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DOES SUPREME COURT PRECEDENT SINK SUBMARINE PATENTS?

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I. Introduction

Time and time again, clients seek assistance in defending patent infringement lawsuits brought by the owners of "submarine" patents. These patents often spend a decade or more as pending applications in the Patent and Trademark Office only to surface as issued patents at the height of commercial viability, wreaking havoc on well established industries. These submarine patents often leave entire industries scrambling for a defense because the long pendency of the applications permits the applicants to write claims that directly cover industry-standard products.

Perhaps it is time to fight fire with fire - to sink the submarine patents with "submarine" Supreme Court decisions. More than a hundred years ago the Supreme Court began a line of decisions that condemned the practice of enlarging the scope of patents many years after their issuance. n1 Although the condemnation originated in the context of broadening reissues, it spread to continuation and divisional practice by way of analogy. n2 Over time a number of factors, ranging from incomplete codification to "modification by treatise," n3 have served to obscure these still-valid decisions to the point that accused infringers neglect to raise and vigorously argue them in the district courts.

Recently however, with the seemingly ever-increasing number of submarine patents, these long-overlooked Supreme Court decisions have been thrust back into the public eye. The most notorious recent

[*602] development, of course, is the highly publicized "flip-flop" of the Nevada district court in Ford Motor Company v. Lemelson. n4

The heightened interest in the Supreme Court decisions, and Webster Electric Co. v. Splitdorf Electric Co. in particular, n5 began in June of 1995 when a Nevada magistrate judge issued a Report and Recommendation which found Jerome Lemelson's n6 patents unenforceable on summary judgment due to Lemelson's delay in prosecuting those patents. n7 In April, 1996, the district court judge adopted the magistrate's Report and Recommendation. n8 The Report and Recommendation, published together with the district judge's two paragraph adoption of the Report and Recommendation, presented a detailed analysis of both the reissue statute and the doctrine of laches. n9

With respect to reissue, Ford Motor had argued that the two-year limitation on filing broadening reissues should apply as an absolute bar to continuation and divisional application practice. n10 The magistrate noted that no relationship, express or implied, existed in the statutory scheme between the reissue section, 35 U.S.C.

251, and the continuing application section, 35 U.S.C.

120. n11 Accordingly, the magistrate found that the statutes themselves did not mandate the application of the two-year limitation on broadening reissues to continuing application practice. n12

The magistrate also considered the public policy implications of Ford Motor's argument and found that public policy weighed against applying the two-year limit to continuing applications. n13 In particular, the magistrate found that:

The legal conclusion urged by Ford would encourage inventors to hide their disclosures by not taking patents. Instead, they would choose to abandon

[*603] pending applications to avoid the imposition of

251's two year reissue limitation in favor of continuation practice which would remain otherwise unlimited by statute. Such a result would ratify the "submarine" practice Ford seeks to defeat. n14

Accordingly, the court refused to construe the reissue statute as necessarily limiting the use of continuing applications. n15

The magistrate proceeded to analyze Lemelson's prosecution activities under the doctrine of laches. n16 The magistrate began the analyses with the broad foundation of laches generally: "equity aids the vigilant, not those who slumber on their rights." n17 Laches, of course, does not require reliance or intent as do other equitable defenses such as estoppel or fraudulent delay. n18 Rather, the doctrine is applied where there is no statutory period of limitation on the party's right to enforce his interest. n19

Preliminarily, the magistrate noted the distinction between laches and equitable remedies generally:

Although the majority of case law on laches involves parties' delays in bringing suits to enforce rights, courts have extended equitable rules to parties' activities in the patent application process. n20

The magistrate then cited inequitable conduct n21 and file wrapper estoppel n22 as two examples of equity reaching into the prosecution of patents. n23

This distinction between the patent defense commonly known today as "laches" and equitable remedies generally has become particularly important in view of a later decision issuing from the District Court

[*604] for the Northern District of California which attempted to mechanically apply Federal Circuit law on laches to the prosecution of a patent. n24 The result of that court's mechanical analysis was the striking of the defendants' laches defense. n25

In particular, the court in *Advanced Cardiovascular Systems, Inc. v. Medtronic, Inc.* applied the laches analysis set forth by the Federal Circuit in its landmark decision in *A.C. Auckerman Co. v. R.L. Chaides Construction Co.* n26 The Auckerman decision held that the laches delay period begins when the patentee has notice that it has a cause of action against the defendant for infringement. n27 If the laches elements are satisfied, the patentee is barred from collecting damages prior to filing suit. n28 As the Medtronic court found, this laches defense defined in Auckerman is wholly inappropriate for delays in prosecuting the patent. n29 The patentee cannot have knowledge of its cause of action prior to issuance of the patent because no cause of action exists until the patent issues. The Medtronic court's analysis, however, fails to consider equitable remedies generally.

Contrary to the court in Medtronic, the magistrate in Ford Motor analyzed the defense in terms of Supreme Court precedent on the general application of equity in patent cases rather than mechanically analyzing the defense under the laches principles set forth by the Federal Circuit in Auckerman. n30 This general application of equity to prosecution delays may be referred to as "inequitable delay."

The Ford Motor magistrate's general equity analysis began with a discussion of the Federal Circuit's decision in *Studiengesellschaft Kohle mbH v. Northern Petrochemical Co.* n31 In that case, the Federal Circuit affirmed a district court's finding of no laches in an infringement suit based on a patent which issued more than twenty years after the application was filed. n32 The Federal Circuit's decision addressed two issues relevant to prosecution delays. First, the Federal Circuit considered whether the patentee bore responsibility for the delay and found that the

[*605] delay was due to the Patent Office and not the applicant. n33 Second, the Federal Circuit considered whether it should set an arbitrary limit on the acceptable length of prosecution regardless of who bears responsibility for the delay. The Federal Circuit declined to set an arbitrary limit:

The delay in patent issuance that we here confront is appallingly long. The culprit, however, was not SGK but the tortuous interference practice. We are without authority to set our own arbitrary limit. n34

The critical aspect of the Federal Circuit's decision is that it did not state that laches cannot apply to delays in prosecuting a patent.

