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Patents-Reissues-Intervening Rights

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PATENTS—REISSUES—INTERVENING RIGHTS.—Plaintiff held a patent on a machine suitable for displaying roasted nuts, keeping them hot, and from which they could be vended. Defendant acquired similar machines from a manufacturer and without knowledge of plaintiff's patent used them. Six months thereafter the defendant learned of plaintiff's patent. The defendant's machines did not infringe plaintiff's patent and he continued to use them. Three months after defendant learned of plaintiff's patent, and within two years of the issue of it plaintiff applied for and secured a reissue patent which was broad enough to cover the machines used by defendant. Plaintiff then sued defendant for infringing the reissue patent. Defendant claimed its use of the machines before reissue without infringing the original patent created intervening rights sufficient to amount to an absolute defense. Held, reissue patent valid and infringing; defendant may not bar the action as he has no intervening rights. *National Nut Co. v. Sontag Chain Stores* (C. C. A. 9th, 1939), 107 F. (2d) 318.

²¹ Slaughterhouse Cases (1873), 16 Wall. 36 (minority opinion).

²² For a discussion of what are considered "fundamental rights" see *Coryell v. Coryell* (1825), 4 Was. C. C. 37, a case relating to the privileges and immunities clause under Sec. II, Art. IV of the Constitution.

²³ Willis, *Gibbons v. Ogdon, Then and Now* (1940), 28 Ky. L. J. 280. Note that a former interpretation of the Commerce Clause discussed in this article on page 383 might have been used to effect the same result as that reached in *Colgate v. Harvey* under the privileges and immunities clause.

²⁴ 30 Ill. L. J. 953; 84 U. of Pa. L. R. 655; 45 Yale L. J. 926; 13 N. Y. U. L. Q. Rev. 496; 49 Har. L. R. 935; 3 U. of Chi. L. R. 506; 36 Col. L. R. 669; 20 Minn. L. R. 549; 11 Ind. L. J. 390; 2 U. of Pitts. L. R. 202; 1 Mo. L. R. 187; 11 Wis. L. R. 434; 14 N. C. L. R. 282; 5 Fordham L. R. 352; 34 Mich. L. R. 1034; 14 Tex. L. R. 548.

A patent is a statutory grant of a monopoly to the patentee insuring to him the exclusive use for a period of seventeen years of that part of his invention he claims as his own.¹ That which the inventor fails to claim he dedicates to the public.² However the patentee has a statutory right to correct a patent which is invalid or inoperative because of an *error* arising from an *inadvertent mistake* by securing a reissue patent.³ A reissue is void if not for the same invention as the original patent.⁴ The courts have read into

¹ Continental Paper Bag Co. v. Eastern Paper Bag Co. (1907), 210 U. S. 405, 28 S. Ct. 748, 52 L. Ed. 1122; R. S. § 4834 as amended, 35 U. S. C. A. 40.

² Miller v. Brass Co. (1881), 104 U. S. 350, 36 L. Ed. 783; Mahn v. Harwood (1884), 112 U. S. 354, 5 S. Ct. 174, 28 L. Ed. 665; Parker & Whipple Co. v. Yale Clock Co. (1887), 123 U. S. 87, 8 S. Ct. 38, 31 L. Ed. 100; In re Otto (1919), 259 F. 985.

³ R. S. § 4916 as amended, 35 U. S. C. A. § 64 which reads in part: "Reissue of defective patents: patents for separate parts. Whenever any patent is wholly or partly inoperative or invalid, by reason of a defective or insufficient specification, or by reason of the patentee claiming as his own invention or discovery more than he had a right to claim as new, if the error has arisen by inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, the commissioner shall, on the surrender of such patent and the payment of the duty required by law, cause a patent for the same invention, and in accordance with the corrected specification, to be reissued to the patentee or to his assigns or legal representatives, for the unexpired part of the term of the original patent. * * * Every patent so reissued, together with the corrected specifications, shall have the same effect and operation in law, on the trial of all actions for causes thereafter arising, as if the same had been originally filed in such corrected form; but no new matter shall be introduced into the specifications, nor in the case of a machine patent shall the model or drawings be amended, except each by the other; * * *" Hobbs v. Beach (1900), 180 U. S. 383, 21 S. Ct. 409, 45 L. Ed. 586; Miller v. Brass Co. (1881), 104 U. S. 350, 36 L. Ed. 783; Topliff v. Topliff (1891), 145 U. S. 156, 12 S. Ct. 825, 36 L. Ed. 658. As to the purpose and intent of the reissue statute: "The great object seems to have been to enable the patentee to make a description more clear, plain, and specific." Miller v. Brass Co. (1881), 104 U. S. 350, 36 L. Ed. 783; "* * * the purpose of the statute was to provide that kind of relief which courts of equity have always given in cases of clear accident and mistake in the drawing of written instruments." Mahn v. Harwood (1884), 112 U. S. 354, 5 S. Ct. 174, 28 L. Ed. 665; "* * * the dominant purpose of the reissue statute was to save to the inventor the future remaining after the reissue." Baldwin v. Abercrombie & Fitch Co. (1915), 227 F. 455; "The plain purpose of this section is to give to the patentee an opportunity to make valid and operative that which had been invalid and inoperative; invalid because it claimed as new that which had been previously invented or used by the public; inoperative, because the specification was defective or insufficient." McCormick Harv. Mach. Co. v. C. Aultman Co. (1897), 169 U. S. 606, 18 S. Ct. 443, 42 L. Ed. 875.

