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## HILMER DOCTRINE AND PATENT SYSTEM HARMONIZATION: WHAT DOES A FOREIGN INVENTOR HAVE AT STAKE?

### INTRODUCTION

Strong intellectual property rights throughout the world are becoming increasingly important to the economic health of the United States.<sup>1</sup> Countries with weak intellectual property systems threaten to frustrate the technological development and competitiveness of the United States and to jeopardize future productivity of the United States in a world economy.<sup>2</sup> Multilateral intellectual property agreements are one of the avenues pursued by the federal government to protect United States interests.<sup>3</sup> The draft treaty for harmonization negotiated through the World Intellectual Property Organization<sup>4</sup> (WIPO) is an example of a potential multilateral agreement.<sup>5</sup>

Anticipation of a multilateral agreement<sup>6</sup> prompted the introduction of the Patent Harmonization Act of 1992 into the House of Representatives<sup>7</sup> and Senate.<sup>8</sup> Proposed changes include conversion to a first to file system with prior user rights, publishing patent applications within 18 months of filing, and

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<sup>1</sup> Harvey J. Winter, *The Role of the United States Government in Improving International Intellectual Property Protection*, 2 J.L. & TECH. 325, 325 (1987). A study by the International Trade Commission estimated U.S. industry lost between six and eight billion dollars in sales during 1982 due to "counterfeiting, 'passing off,' and copyright and patent infringement" by foreign competitors. *Id.*

<sup>2</sup> See Gerald J. Mossinghoff, *Research-Based Pharmaceutical Companies: The Need for Improved Patent Protection Worldwide*, 2 J.L. & TECH. 307 (1987). Research-based pharmaceutical companies are an example of an industry that is particularly victimized by unfair competition from foreign competitors. *Id.* at 307-08. Pharmaceutical companies spent \$4.1 billion on research in 1985. *Id.* at 308. In 1987, average cost to develop a new drug was about \$125 million and the average period to develop and obtain marketing approval was about ten years. *Id.* The cost has very likely increased substantially since 1987. These companies can justify these huge expenditures in time and money only if they are assured of having a period of time to exclusively market a new product. *Id.* A strong patent system assures this period of time. *Id.*

Pharmaceutical companies in countries with weak patent systems are able to imitate and market new drugs without the huge expenditures associated with developing that drug. *Id.* at 308-09. A study of five countries having weak patent systems revealed sales of new drugs by companies in these countries of \$192 million in comparison to U.S. company sales of only \$162 million. *Id.* at 309.

<sup>3</sup> Winter, *supra* note 1, at 326.

<sup>4</sup> A specialized agency of the United Nations. *Id.* at 327.

<sup>5</sup> Edward G. Fiorito, *The WIPO "Basic Proposal" for Harmonization of Patent Laws Viewed from the U.S. Practitioner's Point of View*, 19 AM. INTELL. PROP. L. ASS'N. L.Q. 24, 30 (1991). Fiorito presents and discusses Articles 1 through 24 of the WIPO draft treaty, current as of November 1990. *Id.*

<sup>6</sup> 138 CONG. REC. E1041 (daily ed. April 10, 1992) (bill introduction speech by Rep. Hughes). "The Patent System Harmonization Act of 1992 anticipates the likely components of a harmonization treaty and reflects the ensuing changes that might be called for in our patent laws. These include a conversion to a first to file system; the recognition of prior user rights; the publication of patent applications 18 months after they are filed; and a change in the term of patents. These provisions will each be considered by the subcommittee." *Id.*

<sup>7</sup> H.R. 4978, 102d Cong., 2d Sess. (1992) (introduced on April 9, 1992, by Representative William H. Hughes).

<sup>8</sup> S. 2605, 102d Cong., 2d Sess. (1992) (introduced on April 9, 1992, by Senator Dennis DeConcini).

changing the term of patent protection to 20 years from the date of filing.<sup>9</sup> Congress must decide whether the proposed changes will benefit the American people.<sup>10</sup> As evidenced by the Report of the Advisory Commission on Patent Law Reform, much consideration has been given to the interests and concerns of United States inventors.<sup>11</sup> In contrast, this comment focuses on an aspect of United States patent law that discriminates against foreign applicants and should be of active interest to foreign governments seeking harmonization.

Under current United States law, an applicant is entitled to a patent unless barred by one of the provisions of 35 U.S.C. § 102<sup>12</sup> assuming other procedural and substantive requirements are met.<sup>13</sup> This section of the patent statutes is generally regarded as being the sole source of "prior art."<sup>14</sup> Under 35 U.S.C. § 103, an applicant may not obtain a patent even if an invention is "not identically disclosed or described" in the prior art of § 102 if the variations over the prior art

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<sup>9</sup> Senator William Hughes' speech, *supra* note 6.

<sup>10</sup> *Id.* "Congress must consider whether a harmonization treaty, including both the changes to U.S. laws, and the changes in the laws that would be made by our sister countries, would overall benefit the American People. The bill that we are introducing today provides Congress with the opportunity to consider these changes in the event that treaty is worked out. We would not, at this time, consider making these changes absent the concessions that the United States is seeking in laws of other nations that are necessary to assure adequate and effective protection of intellectual property." *Id.*

<sup>11</sup> THE ADVISORY COMMISSION ON PATENT LAW REFORM, A REPORT TO THE SECRETARY OF COMMERCE (August 1992). "The issues studied by the Advisory Commission range from key harmonization questions to methods for reducing the cost and complexity associated with modern patent litigation. For each issue, the Commission sought and received extensive public input, through the use of open meetings, invitations for public comment, and informal discussions with bar and industry groups and private individuals. Thus, the Advisory Commission, during its tenure, held four public meetings, sought public input on proposed topics, and sought to incorporate suggestions from the public into its recommendations for reform. The public input has been essential in not only identifying what problem areas exist, but in deciding which course of action will be most appropriate for the United States as a whole to pursue. This public input, along with the expertise and experience of the members of the Commission, has enabled the Commission to consider, assess and endorse a series of recommendations for reform that will ensure that the U.S. patent system continues to promote technological and economic growth." *Id.* at 5.

<sup>12</sup> 35 U.S.C. § 102 (1988). "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 application for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the applicant for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented, or was the subject of an inventor's certificate, by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application for patent or inventor's certificate filed more than twelve months before the filing of the application in the United States, or

(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 . . . or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other." *Id.*

<sup>13</sup> For example, the requirements of 35 U.S.C. § 101 (1988) and 35 U.S.C. § 111 (1988).

<sup>14</sup> DONALD S. CHISUM, PATENTS § 5.03[3](g) (1989).

would be obvious to "a person of ordinary skill in the art" at the time of the invention.<sup>15</sup>

A foreign applicant has the additional burden of complying with the requirements of 35 U.S.C. § 104<sup>16</sup> which prevents a foreign applicant from proving a date of invention by evidence of activities in a foreign country except by the provisions of 35 U.S.C. § 119.<sup>17</sup> Under 35 U.S.C. § 119<sup>18</sup>, a foreign application filed in a country granting similar rights to United States inventors "shall have the same effect as the same application would have if filed in this country" on the foreign filing date.<sup>19</sup>

The discrimination against foreign inventors arises under a doctrine of judicial interpretation of these statutes established by two Court of Customs and Patent Appeals decisions.<sup>20</sup> The first, decided in 1966, (hereinafter referred to as *Hilmer I*) held that 35 U.S.C. § 119 grants a foreign applicant only a personal right against the patent defeating events of 35 U.S.C. § 102.<sup>21</sup> A prior foreign filing date established under 35 U.S.C. § 119 does not establish a United States Patent as prior art *against other applicants* under 35 U.S.C. § 102(a) or (e).<sup>22</sup> The second, decided in 1970, (hereinafter referred to as *Hilmer II*) extended that holding to 35 U.S.C. § 102(g).<sup>23</sup> This doctrine forces the Patent and Trademark Office to grant multiple valid patents that are not patentably distinct.<sup>24</sup>

The following discussion begins with a historical analysis that outlines the boundaries and illustrates the basis of Hilmer doctrine. Examples of the effects of Hilmer doctrine are presented as part of that discussion. Next, effects of the

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<sup>15</sup> 35 U.S.C. § 103 (1988). "A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that 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. Patentability shall not be negated by the manner in which the invention was made." *Id.*

<sup>16</sup> 35 U.S.C. § 103 (1988).

<sup>17</sup> "In proceedings in the Patent and Trademark Office and in the courts, an applicant for a patent, or a patentee, may not establish a date of invention by reference to knowledge or use thereof, or other activity with respect thereto, in a foreign country, except as provided in section 119 and 365 of this title." *Id.* Section 365 relates to priority of a national application and is not of concern here. 35 U.S.C. § 365 (1988).

<sup>18</sup> 35 U.S.C. § 119 (1988).

<sup>19</sup> "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 . . ." *Id.*

<sup>20</sup> *In re Hilmer*, 359 F.2d 859 (C.C.P.A. 1966) and *In re Hilmer*, 424 F.2d 1108 (C.C.P.A. 1970).

<sup>21</sup> *In re Hilmer*, 359 F.2d 859, 882-83 (C.C.P.A. 1966).

<sup>22</sup> *Id.*

<sup>23</sup> 424 F.2d 1108, 1113-14 (C.C.P.A. 1970).

<sup>24</sup> 2 DONALD S. CHISUM, PATENTS § 5.03[3](h) (1989).

application of Hilmer doctrine after an interference are discussed followed by an analysis of the Patent Harmonization Act of 1992.

## HISTORICAL ANALYSIS

### *Decisions Leading Up to Hilmer I*

In the 1926 decision of *Milburn v. Davis-Bournonville*, the Supreme Court of the United States held that a United States patent application becomes available for use as a prior art reference on its United States filing date.<sup>25</sup> Justice Holmes delivered the opinion of the Court.<sup>26</sup> The suit involved infringement of a patent granted to Whitford for an improvement in welding and cutting apparatus.<sup>27</sup> The defendant claimed that Whitford's patent was invalid because Whitford was not the first inventor as evidenced by a patent granted to Clifford.<sup>28</sup> Whitford filed a U.S. patent application on March 4, 1911, which issued as a patent on June 4, 1912.<sup>29</sup> Clifford filed an application on January 31, 1911 which issued as a patent on February 6, 1912.<sup>30</sup> Clifford's application completely disclosed Whitford's invention but did not claim it.<sup>31</sup> The district court held that Clifford was not a prior inventor because he did not claim the invention even though it was disclosed in his application and the Court of Appeals affirmed.<sup>32</sup> The Supreme Court reversed.<sup>33</sup>

Justice Holmes began his analysis by noting that under R.S. 4886<sup>34</sup> an applicant could receive a patent for an invention "not known or used by others in this country, before his invention."<sup>35</sup> A statutory defense to infringement under R.S. 4920<sup>36</sup> was that the patentee "was not the original and first inventor or discoverer of any material and substantial part of the thing patented."<sup>37</sup> Literally interpreted, these words meant that a person was not the first inventor if another person "made a complete and adequate description of the thing claimed before

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<sup>25</sup> 270 U.S. 390 (1926).

<sup>26</sup> *Id.* at 399.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> *Id.* at 402.

<sup>34</sup> Similar provisions now in 35 U.S.C. § 102(a). Harold S. Meyer, *Are Patents Effective References as of Foreign Filing Dates?*, 47 J. PAT. OFF. SOC'Y 391, 393 (1965).

<sup>35</sup> 270 U.S. at 399.

<sup>36</sup> Similar provisions now in 35 U.S.C. § 102(f) (1988). Under 35 U.S.C. § 282, a defense against a claim of infringement includes "[i]nvalidity of the patent or any claim in suit on any ground specified in Part II of this title as a condition for patentability." 35 U.S.C. § 282(2) (1988). Part II includes 35 U.S.C. § 102(f) (1988).

<sup>37</sup> 270 U.S. at 399-400.

the earliest moment to which the alleged inventor can carry his invention back."<sup>38</sup> However, Justice Holmes noted that this principle did not apply if the other person recorded the invention but then kept it secret and did not communicate it to anyone.<sup>39</sup> Likewise, abandoned patent applications could not be used as prior art, and a foreign patent application could not serve as prior art if it had not been patented or described in a printed publication.<sup>40</sup>

Justice Holmes went on to observe that a publication in a periodical barred the grant of a patent because the invention became public property.<sup>41</sup> Clifford had taken all possible steps to publish his invention by filing a patent application.<sup>42</sup> The entire disclosure would be published as soon as the Patent Office completed its work.<sup>43</sup> Justice Holmes concluded that Clifford should not be penalized by the necessity of delay in the Patent Office.<sup>44</sup> Clifford's patent clearly showed that Whitford was not the first inventor.<sup>45</sup> "It is not necessary to show who did invent the thing in order to show that Whitford did not."<sup>46</sup> Justice Holmes concluded by noting that this decision did not apply to foreign inventions.<sup>47</sup>

In the 1935 decision of *Viviani v. Taylor*, the Commissioner of Patents held that an earlier foreign priority date of a reference United States patent was irrelevant when "determining whether claims in an application should be rejected in view of the unclaimed disclosure" of the reference patent.<sup>48</sup> The Patent and Trademark Office had declared an interference between three applicants: Viviani, Taylor, and Herzog.<sup>49</sup> In *Viviani*, the court reviewed the decision of a primary examiner that denied Taylor's motion to dissolve the interference with the opposing party Herzog.<sup>50</sup> Taylor claimed that Herzog could not patent the counts because he did not claim a date of invention earlier than the British filing date of a reference United States patent granted to Briggs, who was not a party in the interference.<sup>51</sup> The petitioner noted that R.S. 4887<sup>52</sup> "provides that an application

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<sup>38</sup> *Id.* at 400.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

<sup>41</sup> *Id.* at 400-01.