The magistrate next considered the Supreme Court's decisions in *Crown Cork & Seal Co. v. Ferdinand Gutmann Co., Inc.* n35 and in *Webster Electric. Co. v. Splitdorf Co.* n36 The Webster Electric decision found laches due to an applicant's lengthy delay in prosecuting the patent application. n37 The later Crown Cork decision clarified Webster Electric by explicitly stating that no fixed two-year presumption of laches exists for continuation applications. n38

The magistrate in *Ford Motor Co.* then analyzed Lemelson's conduct to determine whether it was reasonable. The magistrate found the conduct to be unreasonable because Lemelson did not present the subject claims to the patent office until decades after he first filed his application; and on that basis, the magistrate found Lemelson's patents to be unenforceable. n39 The district judge later adopted the magistrate's Report and Recommendation. n40

Nearly a year after it first adopted the magistrate's Report and Recommendation finding Lemelson's patents invalid and unenforceable, the Nevada district court reversed its decision on reconsideration. n41 The Nevada district court based its reversal on a perceived judicial "reluctance to equitably restrict patent continuation practice" n42 and a misreading of Supreme Court precedent. The court itself acknowledged that the cases upon which it relied did not squarely address the issue of equity in the

[*606] context of the prosecution of a patent. The court characterized its reliance as follows:

While it is true that these cases do not squarely address the applicability of the equitable doctrine of laches in the context of 35 U.S.C.

120, the tenor of these cases expresses an unwillingness to judicially circumscribe the delays inherent in the operation of statutory schemes. n43

The court's analysis in this regard was wholly off the mark. The equity issue relating to submarine patents is not simply the amount of time the patent spent in prosecution, but rather whether the patentee abused the statutory scheme with an unreasonable delay that operated to the detriment to others. None of the cases relied upon by the Nevada court addressed the equitable aspect of the issue. Instead, all those cases dealt with attempts to create mechanical judicial limitations of statutory schemes. n44 Such a practice would obviously be improper.

The decisions in *Ford Motor Co.* and *Medtronic* actually highlight a critical point of the early Supreme Court decisions addressing inequitable delay. In particular, a mechanical limitation on the use of continuation practice will be inherently unfair to owners of patents whose issuance was delayed through no fault of their own. A governmental agency such as the Patent Office inherently suffers bureaucratic delays which should not serve to prejudice patentees. Instead, the statutory scheme should assume honesty and good faith on the part of applicants and permit, as it does, unlimited continuation application practice. Courts of equity, on the other hand, should preclude abuse of the system.

II. Submarine Patents and Double Patenting

The patent laws provide applicants with several procedural vehicles for prosecuting their patent claims, several of which may be used to delay issuance of a patent. Those vehicles include continuation, continuation-in-part, divisional, and reissue applications. n45 A continuation application is one that claims the benefit of the filing date of an earlier application. An application whose subject matter is disclosed in accordance with 35 U.S.C.

112 in an earlier filed U.S. application may claim the benefit of the filing date of that earlier application if it was filed before the patenting or abandonment or termination of proceedings

[*607] on the first application or on an application similarly entitled to the benefit of the filing date of the first application. n46

A continuation-in-part application likewise may claim the benefit of the filing date of an earlier application to the extent the claims of the later application are supported by the disclosure of the earlier application. n47 A divisional application permits an applicant to file a second patent application having the same disclosure as an earlier filed application, and to obtain the benefit of the filing date of the earlier application when two or more distinct inventions are disclosed and supported by the disclosure. n48 In each of these practices, the earlier application typically will either issue into a patent or go abandoned shortly after the filing of the continuation, continuation-in-part, or divisional application.

These practices often result in a series of patents issuing from a single disclosure. At least one well-established limitation, double patenting, does exist. The basic concept of double patenting is that the same invention cannot be patented more than once, since that would result in a second patent which would expire after the term of the first patent and extend the time of the protection. n49 Only the claims are compared when assessing double patenting. n50 Two types of double patenting exist: same invention and obviousness-type. n51

Same invention double patenting arises under 35 U.S.C.

101, which permits "a" patent for any new and useful process, machine, manufacture or composition, or any new and useful improvement thereof. n52 For same invention-type double patenting to exist, the two patents must be drawn to identical subject matter. n53 The test is whether

[*608] the claims of the two patents cover the same subject matter. n54 However, the fact that claims of one patent dominate the claims of another does not necessarily mean that the patents claim the same invention. n55

Obviousness-type double patenting is a judicially created doctrine grounded in public policy. n56 The doctrine prohibits the issuance of claims in a second patent which are not patentably distinct from those in a first patent. n57 The question involved in obviousness-type double patenting is whether the claimed invention in the second patent or application, in light of the prior art, constitutes a merely obvious variation of the invention defined in the claims of the first. n58

A patentee can overcome an obviousness-type double patenting problem by submitting to the Patent Office a terminal disclaimer stating that the second patent will expire with the first. n59 A terminal disclaimer "is not an admission of obviousness of the later-filed claimed invention in light of the earlier-filed disclosure." n60 It raises neither a presumption nor estoppel as to the merits of an obviousness-type double patenting claim. n61

Double patenting, however, does not prevent the issuance of submarine patents because it is too easy for applicants to avoid the double patenting rejection. In particular, an applicant could file a very general patent application with very few generic claims. As the industry develops, the applicant could then add new claims to pending continuation applications to cover the specific features which have now become valuable in the marketplace. Since those specific features did not appear in the few claims of the earlier patent, there can be no double patenting rejection. In this manner the applicant delays issuance of claims on each particular feature until the feature becomes commercially important.

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III. Equity Should Bar Recovery For Infringement Where the Patentee Unreasonably Delayed the Prosecution of the Patent and Intervening Adverse Rights Exist

Under the still-valid Supreme Court decision in *Webster Electric*, equity should bar recovery for patent infringement where the patentee unreasonably delayed the prosecution of the patent and adverse intervening rights exist. In *Webster Electric*, the Supreme Court analogized abuse of continuation practice to abuse of reissue practice and found that patent-in-suit to be unenforceable due to the patentee's unreasonable delay in prosecuting the patent. n62 The foundation for that analogy remains intact and the doctrine should be applied today to submarine patents.

