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legislation would allow the Commissioner to more readily accept taxpayer judgment of useful life and salvage value, and hence depreciation provisions of the Internal Revenue Code would be adhered to with greater conformity by the taxpayer.

PATENTS—NEW CRITERION FOR DETERMINING VALIDITY OF BROADENED CLAIMS IN REISSUED PATENTS

Plaintiffs sued defendant for infringement of reissued patent No. 23,937, relating to a lapping machine. Plaintiffs asserted infringement of six claims¹ which were identical to claims in the original patent, and also alleged infringement of four new and broader claims which were added by reissue. Defendant denied infringement of the six identical claims as well as the four new and broader claims, and further asserted invalidity of the reissued patent. The District Court for the Northern District of Illinois held the six identical claims invalid for lack of invention and held the four new and broader claims invalid because of public use of the subject matter claimed therein for more than one year prior to the filing date of the reissue application.² The Court of Appeals for the Seventh Circuit affirmed the lower court's finding of invalidity as to the identical claims, and also sustained its interpretation of those sections of the 1952 Patent Act relating to reissued patents,³ and thereby held that the four new and broader claims were invalid. This pronouncement established that public use or sale of the subject matter defined in the claims of the reissued patent for more than one year prior to the filing date of the reissue application invalidates those claims in the reissued patent which are not identical to claims in the original patent. Crane Packing Co. v. Spitfire Tool & Machine Co., 276 F. 2d 271 (7th Cir. 1960), cert. denied, 363 U.S. 820 (1960).

The holding of the court of appeals which is a substantial limitation, if not a total nullification of the law relating to reissued patents, establishes

¹ The function of claims in a patent was considered by the Supreme Court in Motion Picture Patents Co. v. Universal Film Mfg. Co., 243 U.S. 502 (1917), wherein it is stated: "The scope of every patent is limited to the invention described in the claims contained in it, read in the light of the specification. These so mark where the progress claimed by the patent begins and where it ends that they may have been aptly likened to the description in a deed, which sets the bounds to the grant which it contains. It is to the claims of every patent, therefore, that we must turn when we are seeking to determine what the invention is, the exclusive use of which is given to the inventor by the grant provided for by the statute, 'He can claim nothing beyond them.'" Id. at 510.


that section 251 of the 1952 Patent Act relating to the amendment and correction of patents incorporates section 102, which defines the conditions that must be met in order to obtain a patent. The court's ruling provides that those matters which preclude the granting of a patent on an original application under section 102(b) also are applicable to applications for the reissue of a defective patent. This interpretation provides a basis for invalidating reissued patents which would have been totally untenable under the law prior to the enactment of the present statute.

The validity of reissued patents and the law relating thereto was initially established by the decision of the Supreme Court in Grant v. Raymond. Mr. Chief Justice Marshall, speaking for the Supreme Court after it had considered a reissued patent and a contention that the reissue was to be considered and examined as based on a new application having a filing date corresponding to that of the application for reissue, stated:

It has also been argued that the new [reissued] patent must issue on the new specification, and on the application which accompanies it. Consequently, it will not be true that the machine was "not known or used before the application." But the new patent, and the proceedings on which it issues, have relation to the original transaction. The time of the privilege still runs from the date of the original patent. The application may be considered as appended to the original application, and, if the new patent is valid, the law must be considered as satisfied if the machine was not known or used before that application.

4 35 U.S.C.A. § 251 (Supp. 1959) states: "Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of . . . claiming more or less than he had a right to claim in the patent, the Commissioner shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue.

"The Commissioner may issue several reissued patents for distinct and separate parts of the thing patented, upon demand of the applicant, and upon payment of the required fee for a reissue or each of such reissued patents.

"The provisions of this title relating to applications for patent shall be applicable to applications for reissue of a patent, except that application for reissue may be made and sworn to by the assignee of the entire interest if the application does not seek to enlarge the scope of the claims of the original patent.

"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."


