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United States Patents Claiming Foreign Filing Dates as References Against United States Patent Applications

A patent will not be issued for a claimed invention that is known or in the public domain.¹ Recently the Patent Office has reversed its prior procedure and has, under certain conditions, treated as constructive public knowledge in the United States a patent application on file and held in secret in a foreign country. This procedure was questioned in *Application of Hilmer*,² and *Eli Lilly & Co. v. Brenner*,³ with the two lower courts reaching opposite results. Recently the D.C. Circuit, in reversing *Lilly*,⁴ approved the reasoning of the Court of Customs and Patent Appeals (C.C.P.A.) in *Hilmer* that a United States patent application could be used only as a prior art reference as of its United States filing date and not from its earlier foreign priority date.

The instant problem concerns statutory construction of sections 102 (a) and 103 of the Patent Act of 1952 and, more specifically, sections 102 (e) and 119. Sections 102 (a)-(g) and 103 state specific conditions for patentability. An applicant is denied a patent if he has not fulfilled the requirements of novelty or invention, *i.e.*, if his invention is disclosed by or is obvious in view of prior art references. Section 102 (a)⁵ provides that knowledge or use of the invention in the United States or its description in a publication anywhere in the world before the applicant's claimed date of invention constitutes prior art and will defeat a claim to a patent. Section 103⁶ requires that the claimed invention not be obvious in light of the prior art. The primary and usual source of prior art references is the more than three million United States patents that have been issued to date. No statutory provision defeats the right to a patent because of knowledge or use in a foreign country.

Section 102 (e)⁷ makes a United States patent available as a prior art reference (to show knowledge by others) as of the filing date of the application in the United States rather than the later date of patent issuance when the disclosures in the application are actually made public. Specifically section 102 (e) provides: "A person shall be entitled to a patent unless . . . (e) the invention was described in a patent granted on an application for patent by another *filed in the United States before the invention thereof by the applicant* for patent, . . ."⁸

¹ 35 U.S.C. §§ 101, 102 (a) (1964).

² 359 F.2d 859 (C.C.P.A. 1966).

³ 248 F. Supp. 402 (D.D.C. 1965).

⁴ *Eli Lilly & Co. v. Brenner*, 375 F.2d 599 (D.C. Cir. 1967).

⁵ 35 U.S.C. § 102 (a) (1964). This section states: "A person shall be entitled to a patent unless (a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, . . ."

⁶ 35 U.S.C. § 103 (1964). This section states: "A patent may not be obtained . . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains."

⁷ 35 U.S.C. § 102 (e) (1964).

⁸ *Ibid.* (Emphasis added.).

Section 119⁹ alone does not present conditions for patentability and does not present a source of prior art. This section is used by an inventor who has previously filed an application in a foreign country and within one year files an application for the same invention in the United States. When filing in the United States, the inventor's application is given the benefit of the earlier filing date in the foreign country. This assures that knowledge of others or disclosures by himself or others which occur between the foreign and United States filing, and which would normally constitute prior art, will not be used to defeat the inventor's application in the United States.

The problem at hand concerns recent attempts by the Patent Office to change the stated meaning of section 102(e) by reading it in conjunction with section 119. Under such a construction a United States patent given a priority date under section 119 would be available as a prior art reference from its foreign filing date rather than from its actual United States filing date.

I. BACKGROUND

The question of which date, the foreign priority date or the actual United States filing date, was the effective date of a United States patent as a prior art reference first¹⁰ arose in 1935. In *Viviani v. Taylor v. Herzog*,¹¹ Commissioner of Patents Coe ruled that the relevant filing date is the actual United States filing date, not the foreign priority date. The commissioner stated:

Section 4887 R.S. [now section 119] does not concern itself with bars against issuance of patents in this country, such bars being found in section 4886 R.S. [now section 102] (U.S.C., title 35, section 31) . . . In view of the origin of that paragraph of the section, it is believed to have the same meaning as if it had read, 'shall have the same force and effect, in so far as applicant's right to a patent is concerned.' This statutory provision has no bearing upon the right of another party to a patent except in the case of an interference where the two parties are claiming the same invention.¹²

Following *Viviani* the Patent Office promulgated section 715.01 of its *Manual of Patent Examining Procedure*¹³ under which section it operated

⁹ 35 U.S.C. § 119 (1964). See text of § 119 at note 33 *infra*.