<sup>42</sup> *Id.* at 401.

<sup>43</sup> *Id.*

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> *Id.* at 402.

<sup>48</sup> 72 U.S.P.Q. (BNA) 448, 449 (Comm'r. Pat. 1935).

<sup>49</sup> *Id.* at 448.

<sup>50</sup> *Id.*

<sup>51</sup> *Id.* Taylor's basis for arguing that Herzog could not patent the counts over Brigg's disclosure is not presented in the opinion.

<sup>52</sup> Similar provisions are now in 35 U.S.C. § 119. Meyer, *supra* note 34 at 393.

filed in this country by a person who regularly filed an application for the same invention in a foreign country which affords similar privileges to citizens of this country shall have the same force and effect as if the application had been filed in this country on the same date."<sup>53</sup> Also, the effect of *Milburn* established Briggs as prior art on his U.S. filing date. Petitioner then argued that R.S. 4887<sup>54</sup> in combination with *Milburn* established Briggs as prior art on his British filing date.<sup>55</sup> Under R.S. 4887<sup>56</sup>, the British filing had "the same force and effect as if the application had been filed in this country on the same date."<sup>57</sup>

Commissioner Coe rejected this argument on three grounds.<sup>58</sup> First, R.S. 4887<sup>59</sup> was intended only to allow a foreign applicant to establish a right of priority in compliance with the International Convention for the Protection of Industrial Property.<sup>60</sup> The Commissioner stated:

The Convention provides that any person who has regularly filed an application for patent in one of the countries adherent to the Convention shall have a period of priority within which he may file applications in the other member countries without loss of any right by reason of anything that happened between the two filing dates. . . *This statute 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* [emphasis added].<sup>61</sup>

Second, Commissioner Coe stated that *Milburn* held only that a U.S. patent established evidence of invention *in this country* as of the United States application filing date.<sup>62</sup> A foreign filing date was merely evidence of invention *in a foreign country*.<sup>63</sup>

Finally, the Commissioner noted that R.S. 4923<sup>64</sup> established that an invention was still patentable "on account of the invention or discovery, or any part thereof, having been known or used in a foreign country, before his invention or discovery thereof, if it had not been patented or described in a

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<sup>53</sup> 72 U.S.P.Q. (BNA) at 448.

<sup>54</sup> Similar provisions are now in 35 U.S.C. § 119. Meyer, *supra* note 34, at 393.

<sup>55</sup> 72 U.S.P.Q. (BNA) at 448.

<sup>56</sup> Similar provisions are now in 35 U.S.C. § 119. Meyer, *supra* note 34, at 393.

<sup>57</sup> 72 U.S.P.Q. (BNA) at 448.

<sup>58</sup> *Id.* at 449-50.

<sup>59</sup> Similar provisions are now in 35 U.S.C. § 119. Meyer, *supra* note 34, at 393.

<sup>60</sup> 72 U.S.P.Q. (BNA) at 449.

<sup>61</sup> *Id.*

<sup>62</sup> *Id.*

<sup>63</sup> *Id.*

<sup>64</sup> Similar provisions are now in 35 U.S.C. § 102(a). Meyer, *supra* note 34, at 393.

printed publication."<sup>65</sup> Combining the "in this country"<sup>66</sup> language of R.S. 4887<sup>67</sup> with Milburn would permit a foreign inventor to defeat another applicant's right to a United States patent based on the foreign inventor's earlier foreign filing date, "which at most is evidence of knowledge of the invention abroad."<sup>68</sup> This would directly contravene the explicitly stated policy of R.S. 4923<sup>69</sup> which permitted an applicant to receive a United States patent in spite of knowledge abroad.<sup>70</sup>

Four years later, in *Electric Storage Battery Co. v. Shimadzu*, the Supreme Court of the United States held that a foreign inventor could use evidence of activity in a foreign country to establish priority of invention.<sup>71</sup> Shimadzu was a citizen and resident of Japan<sup>72</sup> who applied for and obtained three United States patents.<sup>73</sup> The first patent application was filed on January 30, 1922, and claimed a method for making finely divided lead powder for electric batteries.<sup>74</sup> The second application was filed on July 14, 1923, and claimed a method for making a fine powder of lead suboxide and metallic lead and the product of the process.<sup>75</sup> The third application was filed on April 27, 1926, and claimed an apparatus for making lead oxide powder.<sup>76</sup>

In early 1921, the Electric Storage Battery Company (Electric Storage) started using a machine in Philadelphia, Pennsylvania, which involved both the method and apparatus claims of Shimadzu's patents.<sup>77</sup> Electric Storage did not have knowledge of Shimadzu's inventions.<sup>78</sup> Shimadzu subsequently filed suit for infringement of all three patents.<sup>79</sup>

The district court held for Shimadzu and the court of appeals affirmed.<sup>80</sup> Electric Storage sought review of three issues in the Supreme Court.<sup>81</sup> First, whether a foreign inventor could enjoin a domestic business from using a

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<sup>65</sup> 72 U.S.P.Q. (BNA) at 449.

<sup>66</sup> *Id.* at 448.

<sup>67</sup> Similar provisions are now in 35 U.S.C. § 119. Meyer, *supra* note 34, at 393.

<sup>68</sup> 72 U.S.P.Q. (BNA) at 449. Provisions similar to R.S. 4923 now in 35 U.S.C. 102(a). Meyer, *supra* note 32, at 393.

<sup>69</sup> Similar provisions now in 35 U.S.C. § 102(a). Meyer, *supra* note 32, at 393.

<sup>70</sup> 72 U.S.P.Q. (BNA) at 449.

<sup>71</sup> 307 U.S. 5, 15 (1939).

<sup>72</sup> *Id.* at 7.

<sup>73</sup> *Id.* at 7-8.

<sup>74</sup> *Id.* at 7-9.

<sup>75</sup> *Id.*

<sup>76</sup> *Id.*

<sup>77</sup> *Id.* at 9.

<sup>78</sup> *Id.*

<sup>79</sup> *Id.* at 7-8

<sup>80</sup> *Id.* at 8.

<sup>81</sup> *Id.* at 8.



patented apparatus or process by proving an actual date of invention with evidence of acts in a foreign country, when the challenged use began before the foreign inventor's United States filing date.<sup>82</sup> Second, whether Shimadzu had abandoned his inventions.<sup>83</sup> Third, whether any of the three patents were invalid because Electric Storage had used any of the patented processes or apparatus for more than two years prior to Shimadzu's United States filing date.<sup>84</sup>

In arguing the first issue, Electric Storage asserted that R.S. 4886,<sup>85</sup> 4887,<sup>86</sup> and 4923<sup>87</sup> restricted a foreign inventor to the actual United States filing date in establishing priority of invention unless the inventor communicated the invention to a person in this country, or if the invention had been patented abroad.<sup>88</sup>

Justice Roberts began by analyzing the language and history of R.S. 4886<sup>89</sup> as of the time the patents were granted.<sup>90</sup> He concluded that nothing in the language of R.S. 4886<sup>91</sup> restricted the place of discovery or invention to this country.<sup>92</sup> Nothing in R.S. 4887<sup>93</sup> was applicable because that statute established only priority rights for a foreign inventor and was not applicable to the facts at hand.<sup>94</sup>

Justice Roberts agreed with Electric Storage that this statutory interpretation resulted in an anomalous situation.<sup>95</sup> A domestic inventor that filed a United States application was protected by R.S. 4923<sup>96</sup> from a prior foreign invention, even if the foreign inventor had filed a foreign patent application.<sup>97</sup> On the other hand, a domestic inventor that dedicated an invention to the public could be later enjoined by a foreign inventor that had received a United States patent, if the foreign inventor could show conception and diligence in a foreign country just

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<sup>82</sup> *Id.*

<sup>83</sup> *Id.*

<sup>84</sup> *Id.*

<sup>85</sup> Similar provisions are now in 35 U.S.C. § 102(a). Meyer, *supra* note 34, at 393.

<sup>86</sup> Similar provisions are now in 35 U.S.C. § 119. Meyer, *supra* note 34, at 393.

<sup>87</sup> Similar provisions now in 35 U.S.C. § 102(a). Meyer, *supra* note 34, at 393.

<sup>88</sup> 307 U.S. at 9-10.

<sup>89</sup> Similar provisions are now in 35 U.S.C. § 102(a). Meyer, *supra* note 34, at 393.

<sup>90</sup> 307 U.S. at 7-12.

<sup>91</sup> Similar provisions are now in 35 U.S.C. § 102(a). Meyer, *supra* note 34, at 393.

<sup>92</sup> 307 U.S. at 12.

<sup>93</sup> Similar provisions are now in 35 U.S.C. § 119. Meyer, *supra* note 34, at 393.

<sup>94</sup> 307 U.S. at 12. "[T]he section does not contain any provision which precludes proof of facts respecting the actual date of invention in a foreign country to overcome the prior knowledge or use bar of § 4886." *Id.*

<sup>95</sup> *Id.* at 13-14.

<sup>96</sup> Similar provisions are now in 35 U.S.C. § 102(a). Meyer, *supra* note 34, at 393.

<sup>97</sup> 307 U.S. at 13.

prior to the two year statutory bar.<sup>98</sup> Justice Roberts concluded that Congress had the responsibility to correct the inconsistency.<sup>99</sup>

On the second issue, Justice Roberts held that Shimadzu had not abandoned the invention merely because he had not claimed the subject matter of the United States applications in certain Japanese applications.<sup>100</sup> Concerning the last issue, Justice Roberts held that of the three patents, only the earliest filed patent was valid.<sup>101</sup> "A mere experimental use is not the public use defined by the Act, but a single use for profit, not purposely hidden, is such. The ordinary use of a machine or the practise [sic] of a process in a factory in the usual course of producing articles for commercial purposes is public use."<sup>102</sup>

Electric Storage had used the patented process and apparatus without concealment in the United States for more than two years prior to the United States filing dates of Shimadzu's two later patents.<sup>103</sup> Electric Storage had used the process and apparatus of Shimadzu's earliest filed patent for only six months prior to the United States filing date.<sup>104</sup> Justice Roberts remanded the case for a determination of whether Shimadzu's earliest patent was valid and infringed.<sup>105</sup>

In 1946, Congress passed the Boykin Act which legislatively overruled the *Shimadzu* decision.<sup>106</sup> This statute, now 35 U.S.C. § 104,<sup>107</sup> allows a foreign inventor to show evidence of invention in a foreign country only by proof of filing of a foreign patent application and only if the United States application was filed within 12 months after the foreign filing.<sup>108</sup> R.S. 4887 eventually became recodified as 35 U.S.C. § 119.<sup>109</sup> Further, the enactment of 35 U.S.C. § 102(e) codified the *Milburn* holding by the Patent Reform Act of 1952.<sup>110</sup> Two other statutes, R.S. 4886 ("not known or used by others in this country") and R.S. 4923 ("shall not be held to be void on account of the invention or discovery thereof, having been known or used in a foreign country") were then combined into 35 U.S.C. § 102(a).<sup>111</sup>

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<sup>98</sup> *Id.* at 14.

<sup>99</sup> *Id.*

<sup>100</sup> *Id.* at 15-17.

<sup>101</sup> *Id.* at 17-22.

<sup>102</sup> *Id.* at 20.

<sup>103</sup> *Id.*

<sup>104</sup> *Id.* at 21.

<sup>105</sup> *Id.* at 21-22.

<sup>106</sup> David S. Fishman, *An Analysis of the Combined Effect of 35 USC § 119 and 35 USC § 102(e)*, 46 J. PAT. OFF. SOC'Y 181, 187 (1964).

<sup>107</sup> *Id.*

<sup>108</sup> 35 U.S.C. § 104 (1988), *see supra* note 16 and accompanying text.

<sup>109</sup> Meyer, *supra* note 34, at 393.

<sup>110</sup> *Id.*

<sup>111</sup> *Id.*

The rule stated in *Viviani* stood unchallenged for many years.<sup>112</sup> After *Viviani*, the Patent Office enacted section 715.01 of the Manual of Patent Examining Procedure:

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.<sup>113</sup>

A patent granted to a foreign inventor could be used as prior art against other applications under 35 U.S.C. § 102(e) (previously *Milburn*) as of the United States filing date. An earlier foreign filing only granted the inventor a right of priority under 35 U.S.C. § 119 (previously R.S. 4887). The later enactment of 35 U.S.C. 104 permitted a foreign inventor to use only a foreign filing date as evidence of prior invention in a foreign country (the Boykin Act).

### *The Dispute Begins*

In 1963, an article written by Leon Chasan and Frederick H. Rabin suggested that the relationship between 35 U.S.C. § 102(e) and 35 U.S.C. § 119 as established by *Viviani* was questionable.<sup>114</sup> Chasan and Rabin began their analysis by noting that the European economy was increasing in strength and that development of foreign technology was accelerating.<sup>115</sup> "[F]oreign inventors will thus rely on 35 U.S.C. § 119 so as to acquire the benefit of their earlier filing date abroad rather than have applications subject to the later U. S. filing date. The problem of dates for anticipatory purposes is, therefore, one of increasing importance."<sup>116</sup>

The article continued with several examples of potential scenarios that run counter to normal principals of United States patent law.<sup>117</sup> The examples demonstrate how the *Viviani* reasoning allows a later applicant to swear behind the United States filing date of a reference patent earlier submitted by a foreign applicant.<sup>118</sup> The foreign applicant preserves his right to a patent via 35 U.S.C. § 119. The two patents that issue are not patentably distinct.<sup>119</sup>

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<sup>112</sup> *In re Hilmer*, 359 F.2d 859, 865 (C.C.P.A. 1966).