A. The Foundation Of The Reissue Analogy

Reissue applications arose from Supreme Court precedent recognizing the need of patentees to correct mistakes which would unjustly deny them their rights under the patent laws. n63 The early cases encompassed only narrowing reissues. n64 Without explanation, however, the Supreme Court eventually permitted broadening reissues. n65

The Patents Acts of 1832 and 1836 codified the power to reissue and specified the requirements for reissue as follows: (1) the original patent be "inoperative or invalid"; (2) the failure to comply with the patent laws be due to "inadvertence, accident or mistake, and without any fraudulent or deceptive intention"; and (3) the reissued patent be "for the same invention" as the original patent. n66 The Patent Act of 1870 added a prohibition on new matter. n67

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In time, the Supreme Court began to permit broadening reissues. In *Miller v. Brass*, the Supreme Court described the initial purpose of reissues as follows:

It will be observed that [while] the law authorizes a reissue when the patentee has claimed too much, so as to enable him to contract his claim, it does not, in terms, authorize a reissue to enable him to expand his claim. The great object of the law of reissues seems to have been to enable a patentee to make the description of his invention more clear, and specific, so as to comply with the requirements of the law in that behalf, which were very comprehensive and exacting. n68

Several years after the enactment of the reissue statute, Congress enacted the requirement that the applicant "particularly specify and point out the part, improvement, or combination which he claims as his own invention or discovery." n69 Although it had been customary prior to that time to append a claim to most specifications, it was the first statutory requirement to do so. n70 The Supreme Court analyzed the issue of broadening reissues under this framework as follows:

Now, in view of the fact that a reissue was authorized for the correction of mistakes in the specification before a formal claim was required to be made, and of the further fact that when such formal claim was required express power was given to grant a reissue for the purpose of making a claim more narrow than it was in the original, without any mention of a reissue for the purpose of making a claim broader than it was in the original, it is natural to conclude that the reissue of a patent for the latter purpose was not in the mind of Congress when it passed the laws in question. It was probably supposed that the patentee would never err in claiming too little. Those who have any experience in business at the Patent Office know the fact, that the constant struggle between the office and applicants for patents has reference to the claim. The patentee seeks the broadest claim he can get. The office, in behalf of the public, is obliged to resist this constant pressure. At all events, we think it clear that it was not the special purpose of the legislation on this subject to authorize the surrender of patents for the purpose of reissuing them with broader and more comprehensive claims, although, under the general terms of the law, such a reissue may be made where it clearly appears that an actual mistake has inadvertently been made. n71

Thus, it came to be that applicants could broaden their patent claims through reissue.

Initially, no time limit existed for an applicant to file a broadening reissue. The statutes did not specifically mention broadening reissues and did not specifically mention any time limit on filing them. n72

[*611] Eventually, the Supreme Court recognized that applicants were abusing the process:

But by a curious misapplication of the law it has come to be principally resorted to for the purpose of enlarging and expanding patent claims. And the evils which have grown from the practice have assumed large proportions. Patents have been so expanded and idealized, years after their first issue, that hundreds and thousands of mechanics and manufacturers, who had just reason to suppose that the field of action was open, have been obliged to discontinue their employments, or to pay an enormous tax for continuing them. n73

In response to the abuse and despite the absence of any such restriction in the statutory scheme, the Supreme Court began placing limitations on reissues.

The first restriction on broadening reissues was that of diligence. Stated concisely, the Supreme Court held:

The granting of a reissue for such a purpose, after an unreasonable delay, is clearly an abuse of the power to grant reissues, and may justly be declared illegal and void. n74

Thus, the courts, not Congress, imposed a diligence requirement on the filing of broadening reissues.

The two-year limitation on broadening reissues arose via the Supreme Court's analogy to the law of public use:

[W]hile no invariable rule can be laid down as to what is reasonable time within which the patentee should seek for the correction of a claim which he considers too narrow, a delay of two years, by analogy to the law of public use before an application for a patent, should be construed equally favorable to the public, and that excuse for any longer delay than that should be manifest by the special circumstances of the case. n75

Later, Congress codified the two-year limitation. n76

Today, reissue applications permit an applicant to correct errors made in a previously issued patent: a reissue application which seeks to enlarge the scope of an issued patent must be filed within two years after the patent issues while a reissue application which does not seek to broaden the coverage of a patent may be filed at any time. n77 This two year limitation in "[t]he reissue statute balances the purpose of providing the patentee with an opportunity to correct errors of inadequate claim scope, with the public interest in finality and certainty of patent rights." n78

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The provisions of the patent statutes generally relating to applications apply to applications for reissue patents, and there may be more than one reissue patent for distinct and separate parts of the thing patented. n79 Thus, continuation, continuation-in-part, and divisional applications may be filed claiming priority to a reissue application. n80 The Federal Circuit described the specific effect of paragraphs 2 and 3 of the reissue statute as follows:

Section 251[2] has the effect of assuring that a different burden is not placed on divisional or continuation reissue applications, compared with divisions and continuations of original applications, by codifying the Supreme Court decision which recognized that more than one patent can result from a reissue proceeding. Thus

251[2] places no greater burden on [the patentee's] continuation reissue application than upon a continuation of an original application.. n81

Thus, the Federal Circuit has clearly stated that the law that applies to traditional continuation applications equally applies to reissue continuation applications.

The two-year limitation on asserting claims broader than those in the original patent remains in effect with respect to divisional or continuation reissue applications. n82 In other words, an applicant may not submit broadened claims for the first time more than two years after the issuance of the original patent. n83 In *Graff*, the Federal Circuit considered this exact issue and reached the following conclusion:

On this case, the public had no notice that broadening was being sought until after the two-year period. We discern no justification for imposing this degree of uncertainty upon the public. n84

The two-year limitation on the filing of broadened claims arises from the notice function of patent claims established by the requirements of 35 U.S.C.

112. In particular, the primary purpose of the requirement in the patent laws that patent claims distinctly claim the subject matter the applicant considers to be his invention is "to guard against unreasonable advantages to the patentee and disadvantages to others arising from uncertainty as to their rights." n85 In other words, patent claims serve the

[*613] notice function of advising the public as to what is protected and what remains open to the public. n86

B. The Notice Function And The Two Year Limitation On Broadening Patent Claims

Consistent with the notice function of the claims, the law is well-settled that "subject matter disclosed but not claimed in a patent application is dedicated to the public." n87 This principle dates back as far as the Supreme Court decision in *Miller v. Brass Co.* n88 and has been consistently reiterated and upheld by the Supreme Court for more than a hundred years. n89

In *Miller*, the Supreme Court vigorously attacked a patentee's practice of enlarging the scope of a patent's claim many years after its issuance. n90 The Court recognized that if a patentee believes he is entitled to broader claims than those issued in the original patent, and uses due diligence in returning to the Patent Office, his application may be entertained and, upon a proper showing, broader claims may be issued. n91 "But it must be remembered that the claim of a specific device or combination, and an omission to claim other devices or combinations apparent on the face of the patent, are, in law, a dedication to the public

[*614] of that which is not claimed." n92 To protect the public while at the same time permitting a patentee with due diligence to prosecute broader claims than in the original patent, the Court held that:

Any unnecessary laches or delay in a matter thus apparent on the record affects the right to alter or reissue the patent for such cause. n93

Thus, if a patentee desires to prosecute broader claims than those in the original patent, the patentee must do so with due diligence or lose any rights it may have to those broader claims.