¹⁰ *Federal Yeast Corp. v. Fleischmann Co.*, 13 F.2d 570 (4th Cir. 1926) is sometimes cited as the first case raising the instant problem. *Fleischmann* was an infringement suit concerning two patents the validity of which was attacked. One of the patents had a foreign priority date, effective under the World War I Nolan Act. The court determined that they were both for the same invention and owned by the same person and could not both be valid. This case is dismissed as no authority for the instant problem since there is much dispute as to what the case stands for other than that there cannot be two valid patents for the same invention. Also, since the case was a priority dispute, both inventors would have the benefit of their foreign priority date.

¹¹ 72 U.S.P.Q. 448 (Pat. Off. Bd. of App. 1935).

¹² *Id.* at 449.

¹³ MANUAL OF PATENT EXAMINING PROCEDURE § 715.01 (1949). This section provided:

In overcoming, under Rule 131, a domestic patent where the patentee has an earlier foreign filing date to which he would be entitled in establishing priority to the invention claimed in the patent, it is not necessary for the applicant to carry his date back of the patentee's foreign filing date. (*Viviani v. Taylor v. Herzog*, 72 U.S.P.Q. 448).

until recently.¹⁴ Two later cases mentioned and apparently followed the *Viviani* rule.¹⁵ In 1954¹⁶ the C.C.P.A. also indicated that the reference patent could be used only from its United States filing date. However, in 1964 a district court in *Sperry Rand Corp. v. Knapp-Monarch Co.*¹⁷ reversed the trend. The court therein stated by footnote that the wording in section 119 gives status to an application, as distinguished from a mere benefit to an applicant, based on the foreign filing date.¹⁸ This "status" was said to be the same status that an ordinary United States patent has as of its United States filing date; therefore, the questioned patent was available as a prior art reference as of the foreign priority date. *Sperry Rand* did not explain the reasoning behind the decision and did not mention *Viviani* or section 715.01 of the *Manual of Patent Examining Procedure*. On re-hearing,¹⁹ the court stated that there was sufficient prior art in two other patents, so that the patent in issue did not have any substantial effect on the outcome of the suit.

II. THE RECENT CONFLICT

The Court of Customs and Patent Appeals in *Application of Hilmer*,²⁰ decided four months after the district court decision in *Lilly*, declined to follow the "status" theory offered therein. The primary reference relied on by the examiner was a patent granted to Habicht, who had filed in Switzerland on January 24, 1957, and in the United States on January 23, 1958. Hilmer filed application in Germany on July 31, 1957, and in the United States on July 25, 1958. The patent examiner rejected Hilmer's claims²¹ citing the Habicht patent (as of its foreign filing date) as the primary prior art reference. The Board of Appeals affirmed²² the patent examiner, and Hilmer appealed to the C.C.P.A., contending that the Habicht patent could be used as a prior art reference only from its United States filing date as provided in section 102(e). He further contended that he had overcome that later date, having the benefit of his German filing date under section 119 and that, therefore, his claims could not be rejected. *Held, reversed*:²³ Section 119 gives a personal privilege to the in-

¹⁴ On May 27, 1964, a commissioner's order was issued (803 O.G. Pat. Off. 305), stating that "Section 715.01 of the Manual of Patent Examining Procedure is no longer controlling in view of recent decisions of the Board of Appeals."

¹⁵ *Celanese Corp. of America v. Ribbon Narrow Fabrics Co.*, 117 F.2d 481 (2d Cir. 1941) dealt with the issue with the court concluding as to which of the dates should control that "that is immaterial." *Young v. General Elec. Co.*, 96 F. Supp. 109 (N.D. Ill. 1951) also dealt with this issue and concluded that "Whether [the] Bethenod [patent] be regarded as prior art in this case makes little or no difference. There is a wealth of prior art without it." *Id.* at 136.

¹⁶ *Application of Walker*, 213 F.2d 332 (C.C.P.A. 1954).

¹⁷ 193 F. Supp. 756 (E.D. Pa. 1961).

¹⁸ *Id.* at 758.

¹⁹ *Ibid.*

²⁰ 359 F.2d 859 (1966), 35 GEO. WASH. L. REV. 137.

²¹ Hilmer's claims were rejected for obviousness under § 103.

²² The Board of Appeals opinion in *Application of Hilmer* is reprinted in the appendix of the C.C.P.A. opinion in 149 U.S.P.Q. 480 (Pat. Off. Bd. of App. 1966).

²³ 359 F.2d at 877, 878. The *Hilmer* court stated that:

[S]ection 119 must be interpreted as giving only a positive right or benefit to an applicant who has first filed abroad to *protect him* against possible intervening patent-defeating events in *obtaining* a patent. . . . [I]t has no effect on the effective date of a U.S. patent as a reference under section 102(e).