<sup>113</sup> *Id.* at 881.

<sup>114</sup> Leon Chasan and Frederick H. Rabin, *Effective Filing Dates of U.S. Patents Based on 35 U.S.C. Sec. 119*, 45 J. PAT. OFF. SOC'Y 601, 602-04 (1963).

<sup>115</sup> *Id.* at 602.

<sup>116</sup> *Id.*

<sup>117</sup> *Id.* at 603-04.

<sup>118</sup> *Id.* "The effect of this position of the patent Office can be exemplified by reference to some hypothetical cases. Assume that a patent has issued based on a foreign application with a convention date of January 1, 1960, and a U. S. filing date of January 1, 1961. A second inventor later applying for a patent on matter

Chasan and Rabin first addressed whether a United States patent could be used as prior art under 35 U.S.C. § 102(e) on an earlier foreign filing date.<sup>120</sup> Their analysis was based on several decisions which suggested that the foreign filing priority date determined when a United States patent became available for use as prior art.<sup>121</sup> Next, the authors addressed whether a United States patent established as prior art on a foreign filing date under 35 U.S.C. § 102(e) could be extended to 35 U.S.C. § 103 as evidence of obviousness.<sup>122</sup> The authors cited further decisions which supported the proposition that § 102(e) references could be used as evidence of obviousness under § 103.<sup>123</sup> Based on this analysis, Chasan and Rabin concluded that sufficient authority existed to support the proposition that a foreign priority date should control for determining whether a patent can be used as a prior art reference under both §§ 102(e) and 103.<sup>124</sup>

An article by David S. Fishman next appeared in 1964 that mounted a stronger attack on the Patent Office's position.<sup>125</sup> His article began with a hypothetical fact situation similar to the hypotheticals proposed by Chasan and Raban.<sup>126</sup> Fishman's analysis started with a review of *Milburn*.<sup>127</sup> He noted that

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disclosed but not claimed in the foreign application would merely have to establish completion of his invention in a Rule 131 Affidavit prior to January 1, 1961, the later of the two dates; this rule, therefore, can in many instances, be quite beneficial to the second inventor. Additionally, as often happens in the case of important inventions, knowledge of the subject matter contained in the original (foreign) patent application of a foreign applicant becomes available sometime between the convention date abroad and the filing date in this country. In this intervening period, many patent applications can be filed - based on this earlier knowledge - *which do not represent any patentable improvement thereover* [emphasis added]. Since the Patent Office, however, examines cases only on an ex parte basis and has no knowledge of whether the later applicant knew of the earlier invention and does not use the [foreign priority date] for anticipatory purposes, these later cases are often allowed.

*Additionally, the original foreign inventor's assignee can file in the U.S. on a large number of minuscule, normally unpatentable variations, over his basic idea* [emphasis added]. Where additional cases are filed in the home country between the earliest convention date and the U.S. filing date, the original convention date cannot be cited and, therefore, numerous additional patents can be obtained as long as double patenting is avoided. This is not true in the case of domestic inventors, where the first case becomes a reference as of its earliest filing date to measure inventiveness against the subsequent ones." *Id.*

119 *Id.*

120 *Id.* at 606.

121 *Id.* at 606-10. *Oelbaum v. Lovable Co.*, 211 F. Supp. 594 (S.D.N.Y. 1962), *aff'd*, 322 F.2d 1022 (2d Cir. 1963); *Sperry Rand Corp. v. Knapp-Monarch Co.*, 193 F. Supp. 756 (E.D. Pa. 1960), *aff'd in part and rev'd in part*, 307 F.2d 344 (3d Cir. 1962); *Ellis-Foster Co. v. Reichold Chemicals, Inc.*, 198 F.2d 42 (3d Cir. 1952); *Van Der Horst Corp. v. Chromium Corp.*, 197 F.2d 791 (2d Cir. 1952); *Young v. General Electric Co.*, 96 F. Supp. 109 (N.D. Ill. 1951); *Permo, Inc. v. Hudson-Ross, Inc.*, 179 F.2d 386 (7th Cir., 1950); *Alexander Milburn Co. v. Davis-Bourmonville Co.*, 270 U.S. 390 (1926); *Federal Yeast Corp. v. Fleischman Co.*, 13 F.2d 570 (4th Cir. 1926).

122 Chasan and Rabin, *supra* note 114, at 610.

123 *Id.* at 610-12. *Detrola Radio & Television Corp. v. Hazeltine Corp.*, 313 U.S. 259 (1941); *Alexander Milburn Co. v. Davis-Bourmonville Co.*, 270 U.S. 390 (1926); *Kendall Co. v. Tetley Tea Co.*, 189 F.2d 558 (1st Cir. 1951); *Western States Machine Co. v. S. S. Hepworth Co.*, 147 F.2d 345 (2d Cir. 1945) *cert. denied*, 325 U.S. 873 (1945).

124 Chasan and Rabin, *supra* note 114, at 612.

125 Fishman, *supra* note 106.

126 *Id.* at 182-83. "A filed an application for a patent in Germany on January 1, 1960, and A also filed a similar application in the United States on July 1, 1960, claiming the benefit of the German filing date under the provisions of 35 U.S.C. § 119. A's application issued as a patent on January 1, 1962.

35 U.S.C. § 119 stated that a foreign application should have "the same effect it would have had if it had been filed in this country."<sup>128</sup> Combining the *Milburn* decision and 35 U.S.C. § 119 meant that a United States patent issued to a foreign inventor claiming an earlier foreign priority date became prior art under § 102(e) on the foreign priority date rather than the United States filing date.<sup>129</sup> He dismissed Justice Holmes' statement in *Milburn* that the situation would be different if a foreign invention was involved as being cryptic.<sup>130</sup>

Fishman continued with a discussion of the *Shimadzu* decision.<sup>131</sup> He concluded that *Shimadzu* represented the proposition that a court may not add words to a statute by "judicial or quasi judicial modification."<sup>132</sup> He then concluded that the "in this country" language of 35 U.S.C. §§ 119 and 102(e) was so clear that the two sections must be read together.<sup>133</sup> To read the sections otherwise would be equivalent to adding words to a statute which was prohibited by *Shimadzu*.<sup>134</sup>

Fishman continued by analyzing several cases and, based on his interpretations, was able to find sufficient authority to support his position.<sup>135</sup> Concerning *Viviani*, he came to the conclusion that Commissioner Coe had read additional words into R.S. 4887<sup>136</sup> by limiting it to a personal right to be used by a foreign inventor to protect a right to a patent.<sup>137</sup> However, no such limitation was expressly stated in the statute and, under Fishman's interpretation of *Shimadzu*, the Supreme Court disapproved of adding words to a statute.<sup>138</sup>

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B filed a patent application in the United States on June 1, 1960, and B cannot establish a date of conception earlier than his filing date. Assume B's application is still pending; however, the issue would be the same even if B's application had matured into a patent. . . . A's patent will be available as a reference against B if the date of A's German application is considered to be the effective date of A's United States application, but A's patent will not be a reference against B if the effective date of A's United States application is limited to the actual filing date in the United States." *Id.*

<sup>127</sup> *Id.* at 183.

<sup>128</sup> *Id.* at 185.

<sup>129</sup> *Id.*

<sup>130</sup> *Id.*

<sup>131</sup> *Id.* at 186-87.

<sup>132</sup> *Id.* at 187.

<sup>133</sup> *Id.* at 188.

<sup>134</sup> *Id.*

<sup>135</sup> *Id.* at 188-207. *James B. Clow & Sons, Inc. v. United States Pipe & Foundry Co.*, 313 F.2d 46 (5th Cir. 1963); *Wickman v. Vinco Corp.*, 288 F.2d 310 (6th Cir. 1961); *Bergstrom and Trobeck v. Tomlinson and Tomlinson*, 220 F.2d 766 (C.C.P.A. 1955); *Ex parte Blumlein* 103 U.S.P.Q. 223 (Pat. Off. Bd. App. 1952 & 1953), *aff'd sub. nom., In re Walker*, 213 F.2d 332 (C.C.P.A. 1954); *Ellis-Foster v. Reichhold Chemicals, Inc.*, 198 F.2d 42 (3rd Cir. 1952); *Federal Yeast Corp. v. Fleischmann Co.*, 13 F.2d 570 (4th Cir. 1926); *Kling v. Haring*, 11 F.2d 202 (D.C. Cir. 1926), *cert. denied*, 271 U.S. 671 (1926); *Sperry Rand Corp. v. Knapp-Monarch Co.*, 193 F. Supp. 756 (E.D. Pa. 1960), *aff'd in part and rev'd in part*, 307 F.2d 344 (3d Cir. 1962); *Young v. General Electric Co.*, 96 F. Supp. 109 (N.D. Ill. 1951); *Midwest Mfg. Co. v. Staynew Filter Corp.*, 11 F. Supp. 705 (W.D. N.Y. 1935).

<sup>136</sup> Similar provisions are now in 35 U.S.C. § 119. *Meyer, supra* note 34, at 393.

<sup>137</sup> *Fishman, supra* note 106, at 191-92.

<sup>138</sup> *Id.*

*The Patent Office Fans the Flames*

In 1964, the Patent Office Board of Appeals decided *Ex Parte Zemla* which implicitly overruled *Viviani*.<sup>139</sup> In that case, Zemla and Egger filed an application for a patent on an electric wrist watch in the United States on April 15, 1959,<sup>140</sup> and claimed an earlier foreign priority filing date April 16, 1958.<sup>141</sup> The examiner rejected claims 59 through 66 as not being patentable over a United States patent issued to Gisiger-Stahli.<sup>142</sup> Gisiger-Stahli filed in the United States on June 16, 1958, and claimed earlier foreign priority filing dates of July 2, 1957, and February 28, 1958.<sup>143</sup>

Essentially, the board adopted the reasoning of the Fishman article.<sup>144</sup> The language of 35 U.S.C. § 119, literally interpreted, stated that a foreign priority filing "shall have the same effect" as it would have if filed in the United States on the date on which the application was filed in the foreign country. This language is plain; it gives the application the status of an application filed in the United States on a particular date.<sup>145</sup> Under 35 U.S.C. § 102(e), an applicant is not entitled to a patent if "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."<sup>146</sup> Therefore, a United States patent granted to a foreign inventor became available for use as a prior art reference under § 102(e) on the foreign priority date.<sup>147</sup> Zemla and Egger claimed a priority date of April 16, 1958, which was later than Gisiger-Stahli's priority date of February 28, 1958, and were therefore barred from patenting claims 59 through 66.<sup>148</sup>

The holding in *Zemla* and the Fishman article were strongly attacked in a 1965 article by Harold S. Meyer.<sup>149</sup> Meyer started by noting that the language of 35 U.S.C. § 119 only referred to an *application* for patent.<sup>150</sup> An application is not a patent, and 35 U.S.C. § 119 is silent about patents.<sup>151</sup> United States patents are available as prior art references under 35 U.S.C. § 102(a), (b), and (e) on their

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<sup>139</sup> 142 U.S.P.Q. (BNA) 499 (Pat. Off. Bd. App. 1964).

<sup>140</sup> *Id.* at 499.

<sup>141</sup> *Id.* at 500.

<sup>142</sup> *Id.* at 500.

<sup>143</sup> *Id.* Gisiger-Stahli claimed priority to two earlier priority dates, July 2, 1957, and February 28, 1958. *Id.* The Board apparently concluded that only the February 28, 1958, priority document contained material that anticipated claims 59 through 66 of the Zemla and Egger application. *Id.*

<sup>144</sup> *Id.*

<sup>145</sup> *Id.*

<sup>146</sup> *Id.*

<sup>147</sup> *Id.*

<sup>148</sup> *Id.* at 501.

<sup>149</sup> Meyer, *supra* note 34.

<sup>150</sup> *Id.* at 392.

<sup>151</sup> *Id.*

United States filing dates, and "[t]here has never been a clear authoritative ruling that any earlier date is proper."<sup>152</sup>

Meyer began his analysis by noting that the problem seemed to stem from a confusion "between the effect of an application for patent as a constructive reduction to practice (for claimed subject matter only), and as evidence of prior knowledge (for unclaimed subject matter). It is not proper to apply the procedural section of the statute 35 USC [§] 119 to the latter when it was intended to apply only to the former."<sup>153</sup> Meyer then reviewed the previous law and addressed whether the drafters intended a change by enactment of the recodification of 1952.<sup>154</sup>

First, Meyer noted that the patent act of 1870 inserted the words "in this country" into R.S. 4886<sup>155</sup> and that this language had remained unchanged until 1952.<sup>156</sup> Second, R.S. 4923<sup>157</sup> allowed a patent to be granted despite the invention being known or used in a foreign country.<sup>158</sup> Third, the United States entered into the International Convention treaty in 1887.<sup>159</sup> In 1903, Congress added a paragraph to R.S. 4887 to give a United States patent application "the same force and effect as . . . if filed in this country on the date . . . first filed in' a foreign country if the interval is not over twelve months, subject to reciprocity."<sup>160</sup>

In 1952, recodification placed the provisions of R.S. 4886 and 4923 in 35 U.S.C. § 102(a).<sup>161</sup> The provisions of R.S. 4887 were rearranged into 35 U.S.C. § 119.<sup>162</sup> The only new provision was 35 U.S.C. § 102(e).<sup>163</sup> Meyers then noted that the House and Senate reports on the recodification bill of 1952 stated that 35 U.S.C. § 102(a), (b), and (c) were intended only to enact existing law concerning novelty.<sup>164</sup> New subsection (e) was intended to codify the holding of the *Milburn* court.<sup>165</sup>

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<sup>152</sup> *Id.*

<sup>153</sup> *Id.*

<sup>154</sup> *Id.* at 392-95.