These principles underlie the two-year time limit set forth in the reissue statute. "The purpose of the law that a broadening reissue must be applied for within two years after patent grant is to set a limited time after which the public may rely on the scope of the claims of an issued patent." n94 In other words, "no one should be relieved who has slept upon his rights, and has thus led the public to rely on the implied disclaimer involved in the terms of the original patent." n95

The essence of the notice function is that, at some point in time, the public should be entitled to know the exact scope of the patent protection. Permitting a patentee to continuously alter or enlarge the scope of the patent protection completely frustrates this function.

C. Analogizing Continuation Practice to Reissue Practice

The Supreme Court has applied this principle, by analogy, to invalidate divisional and continuation applications. n96 The analogy has a sound logical foundation because the use of continuation and divisional applications to indefinitely delay the filing of broadening claims circumvents the purpose and spirit of the statutes. n97 In particular, if

[*615] continuation and divisional applications may be used to submit broadened claims for an indefinite period of time after the issuance of the first patent, there can be no finality or certainty of patent rights. n98 Thus, the public interest in finality and certainty is completely frustrated.

The Supreme Court set forth the foundation for the analogy in its still-valid decisions in *Miller* and *Webster Electric*.

1. The *Miller v. Brass Co.* Decision

In *Miller v. Brass Co.*, the Supreme Court considered the validity of a broadening reissue patent filed fifteen years after the issuance of the original patent. n99 The Court found diligence, or the lack thereof, to be the key issue:

If a patentee who has no corrections to suggest in his specification except to make his claim broader and more comprehensive, uses due diligence in returning to the Patent Office, and says "I omitted this," or "my solicitor did not understand that," his application may be entertained, and, on a proper showing, correction may be made. But it must be remembered that the claim of a specific device or combination, and an omission to claim other devices or combinations apparent on the face of the patent, are, in law, a dedication to the public of that which is not claimed. It is a declaration that that which is not claimed is either not the patentee's invention, or, if his, he dedicates it to the public. This legal effect of the patent cannot be revoked unless the patentee surrenders it and proves that the specification was framed by real inadvertence, accident, or mistake, without any fraudulent or deceptive intention on his part; and this should be done with all due diligence and speed. Any unnecessary laches or delay in a matter thus apparent on the record affects the right to alter or reissue the patent for such cause. n100

The Court continued on to consider the practice of altering a patent after others in the industry have produced new forms of improvement:

It will not do for the patentee to wait until other inventors have produced new forms of improvement, and then, with the new light thus acquired, under pretence of inadvertence and mistake, apply for such an enlargement of his claim as to make it embrace these new forms. Such a process of expansion carried

[*616] on indefinitely, without regard to lapse of time, would operate most unjustly against the public, and is totally unauthorized by the law. In such a case, even he who has rights, and sleeps upon them, justly loses them. n101

Thus, the Supreme Court found that the practice of continuously altering the scope of a patent to cover developing commercial applications was wholly inappropriate when the patentee had unreasonably delayed in presenting its claims to the patent office.

The condemned practice in Miller should be distinguished from the practice of writing claims to cover competitors' products when no unreasonable delay has occurred. Such practice is entirely proper and has been upheld by the Federal Circuit. n102 Therefore, the key to the Miller decision is the unreasonableness of the applicant's delay in the prosecution, not the writing of claims to cover competitors' products.

2. The Webster Electric Decision

The facts in Webster Electric Co. v. Splitdorf Electric Co. evidenced a long history of continuation and divisional applications. n103 The patentee, Kane, filed his first patent application in 1910. n104 A patent covering the same subject matter issued to the Podlesaks in 1913, and a reissue patent was also granted in 1915. n105 Later in 1915, Kane filed a divisional application which copied the claims of the Podlesak patent, thereby invoking an interference which the Podlesaks eventually won. n106 In 1916, Kane was issued a patent on his first application. Thereafter, in June, 1918, Kane amended his divisional application to recite new claims which were allowed and issued into the patent-in-suit in September 1918. n107 The claims that issued in 1918 "were for the first time presented to the Patent Office, by an amendment to a divisional application eight years and four months after the filing of the original application, [and] five years after the date of the original Podlesak patent. . . ." n108

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In a later case, the Supreme Court summarized its findings in *Webster Electric* as follows:

[W]e found that Kane, deeming their subject matter not invention, did not intend to assert them, and, prior to 1918, did not entertain an intention to have them covered by patent. During all of this time their subject matter was disclosed and in general use; Kane and his assignee simply stood by and awaited developments. It was upon the reasons so stated that this Court declared "We have no hesitation in saying that the delay was unreasonable, and, under the circumstances shown by the record, constitutes laches, by which the petitioner lost whatever rights it might otherwise have been entitled to." n109

The Supreme Court stated its ultimate conclusion in *Webster Electric* as follows:

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. n110

Therefore, the *Webster Electric* decision implies that the two-year limitation of reissues applies to divisional and continuation applications.

3. The *Crown Cork & Seal* Decision: Limiting *Webster Electric* to Cases of Intervening Adverse Rights

In *Crown Cork & Seal Co. v. Ferdinand Gutman Co.*, the Supreme Court upheld *Webster Electric*, but limited its scope by distinguishing it from the stated facts. In particular, the Court in *Crown Cork* addressed the question:

Does this Court's decision in *Webster Electric Co. v. Splitdorf Co.* mean that, even in the absence of intervening adverse rights, an excuse must be shown for a lapse of more than two years in presenting claims in a divisional application regularly filed and prosecuted in accordance with patent office rules? n111

The Court answered the question in the negative by finding that absent adverse intervening rights, the patentee need not show an excuse for a lapse of more than two years in presenting new claims in a divisional application. n112 The *Crown Cork* Court refused to shift the burden of proof

[*618] to the patentee merely because the delay exceeded two years. The Court did not overrule Webster Electric. However, in dicta, it limited Webster Electric to cases in which intervening adverse rights and some evidence of abandonment exists. The Supreme Court later implicitly recognized that adverse intervening rights can render divisional and continuation applications invalid. n113