6 35 U.S.C.A. § 102(b) (Supp. 1959) states: "A person shall be entitled to a patent unless--

"(b) the invention was patented or described in a printed publication in this or a foreign country or 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."

7 31 U.S. 217 (1832).

8 Id. at 243.
As disclosed in a well recognized treatise on patent law, the holding in the *Grant* case was enacted into statute to regulate the granting of reissued letters patent. The author's commentary on the statute, which embodied the Court's holding in the *Grant* case, indicated that the Legislature intended to make the reissued patent subject to those defenses available against the original patent. However, the author indicated that the statute provided that public use of the invention after the grant of the original patent should not prejudice the patentee's rights under the reissued patent or affect the validity thereof.

Following the Supreme Court decision in the *Grant* case, the Circuit Court of New York in *Shaw v. Colwell Lead Co.* rejected an argument proposed by the defendant that the public use statutory bar should apply to the filing date of the reissued patent, the court stated:

[T]he reissued patent is not a new patent, but is only an amended form of an old one, and the application for the reissue is not an application for a patent, but is an application for an amendment of one; and that cannot be such an application as is referred to as being necessary to be made before two years [under the present statute, one year] of public use shall have been had.

Similarly the Circuit Court of Minnesota in *American Bank Protection Co. v. Electric Protection Co.*, held that a reissued patent cannot be defeated by a patent issued to another before the reissue but after the issue of the original patent on which it is based. Additional decisions supporting the principle that the effective date of a reissued patent is the filing date of the application for the original patent include those in the cases of *Shaw v. Cooper* and *Austin v. Johnson*.

Although not binding on the court, the practice of the Patent Office is in conflict with the Seventh Circuit's decision in the case noted. This interpretation applies the provisions of section 102 to reissued patents containing "non-identical" claims as of the filing date of the reissue application. The procedure of the Patent Office, which is in accord with the decision in the *Grant* case, became settled shortly thereafter by a holding of the Commissioner of Patents in *Carroll v. Morse*. In this case, the Commissioner held that the practice of the Patent Office is to subject applications for reissue to an examination as to novelty, and judge them according to the state of the art as it existed at the time when the original application was filed. The fact that this procedure has been uniformly

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9 Walker, Patents § 301 (Deller's ed.) (1937).
10 Ch. 162, § 3, 4 Stat. 559 (1832).
12 Id. at 715.
14 32 U.S. 292 (1833).
16 1876 C. D. 61.
followed by the Patent Office is further substantiated in a leading text\textsuperscript{17} on Patent Office procedure, which sets forth the following:

In determining the patentability of the claims in a reissue application the effective date of the application is the filing date of the original patent; decisions are cited in section 17. \textit{The applicability of the statutory grounds of rejection such as public use or sale, prior publication or patents, etc., is determined by the original filing date.} \textsuperscript{18}

Moreover, it is apparent from the provisions of two authoritative Patent Office procedural guides\textsuperscript{19} that the practice of the Patent Office as outlined above remained unchanged subsequent to the enactment of the 1952 Patent Act. The rules\textsuperscript{20} embodied in these publications manifest that the oath required in conjunction with a reissue application does not necessitate the \textit{reissue} applicant's denial of those factors which would create a statutory bar under section 102(b). However, these rules do require a denial of such factors by an applicant when filing an \textit{original} application. It is significant that the requirements of the reissue oath appear to presuppose the reissue applicant's compliance with the conditions of the original oath as to section 102(b), and the inapplicability of this section to reissue applications.

It appears clear from the foregoing that the courts, prior to the enactment of the 1952 Patent Statute,\textsuperscript{21} and the Patent Office, both before and after this act, have unhesitatingly afforded reissue applications the effect-

\textsuperscript{17} \textsc{Glascock & Stringham, Patent Soliciting and Examining} \S 297 (1934).
\textsuperscript{18} \textit{Id.} at 578. (Emphasis added.)
\textsuperscript{20} \textsc{Rules of Practice of the U.S. Patent Office (June 1960); Manual of Patent Examining Procedure} (November 1953).
\textsuperscript{21} \textsc{Rules of Practice, Rule 65, Oath of Applicant:}