<sup>155</sup> Similar provisions are now in 35 U.S.C. § 102(a). *Id.* at 393.

<sup>156</sup> *Id.* at 393.

<sup>157</sup> Similar provisions are now in 35 U.S.C. § 102(a). *Id.* at 393.

<sup>158</sup> *Id.*

<sup>159</sup> *Id.*

<sup>160</sup> *Id.*

<sup>161</sup> *Id.*

<sup>162</sup> *Id.*

<sup>163</sup> *Id.*

<sup>164</sup> *Id.* at 393-94.

<sup>165</sup> *Id.* at 394.

The *Milburn* decision was based on the premise that a United States patent application in Patent Office prosecution was evidence that the invention was "known . . . by others in this country" which provided a defense to infringement because the patentee "was not the original and first inventor."<sup>166</sup> This is the underlying premise that permits United States patents to be cited as prior art as of the United States filing date.<sup>167</sup>

In determining whether this date could be pushed back to a foreign filing priority date, Meyer looked to the language of Article 4 of the International Convention.<sup>168</sup> Meyer argued that 35 U.S.C. § 119 was only intended to place the United States in compliance with the Convention so United States inventors could receive reciprocal rights in foreign countries.<sup>169</sup> "The treaty itself says two things. First, the foreign filing establishes a right of priority. Second, certain occurrences during the priority period shall not invalidate a patent applied for during that period. That is all."<sup>170</sup>

Meyer then discussed the concept of constructive reduction to practice and concluded it applied only to subject matter that an applicant claimed or intended to claim.<sup>171</sup> Under 35 U.S.C. §§ 119 and 104, a foreign filing is recognized only as a constructive reduction to practice of the claimed subject matter in the foreign country on the foreign filing date.<sup>172</sup> Unclaimed disclosure is merely evidence of knowledge in a foreign country.<sup>173</sup> A foreign priority filing date is intended only to protect a foreign inventor's right to a patent.<sup>174</sup>

Meyer then presented and discussed several hypothetical situations using this statutory construction.<sup>175</sup> These examples demonstrated "a clear purpose and effect running through the patent law, favoring American inventors and

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<sup>166</sup> *Id.* at 395.

<sup>167</sup> *Id.*

<sup>168</sup> *Id.* at 396. Article 4(a). "Any person who shall have duly filed an application for a patent . . . in one of the contracting countries . . . shall enjoy, for the purpose of filing application in other countries, and subject to the rights of third parties, a right of priority during the periods hereinafter specified.

(b) Consequently, the subsequent filing in one of the other countries of the Union, prior to the expiration of such periods, shall not be invalidated by acts performed in the interval, especially, by another application, by publication of the invention or the working of the same . . .

(c) The periods of priority above referred to shall be twelve months for patents . . ." *Id.*

<sup>169</sup> *Id.* at 396-97.

<sup>170</sup> *Id.* at 396.

<sup>171</sup> *Id.* at 398.

<sup>172</sup> *Id.* at 399.

<sup>173</sup> *Id.*

<sup>174</sup> *Id.* at 399-400.

<sup>175</sup> *Id.* at 400-01.



discriminating against foreign inventors."<sup>176</sup> Meyers concluded that Congress intended to favor American inventors.<sup>177</sup>

Meyer disagreed with the Zemla holding and criticized the combination of 35 U.S.C. § 102(e) with § 119.<sup>178</sup> "It is apparent that some people think it to be improper for a patent to be granted if there is any indication that the patentee is not the first inventor in an absolute sense, but the law does not justify this."<sup>179</sup> He concluded that the purpose of 35 U.S.C. §§ 102, 104, and 119 was to favor United States inventors and granted a foreign inventor only a personal right to defend against intervening patent defeating events.<sup>180</sup> Only Congress had authority to change this policy.<sup>181</sup>

### *Hilmer I: The CCPA Confronts the Dispute*

The argument came to a head in the 1966 decision of *In re Hilmer*.<sup>182</sup> Judge Rich of the Court of Customs and Patent Appeals (CCPA) squarely confronted the issue and concluded that Commissioner Coe's *Viviani* decision was correct<sup>183</sup> and that 35 U.S.C. § 119 granted a foreign inventor only a personal right against intervening patent defeating events.<sup>184</sup> 35 U.S.C. § 119 does not establish a United States patent as a prior art reference on an earlier foreign priority date.<sup>185</sup> A United States patent can be used as a prior art reference only as defined by the "in this country" limitation of 35 U.S.C. § 102(a) or the "filed in the United States" limitation of 35 U.S.C. § 102(e).<sup>186</sup>

*In re Hilmer* concerned an examiner's rejection of Hilmer's claims 10, 16 and 17.<sup>187</sup> Hilmer and Habicht were involved in an interference which Habicht won when Hilmer conceded priority of the invention defined by the count.<sup>188</sup> Hilmer claimed a German priority filing date of July 31, 1957, and Habicht claimed a Swiss priority filing date of January 24, 1957.<sup>189</sup> Hilmer filed in the United

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<sup>176</sup> *Id.* at 401.

<sup>177</sup> *Id.* at 402.

<sup>178</sup> *Id.* at 408.

<sup>179</sup> *Id.*

<sup>180</sup> *Id.* at 409.

<sup>181</sup> *Id.* at 410.

<sup>182</sup> 359 F.2d 859 (C.C.P.A. 1966).

<sup>183</sup> *Id.* at 882-83.

<sup>184</sup> *Id.* at 878.

<sup>185</sup> *Id.*

<sup>186</sup> *Id.* at 883.

<sup>187</sup> *Id.* at 861.

<sup>188</sup> *Id.*

<sup>189</sup> *Id.*

States on July 25, 1958, and Habicht filed in the United States on January 23, 1958.<sup>190</sup> These dates are presented in chronological order as follows:

January 24, 1957	Habicht filed in Switzerland.
July 31, 1957	Hilmer filed in Germany.
January 23, 1958	Habicht filed in the United States.
July 25, 1958	Hilmer filed in the United States.

After the interference, Hilmer's application was subjected to further *ex parte* prosecution.<sup>191</sup> Claims 10, 16 and 17 were then rejected on Habicht as a primary reference in view of a patent granted to Wagner et al. as a secondary reference.<sup>192</sup> The references rendered Hilmer's rejected claims "obvious to one of ordinary skill in the art."<sup>193</sup>

Hilmer appealed to the Board of Patent Appeals and asserted that the examiner had used the disclosure of the winning party of the interference as a prior art reference and that this was not permitted by the patent statutes.<sup>194</sup> Hilmer argued that Habicht's application became a prior art reference on Habicht's United States filing date only; the examiner had incorrectly used Habicht's earlier foreign filing date.<sup>195</sup> Hilmer also argued that his concession of priority related only to the count of the interference and had no bearing on unrelated disclosure.<sup>196</sup>

Several issues were argued to the Board.<sup>197</sup> Judge Rich reviewed these issues and decided that they boiled down to the holding by the Board as follows:

The examiner insists, however, that the effective date of the Habicht patent is January 24, 1957, the date of an application filed in Switzerland which is claimed by Habicht under 35 U.S.C. [§] 119. Appellants have not overcome this earlier date of Habicht. The issue is hence presented of whether the foreign priority date of a United States patent can be used as the effective filing date of the patent *when it is used as a reference*.<sup>198</sup>

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<sup>190</sup> *Id.*

<sup>191</sup> *Id.*

<sup>192</sup> *Id.* at 861-62.

<sup>193</sup> *Id.* at 862.

<sup>194</sup> *Id.*

<sup>195</sup> *Id.*

<sup>196</sup> *Id.*

<sup>197</sup> *Id.* at 862-64.

<sup>198</sup> *Id.* at 864.

This is the issue that Judge Rich reviewed and analyzed in his opinion.<sup>199</sup> Judge Rich agreed that Hilmer could not claim the subject matter that Habicht now claimed because he did not have support in his application.<sup>200</sup> Therefore, no estoppel or res judicata arose out of the interference.<sup>201</sup>

Judge Rich began his analysis with the following statement:

The issue in this case involves a question of statutory interpretation basic to the operation of the patent system. This issue has arisen because after decades of a uniform practice, and interpretation of law which has existed in part since 1903 and in whole since 1926, the Patent Office has made an abrupt about-face; having refused for at least 30 years, after expressly ruling on the question, to apply U.S. patents *as references* as of foreign "priority" dates, it has changed its practice as made manifest in an unknown number of board decisions. One of them is here on appeal. Another, as will presently appear, has been reviewed under 35 U.S.C. [§] 145 in the District Court for the District of Columbia where the Patent Office was affirmed, [*Eli Lilly v. Brenner*, 375 F.2d 599 (1965).] A third has been published, *Ex parte Zemla*, 142 USPQ 499.<sup>202</sup>

He then continued with his analysis by reviewing the Chasan and Rabin article, and the Fishman and Meyer articles as well as several other articles that discussed the subject.<sup>203</sup>

Judge Rich gave great weight to the Meyer article because Meyer had been involved in writing the 1952 patent act.<sup>204</sup> He also briefly discussed the *Eli Lilly* decision in which a district court had upheld the new Patent Office procedure of treating a United States patent as a prior art reference under 35 U.S.C. § 103 as of the foreign priority filing date.<sup>205</sup> Judge Rich adopted the position expressed by Meyer and several other commentators and disagreed with the *Eli Lilly* court and the Patent office.<sup>206</sup> He appeared to be somewhat in dismay about the sudden change in statutory interpretation: "[t]his change in long and continuous administrative practice has also been made without any advance notice, hearing, or stated basis in policy, economics, or international relations."<sup>207</sup>

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<sup>199</sup> *Id.*

<sup>200</sup> *Id.* at 862.

<sup>201</sup> *Id.*

<sup>202</sup> *Id.* at 864-65.

<sup>203</sup> *Id.* at 865-67.

<sup>204</sup> *Id.* at 866-67.

<sup>205</sup> *Id.* at 867.

<sup>206</sup> *Id.* at 867-68.

<sup>207</sup> *Id.* at 868.

Judge Rich began his opinion by noting that in *In re Walker*,<sup>208</sup> the CCPA had previously decided this issue.<sup>209</sup> He analyzed this decision as well as *Ex parte Blumlein*<sup>210</sup>, an earlier Board of Patent Appeals decision.<sup>211</sup> Allen Blumlein was the famous British inventor of the television set and Doreen Walker was his executrix.<sup>212</sup> Judge Rich's analysis revealed that the CCPA had previously ruled on exactly the same issue and that the *Lilly* court had misinterpreted the *Walker* decision.<sup>213</sup> "We therefore have in this *Walker-Blumlein* case decision by *both* the board and this court that as to non-interfering subject matter the foreign priority date of a U.S. reference patent is of 'no consequence' and that only the United States filing date has to be overcome."<sup>214</sup>

The opinion continued by addressing the propriety of reading 35 U.S.C. § 102(e) in combination with § 119.<sup>215</sup> Judge Rich agreed that this interpretation sounded seductively plausible based only on the language of the statutes.<sup>216</sup> He concluded, however, that the logical flaw in this approach was in the assumption that the two sections had to be read together.<sup>217</sup>

A historical analysis of 35 U.S.C. § 119 followed.<sup>218</sup> Based on legislative records and reasoning similar to the Meyer article, Judge Rich came to the following conclusion:

For the foregoing reasons, we are clearly of the opinion that section 119 is not to be read as anything more than it was originally intended to be by its drafters, the Commission appointed under the 1898 Act of Congress, namely a revision of our statutes to provide for a right of priority in conformity with the International Convention, for the benefit of United States citizens, by creating the necessary reciprocity with foreign members of the then Paris Union.<sup>219</sup>

Concerning 35 U.S.C. 102(e), Judge Rich started by noting that section 102(e) is a patent defeating provision, "by contrast with section 119 which gives

<sup>208</sup> 213 F.2d 332 (C.C.P.A. 1954).

<sup>209</sup> 359 F.2d at 868.

<sup>210</sup> 103 U.S.P.Q. (BNA) 223 (Pat. Off. Bd. App. 1952 & 1953), *aff'd*, *In re Walker*, 213 F.2d 332 (C.C.P.A. 1954).

<sup>211</sup> *Id.* at 868-770. Citing *Ex parte Blumlein*.

<sup>212</sup> *Id.* at 868. *In re Walker* was the CCPA appeal of the board's decision in *Ex parte Blumlein*. *Id.*

<sup>213</sup> *Id.* at 869-70.

<sup>214</sup> *Id.* at 869. However, Judge Rich noted the *Walker* court ultimately held that Blumlein could not patent the claims because they were not patentably distinct from the claims Blumlein lost in the interference. *Id.*

<sup>215</sup> *Id.* at 870-71.

<sup>216</sup> *Id.* at 871.

<sup>217</sup> *Id.* at 872.

<sup>218</sup> *Id.* at 872-76.

