, *Emerson v. Beach*, 215 F.2d 290 (C.C.P.A. 1954), applies the one-year limit where the claims copied are substantially different than those originally urged. But even if applied in this limited situation, the statute merely cuts down the two-year period of the *Crown* case and begins running no earlier.

⁶⁶ 95 F. Supp. 902 (E.D. Pa. 1951).

⁶⁷ *Id.* at 907.

⁶⁸ *Id.* at 906. The court in *Hazeltine Research Inc. v. General Motors Corp.*, 170 F.2d 6, 8 (6th Cir. 1948) showed similar discontent with the *Crown* decision.

⁶⁹ The court rejected the double-patenting argument against technological domination but broadly hinted that the defendant should attack the method patent for lack of inventiveness. The defendant did, and the original patentee lost the case on the court of appeals level. *Jacquard Knitting Machine Co. v. Ordnance Gauge Co.*, 213 F.2d 503 (3d Cir. 1954).

⁷⁰ 35 U.S.C. § 121 (1952).

⁷¹ But see note 65 *supra*.

element of the problem by specifically allowing a divisional on a divisional.⁷² Nor did the new act mitigate the difficulty by incorporating the suggestion of the preliminary draftsmen that all continuation patents be limited to the unexpired term of the original.⁷³ This area of divisional patents does not, in short, enjoy the codification given the reissue rule by the new act.

A Comparison of the Reissue and Divisional Rules of Laches

Comparisons between the development of the reissue rule and the divisional rule can, of course, be misleading because of the differing natures of the two patents.⁷⁴ In the case of reissues, equitable principles of mistake and laches were clearly applicable since mistake was one of the statutory requisites of reissue. The fact, moreover, that a divisional patent is for a distinct invention, rather than for the same invention as is the reissue, must have influenced the Court in divisional cases to protect the rights of the first discoverer more zealously than in the reissue situations. The existence of a statute in the reissue field was in itself a substantial rule-making advantage in the reissue cases totally lacking in the divisional cases before 1952.

On the other hand, if the reissue decisions were cognizant of public rights, and they clearly were, the divisional decisions should have been even more concerned with controlling undue monopoly since the reissues were for unexpired terms and the divisionals for new terms. And it must be suggested that in several instances the divisional decisions have fostered rather than resolved confusion. Although the statutory analogy was perhaps inadequate in both the reissue and divisional line, the reissue decisions, particularly *Wollensak v. Reiher*, crystallized the analogous period and applied it clearly. The *Chapman* divisional case drew a statutory analogy but weakened it by mentioning several statutes and implied that the two-year period was basic enough to American patent law to be applied per se;⁷⁵ succeeding cases failed to develop the statutory comparison fruitfully.

The adoption of the reissue rule in *Webster* was unfortunate in at least two respects: the adoption was neither final nor explicit enough to be defined and applied in later cases, and the several differences in nature and result between reissues and divisionals probably made the analogy unsound from the beginning.

As a final comparison, the intervening rights issue was fully developed for reissues in *Sontag Chain Stores Co. v. National Nut Co.* but remained a continual source of trouble in divisional cases. Considering the task of reconciling and construing *Chapman* and *Webster*, and of defining the significance of intervening rights within their framework, however, it is not surprising that the Court in *Crown Cork and Seal Co. v. Ferdinand Gutmann Co.* failed to produce a rule as generally equitable as that of the reissue cases.

⁷² 35 U.S.C. § 120 (1952).

⁷³ See note 33 *supra*. PROPOSED REVISION AND AMENDMENT OF THE PATENT LAWS, PRELIMINARY DRAFT WITH NOTES 21 (Committee on the Judiciary, House of Representatives, Committee Print, 1950).

⁷⁴ This is particularly so since the same Court, although not always the same judges, produced both lines of cases.

⁷⁵ And several of these two-year periods were later modified.

Recommendations

In conclusion it is suggested that the rule of the *Crown* case, when again encountered, be reappraised with particular emphasis on the successive extensions of the patent monopoly allowed thereby. One cannot overlook the historic⁷⁶ and traditional American concern with protecting *all* the inventions of the first discoverer. But many of the divisional cases in this area involve first discoverers who have merely copied the claims of a subsequent, but perhaps equally ingenious, inventor who has conceived and practiced significant improvements on the original discovery. Such a later inventor certainly deserves a good measure of protection as well.

It would seem that the statutory analogy as applied to time limitations for application should be discarded.⁷⁷ Not only did Congress expressly provide for divisionals without setting a time limit, but they *did* limit reissues. To restrict a somewhat analogous recapture of claims without restricting the other could indicate an even stronger intention to leave the time-controlling of divisionals to the courts.⁷⁸

Finally, if the two-year period is useful and necessary as a guide for deciding what is a reasonable time within which to apply for a divisional patent, it is submitted that the period should run from the issue of the original or "parent-divisional" patent rather than from the appearance of intervening rights. The rule as it now stands, in the absence of intervening rights, gives excessive delay the reward of extended monopoly rather than the punishment of abandonment. The fortuitous arrival of a subsequent inventor willing to risk suit should not have to be the mitigating factor of such an anomaly.

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⁷⁶ See note 12 *supra*.

⁷⁷ As was pointed out earlier, the statutory basis has been changed, note 29 *supra*, but such cases as *Jacquard Knitting Machine Co. v. Ordnance Gauge Co.*, 95 F. Supp. 902, 906 (E.D. Pa. 1951) still apply the two-year rule in divisional cases.

⁷⁸ One could, of course, argue to the contrary that by leaving out a time limit on divisionals and allowing divisionals on divisionals, Congress showed little worry over extending monopoly through divisionals and perhaps even intended to broaden the functions of divisional patents in this channel. It is interesting to note, finally, that the preliminary draftsmen would not have limited the time for applying reissues or for divisionals but would have provided for intervening rights in the case of reissues and, as mentioned before, limited divisionals to the unexpired term. PROPOSED REVISION AND AMENDMENT OF THE PATENT LAWS, PRELIMINARY DRAFT WITH NOTES 21, 45-46 (Committee on the Judiciary, House of Representatives, Committee Print, 1950).

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