(Emphasis in original.)

ventor only. It does not create a new type of prior art reference and does not alter the provision of section 102(e) that an application is available as a prior art reference only as of its United States filing date. *Application of Hilmer*, 359 F.2d 859 (C.C.P.A. 1966).

Eli Lilly & Co. v. Brenner,²⁴ decided by the District Court for the District of Columbia in 1965, four months before the *Hilmer* decision in the C.C.P.A., followed the "status" theory. The reference was a patent to Feather which was filed first in Great Britain and then, within one year, in the United States with a right of priority claimed under section 119. While these applications were pending, the plaintiff's assignor filed an application in the United States for an invention disclosed but not claimed in the Feather application. The plaintiff was able to prove a date of invention prior to Feather's United States filing date but after Feather's British filing date. The plaintiff contended that he had shown a date of invention prior to Feather's United States filing date, as required by section 102(e), and thus that the patent to Feather could not be cited by the patent examiner as a prior art reference to defeat his claim. Upon rejection of his claims by the patent examiner and affirmation by the Board of Appeals, the plaintiff brought suit in the district court. *Held, Claims refused*:²⁵ The wording of section 119 gives a foreign application the status of a United States application for all purposes. When sections 119 and 102(e) are read together, a foreign application given priority under section 119 is available as a prior art reference as of its foreign filing date. *Eli Lilly & Co. v. Brenner*, 248 F. Supp. 402 (D.D.C. 1965). This holding was then reversed by the D.C. Circuit with little discussion of the issue other than to conclude that the holding of *Hilmer* "presents the better alternative notwithstanding the vigorous and cogent arguments to the contrary . . ." *Ely Lilly & Co. v. Brenner*, 375 F.2d 599 (D.C. Cir. 1967).

III. ANALYSIS

Section 102(e) is one of the claim-defeating statutes. This section is closely related in fact and history to the requirement of section 102(a) which prohibits a patent if "(a) the invention was *known* or used by others *in this country*, or patented or described in a printed publication in this or a foreign country, *before the invention* thereof *by the applicant* for patent, . . ."²⁶ Section 102(e) is a result of a construction of section

²⁴ 248 F. Supp. 402 (D.D.C. 1965), 60 AM. J. INT'L L. 590 (1966).

²⁵ Specifically the court stated that the words "filed in the United States" [of § 102(e)] could include a constructive, or legal, United States filing date obtained by filing a previous application in a foreign country and claiming a right of priority based on the foreign application. . . . [§ 119] provides a status to a United States application of a foreign inventor. . . . Once this status attaches to the application, it is there permanently, both offensively for the invention claimed by the foreign inventor and defensively for whatever he discloses. . . . [T]he foreign filing date is the effective reference date as to all subject matter which is disclosed, whether claimed or not, in the foreign application.

Id. at 408, 410, 422, 423.

²⁶ 35 U.S.C. § 102(a) (1964). (Emphasis added.)

102 (a)'s predecessor, R.S. 4886,²⁷ by the Supreme Court in *Alexander Milburn Co. v. Davis-Bournonville*²⁸ in 1926. The defendant in a patent infringement suit contended that the plaintiff's patent was invalid since he had not been the first inventor. The defendant showed that the same invention had been disclosed in an application co-pending with the plaintiff's application and filed prior to that of the plaintiff. The plaintiff argued that the co-pending application could not be used to show prior knowledge in the United States since the contents of the application were secret²⁹ and thus, the invention was not "known or used by others in this country, before his invention or discovery thereof." The Supreme Court held the plaintiff's patent invalid, reasoning that the application was proof that the invention was "known in this country" before plaintiff's date of invention. The *Milburn* rule was enacted into statute as section 102 (e) of the Patent Act of 1952. The effect of section 102 (e) as reflected in *Milburn*³⁰ and in the Reviser's Note³¹ is to make a U.S. patent available as a reference as of its U.S. filing date. Neither *Milburn* nor section 102 (e) dealt with use of a foreign patent as a reference. In fact, Justice Holmes stated in *Milburn*: "The policy of the statute as to foreign inventions obviously stands on its own footing and cannot be applied to domestic affairs."³²

Section 119 is entitled "Benefit of earlier filing date in foreign country; right of priority."³³ The present wording of the section is substantially unchanged from that of the second paragraph of its predecessor statute

²⁷ R.S. 4886, 16 Stat. 201, ch. 230 (1870). There was no change in R.S. 4886 in its reenactment in the Patent Act of 1952 other than to divide the former statute into lettered paragraphs.