<sup>219</sup> *Id.* at 876.

affirmative 'priority' rights *to applicants* . . . The priority right is to save the applicant (or his application if one prefers to say it that way) *from patent defeating provisions* such as 102(e); and of course it has the same effect in guarding the validity of the patent when issued."<sup>220</sup> He then showed how 102(a) and 102(e) were very closely related, were both restricted to activity in this country, and how 102(e) had evolved from the *Milburn* decision which was concerned only with activity *in this country*.<sup>221</sup> The *Milburn* rule was most often criticized because it sanctioned the use of "secret prior art" to invalidate a patent because patent applications are kept secret during prosecution in the Patent Office.<sup>222</sup> Judge Rich saw no reason to push the effective date further back in time, thus generating even more "secret prior art" against United States inventors.<sup>223</sup>

Finally, Judge Rich felt that 35 U.S.C. § 104, in combination with the "in this country" restrictions of 102(a) and (g) and the restriction to applications filed "in the United States" of 102(e), clearly indicated a policy that knowledge and acts in foreign countries should not defeat a United States application.<sup>224</sup> The only exception would be a priority dispute, in which case a foreign inventor could establish priority only as specified by sections 104 and 119.<sup>225</sup>

Judge Rich concluded his opinion by reviewing several cases cited by recent commentators on the subject to support the proposition that 35 U.S.C. §§ 102 and 119 should be read together.<sup>226</sup> He dismissed these cases as being either incorrectly interpreted and irrelevant or, at best, only weak authority.<sup>227</sup>

The Board's rejection of Hilmer's claim 17 was reversed because it was based solely on 35 U.S.C. § 103 using *Habicht* as a prior art reference under § 102(e).<sup>228</sup> There was, however, an additional ground for rejection of claims 10 and 16 which the Board had not addressed and which, therefore, was not addressed in this opinion.<sup>229</sup> The additional ground was a rejection because claims 10 and 16 were unpatentable over the count of the interference (which

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<sup>220</sup> *Id.*

<sup>221</sup> *Id.* at 876-77.

<sup>222</sup> *Id.* at 877.

<sup>223</sup> *Id.*

<sup>224</sup> *Id.* at 878.

<sup>225</sup> *Id.*

<sup>226</sup> *Id.* at 879-82. *Ellis-Foster Co. v. Reichold Chemicals, Inc.*, 198 F.2d 42, 94 (3d Cir. 1952); *Van der Horst Corp. v. Chromium Corp.*, 197 F.2d 791 (2d Cir. 1952); *Celanese Corp. of America v. Ribbon Narrow Fabrics Co.*, 117 F.2d 481 (2d Cir. 1941); *Federal Yeast Corp. v. Fleischman Co.*, 13 F.2d 570 (4th Cir. 1926); *Sperry Rand Corp. v. Knapp-Monarch Co.* 193 F. Supp. 756 (E.D. Pa. 1961), *aff'd in part and rev'd in part*, 307 F.2d 344 (3d Cir. 1962); *Young v. General Electric Co.*, 96 F. Supp. 109 (N.D. Ill. 1951).

<sup>227</sup> 359 F.2d at 879-83.

<sup>228</sup> *Id.* at 884.

<sup>229</sup> *Id.* at 884.

Hilmer lost) in view of the Wagner et al. patent.<sup>230</sup> The case was remanded for further consideration of this rejection by the Board of Patent Appeals.<sup>231</sup> Following this decision, the Court of Appeals for the District of Columbia reversed the earlier *Eli Lilly* district court decision that Judge Rich had criticized.<sup>232</sup>

### *Ex parte Raspe*

The *Hilmer I* decision settled the dispute over the relationship between 35 U.S.C. § 102(a) and (e) and 35 U.S.C. § 119. However, the relationship between 35 U.S.C. §§ 102(g) and 119 was not settled. In 1967, the Patent Office Board of Appeals decided *Ex parte Raspe*<sup>233</sup> which provided an insight into the Patent Office's view of this relationship.

In *Raspe*, the examiner rejected claims 4 and 9 as fully anticipated by a patent issued to Joly, and Raspe appealed the rejection.<sup>234</sup> The Joly patent was filed in the United States on May 3, 1961, and in France on May 14, 1960.<sup>235</sup> Raspe's application was a division of an application filed in the United States on May 2, 1961. The rejection was based on 35 U.S.C. 102(e).<sup>236</sup> By combining 35 U.S.C. § 102(e) with 35 U.S.C. § 119, the examiner held that the French filing date was the effective date that established Joly's patent as a reference.<sup>237</sup> The Board rejected this argument in light of the *Hilmer I* decision and the Court of Appeals' *Eli Lilly* decision, and reversed the final rejection.<sup>238</sup>

Examiner in Chief Frederico wrote a concurrence that was more like a dissent.<sup>239</sup> He began by stating:

While I agree that Section 102(e) of the statute cannot now be used as the basis for the availability of the Joly et al. disclosure as prior art, I cannot agree to simply reversing the examiner without more but am of the opinion that the facts in this case show sufficient basis for rejecting the claims and that such a rejection should be made in order to prevent the perpetration of a gross injustice.<sup>240</sup>

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<sup>230</sup> *Id.*

<sup>231</sup> *Id.*

<sup>232</sup> *Eli Lilly v. Brenner*, 375 F.2d 599 (D.C. Cir. 1967).

<sup>233</sup> 156 U.S.P.Q. 217 (BNA) (Pat. Off. Bd. App. 1967).

<sup>234</sup> *Id.* at 217.

<sup>235</sup> *Id.*

<sup>236</sup> *Id.*

<sup>237</sup> *Id.*

<sup>238</sup> *Id.*

<sup>239</sup> *Id.*

<sup>240</sup> *Id.*

He went on to note that claim 7 of the Joly patent recited a method for making the compound of appealed claim 4.<sup>241</sup> The Claim 4 compound was conclusively obvious over Joly's claim 7.<sup>242</sup>

Joly had complied with 35 U.S.C. §§ 104 and 119 and established a priority date of May 14, 1960, which apparently was earlier than a German priority date established by Raspe.<sup>243</sup> Frederico thought that Joly's application should be granted the status of an invention in this country under 35 U.S.C. 102(g), since Joly had complied with the statutory requirements in establishing priority.<sup>244</sup> Therefore, Joly's patent should have been available as a reference against Raspe's application.<sup>245</sup> Frederico concluded by noting that Joly, by practicing his patented process, would infringe Raspe's patented compound.<sup>246</sup>

This is an example of one of the unjust situations that can result from the *Hilmer I* holding. Raspe was later in time than Joly every step of the way but managed to receive a dominating claim because the Patent Office was compelled to treat the Joly patent as if it didn't exist. Raspe, a German inventor, stepped into the shoes of a United States inventor and received the benefit of a congressional policy intended to benefit only United States inventors.<sup>247</sup>

### *Hilmer II*

The CCPA settled the relationship between 35 U.S.C. §§ 102(g) and 119 in 1970.<sup>248</sup> This decision followed the remand from *Hilmer I* and addressed the board's decision on the remanded issue.<sup>249</sup> The Board concluded that the subject matter of Habicht's claim 1 was prior art against *Hilmer*.<sup>250</sup> The Board was

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<sup>241</sup> *Id.* at 218.

<sup>242</sup> *Id.* Frederico also noted that Raspe's method of making the compound was totally different. *Id.*

<sup>243</sup> *Id.*

<sup>244</sup> *Id.*

<sup>245</sup> *Id.*

<sup>246</sup> *Id.* at 218-19. "The allowance of claim 4 in this application would result in a most peculiar anomaly. Appellants with a later date and unable or unwilling to overcome the prior legal date of the Joly et al. invention would be given a dominating claim. If Joly et al. or their assignee, or licensees, practiced their patented process in the United States or if they sold the product of their patented process in the United States, they would be infringing claim 4; likewise anyone who purchased the compound from Joly et al. or their successors and sold or used it in the United States would be infringing claim 4. The French inventors and their assignee would have just cause for complaint if, after having claimed and established their date according to law, the Patent Office then presented someone else having a later date with a claim which would prevent them from exercising their own patented method or utilizing the fruits thereof." *Id.*

<sup>247</sup> As pointed out in *The Hilmer Doctrine, Effective Date of Foreign Patent*, Pat. Trademark & Copyright J. (BNA) No. 292, at C-4 (Aug.26, 1976), Congressional policy favoring United States inventors is absent when both applicants are foreign.

<sup>248</sup> 424 F.2d 1108 (C.C.P.A. 1970).

<sup>249</sup> *Id.* at 1110.

<sup>250</sup> *Id.*

divided on the basis for this holding.<sup>251</sup> Two of the members stated that the basis for their holding was "35 U.S.C. § 102(g) combined with § 119 and read in light of § 104."<sup>252</sup> The third member merely stated that Hilmer's concession of priority was sufficient.<sup>253</sup> Judge Rich addressed only the majority holding.<sup>254</sup>

Judge Rich began his analysis by noting that the subject matter of claims 10 and 16 were held obvious over subject matter of Habicht's claim 1 in view of Wagner.<sup>255</sup> Hilmer agreed that he could not patent claims 10 and 16 if they were the same subject matter as Habicht's claim 1.<sup>256</sup> "We note with care at the outset that the board majority in no way relied on what occurred in the interference, on the concession of priority, or on any estoppel growing out of the interference."<sup>257</sup>

The Board decision was based on reading the "in this country" language of 35 U.S.C. § 102(g) in combination with the "in this country" language of 35 U.S.C. § 119.<sup>258</sup> Judge Rich disagreed with this line of reasoning because it was essentially the same as the Board's line of reasoning in Hilmer I.<sup>259</sup> He reemphasized that 35 U.S.C. §§ 104 and 119 only allow a foreign inventor to establish a priority date based on a filing in a foreign country and do not establish that application or the claimed invention as prior art.<sup>260</sup> In footnote 6 of the decision, Judge Rich recognized the anomalous situation that Frederico discussed in Raspe but stated that Congress had the responsibility to correct the problem.<sup>261</sup>

*Decisions Following Hilmer I and Hilmer II*

Several decisions followed that further defined Hilmer doctrine. In *Kawai v. Metlesics*, the CCPA finally gave effect to the "in this country" language of 35 U.S.C. § 119.<sup>262</sup> The court held that a foreign application, as filed in the foreign country on the priority date, had to meet the requirements of 35 U.S.C. § 112 in order to obtain the benefits of 35 U.S.C. § 119.<sup>263</sup> This case was a consolidation

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<sup>251</sup> *Id.*

<sup>252</sup> *Id.*

<sup>253</sup> *Id.*

<sup>254</sup> *Id.*

<sup>255</sup> *Id.* at 1110-11.

<sup>256</sup> *Id.* at 1111.

<sup>257</sup> *Id.*

<sup>258</sup> *Id.*

<sup>259</sup> *Id.* at 1112.

<sup>260</sup> *Id.* at 1112-13.

<sup>261</sup> *Id.* at 1113-14 n.6. "We think it necessary to distinguish between the right to a patent, which is only a right to exclude others, and a right to practice an invention or to be free of liability for infringement. *If the law as it has been written by Congress created anomalous situations, then it is for Congress to decide whether to change the law* [emphasis added]. In the present case we do not see the anomalous situation that was seen in *Raspe* since allowance of Claims 10 and 16 would not give appellants coverage of Habicht's claim 1 compound." *Id.*

<sup>262</sup> 480 F.2d 880 (C.C.P.A. 1973). The *Hilmer I* and *Hilmer II* holdings were essentially confined to interpreting the "in this country" and "in the United States" language of 35 U.S.C. § 102.

<sup>263</sup> *Id.* at 889.



of four appeals from decisions of the Board of Patent Appeals.<sup>264</sup> The issue for the resolution of each of these appeals was the same:

. . . whether an application for patent filed in a foreign country must contain a disclosure of an invention adequate to satisfy the requirements of the first paragraph of 35 U.S.C. 112 if a later filed United States application claiming that invention is to be accorded the benefit of the filing date of the foreign application as allowed by 35 U.S.C. 119."<sup>265</sup>

Three of the appeals involved patent applications by British inventors.<sup>266</sup> In all three applications, the examiner rejected all the claims "as unpatentable under 35 U.S.C. 102(a) or 35 U.S.C. 103."<sup>267</sup> The cited references all had prior art reference dates earlier than the United States filing dates of these applications.<sup>268</sup> In order to overcome these references, the inventors attempted to invoke 35 U.S.C. § 119 and obtain the benefit of their British filing dates which were previous to the effective dates of the cited references.<sup>269</sup> The examiner refused on the ground that the earlier British specifications failed to fulfill the requirements of the first paragraph of 35 U.S.C. § 112.<sup>270</sup> Specifically, the examiner found the disclosure of utility to be insufficient.<sup>271</sup>

The fourth appeal resulted from an interference between Kawai and Metlesics.<sup>272</sup> Kawai was the junior party in the interference and moved to gain a right of priority from an earlier application filed in Japan under 35 U.S.C. § 119.<sup>273</sup> The primary examiner denied the motion on the ground that the Japanese application did not fulfill the utility and how to use requirements of 35 U.S.C. § 112.<sup>274</sup>

Senior Judge Almond began the court's opinion by reviewing the history and purposes of 35 U.S.C. § 119.<sup>275</sup> The applicants argued that § 119 clearly stated that the United States application should be treated as if it was filed in the United States on the date the foreign application was filed.<sup>276</sup> Therefore, only the United

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<sup>264</sup> *Id.* at 881.

<sup>265</sup> *Id.*

<sup>266</sup> *Id.*

<sup>267</sup> *Id.*

<sup>268</sup> *Id.*

<sup>269</sup> *Id.*

<sup>270</sup> *Id.* at 882.

<sup>271</sup> *Id.*

<sup>272</sup> *Id.*

<sup>273</sup> *Id.*

<sup>274</sup> *Id.*

<sup>275</sup> *Id.* at 883-84.

<sup>276</sup> *Id.* at 884.