\textit{"(a) The applicant, if the inventor, must make oath or affirmation that he does verily believe himself to be the original and first inventor or discoverer of the process, machine, manufacture, composition of matter, or improvement thereof, for which he solicits a patent; that he does not know and does not believe that the same was ever known or used before his invention or discovery thereof, and shall state of what country he is a citizen and where he resides, and whether he is a sole or joint inventor of the invention claimed in his application. In every \textit{original application} the applicant must distinctly state under oath that to the best of his knowledge and belief the invention has not been in public use or on sale in the United States more than one year prior to his application \ldots"} (Emphasis added.)

Rule 175, Reissue Oath:

\textit{"(a) Applicants for reissue, in addition to complying with the requirements of the first sentence of rule 65 \ldots."} (Emphasis added.)

\textsc{Manual of Patent Examining Procedure} \S 1401.09:

\textit{"While an original claim is subject to re-examination, the rejection of such a claim constitutes the rejection of a previously allowed claim and must be personally considered by the Primary Examiner with great care. To be effective, a reference must be prior to the effective filing date of the original patent."} (Emphasis added.)
tive filing date of the original application in so far as section 102 and the
defenses available thereunder are concerned.

The language of the third paragraph of section 251, which took effect
January 1, 1953, was absolutely new. No language alluding to another
section of the act had been embodied in the prior statute.22 This, no
doubt, was the primary reason why the defense of "public use" was
raised to attack the validity of the "non-identical" reissued claims, a de-
fense which had been rendered substantially ineffective and non-applica-
tion. However, the court's interpretation of this language, incorporating section 102(b), was such a sub-
stantial alteration of the prior law that the question immediately arises:
"Was such an alteration intended?"

The report of the Senate Committee on the Judiciary23 yields no indi-
cation that Congress intended any major change in the substantive law
relating to reissued patents which had been in force prior to the 1952 Pat-
ent Act. It appears that the prior statute was replaced by sections 251 and
252 not for the purpose of modifying the law, but merely to clarify the
previously well established principles of law relating thereto.24

In contradistinction to the court's interpretation, it appears that the lan-
guage of the third paragraph of Section 251, when considered in its en-
tirety, seems not to refer to chapter 10 of the 1952 Patent Act, which is
entitled "Patentability of Inventions" wherein section 102(b) is embod-
ied, but rather to chapter 11, which is entitled "Application for Patent,"
where the formal requirements of an application are set forth, i.e., the
oath. Chapter 11 and the provisions contained therein have always ap-
plied to reissues with certain express modifications, and the language of
section 251 clarifies this, as was intended by Congress.

Moreover, if confined to an interpretation of section 251, the court's
decision would have been too extreme and too radical. Realizing this, a
distinction was made by the court between "identical" and "non-identi-
cal" claims. The court attempted to justify its distinction between "iden-
tical" and "non-identical" claims by considering the provisions of section
252.25 However, section 252 appears directed to the substantive effect and

24 Ibid.
shall take effect upon the issue of the reissued patent, and every reissued patent shall
have the same effect and operation in law, on the trial of actions for causes thereafter
arising, as if the same had been originally granted in such amended form, but in so far
as the claims of the original and reissued patents are identical, such surrender shall not
affect any action then pending nor abate any cause of action then existing, and the
reissued patent, to the extent that its claims are identical with the original patent, shall
constitute a continuation thereof and have effect continuously from the date of the
original patent." (Emphasis added.)
operation of law of the reissued patent on any cause of action arising after the surrender of the original patent. Rather than spelling out a distinction between "identical" or "non-identical" claims in so far as available defenses are concerned, this section provides that a reissued patent which contains claims "identical" to those embodied in the original patent, constitutes an effective continuation of the original patent and of the rights thereunder. Accordingly, an infringement of such "identical" claims would be a continuing infringement, and the rights of the patentee would be established as of the issue date of the original patent.