4. Interpreting Webster Electric After Crown Cork & Seal

The Webster Electric court used the terminology "intervening adverse rights" in the context of its analogy to the reissue cases. Thus, one must consult the reissue cases decided contemporaneous with and prior to Webster Electric to determine the proper meaning of that terminology. Upon doing so, it is abundantly clear that "adverse intervening rights" arise from public uses, manufactures or sales of products, and are not limited to interfering patents. n114 The inclusion of public uses and sales as giving rise to "intervening adverse rights" is further evident from the Court's decision in Muncie Gear Works v. Outboard, Marine & Mfg. Co. n115 The Court in Muncie characterized the difference between the date on which an invention is used in public by an unauthorized user as opposed to an authorized user as "critical." n116 Therefore, the rights must be "interfering," i.e., arising before the applicant presents the broadened claim to the patent office, and must be "adverse," i.e., without authorization of the patentee.

The foundation for the Supreme Court's decision in Webster Electric remains on solid ground. In particular, the Supreme Court based the decision in Webster Electric on an analogy to the law applying to reissue applications. That Supreme Court law applying to reissues has now been codified establishing a strict rule that broadened claims may not be filed in a reissue more than two years after the issuance of the original patent.

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IV. The Federal Circuit Has Implicitly Recognized The Webster Electric Defense

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The Federal Circuit has acknowledged Webster Electric type defenses in dicta on two occasions, most recently in *Stark v. Advanced Magnetics, Inc.* n117 The court in *Stark* considered the issue of whether an inventor who is excluded from a patent must act diligently in seeking correction of inventorship. Although the issue in *Stark* is different than inequitable delay, the Federal Circuit's dicta relating to diligence generally is enlightening. n118 The Federal Circuit addressed lack of diligence generally as follows:

Lack of diligence may be an appropriate basis for barring legal action when there is an affirmative obligation on the claimant to act promptly and without significant pause in establishing a legal right. The common law has recognized that varying degrees of diligence may be required, depending on the circumstances. For example, a higher degree of diligence is appropriate when the claimant is chargeable with injury or disadvantage to another due to the claimant's failure to act expeditiously n119

The Federal Circuit concluded that there are circumstances where diligence is an appropriate requisite to pursuit of a particular legal right, whether or not the defense of laches or estoppel may be invoked against the claimant. n120

Unquestionably, the *Stark* decision leaves the door open to general equitable defenses arising from lack of diligence or unreasonable delay. The Federal Circuit tied the significance of the lack of diligence to the injury a delay may cause to others. n121 With respect to the correction of inventorship, the court specifically noted that the statutes and regulations did not require diligence. n122 However, the court held that "[w]hether diligent action is required in a particular case must be determined on the facts of that case." n123 Thus, despite the absence of a statutory or regulatory time limitation, the Federal Circuit mandated case by case consideration of the diligence requirement. n124

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Unreasonable delay in the prosecution of a patent likewise should be the subject of case by case consideration by the court. Where intervening adverse rights exist, as was the case in Webster, the case for an equitable remedy is strong. More specifically, the injury likely to occur to others due to an applicant's unreasonable delay is great. As noted by the Federal Circuit in Stark:

[T]he graver, more important, or valuable the interests involved, and the more imminent the peril, the more is the vigilance required to constitute diligence. n125

The graveness of the injury to others when a submarine patent issues years after entire industries have adopted a particular technology cannot be understated. On the other hand, if no intervening adverse rights exist, the likely injury to others is minimal. Thus, one can see the importance of adverse intervening rights under the Federal Circuit's general test for equitable remedies based on lack of diligence.

The second Federal Circuit decision recognizing this type of defense is *Studiengesellschaft Kohle mbH v. Northern Petrochemical Company*. n126 In that case, the Federal Circuit addressed a defense that the patentee was guilty of laches or other inequitable delay in the prosecution of the patent-in-suit. The Federal Circuit did not state that no such claim exists. Instead, it evaluated the delay and found that responsibility for the delay rested with the PTO's interference procedures rather than any actions of the patentee. Accordingly, the Federal Circuit stated:

[W]e discern no error in the conclusion that SGK had not delayed inequitably and that the prolonged period of pendency was due to the PTO and not the applicants. n127

Based on these two Federal Circuit decisions, the Federal Circuit may be receptive to a Webster Electric argument. It is worth noting that the Federal Circuit has never cited Crown Cork, but it has cited Webster Electric for the exact proposition set forth in this paper: "[N]o one should be relieved who has slept upon his rights, and has thus led the public to rely on the implied disclaimer involved in the terms of the original patent" n128

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V. Ford Motor Company v. Lemelson: an Extraordinary Misreading of Webster Electric

The recent decision from the District Court for the District of Nevada in Ford Motor Company v. Lemelson, n129 does not diminish the significance or applicability of Webster Electric to unreasonable prosecution delays when adverse intervening rights exist. As a preliminary matter, the decision in Ford Motor Co. is simply wrong. The court in Ford Motor Co. based its decision on the assumption that Webster Electric is limited to interferences. n130 That assumption is clearly incorrect. Webster Electric was not a decision on an appeal from an interference decision. It was an appeal from a decision in a lawsuit for infringement of a patent. n131 As such, it cannot possibly be limited to interferences.

The Nevada court apparently was confused by the reference in Webster Electric and Crown Cork to "adverse intervening rights." That language cannot mean that there must be an interference because no interference existed in Webster Electric. Rather, it references the rights of another which arise after the filing of the first patent application, but before the broadened claims are added to the continuation or divisional application. The concept of intervening rights is well known in the reissue context, and in view of Webster Electric's explicit analogy to reissue, it is clear that the reference to "adverse intervening rights" is a reference to reissue- type intervening rights rather than a reference to an interference.

This interpretation of the meaning of adverse intervening rights is supported by the notice function of patents. In particular, the public has an undeniable interest in the finality and certainty of patent rights. n132 Once a patent issues, and after a reasonable amount of time, the public should be able to rely on the fact that "subject matter disclosed but not claimed in a patent application is dedicated to the public." n133 Where a sufficient amount of time has passed due to an applicant's unreasonable delay, the public should be permitted to practice unclaimed subject matter disclosed in an issued patent.