⁴ Gill v. Wells (1874), 89 U. S. (22 Wall.) 1, 22 L. Ed. 699; Russell v. Dodge (1876), 93 U. S. 460, 23 L. Ed. 973; Brainard v. Cramme (1882), 12 F. 621; Coon v. Wilson (1884), 113 U. S. 268, 5 S. Ct. 537, 28 L. Ed. 963; Newton v. Furst & Bradley Mfg. Co. (1886), 119 U. S. 373, 7 S. Ct. 369, 30 L. Ed. 442; Hubel v. Dick (1886), 28 F. 132; Dunham v. Dennison Co. (1894), 154 U. S. 103, 14 S. Ct. 986, 38 L. Ed. 924; Amer. Soda Fount. Co. v. Swietusch (1896), 85 F. 968. Definition of "same invention," Topliff v. Topliff (1891), 145 U. S. 156, 12 S. Ct. 825, 36 L. Ed. 658; If the enlarged claims might of themselves be the subject of a new patent then new matter has been introduced and the reissue is void. Parker & Whipple Co. v. Yale Clock Co. (1887), 123 U. S. 87, 8 S. Ct. 38, 31 L. Ed. 100.

the statute that the patentee must apply for the reissue within a reasonable time.⁵

Where the patent is invalid or inoperative because it claims too much it may be corrected by a reissue limiting its claims.⁶ As to such limited reissues application any time within the life of the original patent is reasonable, so long as it is made with reasonable diligence after discovery of defect.⁷

Where the patent, due to an error arising from an inadvertent mistake, fails to secure to the patentee all that he has invented or claimed it must be broadened to protect him.⁸ Application for a broadened reissue must be within two years of the granting of the original patent to be reasonable.⁹ This is based upon analogy to the statute affecting public use before application for a patent which operates as a bar. This statute as amended to be effective August 5, 1940, changes the time of use which will operate as a bar from two to one year.¹⁰ It is to be expected that consistent with the analogy the presumptive period in reissue applications will also be cut to one year. Whether the courts will do this remains to be seen. In the absence of a showing of special circumstances excusing a longer delay the reissue will be held void

⁵ *Wilson v. Rousseau* (1846), 4 How. (U. S.) 646, 11 L. Ed. 1140; R. S. § 4916 as amended, 35 U. S. C. A. § 64 makes no mention of time limit.

⁶ Under the disclaimer statute R. S. § 4917, 35 U. S. C. A. § 65, it is easier to disclaim the part of a claim that is excessive than it is to secure a reissue.

⁷ *Hawie Mfg. Co. v. Hatheway Mfg. Co.* (1928), 27 F. (2d) 937; *Budd Wheel Co. v. Gen. Motors Corp.* (1936), 16 F. Supp. 115.

⁸ A claim is broadened if it serves to bring within the monopoly an intervening structure which otherwise would be free. *Supreme Mfg. Corp. v. Security Mfg. Co.* (1924), 299 F. 65, 68. *Lewis M. Hosea in Reissued Patents—The Dictum of Justice Bradley Examined* (1882), 16 Am. L. R. 296, contends that Congress had in mind permitting broadened reissues pointing out that the reissue statute of 1836 used the terms "specification" and "claim" interchangeably and that the original statute was passed after the case of *Grant v. Raymond* (1832), 6 Pet. 218, 3 L. Ed. 376, showed its need, this case being based upon a patent reissued for the express purpose of enlarging the claim.