The established law which extended the effective filing date of the original patent to both "identical" and "non-identical" claims in a reissued patent seems to be substantially abrogated by the decision in the instant case. The absence of any judicial authority modifying or curtailing the doctrine enunciated in the early leading cases and the fact that the Legislature did not appear to have intended a change in the prior law, emphasizes the radical modification of the law relating to reissued patents which was pronounced by the Seventh Circuit in this case.

The **Crane Packing** decision has not only elicited some rather interesting comments but has also spurred some significant action by the members of the legal profession. Both the American Patent Law Association and the Patent Law Association of Los Angeles filed briefs *amicus curiae* in support of plaintiffs' petition for certiorari in the hope that the Supreme Court would clarify the apparent misinterpretation of the pertinent sections of the 1952 Patent Act.

After the petition was denied by the Supreme Court, the Section on Patent, Trademark and Copyright Law of the American Bar Association adopted a resolution favoring clarification of sections 251 and 252 by amendatory legislative action. It appears to be the intention of the bar that legislative action thus taken shall make it clear that a reissued patent, whether containing "identical" or "non-identical" claims, should be afforded the filing date of the original application for patent in so far as the application of section 102(b) with respect to statutory bars is concerned.

If legislative action is not taken to modify or curtail the effects of this decision, a substantial number of patents which have been reissued since the enactment of the 1952 Patent Statute could be invalidated. Of course,

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27 28 U.S. L. *Week* 1169 (May 10, 1960) (No. 940), wherein it was stated: "A troubling feature of the case is the fact that, by the same logic, the original patent itself might constitute a statutory bar. This reasoning, in effect, would outlaw a broadened reissue more than one year after the original grant despite the fact that Section 251 specifically permits broadened reissues within two years." Also consult, 106 Chicago Daily Law Bulletin, May 2, 1960, p. 1; *id.*, Nov. 2, 1960, p. 1; *id.*, Nov. 3, 1960, p. 1.
the court of appeals could reverse itself in this regard, and thereby preclude a party who is seeking correction of a worthwhile patent from being deprived of the rights granted to him under the Constitution. The harshness of the decision might be tempered somewhat by restricting the effect of "public use" to broader claims, as was the situation in the instant case. However, the court of appeals applied the ruling to "non-identical" claims which might be interpreted in subsequent lawsuits to include both broader and narrower claims. This is but one manifestation of the unfavorable ramifications that will no doubt develop if the decision stands. Not only will a patentee be deprived of the protection once afforded him by the reissue statutes, but the Patent Office itself is placed in a position which requires a radical modification of the existing procedures relating to the examination of reissue applications.

**TORTS—MASSACHUSETTS FINDS ABUSE OF QUALIFIED PRIVILEGE WITHOUT PROOF OF MALICE IN SLANDER CASE**

Plaintiff, an employee of defendant railroad company, was accused of stealing property from defendant's ullage house. The accusations were made by two police officers who were also employed by defendant company. Despite plaintiff's protests, these accusations were made in loud voices, and within hearing distance of a crowd of truck drivers numbering fifty to sixty at one time. Statements such as: "If you do not open your car and show us the stuff you stole, we will . . . have you booked on suspicion and have your car opened," were made. A search of plaintiff's car disclosed only a bag containing six potatoes, two heads of lettuce, and a cantaloupe. During the trial plaintiff testified that the property found in his car had been given to him. No criminal complaint of any kind was issued against him. The Massachusetts Supreme Judicial Court held that although there was not sufficient evidence to prove malice on the defendant's part, the defendant had nevertheless abused its qualified privilege to slander the plaintiff under the circumstances. *Galvin v. New York, N.H. & H. R.R.*, 168 N.E. 2d 262 (Mass. 1960).

The qualified privilege of an employer to slander his employee in order to protect his own business interests or properties is well recognized. This privilege "prevents the inference of malice, which the law draws

1 The ullage house is a room set aside by the railroad company to hold bad-order packages between time of arrival and auction the next morning.


3 *Restatement, Torts § 595; Prosser, Torts 615 (2d ed. 1955).*