²⁸ 270 U.S. 390 (1926).

²⁹ 35 U.S.C. § 122 (1964) generally provides that the applications for a patent shall be kept secret by the Patent Office.

³⁰ *Milburn* established the rule that a U.S. patent was available as an anticipation reference under R.S. 4886 (now § 102) as of its U.S. filing date. *Hazeltine Research v. Brenner*, 382 U.S. 252 (1966) extended this rule making an application available as of its U.S. filing date as a prior art reference for obviousness under § 103. This extension was criticized in Belkin, *More Comments on Section 103*, 48 J. PAT. OFF. SOC'Y 123 (1966), using a reasoning analogous to that used in criticisms of the *Milburn* rule, *i.e.*, since the statute requires that the invention as a whole must be unobvious to one skilled in the art, would not the lack of availability of the patent application have some bearing on the issue?

³¹ Reviser's Notes to the Patent Act of 1952, 35 U.S.C.A. § 102, at 446 (1952). This note, released at the time of enactment of § 102 (e) states: "Paragraph (e) is new and enacts the rule of *Milburn v. Davis-Bournonville*, 270 U.S. 390, by reason of which a United States patent disclosing an invention dates from the date of filing the application for the purpose of anticipating a subsequent inventor."

³² 270 U.S. 390, 402 (1926).

³³ 35 U.S.C. § 119 (1964). Section 119, in part, provides:

§ 119. Benefit of earlier filing date in foreign country; right of priority

An application for patent for an invention filed in this country by any person who has, or whose legal representatives or assigns have, previously regularly filed an application for a patent for the same invention in a foreign country which affords similar privileges in the case of applications filed in the United States or to citizens of the United States, shall have the same effect as the same application would have if filed in this country on the date on which the application for patent for the same invention was first filed in such foreign country, if the application in this country is filed within twelve months from the earliest date on which such foreign application was filed; . . .

(Emphasis added.)

R.S. 4887,³⁴ which was added to that statute in 1903. This addition was necessary to effectuate the United States' signing of the International Convention for the Protection of Industrial Property,³⁵ an attempt to seek greater patent protection for inventors throughout the world.³⁶ The Commission that studied the International Convention for the Protection of Industrial Property made several references³⁷ to the "delay of priority" or "right of priority" referred to in the convention, explaining the need for such a priority to prevent intervening acts from defeating an applicant trying to obtain a patent in more than one country. The Commission recommended that "an amendment to the law should be made, providing that the foreign application shall have, in case an application is filed in this country within the specified period, *the same effect* as if filed here on the day it was filed abroad."³⁸ Thus, the words "same effect" were originally intended to give protection to one who was trying to obtain a patent. There was no mention of the use of a patent as a reference by the Patent Office to bar an application by a third party. Subsequently the words "shall have the same effect" were used in the predecessor statute R.S. 4887³⁹ and were carried through to section 119 with passage of the Patent Act of 1952.⁴⁰

The meaning given by Congress to R.S. 4887 is clear. Due to World War II conditions, the one-year right of priority was not felt sufficient to protect inventors in 1946. The Boykin Act⁴¹ was passed to extend temporarily this time period. House Report No. 1498 accompanying the proposed bill to extend the period of priority existing under R.S. 4887 states that "the phrase 'shall have the same force and effect' is intended to mean 'shall have the same force and effect,' etc., insofar as applicant's right to a patent is concerned. This statutory provision has no bearing upon the right of another party to a patent except in the case of an interference where the two parties are claiming the same patentable invention."⁴² This report clearly shows that the oft-quoted words have not meant to Congress "same force and effect" for all purposes. They are limited to giving a benefit to an applicant.

³⁴ R.S. 4887, Act of March 3, 1903, ch. 1019, § 1, 32 Stat. 1225. Prior to this addition in 1903 there was no mention of right of priority or "shall have the same effect" in R.S. 4887. For the earlier wording see 16 Stat. 198, ch. 230 (1870).

³⁵ International Convention For The Protection Of Industrial Property, March 20, 1883, Lisbon Revision Oct. 31, 1958, 53 Stat. 1748 (1939). For a historical background, see LADAS, HARVARD STUDIES IN INTERNATIONAL LAW, NO. 2, THE INTERNATIONAL PROTECTION OF INDUSTRIAL PROPERTY (1930); Briskin, *Foreign Priority Rights Under Section 119 of the Patent Act of 1952*, 39 J. PAT. OFF. SOC'Y 94, 98-108 (1957).