States application was required to meet the formalities of § 112. The Patent Office argued that § 119 required that the foreign application should be treated as filed in the United States on the foreign filing date.<sup>277</sup> Therefore, the foreign application must comply with the requirements of § 112.<sup>278</sup>

Senior Judge Almond admitted that § 119 arguably supported both positions.<sup>279</sup> However, by analyzing the history and purposes of § 119, he concluded that a foreign application must fulfill the § 112 requirements in order to be accorded the benefits of § 119.<sup>280</sup> The filing of a United States patent application acts as a constructive reduction to practice if the application meets the requirements of § 112.<sup>281</sup> The effect of § 119 in combination with § 104 is to grant a foreign applicant a constructive reduction to practice recognized by the Patent Office and courts of this country.<sup>282</sup> Therefore, in order to receive the benefit of a constructive reduction to practice, a foreign application must meet the requirements of § 112.<sup>283</sup> An applicant cannot gain "more rights than he would have had if he had first filed in this country. In other words, the extent of the right of priority is measured by the content of the foreign specification. The applicant is entitled to the benefit of what it does disclose and no more."<sup>284</sup>

The CCPA further refined the holding of *Hilmer II* in *In re McKellin*.<sup>285</sup> The issue on appeal was "whether claims may be rejected under 35 U.S.C. 103 on the ground that a losing party to an interference is not entitled to claims which are asserted to be obvious variations of the invention defined in the counts, when section 102(g) and interference estoppel are not applicable."<sup>286</sup> McKellin filed a patent application in the United States on June 6, 1963.<sup>287</sup> Maltha subsequently filed a patent application on October 10, 1963.<sup>288</sup> A division of this application issued as a United States patent on November 5, 1968.<sup>289</sup> The claims of the Maltha patent and McKellin's application overlapped because an act that would infringe the claims of Maltha would also infringe the claims of McKellin's

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<sup>277</sup> *Id.* at 884-85.

<sup>278</sup> *Id.* at 885.

<sup>279</sup> *Id.*

<sup>280</sup> *Id.* at 885-86.

<sup>281</sup> *Id.* at 886.

<sup>282</sup> *Id.* at 885-86.

<sup>283</sup> *Id.* at 886.

<sup>284</sup> *Id.* at 889.

<sup>285</sup> 529 F.2d 1324 (C.C.P.A. 1976).

<sup>286</sup> *Id.* at 1325.

<sup>287</sup> *Id.*

<sup>288</sup> *Id.*

<sup>289</sup> *Id.*

application.<sup>290</sup> McKellin subsequently filed a continuation in part application that copied the claims of the Maltha patent, thereby provoking an interference.<sup>291</sup>

An interference was declared, and Maltha succeeded in establishing a foreign priority date of October 12, 1962, corresponding to his filing of an application in the Netherlands.<sup>292</sup> McKellin moved to add additional counts, some corresponding to species disclosed in Maltha's patent and others corresponding to species not disclosed in Maltha's patent but within the scope of the existing interference counts.<sup>293</sup> However, the interference examiner refused these motions.<sup>294</sup> Ultimately, Maltha won the interference based on his foreign priority date.<sup>295</sup>

During subsequent *ex parte* prosecution, McKellin added claims for the species that were refused entrance into the interference and to other species that were not "within the scope of the interference counts."<sup>296</sup> All of the claims differed "from the interference counts in one or more material respects."<sup>297</sup> The examiner rejected these claims as obvious under 35 U.S.C. § 103 in view of the Maltha patent or the counts of the interference.<sup>298</sup> McKellin argued that the examiner's position was incorrect.<sup>299</sup> He noted that he had an earlier United States filing date than Maltha, and that the counts were derived from Maltha's application.<sup>300</sup> Therefore, the counts were not prior art under 35 U.S.C. § 102(g) because of *Hilmer II*.<sup>301</sup>

The Patent Office Board of Appeals sustained the examiner's rejection.<sup>302</sup> However, the Board did not fall into the trap of basing the rejection on a combination of 35 U.S.C. §§ 102(g) and 119.<sup>303</sup> Instead, the Board adopted the reasoning of the third member of the Board in *Hilmer II* and merely stated that McKellin was barred from patenting any claims that were obvious in view of the counts of the interference.<sup>304</sup> The board stated:

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<sup>290</sup> *Id.*

<sup>291</sup> *Id.*

<sup>292</sup> *Id.*

<sup>293</sup> *Id.*

<sup>294</sup> *Id.*

<sup>295</sup> *Id.* at 1325-26.

<sup>296</sup> *Id.* at 1325.

<sup>297</sup> *Id.*

<sup>298</sup> *Id.* at 1325-26.

<sup>299</sup> *Id.* at 1326.

<sup>300</sup> *Id.*

<sup>301</sup> *Id.* at 1328.

<sup>302</sup> *Id.* at 1325-26.

<sup>303</sup> *Id.* at 1326.

<sup>304</sup> *Id.*

If we were to follow appellants' reasoning to its logical conclusion, we would condone a situation in which, by presenting claims, drawn sequentially, to compounds containing carbon chains from 1 to 20 carbon atoms, or to obvious variations of the compounds, the losing party in an interference with a patent, (which relied on a foreign priority date), could be granted a patent which would cover all aspects of the invention defined in the counts of the interference as to which he has been adjudicated not to be the first inventor. Obviously, this would make a mockery of the interference practice.<sup>305</sup>

On appeal, the Patent Office solicitor attempted a novel argument not raised at the board level.<sup>306</sup> The court decided to consider the argument "because of its guidance potential and because our view thereof cannot prejudice appellants."<sup>307</sup> The solicitor argued that lost counts of an interference are prior art to the losing party since 35 U.S.C. § 135(a) mandated that a final award of priority in an interference "shall constitute the final refusal by the Patent and Trademark Office of the claims involved."<sup>308</sup> The court rejected this argument because 35 U.S.C. § 135(a) was intended only to finalize an interference dispute thereby saving time in further ex parte prosecution.<sup>309</sup> Being procedural in nature, 35 U.S.C. § 135(a) could not be used as another source of statutory prior art.<sup>310</sup>

The court next considered whether there was a basis of rejection under 35 U.S.C. § 103.<sup>311</sup> The court noted that subject matter of lost counts does not become prior art merely from involvement in an interference.<sup>312</sup> In order to be prior art, the subject matter of lost counts must come within 35 U.S.C. § 102.<sup>313</sup> The court analyzed the evidence of record and concluded that Maltha had shown only a constructive reduction to practice in a foreign country via a foreign filing which was not statutory prior art under 35 U.S.C. § 102.<sup>314</sup> Under the reasoning of *Hilmer I* and *Hilmer II*, 35 U.S.C. § 102(a), (e) and (g) were not applicable and Maltha's patent was not prior art under any other section.<sup>315</sup>

Finally, the court considered whether there was any judicial doctrine whereby the subject matter of the lost counts became prior art.<sup>316</sup> The court

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<sup>305</sup> *Id.* at 1327.

<sup>306</sup> *Id.*

<sup>307</sup> *Id.*

<sup>308</sup> *Id.*

<sup>309</sup> *Id.*

<sup>310</sup> *Id.*

<sup>311</sup> *Id.*

<sup>312</sup> *Id.* at 1328.

<sup>313</sup> *Id.*

<sup>314</sup> *Id.* at 1328-29.

<sup>315</sup> *Id.* at 1329.

<sup>316</sup> *Id.* at 1329.

reviewed several decisions offered by the Patent office solicitor and concluded that all of these decisions involved situations where either priority was conceded, or the subject matter of the lost counts was discovered to be already in the prior art, or the subject matter of the lost counts had properly come in under some provision of 35 U.S.C. § 102.<sup>317</sup> Conceding priority is equivalent to admitting that the invention was made by another in this country.<sup>318</sup> In a concurrence, Judge Markey made some very pertinent observations concerning the "unjust" results of this decision.<sup>319</sup>

There are two further pertinent cases which provide a foreign inventor with at least one way of establishing activity in this country. In *Ex parte Hachiken*, the Patent and Trademark Office Board of Appeals held a foreign inventor could prove conception of an invention in this country by evidence of a draft patent application "introduced into this country by way of counsel."<sup>320</sup> In *Clevenger v. Kooi*, the Patent and Trademark Office Board of Patent Interferences held that introduction of an invention disclosure into the United States could provide evidence of conception in this country as long as the disclosure was enabling.<sup>321</sup>

In *Clevenger*, the disclosure originated at N. V. Philips Gloeilampenfabrieken based in the Netherlands.<sup>322</sup> According to standard procedure, the disclosure was transferred to the U.S. Philips Corporation based in New York and stored in files.<sup>323</sup> The Board rejected Clevenger's argument that mere presence of a disclosure in a file in the United States was insufficient to constitute proof of conception in this country without some mental activity contemplating the invention.<sup>324</sup>

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<sup>317</sup> *Id.* at 1329-30. *Kimberly-Clark Corp. v. Proctor Gamble Dist. Co.*, 1992 U.S. App. Lexis 19815 (C.A.F.C. 1992); *In re Bass*, 474 F.2d 1276 (C.C.P.A. 1973), *superseded by statute*; *In re Fenn* 315 F.2d 949 (C.C.P.A. 1963); *In re Karplus*, 97 F.2d 100 (C.C.P.A. 1938); *In re Cole*, 82 F.2d 405 (C.C.P.A. 1936); *In re Williams*, 62 F.2d 86 (C.C.P.A. 1932).

<sup>318</sup> *In re McKellin*, 529 F.2d. at 1330.

<sup>319</sup> *Id.* at 1333. "The desire of courts to avoid untoward results has often led to a desirable growth in the life of the law. That desire can also lead to such confusion in the law as to render society almost rudderless in the area involved. Though the law of patents seems occasionally a particular victim, the phenomenon occurs in all types of cases. Whether it arises as an element of social jurisprudence or in an effort to effectuate a perceived public policy, the dichotomy between the so-called activists, who would reach for the 'proper' result, and the so called literalists, who would rigidly 'follow' the law as written, had probably existed since courts began. An almost infinite shading exists between instances at opposite ends of the spectrum. In seeking a 'just' result, the written law may in some cases be only slightly tilted, while in others it may be bent and twisted into unrecognizable and grotesque forms. On the other hand, literal application of statutory law may produce results extending from those only slightly spaced from equity to those so remote from our traditional concepts of justice as to cry out for change in the written law. Similarly, we who are charged with the duty of deciding and of explaining our decision may, from case to case, often and rightly find ourselves at various wavelengths in the activism-literalism spectrum. Happily, the constant activist, for whom the result controls, and total literalist, for whom the result is irrelevant, are rare if not extinct." *Id.*

<sup>320</sup> 223 U.S.P.Q. (BNA) 879, 880 (Pat. and Trademark Off. Bd. App. 1984).

<sup>321</sup> 190 U.S.P.Q. (BNA) 189, 192 (Pat. and Trademark Off. Bd. Int. 1974).

<sup>322</sup> *Id.* at 191.

<sup>323</sup> *Id.*

<sup>324</sup> *Id.* at 192.

## THE HILMER DOCTRINE IN EX PARTE PROSECUTION AFTER AN INTERFERENCE

In most countries, the first applicant for a patent establishes a right to patent the invention against later applicants.<sup>325</sup> Under United States law, a second applicant may be permitted to prove priority and a right to patent the invention over the first applicant.<sup>326</sup>

An interference is a PTO proceeding to determine "any question of patentability and priority of invention between two or more parties claiming the same patentable invention."<sup>327</sup> The examiner determines whether two applications include interfering subject matter that is "patentable to each applicant subject to a judgment in the interference."<sup>328</sup> The interfering subject matter is defined by one or more counts.<sup>329</sup> A count is defined by 37 C.F.R. § 1.601(f).<sup>330</sup> Under 35 U.S.C. § 135(a) and 37 C.F.R. § 1.658(c), claims corresponding to a count in an interference are forfeited by the losing party.<sup>331</sup>

<sup>325</sup> 3 DONALD S. CHISUM, PATENTS § 10.01 (1990).

<sup>326</sup> *Id.* "The inventor who was the first to conceive the subject matter but the last to reduce to practice will prevail if he exercised reasonable diligence in reducing to practice from a time just prior to when the first person to reduce to practice conceived the subject matter." *Id.*

<sup>327</sup> 37 C.F.R. § 1.601(i) (1991). The "same patentable invention" is defined as follows: "Invention 'A' is the 'same patentable invention' as an invention 'B' when invention 'A' is the same as (35 U.S.C. § 102) or obvious (35 U.S.C. § 103) in view of invention 'B' assuming invention 'B' is prior art with respect to invention 'A'. Invention 'A' is a 'separate patentable invention' with respect to invention 'B' when invention 'A' is new (35 U.S.C. 102 and non-obvious (35 U.S.C. 103) in view of invention 'B' assuming invention 'B' is prior art with respect to 'A.'" 37 C.F.R. 1.601(n) (1991).

An interference can be declared between two pending applications, or a pending application and an unexpired patent. 37 C.F.R. § 1.601(i) (1991).

<sup>328</sup> 37 C.F.R. § 1.603 (1991).