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The Nevada district court's confusion may in part have been caused by a well-known treatise on patent law. n134 The treatise confuses the facts of *Chapman v. Wintroath*, n135 an early Supreme Court decision relating to interferences, with the facts of *Webster Electric* and concludes that *Webster Electric* has been codified in 35 U.S.C.

135(b), which relates only to interferences.

The *Chapman* case considered the issue of whether an applicant for a patent may copy the claims of an issued patent twenty months after the issuance of the patent to provoke an interference in the patent office. The Supreme Court found that the applicant could copy the claims of the issued patent under the facts of the case, but it seemed to assume the validity of applying the two-year statutory period for filing claims conflicting with an issued patent.

In the Act of 1939, Congress dealt expressly with the interference problem considered in *Chapman* by providing that no application may be amended to add a claim "for the same or substantially the same subject matter" as a claim of an issued patent more than one year from the date the patent issued. n136 That statute does not apply as a defense in an infringement lawsuit. It is limited to interferences and, thus, cannot possibly codify the holding of *Webster Electric*, which did not involve an interference.

The treatise incorrectly groups *Chapman* and *Webster Electric* together as being codified by 35 U.S.C.

135(b) and concludes that "[p]ossible implications of *Webster Electric* outside the interference context were dispelled by the Supreme Court in *Crown Cork & Seal v. Ferdinand Gutmann Co.*" n137 That conclusion ignores the express language of the *Crown Cork* decision itself:

It is clear that, in the absence of intervening adverse rights, the decision in *Webster Electric v. Splitdorf Co.* does not mean that an excuse must be shown for a lapse of more than two years in presenting the divisional application. n138

The *Crown Cork* decision unequivocally states "in the absence of adverse intervening rights." It does not limit *Webster Electric* to interferences.

In any event, the misconception in the treatise polluted the district court's analysis in *Ford Motor Co.* That mistaken confusion between "interferences" and "adverse intervening rights" should not be continued.

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VI. Conclusion

The Federal Circuit has acknowledged that general equitable remedies relating to lack of diligence exist in patent cases. In view of the Supreme Court's decision in *Webster Electric* and its own decisions in *Stark* and *Studiengesellschaft*, the Federal Circuit should recognize inequitable delay as an equitable defense when intervening adverse rights exist.

With respect to the two-year limitation on broadening reissues, that limitation clearly should not apply as a mechanical limitation of continuation and divisional applications. Courts have repeatedly rejected such mechanical time limitations. n139 Perhaps instead of serving as a time limitation on continuation and divisional applications, the two-years should serve as a limitation on the doctrine of inequitable delay, i.e., a prosecution delay less than two years cannot be unreasonable.

Regardless of the applicability of the two-year limitation on reissues, courts should consider and apply the defense of inequitable delay in appropriate cases.

n1 *Miller v. Brass Co.*, 104 U.S. 350 (1881).

n2 *Webster Elec. Co. v. Splitdorf Elec. Co.*, 264 U.S. 463 (1924).

n3 See *infra*, footnote 134 and accompanying text.

n4 40 U.S.P.Q.2d (BNA) 1349, 1362 (D. Nev. 1996), on reconsideration, 42 U.S.P.Q. (BNA) 1706 (D. Nev. 1997), appeal denied, 124 F.3d 227 (Fed. Cir. 1997).

n5 264 U.S. 463 (1924).

n6 Jerome Lemelson is possibly the most notorious patentee in history, being a party in cases resulting in no fewer than fifty-four (54) published decisions.

n7 *Lemelson*, 40 U.S.P.Q.2d 1349 (D. Nev. 1996).

n8 *Id.* at 1350.

n9 *Id.* at 1350-1351.

n10 *Id.* at 1353.

n11 *Id.* at 1354.

n12 *Id.*

n13 *Id.*

n14 *Id.*

n15 *Id.*

n16 *Id.*

n17 *Id.* (quoting Henry L. McClintock, *Handbook on the Principles of Equity* 52 (2d ed. 1948)).

n18 *Id.* at 1354-55.

n19 *Id.* at 1355 (citing 1 Dan B. Dobbs, *Law of Remedies*, 2.4(4) (2d ed. 1993).

n20 *Id.*

n21 Inequitable conduct refers to an equitable defense that renders patents unenforceable when the applicant fails to disclose material information during the prosecution of the patent with an intent to deceive the patent office. *Molins PLC v. Textron, Inc.*, 48 *F.3d* 1172, 1178, 33 *U.S.P.Q.2d* (BNA) 1823, 1826-27 (*Fed. Cir.* 1995).

n22 File wrapper estoppel limits the application of the doctrine of equivalents by binding the applicant to limitations which were made more specific or added to the claims in response to a rejection issued by the patent examiner during the prosecution of the patent application. *Exhibit Supply Co. v. Ace Patents Corp.*, 315 *U.S.* 126, 136, 52 *U.S.P.Q.* (BNA) 275, 279 (1942).

n23 *Ford Motor Co.*, 40 *U.S.P.Q.2d* at 1355.

n24 *Advanced Cardiovascular Sys. v. Medtronic, Inc.*, 41 *U.S.P.Q.2d* (BNA) 1770, 1774-75 (*N.D. Cal.* 1996).

n25 *Id.*

n26 960 *F.2d* 1020, 22 *U.S.P.Q.2d* (BNA) 1321 (*Fed. Cir.* 1992).

n27 *Id.* at 1032, 22 *U.S.P.Q.2d* at 1328.

n28 *Id.* at 1037, 22 *U.S.P.Q.2d* at 1333.

n29 *Advanced Cardiovascular Sys.*, 41 *U.S.P.Q.2d* at 1774.

n30 *Ford Motor Co.*, 40 *U.S.P.Q.2d* at 1356-7.

n31 784 *F.2d* 351, 228 *U.S.P.Q.* (BNA) 837 (*Fed. Cir.* 1986).

n32 *Id.* at 356, 228 *U.S.P.Q.* at 841.

n33 *Id.*

n34 *Id.* at 357, 228 *U.S.P.Q.* at 842.

n35 304 *U.S.* 159 (1938).

n36 264 *U.S.* 463 (1924).

n37 *Id.* at 465-6.

n38 *Crown Cork & Seal Co.*, 304 *U.S.* at 168.

n39 *Ford Motor Co.*, 40 *U.S.P.Q.2d* at 1358-61.

n40 *Id.* at 1350.

n41 *Ford Motor Co.*, 42 *U.S.P.Q.2d* at 1711.

n42 *Id.* at 1708.

n43 *Id.* at 1708.