³⁶ Act of June 4, 1898, 30 Stat. 431. See REPORT OF THE COMMISSIONERS APPOINTED TO REVISE THE LAWS RELATING TO PATENTS, TRADEMARKS, AND TRADE NAMES, WITH REFERENCE TO EXISTING CONVENTIONS AND TREATIES (1902).

³⁷ REPORT OF THE COMMISSIONERS, *op. cit. supra* note 36, at 6, 12, 14, 19.

³⁸ *Id.* at 24. (Emphasis added.)

³⁹ *Supra* note 34.

⁴⁰ Frederico, *Commentary on the New Patent Act*, 35 U.S.C.A. 29 (1952) states: "This so-called right of priority was provided for in the second paragraph of R.S. 4887 which is the basis for the first paragraph of section 119 of this title. . . . *The new statute made no changes in these conditions of the corresponding part of the old statute except to revise the language slightly.*" (Emphasis added.)

⁴¹ Boykin Act of Aug. 8, 1946, ch. 910, 60 Stat. 940.

⁴² H.R. REP. No. 1498, 79th Cong., 2d Sess. 3 (1946).

Thus, while many contemporary writers,⁴³ including Judge Jackson in the district court *Lilly* opinion, have put great emphasis on these words of section 119 in reaching the conclusion that they give a patent application a "status" as of its foreign filing date, it is clear that no such meaning existed at least from 1903 until 1952. There have been no further changes in section 119 or congressional expressions on this subject since 1952.⁴⁴

A fundamental change in the status of foreign applications as contemplated by the lower court in *Lilly* would be a necessary step leading toward an eventual world-wide patenting system. However, such a pervasive step in this area should be made only by Congress, not by judicial construction. Further, such a change should be prospective only due to the large number of patents issued under the previous construction. If the "status" interpretation was adopted, the owners of many current United States patents would find themselves holding potentially worthless patents since thousands of patents were issued under the interpretation set out by *Viviani* between 1935 and 1964.

The "status" construction offered by the district court in *Lilly* has been adopted by the proposed Patent Reform Act of 1967.⁴⁵ Section 100(f)⁴⁶ defines effective filing date of an application as the date to which it is entitled under section 119.⁴⁷ Section 102(b)⁴⁸ then requires that an application must be on file before the effective filing date of a prior art reference. It should be noted that this act for the first time definitely sets out a "status" condition for a foreign application and, further, that the act is only to be prospective in effect.⁴⁹

While the possibility exists that Congress by the adoption of the Patent Reform Act of 1967 may make the foreign priority date the effective prior art reference date, the issue should now be settled with respect to currently effective patents—the foreign priority date of a United States patent can not be used as the effective date of a prior art reference against a United States application.

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⁴³ See Chasan & Rabin, *Effective Filing Dates of U.S. Patents Based on 35 U.S.C. Sec. 119*, 45 J. PAT. OFF. SOC'Y 601 (1963); Fishman, *An Analysis of the Combined Effect of 35 USC § 119 and 35 USC § 102(e)*, 46 J. PAT. OFF. SOC'Y 181 (1964); Chasan, *Commentaria*, 47 J. PAT. OFF. SOC'Y 922 (1965); See also *Eli Lilly v. Brenner*, 248 F. Supp. 402 (D.D.C. 1965).

For the opposite reasoning, see Currie, *Re: "An Analysis of the Combined Effect of 35 USC Section 119 and 35 USC Section 102(e)"*, 46 J. PAT. OFF. SOC'Y 598 (1964); Samuels, *Commentary*, 46 J. PAT. OFF. SOC'Y 827 (1964); Meyer, *Are Patents Effective References as of Foreign Filing Dates?*, 47 J. PAT. OFF. SOC'Y 391 (1965).

⁴⁴ In *Helvering v. Winmill*, 305 U.S. 79, 83 (1938) the Supreme Court stated: "Treasury regulations and interpretations long continued without substantial change, applying to unamended or substantially re-enacted statutes, are deemed to have received congressional approval and have the effect of law." The same statement can be applied to patent statutes and Patent Office regulations.

⁴⁵ Proposed Patent Reform Act of 1967, S. REP. NO. 1042, 90th Cong., 1st Sess. (1967).

⁴⁶ *Id.* § 100(f). This section is entirely new.

⁴⁷ *Id.* § 119. This section is substantially unchanged from 35 U.S.C. § 119 (1961).

⁴⁸ *Id.* § 102(b). This section is entirely new.

⁴⁹ See text of the proposed addition to the Judicial Code, a supplementary provision of the Patent Reform Act of 1967, in 152 U.S.P.Q. 16 (1967).