Later acts are not presumed to have used the term "specification" in a different sense than the original act. *Amer. Automotoneer Co. v. Porter* (1916), 232 F. 456. The courts permit broadened reissues as being within the equity of the statute. *Mahn v. Harwood* (1884), 112 U. S. 354, 5 S. Ct. 174, 23 L. Ed. 665; *Miller v. Brass Co.* (1881), 104 U. S. 350, 36 L. Ed. 783; *Topliff v. Topliff* (1891), 145 U. S. 156, 12 S. Ct. 825, 36 L. Ed. 658; *Keller v. Adams-Campbell Co.* (1923), 264 U. S. 314, 44 S. Ct. 356, 68 L. Ed. 705; *D. Walter Brown in Of Reissue Patents with Broadened Claims* (1890), 24 Am. L. R. 973, makes a distinction between statutory reissues limiting claims and equitable reissues broadening claims. He contends that a broadened reissue is actually "for a different invention" but may be taken out of the application of the statute by the doctrine of *Miller v. Brass Co.*

⁹ *C. & N. W. R. R. v. Sayles* (1878), 97 U. S. 554, 24 L. Ed. 1053; *Miller v. Brass Co.* (1881), 104 U. S. 350, 36 L. Ed. 783; *Mahn v. Harwood* (1884), 112 U. S. 354, 5 S. Ct. 174, 23 L. Ed. 665; *Wollensak v. Reiher* (1884), 115 U. S. 96, 5 S. Ct. 1137, 29 L. Ed. 350; *Brown v. Davis* (1886), 116 U. S. 237, 6 S. Ct. 379, 29 L. Ed. 659; *White v. Dunbar* (1886), 119 U. S. 47, 7 S. Ct. 72, 30 L. Ed. 303, where it is said that in such cases intervening rights do not add to the illegality of the reissue; *Topliff v. Topliff* (1891), 145 U. S. 156, 12 S. Ct. 825, 36 L. Ed. 658. It should be noted that it is the application for the reissue, not the granting of it that must be within the two year limit. The cases are clear on this point.

¹⁰ R. S. § 4886 as amended, 35 U. S. C. A. § 31; *Root v. Third Ave. R. Co.*, 146 U. S. 210, 13 S. Ct. 100, 36 L. Ed. 946.

for laches.¹¹ Under some circumstances a delay of less than the presumptive period may be unreasonable so as to void the reissue.¹²

A patentee has therefore, not only a monopoly on the exclusive use of that part of his invention he claims, but also the power to secure a monopoly on that part which he inadvertently failed to claim provided he corrects this mistake within a reasonable time by obtaining a reissue.

The principal case presents the question: Has the defendant through use acquired sufficient intervening rights to bar an action for infringement?

The doctrine of private intervening rights originated in a dictum of the U. S. Supreme Court,¹³ but the court has made no decision directly on the point.¹⁴ The law of private intervening rights, being chiefly dicta, arising in cases where it is immaterial because the reissue is void either because of unreasonable delay in making application or failure to come within the statutory requirements, is in a state of confusion. It is clear that the doctrine is inapplicable where the reissue limits the claim of the original patent since any infringement of the reissue would be a fortiori infringe the original.¹⁵ Defendant cannot invoke intervening rights unless his device is an independent invention, not a copy of plaintiff's, for such conduct lacks good faith.¹⁶ Plaintiff has no right to an accounting for the period between the original grant and the reissue.¹⁷

Change of position upon the faith of a misrepresentation is a defense.¹⁸ Therefore in suits for infringement of reissue patents it would seem necessary that the defendant entered the field and changed his position prejudicially in reliance upon the omissions of the original patent.¹⁹ A basis for allowing an individual such a bar may be found in the reason behind the two year rule of laches. A broadened reissue granted after the presumptive period is

¹¹ Laches in this sense is sometimes referred to as "intervening public rights." This is to be distinguished from the term "private intervening rights" used herein which indicates a bar available to an individual only.

¹² *H. W. Roos Co. v. McMillan* (1934), 64 F. (2d) 568.

¹³ *Topliff v. Topliff* (1891), 145 U. S. 156, 12 S. Ct. 825, 36 L. Ed. 658.

¹⁴ *Keller v. Adams-Campbell Co.* (1923), 264 U. S. 314, 44 S. Ct. 356, 68 L. Ed. 705, where the court says, "The views of the Circuit Courts of Appeal on the general subject of the scope of intervening rights are not entirely easy to reconcile."