n44 The district court cited a Federal Circuit decision that dealt exactly with a proposed arbitrary limit to the length of a patent issuing from a continuation. *Studiengesellschaft Kohle mbH*, 784 F.2d 351, 228 U.S.P.Q. 837 (Fed. Cir. 1986).

n45 35 U.S.C. 120, 121, 251.

n46 35 U.S.C. 120.

n47 35 U.S.C.A. 120, note 4 (West 1984).

n48 35 U.S.C. 121.

n49 *General Foods Corp. v. Studiengesellschaft Kohle mbH*, 972 F.2d 1272, 1279-80, 23 U.S.P.Q.2d (BNA) 1839, 1845 (Fed. Cir. 1992); *Stark v. Advanced Magnetics, Inc.*, 29 F.3d 1570, 1576, 31 U.S.P.Q.2d (BNA) 1290, 1296 (Fed. Cir. 1994) ("We take judicial notice that multiple patents are not permitted on the same invention, and that there must be differences among the six patents.").

n50 *Ortho Pharm. Corp. v. Smith*, 959 F.2d 936, 943, 22 U.S.P.Q.2d (BNA) 1119, 1125 (Fed. Cir. 1992); *General Foods Corp.*, 972 F.2d at 1277-78, 23 U.S.P.Q.2d at 1843.

n51 *In re Longi*, 759 F.2d 887, 892, 225 U.S.P.Q. (BNA) 645, 648 (Fed. Cir. 1985); *Carman Indus., Inc. v. Wahl*, 724 F.2d 932, 940, 220 U.S.P.Q. (BNA) 481, 487 (Fed. Cir. 1983).

n52 35 U.S.C. 101.

n53 *Longi*, 759 F.2d at 892, 225 U.S.P.Q. at 648; *Ortho Pharm.*, 959 F.2d at 940, 22 U.S.P.Q.2d at 1123.

n54 *Carman Indus.*, 724 F.2d at 940, 220 U.S.P.Q. at 487.

n55 *In re Kaplan*, 789 F.2d 1574, 1577-78, 229 U.S.P.Q. (BNA) 678, 681 (Fed. Cir. 1986).

n56 *Longi*, 759 F.2d at 892, 225 U.S.P.Q. at 648.

n57 *Id.*

n58 *Ortho Pharm.*, 959 F.2d at 940, 22 U.S.P.Q.2d at 1123.

n59 *Id.*, 22 U.S.P.Q.2d at 1123; *Longi*, 759 F.2d at 894, 225 U.S.P.Q. at 649.

n60 *Quad Envtl. Tech. Corp. v. Union Sanitary Dist.*, 946 F.2d 870, 874, 20 U.S.P.Q.2d (BNA) 1392, 1394 (Fed. Cir. 1991)

n61 *Id.*, 20 U.S.P.Q.2d at 1394; *Ortho Pharm.*, 959 F.2d at 941-42, 22 U.S.P.Q.2d at 1124 (citing *Quad Envtl. Tech. Corp.*).

n62 *Webster Elec. v. Splitdorf Elec. Co.*, 264 U.S. 463, 466-8 (1924).

n63 The Patent Acts of 1790 and 1793 contained no statutory provision authorizing the reissue of a defective patent. The Supreme Court first recognized an inherent power to reissue in *Grant v. Raymond*, 31 U.S. (6 Pet.) 218, 229 (1832).

n64 *Philadelphia & Trenton R.R. Co. v. Stimpson*, 39 U.S. (14 Pet.) 448, 449 (1840); *Stimpson v. West Chester R.R. Co.*, 45 U.S. (4 How.) 380, 382 (1846); *O'Reilly v. Morse*, 56 U.S. (15 How.) 62, 82-3 (1853).

n65 Compare *Battin v. Taggert*, 58 U.S. (17 How.) 74, 84 (1854), and *Morey v. Lockwood*, 75 U.S. (8 Wall.) 230, 240-1 (1868), with *Burr v. Duryee*, 68 U.S. (1 Wall.) 531, 575 (1863), and *Case v. Brown*, 69 U.S. (2 Wall.) 320, 328 (1864).

n66 Act of July 3, 1832, ch. 162, 3, 4 Stat. 559.

n67 Act of July 8, 1870, ch. 230, 53, 16 Stat. 198.

n68 104 U.S. 350, 353.

n69 *Id.* at 354.

n70 *Id.*

n71 *Id.*

n72 Act of July 3, 1832, ch. 162, 3,4 Stat. 559; Act of July 8, 1870, ch. 230, 53, 16 Stat. 198.

n73 *Miller*, 104 U.S. at 354-355.

n74 *Id.* at 355.

n75 *Ives v. Sargent*, 119 U.S. 652, 662 (1887).

n76 35 U.S.C. 251.

n77 *Id.*

n78 *In re Graff*, 111 F.3d 874, 877, 42 U.S.P.Q.2d (BNA) 1471, 1474 (*Fed. Cir.* 1997).

n79 35 U.S.C. 251[2-3]; *Id.* at 876, 42 U.S.P.Q.2d at 1473.

n80 *Graff*, 111 F.3d at 876, 42 U.S.P.Q.2d at 1473.

n81 *Id.* at 877, 42 U.S.P.Q.2d at 1473.

n82 *Id.*

n83 *Id.*

n84 *Id.*, 42 U.S.P.Q.2d at 1473-74.

n85 *Athletic Alternatives, Inc. v. Prince Mfg., Inc.*, 73 F.3d 1573, 1581, 37 U.S.P.Q.2d (BNA) 1365, 1372 (*Fed. Cir.* 1996) (quoting *General Elec. Co. v. Wabash Appliance Corp.*, 304 U.S. 364, 369 (1938)).

n86 *McClain v. Ortmayer*, 141 U.S. 419, 424, (1891) ("The object of the patent law in requiring the patentee [to distinctly claim his invention] is not only to secure to him all to which he is entitled, but to apprise the public of what is still open to them."); *Athletic Alternatives*, 73 F.3d at 1581, 37 U.S.P.Q.2d at 1372 ("Where there is an equal choice between a broader and a narrower meaning of a claim, . . .we consider the notice function of the claim to be best served by adopting the narrower meaning."); *Hoganas AB v. Dresser Indus. Inc.*, 9 F.3d 948, 951, 28 U.S.P.Q.2d (BNA) 1936, 1939 (*Fed. Cir.* 1993)