<sup>329</sup> *Id.*

<sup>330</sup> 37 C.F.R. § 1.601(f) (1992). "A count defines the interfering subject matter between (1) two or more applications or (2) one or more applications and one or more patents. When there is more than one count, each count shall define a separate patentable invention. Any claim of an application or a patent which corresponds to a count is a claim involved in the interference within the meaning of 35 U.S.C. § 135(a). A claim of a patent or application which is identical to a count is said to 'correspond exactly' to the count. A claim of a patent or application which is not identical to a count, but which defines the same patentable invention as the count, is said to 'correspond substantially' to the count. When a count is broader in scope than all of the claims which correspond to the count, the count is a 'phantom count.' A phantom count is not patentable to any party." *Id.*

<sup>331</sup> 35 U.S.C. § 135(a) (1988). "Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, an interference may be declared and the Commissioner shall give notice of such declaration to the applicants, or applicant and patentee, as the case may be. The Board of Patent Appeals and Interferences shall determine questions of priority of the inventions and may determine questions of patentability. Any final decision, if adverse to the claims of an applicant, shall constitute the final refusal by the Patent and Trademark Office of the claims involved, and the Commissioner may issue a patent to the applicant who is adjudged the prior inventor. A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved in the patent, and notice of such cancellation shall be endorsed on copies of the patent distributed after such cancellation by the Patent and Trademark Office." *Id.*

37 C.F.R. § 1.658(c) (1992). "A judgment in an interference settles all issues which (1) were raised and decided in the interference, (2) could have been properly raised and decided in the interference by a motion under § 1.633 (a) through (d) and (f) through (j) or § 1.634 and (3) could have been properly raised and decided in an additional interference with a motion under § 1.633(e). A losing party who could have properly moved, but failed to move, under §§ 1.633 or 1.634 shall be estopped to take *ex parte* or *inter partes* action in the Patent and Trademark Office after the interference which is inconsistent with that party's failure to properly move,

However, in limited situations, the losing party may patent claims that are obvious variations over the lost counts of the interference in subsequent ex parte prosecution. The purpose of this section is to show how a party who loses an interference to a foreign inventor stands a much better chance of patenting obvious variations of a lost count due to the CCPA's application of Hilmer doctrine to § 102(g) in *McKellin*.

Interference estoppel represents one of the mechanisms through which a losing party may be prevented from patenting claims that are obvious variations over a lost count.<sup>332</sup> In the 1934 case of *In re Chase*, the CCPA set out the principles of the doctrine:

The rule is well settled in patent law that as far as the Patent Office and this court are concerned an interference settles not only the rights of the parties under the issues or counts of the interference but also settles every question of the rights to every claim which might have been presented and determined in the interference proceedings. . . The rule of estoppel is applied in such cases for the reason that it is necessary to put an end to litigation in the Patent Office.<sup>333</sup>

*Chase* involved two interferences.<sup>334</sup> The first was a seven-party interference which included Chase and a rival applicant, Friden.<sup>335</sup> The second was an interference between Friden and Chase and involved claims from a second patent application filed by Chase.<sup>336</sup> The primary examiner recognized the common subject matter between Chase and Friden and invited Friden to copy claims from Chase's application to provoke an interference.<sup>337</sup> Friden complied and the interference was initiated.<sup>338</sup> Friden then moved to dissolve the interference on the ground that Chase was estopped from pursuing the claims in dispute because Chase should have raised the issue in the first interference.<sup>339</sup> The Examiner of Interferences granted the motion which left Friden in possession of Chase's claims without a determination of priority.<sup>340</sup> The board of appeals affirmed.<sup>341</sup>

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except that a losing party shall not be estopped with respect to any claims which correspond, or properly could have corresponded, to a count as to which that party was awarded a favorable judgment." *Id.*

<sup>332</sup> 2 DONALD S. CHISUM, PATENTS (1989).

<sup>333</sup> 21 C.C.P.A. 1183, 1185 (1934).

<sup>334</sup> *Id.* at 1184-85.

<sup>335</sup> *Id.*

<sup>336</sup> *Id.* at 1185.

<sup>337</sup> *Id.* at 1185-86.

<sup>338</sup> *Id.* at 1186.

<sup>339</sup> *Id.* at 1185-86.

<sup>340</sup> *Id.* at 1184-85.

<sup>341</sup> *Id.* at 1184.

The CCPA noted that Chase might be estopped if the issues of the second interference could have been properly raised in the first interference.<sup>342</sup> However, the parties conceded that Chase could not have properly raised the issue in the first interference.<sup>343</sup> Had Chase raised the issue in the first interference, the Examiner of Interferences would have declared a second interference between Chase and Friden anyway.<sup>344</sup> Therefore, interference estoppel did not apply and the rejection was reversed.<sup>345</sup>

Another basis for rejecting claims that are obvious variations over a lost count lies in 35 U.S.C. § 102(g).<sup>346</sup> In 1957, the CCPA decided *In re Gregg* and held that a losing party in an interference cannot subsequently patent claims that are obvious variations over the disclosure of the winning party.<sup>347</sup> The decision of priority in the interference establishes the winning party's disclosure as prior art under 35 U.S.C. § 102(g), and the losing party is prevented from claiming obvious variations by 35 U.S.C. § 103.<sup>348</sup> The court stated that it was applying existing law which was not changed by the Patent Act of 1952.<sup>349</sup>

In the 1965 case of *In re Yale*, the CCPA held that subject matter of an interference count is prior art under 35 U.S.C. § 102(g) to a party who concedes priority during an interference.<sup>350</sup> However, in order to support an obviousness rejection under 35 U.S.C. § 103, the invention must have been obvious *at the time the invention was made*.<sup>351</sup> *Yale* was decided in the aftermath of two interferences.<sup>352</sup> During the motion period of one of the interferences, Yale unsuccessfully attempted to add additional subject matter to the count.<sup>353</sup> Yale subsequently conceded priority.<sup>354</sup> During later *ex parte* prosecution, Yale attempted to add three claims that the examiner rejected over prior art references having earlier effective dates than Yale's application.<sup>355</sup>

On appeal, the board granted Yale "the benefit of earlier copending applications which . . . adequately supported the subject matter of the claims."<sup>356</sup>

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<sup>342</sup> *Id.* at 1186.

<sup>343</sup> *Id.*

<sup>344</sup> *Id.*

<sup>345</sup> *Id.* at 1186-87.

<sup>346</sup> *In re Gregg*, 244 F.2d 316, 318 (C.C.P.A. 1957)

<sup>347</sup> *Id.*

<sup>348</sup> *Id.*

<sup>349</sup> *Id.* at 318-19.

<sup>350</sup> 347 F.2d 995, 1000 (C.C.P.A. 1965).

<sup>351</sup> *Id.*

<sup>352</sup> *Id.* at 996-97.

<sup>353</sup> *Id.* at 997.

<sup>354</sup> *Id.* at 998.

<sup>355</sup> *Id.*

<sup>356</sup> *Id.*



However, the claims were ultimately rejected on a different ground.<sup>357</sup> The board rejected the three claims because they were obvious over the subject matter of the lost count, which was prior art to Yale, in view of an additional patent granted to Cusic as a secondary reference.<sup>358</sup>

The CCPA proceeded to address the issues.<sup>359</sup> The court questioned whether the subject matter of the lost counts could properly be applied as prior art to Yale.<sup>360</sup> The court applied essentially the reasoning expressed in *Gregg*.<sup>361</sup> The fact that Yale conceded priority made no difference.<sup>362</sup> Based on Yale's concession, the subject matter of the lost count was prior art under 35 U.S.C. § 102.<sup>363</sup>

However, the court addressed a second issue as to whether the lost count could be used as prior art under 35 U.S.C. § 103 under the facts of the case.<sup>364</sup> Because Yale conceded priority, there was no evidence on record that established the date on which Yale first conceived the subject matter of the three appealed claims.<sup>365</sup> Under § 103, the invention must have been obvious at the time the invention was made.<sup>366</sup> Yale may have conceived the subject matter of the three claims before Ulliot (the party who won the interference in which Yale conceded priority) conceived the subject matter of the interference count.<sup>367</sup> If so, then Yale may have been entitled to the subject matter of the three claims which were directed to compounds that were substantially different from the interference count.<sup>368</sup> Since the evidence was insufficient, the court reversed the rejection and remanded the case for further proceedings.<sup>369</sup>

In dicta, the court addressed interference estoppel.<sup>370</sup> The court noted that interference estoppel is intended to decide all issues that could have been raised during an interference.<sup>371</sup> It can be applied when a party neglects or refuses to contest priority of subject matter that is clearly common.<sup>372</sup> However, it cannot

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<sup>357</sup> *Id.* at 998-99.

<sup>358</sup> *Id.*

<sup>359</sup> *Id.* at 999.

<sup>360</sup> *Id.*

<sup>361</sup> *Id.* at 999-1000.

<sup>362</sup> *Id.* at 1000.

<sup>363</sup> *Id.*

<sup>364</sup> *Id.*

<sup>365</sup> *Id.*

<sup>366</sup> *Id.*

<sup>367</sup> *Id.*

<sup>368</sup> *Id.*

<sup>369</sup> *Id.* at 1001.

<sup>370</sup> *Id.*

<sup>371</sup> *Id.*

<sup>372</sup> *Id.*

be applied to subject matter that is not clearly common and the board's intent is not evident.<sup>373</sup>

In *In re Kroekel*, the CCPA held that interference estoppel prevents a party who loses an interference from adding a generic claim in subsequent *ex parte* prosecution that would dominate the interference count.<sup>374</sup> Upon invitation by the examiner, Kroekel provoked an interference by copying claims from an application filed by Comstock.<sup>375</sup> Kroekel did not attempt to broaden the count in response to the notice of interference which included a warning the losing party would be estopped from adding claims drawn to the subject matter of the interference.<sup>376</sup> During the interference, Kroekel moved to narrow the phantom count or in the alternative to dissolve the interference because neither party's disclosure supported the count under 35 U.S.C. § 112.<sup>377</sup> The primary examiner granted Kroekel's motion dissolving the first interference and declared a second interference based on the narrower count.<sup>378</sup> Kroekel thought that Comstock could not support a broader count and never moved to include the genus in the interference.<sup>379</sup> Comstock subsequently won the interference.<sup>380</sup>

During subsequent *ex parte* prosecution, Kroekel added a claim that was generic to the interference count.<sup>381</sup> The generic claim was added by amending the claim that had been the subject of the interference.<sup>382</sup> The examiner rejected the generic claim and several others as being anticipated by the interference count and a portion of Comstock's application.<sup>383</sup> The board of appeals affirmed the rejection on two grounds.<sup>384</sup> First, because a species disclosed in a reference anticipates the genus under 35 U.S.C. § 102(g).<sup>385</sup> Second, Kroekel was estopped since he did not attempt to broaden the count during the interference.<sup>386</sup>

The court was reluctant to address the § 102(g) rejection over a phantom count<sup>387</sup>. Instead, the court affirmed the rejection solely on the basis of

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<sup>373</sup> *Id.*

<sup>374</sup> 803 F.2d 705, 710-711 (C.C.P.A. 1974).

<sup>375</sup> *Id.* at 706.

<sup>376</sup> *Id.* at 711.

<sup>377</sup> *Id.* at 707.

<sup>378</sup> *Id.*

<sup>379</sup> *Id.*

<sup>380</sup> *Id.*

<sup>381</sup> *Id.* There was some discussion as to whether claim 40 was truly a genus claim. *Id.* The court treated claim 40 as a genus since the "parties have treated present claim 40 as 'generic' and 'dominating' with respect to the lost count." *Id.*

<sup>382</sup> *Id.*

<sup>383</sup> *Id.* at 707-708.

<sup>384</sup> *Id.* at 708.

<sup>385</sup> *Id.*

<sup>386</sup> *Id.*

<sup>387</sup> *Id.*

interference estoppel.<sup>388</sup> Kroekel claimed that the interference decided only who was entitled to claim the species as defined by the phantom count.<sup>389</sup> He had no duty to move to broaden the phantom count to include the genus because Comstock did not have support in his specification to claim the genus.<sup>390</sup> Therefore, he was still entitled to claim the genus and establish his date of invention in spite of the interference.<sup>391</sup>

The court began its analysis by noting that interference estoppel is intended to end the litigation between the parties.<sup>392</sup> Interference estoppel is based on equity.<sup>393</sup> The court held that Kroekel had an obligation to seek the broader claim in the interference by moving to broaden the count.<sup>394</sup> Interference estoppel might not apply if he had attempted to broaden the count but was refused by the PTO.<sup>395</sup> The court held that whether Comstock could claim the subject matter of the count was irrelevant.<sup>396</sup> By definition, a phantom count includes subject matter that at least one party cannot claim.<sup>397</sup> This did not relieve Kroekel of the obligation to attempt to broaden the count if he wanted to claim the genus.<sup>398</sup>

These decisions support the proposition that interference estoppel and rejection over 35 U.S.C. § 102(g) subsequent to involvement in an interference are separate and distinct theories. Chisum supports this view.<sup>399</sup> Chisum also argues that *McKellin* superseded a previous broader definition of the doctrine of lost counts which established a lost count as prior art against the losing party.<sup>400</sup> After *McKellin*, a lost count is prior art to the losing party only if it is prior art under § 102(g).<sup>401</sup>

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<sup>388</sup> *Id.*

<sup>389</sup> *Id.* at 709.

<sup>390</sup> *Id.*

<sup>391</sup> *Id.* Kroekel attempted to swear behind Comstock using a Rule 131 affidavit. *Id.* at 707. The court rejected this argument since it would permit Kroekel to "circumvent the adverse priority determination in the interference at the expense of the winning party." *Id.* at 710.

<sup>392</sup> *Id.*

<sup>393</sup> *Id.*

<sup>394</sup> *Id.* at 710.

<sup>395</sup> *Id.*

<sup>396</sup> *Id.* at 709.

<sup>397</sup> *Id.*

<sup>398</sup> *Id.*

<sup>399</sup> 2 DONALD S. CHISUM, PATENTS § 5.03[3](h) (1989).