¹⁵ *Baldwin v. Abercrombie & Fitch Co.* (1917), 245 U. S. 198, 38 S. Ct. 104, 63 L. Ed. 240; *Hawie Mfg. Co. v. Hatheway Mfg. Co.* (1928), 27 F. (2d) 937.

¹⁶ *Bucher & Gibbs Plow Co. v. Int. Harv. Co.* (1913), 211 F. 473; *Albertson & Co. v. Beckley Ralston Co.* (1919), 258 F. 453.

¹⁷ *Baldwin v. Abercrombie & Fitch Co.* (1915), 227 F. 455, (1917), 245 U. S. 198, 38 S. Ct. 104, 62 L. Ed. 240.

¹⁸ "By misrepresentation is meant a false impression of some fact, or set of facts, created upon the mind of one person by another, by language, or by language and conduct together, or by conduct alone equivalent to language, where there appears to be no intention to warrant the same." *BIGELOW ON ESTOPPEL* (5th Ed. 1890), 556; "* * * it is sufficient even if the representation is made to the public generally with a view to its being acted on, and the plaintiff as one of the public acts on it and suffers damages thereby." *Swift v. Winterbotham* (1873), L. R. 8 Q. B. 253, 42 L. J. Q. B. 111; *Richardson v. Silvester* (1873), L. R. 9 Q. B. 36, 43 L. J. Q. B. 1.

¹⁹ In this respect the decision in the principal case is in accord since the defendant admitted he had not relied upon the omissions in the plaintiff's original patent.

held void on the presumption that the general public has relied upon the omissions in the original patent, adopted the invention and developed the art. Any member of the public may then bar an infringement suit on the reissue. No actual harm need be proved, but reliance and change of position are presumed after the time limit. Where a defendant can show he actually relied upon the omissions, adopted the invention and developed the art he should then be allowed to bar a suit on the reissue. He has proved the harm which after the presumptive would be presumed.²⁰

Private intervening rights, if so limited and applied, would have the following results. Utmost care would be required of an inventor in making his original claim. His right to a reissue would not be impaired. By repeating his original claim in the reissue he could maintain the monopoly he received under the original patent. He would risk losing only that part of his invention he inadvertently failed to claim. He could extend his patent to cover his entire invention and this would be good against all except those acquiring intervening rights before the reissue was applied for. It does not seem unreasonable to hold an inventor to his losses resulting from his own mistake where he is given the power to prevent further losses by correcting the mistake. The government grants a monopoly only on that part of the invention the patentee claims and should not make a broadened claim retroactive against one who has changed his position in reliance on the first monopoly.²¹

R. B. W.

PICKETING BY "OUTSIDE" UNION—INDIANA ANTI-INJUNCTION ACT.—Plaintiff, operator of a small retail grocery in the city of Hammond, employed three persons, all of whom were satisfied with their working conditions and the relations with their employer. These employees had previously joined defendant union under threat by the latter to picket their place of employment and thus cause them to lose their jobs, but had resigned on being ordered to strike, and were not now, nor were desirous of again becoming, members. Defendant began to peacefully picket plaintiff's store to compel plaintiff to sign a closed shop contract. On application for injunction, held, injunction granted, the picketing is unlawful. For a labor union to demand that an employer require union membership of his employees is contrary to the policy of the Indiana Anti-Injunction Act.¹ *Roth v. Local Union No. 1460 of Retail Clerks Union* (Ind. 1939), 24 N. E. (2d) 280.

²⁰ Only a few decisions are based upon personal intervening rights alone. Each was a suit on a broadened reissue secured within a reasonable time where defendant changed his position in good faith and reliance on the original patent. See: *Ashland Fire Brick Co. v. General Refractories* (1928), 27 F. (2d) 744 (defendant allowed to continue to use the particular machines); *Bull Dog Floor Clip Co. v. Munson* (1927), 19 F. (2d) 43 (defendant manufacturer allowed to sell articles on hand after reissue); *Autopiano Co. v. Amer. Player Action Co.* (1915), 222 F. 276; *Ashley v. Tatum Co.* (1917), 240 F. 979 (defendant allowed intervening rights amounting to a permanent license to manufacture and sell).

²¹ See Note (1931), 44 Harv. L. R. 959; Article (1934), 43 Yale L. R. 766; Article (1935), 8 S. Cal. L. R. 288.

¹ Burns Ind. Stat. Ann., 1933, §§ 40-501 to 40-514.