(holding that the function of claims is "putting competitors on notice of the scope of the claimed invention."); *Rengo Co. Ltd. v. Molins Mach. Co.*, 657 F.2d 535, 551, 211 U.S.P.Q. (BNA) 303, 321 (3d Cir. 1981) ("[The claim's] purpose is to demarcate the boundaries of the purported invention, in order to provide notice to others of the limits 'beyond which experimentation and invention are undertaken at the risk of infringement.'") (quoting *Norton Co. v. Bendix Corp.*, 449 F.2d 553, 555, 171 U.S.P.Q. (BNA) 449, 450 (2d Cir. 1971)).

n87 *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1106, 39 U.S.P.Q.2d (BNA) 1001, 1006 (Fed. Cir. 1996) (quoting *Unique Concepts, Inc. v. Brown*, 939 F.2d 1558, 19 U.S.P.Q.2d 1500 (Fed. Cir. 1991)).

n88 104 U.S. 350 (1881).

n89 See, e.g., *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 85 U.S.P.Q. (BNA) 328 (1950).

n90 104 U.S. at 355.

n91 *Id.* at 352.

n92 *Id.*

n93 *Id.*

n94 *In re Fotland*, 779 F.2d 31, 33, 228 U.S.P.Q. (BNA) 193, 194 (Fed. Cir. 1985).

n95 *Graff*, 111 F.3d at 877, 42 U.S.P.Q.2d at 1474 (quoting *Wollensak v. Reiher*, 115 U.S. 96, 100 (1885)); accord *Webster Elec. Co. v. Splitdorf Elec. Co.*, 264 U.S. 463, 467-68 (1924).

n96 See, e.g., *Webster Elec.*, 264 U.S. at 470-71.

n97 See, e.g., *Woodbridge v. U.S.*, 263 U.S. 50, 56 (1923) ("Any practice by the inventor and applicant for a patent through which he deliberately and without excuse postpones beyond the date of the actual invention, the beginning of the term of his monopoly, and thus puts off the free public enjoyment of the useful invention, is an evasion of the statute and defeats its benevolent aim."); *Kendall v. Windsor*, 62 U.S. (21 How.) 322, 329 (1858) ("It is the unquestionable right of every inventor to confer gratuitously the benefits of his ingenuity upon the public, and this he may do either by express declaration or by conduct equally significant with language -such, for instance, as an acquiescence with full knowledge in the use of his invention by others; or he may forfeit his rights as an inventor by a willful or negligent postponement of his claims, or by an attempt to withhold the benefit of his improvement from the public until a similar or the same improvement should have been made and introduced by others.").

n98 Compare *Graff*, 111 F.3d at 877, 42 U.S.P.Q.2d at 1474, with *Woodbridge*, 263 U.S. at 56.

n99 At the time of the *Miller v. Brass Co.* decision, the original patent term was fourteen years and could be extended an additional seven years.

n100 104 U.S. at 352.

n101 *Id.* at 355.

n102 *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 874, 9 U.S.P.Q.2d (BNA) 1384, 1390 (Fed. Cir. 1988) (It is not "improper to amend or insert claims intended to cover a competitor's product the applicant's attorney has learned about during the prosecution of a patent application.").

n103 264 U.S. 463 (1924).

n104 *Id.* at 463-64.

n105 *Id.*

n106 *Id.*

n107 *Id.*

n108 *Id.* at 465.

n109 *Crown Cork & Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159, 166 (1938) (citations omitted).

n110 *Webster Electric*, 264 U.S. at 471.

n111 *Crown Cork*, 304 U.S. at 160-61 (citations omitted).

n112 *Id.* at 167-68.

n113 *General Talking Pictures Corp. v. Western Elec. Co.*, 304 U.S. 175, 183 (1938), reh'g granted, 304 U.S. 587 (1938) ("In the absence of intervening adverse rights for more than two years prior to the continuation applications, they were in time.").

n114 See *Keller v. Adams-Campbell Co.*, 264 U.S. 314, 317 (1924); *Abercrombie & Fitch Co. v. Baldwin*, 245 U.S. 198, 209-10 (1917).

n115 315 U.S. 759, 53 U.S.P.Q. (BNA) 1 (1942).

n116 *Id.* at 767, 53 U.S.P.Q. at 5.

n117 29 F.3d 1570, 1576, 31 U.S.P.Q.2d (BNA) 1290, 1294 (Fed. Cir. 1994).

n118 *Id.* at 1574, 31 U.S.P.Q.2d at 1292-93.

n119 *Id.*

n120 *Id.*

n121 *Id.* at 1575, 31 U.S.P.Q.2d at 1294.

n122 *Id.*; see also 37 C.F.R. 1.324.

n123 29 F.3d at 1575, 31 U.S.P.Q.2d at 1294.

n124 *Id.*

n125 *Id.* at 1574, 31 U.S.P.Q.2d at 1293 (quoting 26A C.J.S. Diligence at 943-44 (1956)).

n126 784 F.2d 351, 228 U.S.P.Q. (BNA) 837 (Fed. Cir. 1986).

n127 *Id.* at 356, 228 U.S.P.Q. at 841.

n128 *In re Fotland*, 779 F.2d 31, 33, 228 U.S.P.Q. (BNA) 193, 194 (Fed. Cir. 1985).

n129 *42 U.S.P.Q.2d 1706 (D. Nev. 1997)*, appeal denied, *124 F.3d 227 (Fed. Cir. 1997)*.

n130 *Id. at 1710*.

n131 *Webster Elec. Co. v. Splitdorf Elec. Co.*, *264 U.S. 463, 464*, ("The bill alleges that the Splitdorf Electrical Company had infringed claims 7 and 8 of Kane patent, 1,280,105").

n132 *In re Graff*, *111 F.3d 874, 877, 42 U.S.P.Q.2d (BNA) 1471, 1474 (Fed. Cir. 1997)*.

n133 *Maxwell v. J. Baker, Inc.*, *86 F.3d 1098, 1106, 39 U.S.P.Q.2d (BNA) 1001, 1006 (Fed. Cir. 1996)*.

n134 See 4 Donald S. Chisum, *Patents*, 11.05[1][b], 11-263 (1997).

n135 *252 U.S. 126 (1920)*.

n136 See *35 U.S.C. 135(b)*.

n137 Chisum, *supra* note 134, at 11-264.

N138 *Crown Cork*, *304 U.S. 159, 167-168 (1938)* (emphasis added).
n139 *Id. at 161*.