<sup>400</sup> *Id.*

<sup>401</sup> Charles L. Gholz concludes that *In re Deckler*, 977 F.2d 1449 (Fed. Cir. 1992) and *Ex parte Tytgat* 225 U.S.P.Q. 907 (Pat. Off. Bd. App. 1985) prevent a party from patenting claims that are patentably indistinct from an interference count on the basis of interference estoppel and that *McKellin* is a "curious historical anomaly." Charles L. Gholz, *A Critique of Recent Opinions of the Federal Circuit in Patent Interferences*, 75 J. PAT. & TRADEMARK OFF. SOC'Y. 448, 475-76 (1993).*Id.*

Another source of discrimination against foreign inventors is now evident. A domestic inventor who wins an interference can rely on either interference estoppel or 35 U.S.C. § 102(g) to prevent the losing party from claiming subject matter that is obvious over the interference count. The prior art restriction of 35 U.S.C. § 102(g) will nearly always apply to a domestic inventor because all inventive acts will normally occur in this country. In contrast, all of a foreign applicant's inventive acts normally occur in a foreign country, and a foreign inventor will normally rely on 35 U.S.C. § 119 to establish priority. Therefore, under *McKellin*, a foreign applicant will normally be deprived of protection under 35 U.S.C. § 102(g) against a rival applicant's pursuit of claims that are obvious over a lost count if the foreign applicant solely relies on 35 U.S.C. § 119 to establish priority. However, a foreign applicant should still be protected by interference estoppel.<sup>402</sup>

*McKellin* is an example of how a rival domestic applicant can patent claims that are obvious over a lost count in spite of having lost the interference. As demonstrated by *Hilmer II*, the situation can also occur when two foreign inventors each rely on 35 U.S.C. § 119 to establish priority. The inventor that files later in the United States can remove the earlier rival inventor's United States application as prior art by claiming priority through 35 U.S.C. § 119. The

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<sup>402</sup> Irving Kayton and Daniel R. Cherry conclude that interference estoppel now has a broader interpretation that permits a lost count to be cited against an applicant who loses an interference. 4 DANIEL R. CHERRY et al., PATENT PRACTICE, 17-23 (Irving Kayton & Karyl S. Kayton eds., 5th ed. 1992). They base their argument on the fact that the *Hilmer* cases arose under old interference practice which was changed in 1984. *Id.* Under current practice all of a party's claims that are not patentably distinct are supposed to be grouped in a single count. *Id.* Current interference estoppel then prevents the losing party from patenting claims that are not patentably distinct from the interference count.

However, as previously discussed in this comment, interference estoppel was not created in 1984 and the *McKellin* court appears to have clearly made a distinction between a rejection based on interference estoppel and a rejection based on 35 U.S.C. § 102(g) after an interference. Whether the Patent and Trademark Office has the authority to expand the definition of interference estoppel to encompass rejections in *all* situations when the opposing party's claimed invention is not prior art under 35 U.S.C. § 102(g) because of *Hilmer II* is outside the scope of this comment.

The recent case of *In re Deckler* provides some insight into the CAFC's view of interference estoppel, the *Hilmer* cases and *McKellin*. 977 F.2d 1449 (Fed. Cir. 1992) The issue in that case was "whether the Board correctly ruled that the losing party in an interference proceeding was not entitled to a patent covering claims that party admits are patentably indistinguishable from the claim involved in the interference." *Id.* at 1450. Deckler lost an interference (under the old rules) and attempted to add a certain claims in subsequent ex parte prosecution which the examiner rejected on the basis of interference estoppel. *Id.* at 1450-51. Deckler conceded by default that the claims in dispute were not patentably distinct from the interference count. *Id.* The court held that interference estoppel applied because Deckler's new claims were not patentably distinct and because his interference opponent won priority. *Id.* at 1452. Deckler argued that the previous *Hilmer I*, *Hilmer II*, and *McKellin* holdings dictated a different conclusion. *Id.* at 1452-53. The court distinguished these cases as being based on 35 U.S.C. § 103 rejections. *Id.* at 1453. In those cases, the interference count was used as prior art against the losing party, which was not the case in *Deckler*. *Id.* "Unlike the situation in those three cases, here the Board did not use the interference count as prior art in making an obviousness determination, but based its decision on a wholly different theory. We decline to extend those decisions to the different issue in this case." *Id.* Obviously, the CAFC views interference estoppel and rejection under 35 U.S.C. § 103 subsequent to an interference as distinct theories.

This raises an interesting question. The "same patentable invention" is defined by 37 C.F.R. § 1.601(n) based on 35 U.S.C. §§ 102 and 103. 37 C.F.R. § 1.601(n), *supra* note 314. Are *Hilmer I*, *Hilmer II*, and *McKellin* imported with those statutes into the definition of patentable distinctness?

earlier inventor may not be able to prevent the later inventor from patenting claims that are obvious variations of the earlier inventor's claims.

One way to mitigate the problem is for a foreign inventor to establish some activity in the United States as soon as possible after filing the application in the foreign country. Examples of such activity include sending a draft patent application to U.S. counsel,<sup>403</sup> and sending an enabling invention disclosure to a parent company or subsidiary in the United States.<sup>404</sup> Following this course of action may allow a foreign applicant to establish his invention as prior art under 35 U.S.C. § 102. Relying solely on 35 U.S.C. § 119 is dangerous.

#### HILMER DOCTRINE AND THE PATENT SYSTEM HARMONIZATION ACT OF 1992

The Patent Harmonization Act of 1992, if passed, would supersede 35 U.S.C. §§ 102, 103 and 104, and enact 35 U.S.C. § 106.<sup>405</sup> Proposed subsection (a)(1)

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<sup>403</sup> *Ex parte* Hachiken, 223 U.S.P.Q. (BNA) 879 (Pat. and Trademark Off. Bd. App. 1984).

<sup>404</sup> *Clevenger v. Kooi*, 190 U.S.P.Q. (BNA) 188 (Pat. and Trademark Off. Bd. App. 1974).

<sup>405</sup> The Patent Harmonization Act of 1992, H.R. 4978, 102d Cong., 2d Sess. (1992) and S. 2605, 102d Cong., 2d Sess. (1992).

"Sec. 106. CONDITIONS FOR PATENTABILITY; first to file, novelty, nonobviousness, senior priority, and right to patent

(a) IN GENERAL. An applicant shall be entitled to a patent unless

(1) the subject matter was disclosed in the prior art, which for the purposes of this section means that such subject matter was publicly known or publicly used in the United States, or patented or described in a publication in the United States or in a foreign country, before the filing date or priority date of the application for patent,

(2) though the subject matter is not identically disclosed or described in the prior art, the differences between the subject matter of the claim and the prior art are such that the subject matter as a whole would have been obvious at the time the application for patent for the invention was filed to a person having ordinary skill in the art to which such subject matter pertains, except that patentability shall not be negated by the manner in which the invention was made,

(3) the subject matter is described in an application for patent of another applicant that has been previously filed in the United States and has been open to public inspection under section 122, or

(4) the subject matter

(A) was derived from an inventor not named in the application for patent, except that subject matter representing an obvious variant developed by an inventor not named in the application shall not preclude patentability under this subparagraph if such subject matter and the claimed subject matter were, at the time the application for patent is filed, owned by the same person or subject to an obligation of assignment to the same person, or

(B) was on sale in the United States more than one year before the filing date of the application for patent.

(b) GRACE PERIOD. Notwithstanding the provisions of subsection (a), subject matter disclosed in the prior art not more than one year preceding the filing date or priority date of the application for patent shall not affect novelty or nonobviousness under this section whenever it results from a disclosure of information obtained directly or indirectly from an inventor named in the application." *Id.*

defines prior art, subsection (a)(2) defines obviousness, subsection (a)(3) establishes first-to-file provisions, and subsection (a)(4) maintains the existing "on sale bar" and, in addition, prevents patentability in a derivation situation.<sup>406</sup> In order to comply with the WIPO draft agreement, Hilmer doctrine must be eliminated.<sup>407</sup> Converting to a first to file system would eliminate 35 U.S.C. § 102(g), which would implicitly supersede the holding of *Hilmer II*.

The *Hilmer I* holding would be superseded if proposed § 106 is interpreted to comply with the European Patent Convention (EPC) concepts of novelty and inventive step. Under the EPC, a patent application is considered as prior art on its priority filing date only for determining novelty.<sup>408</sup> The EPC has a concept similar to obviousness called "inventive step."<sup>409</sup> When determining whether an invention claimed in an application meets the inventive step test, everything available to the public *at the time the application is filed*, including *published* patent applications, is prior art.<sup>410</sup> A patent application is not available as prior art for determining inventive step before its publication date.<sup>411</sup> These concepts are compatible with Articles 11<sup>412</sup> and 13<sup>413</sup> of the WIPO draft agreement.

<sup>406</sup> *Id.*

<sup>407</sup> Fiorito, *supra* note 5, at 30.

<sup>408</sup> Convention on the Grant of European Patents (European Patent Convention) [hereinafter EPC], Oct. 5, 1973, art. 54, 13 I.L.M. 286.

(1) An invention shall be considered to be new if it does not form part of the state of the art.

(2) The state of the art shall be held to comprise everything made available to the public by means of a written or oral description, by use, or in any other way, before the date of filing of the European patent application.

(3) Additionally, the content of European patent applications as filed, of which the dates of filing are prior to the date referred to in paragraph 2 and which were published under Article 93 on or after that date, shall be considered as comprised in the state of the art. . . . *Id.*

<sup>409</sup> *Id.* "An invention shall be considered as involving an inventive step if, having regard to the state of the art, it is not obvious to a person skilled in the art. If the state of the art also includes documents within the meaning of Article 54, paragraph 3, these documents are not to be considered in deciding whether there has been an inventive step." *Id.*

<sup>410</sup> *Id.*

<sup>411</sup> *Id.* Previously filed patent applications defined by Article 54(3) are explicitly excluded in Article 56. *Id.*

<sup>412</sup> Article 11, Entitled, Conditions of Patentability, provides:

1. The invention must be novel, that is it does not form part of the prior art which consists of everything that has been made available to the public anywhere in the world; provided, however that any Contracting Party can exclude from prior art oral disclosures, or exhibitions outside the Contracting Parties territory; and provided further that the novelty of an invention is not denied on the basis of a "mosaic" of various prior art elements.

2. The invention must involve an inventive step, that is having regard to the prior art, it would not have been obvious to a person skilled in the art.

3. At the option of the Contracting Parties, the invention may be required to be useful or industrially applicable.

Fiorito, *supra* note 5, at 30.

<sup>413</sup> Article 13, Entitled, Prior Art Effect of Certain Applications on Novelty, provides:

1. The whole contents of an application including the description, drawings and claim, but not the abstract, will be considered to be prior art against an invention claimed in an application filed in the same country at a later time. The earlier application will be considered to be prior art as of the priority date provided it is published subsequently by the Patent Office.

Under this interpretation, "prior art" is defined under § 106(a)(1) as including information publicly known or used in the United States and information patented or described in a printed publication anywhere in the world *before an applicant's priority date*.<sup>414</sup> This definition is imported into the test for obviousness defined in § 106(a)(2) by referring to "prior art."<sup>415</sup> Under this interpretation, information *actually* available to the public on an applicant's priority date is prior art for determining obviousness, including *published* United States patent applications.<sup>416</sup>

The test for novelty comes in under §106(a)(3), which prohibits an applicant from receiving a patent if "the subject matter is described in an application for patent of another applicant that has been previously filed in the United States."<sup>417</sup> Combining 35 U.S.C. § 119 and § 106(a)(3) presumably gives a foreign priority filing the same effect as if the application had been filed in the United States on the foreign priority date. However, combining these two sections is very similar to the line of reasoning Judge Rich rejected in *Hilmer I*. Since that decision was heavily based on legislative policy and intent, a court may come to a different conclusion if the intent of proposed § 106 is to conform to the WIPO draft agreement. Amending proposed § 106 to specifically refer to § 119 would seem wise in order to prevent any future dispute.

Under the preceding interpretation, proposed § 106 supersedes the *Hilmer II* holding since prior art under 35 U.S.C. § 102(a) and (e) is referenced to the inventor's date of invention, and prior art under proposed § 106 is referenced to the priority filing date in the case of novelty, and to the publication date in the case of obviousness. A United States patent application would not be available as a general prior art reference on its United States filing date. Foreign and domestic inventors would be treated the same.

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Any Contracting Party may consider the earlier application to be prior art for purposes of determining non-obviousness, in addition to novelty.

2. The former application will not be applied as prior art against an application by the same inventor.

Fiorito, *supra* note 5, at 30.

<sup>414</sup> Proposed § 106(a)(1) of The Patent Harmonization Act of 1992, H.R. 4978, 102d Cong., 2d Sess. (1992) and S. 2605, 102d Cong., 2d Sess. (1992).

<sup>415</sup> Proposed § 106(a)(2) of The Patent Harmonization Act of 1992, H.R. 4978, 102d Cong., 2d Sess. (1992) and S. 2605, 102d Cong., 2d Sess. (1992).

<sup>416</sup> Under proposed § 106, pertinent information includes patented inventions and publications anywhere in the world, and information publicly known or used in the *United States*. The Patent Harmonization Act of 1992, H.R. 4978, 102d Cong., 2d Sess. (1992) and S. 2605, 102d Cong., 2d Sess. (1992).

<sup>417</sup> Proposed § 106(a)(3) of The Patent Harmonization Act of 1992, H.R. 4978, 102d Cong., 2d Sess. (1992) and S. 2605, 102d Cong., 2d Sess. (1992).

## CONCLUSION

Patent harmonization is very important to the future technological integrity and economic vitality of the United States. This paper has focused on an aspect of patent harmonization of interest to foreign inventors. Under current United States law, a United States patent issued to a foreign inventor can be used as prior art under 35 U.S.C. 102(a), (e)<sup>418</sup> or (g)<sup>419</sup> as of the United States filing date, not an earlier foreign filing priority date established under 35 U.S.C. § 119. The right of priority under 35 U.S.C. § 119 grants a foreign inventor only a personal right against events that might bar patentability intervening between the foreign filing date and the United States filing date.<sup>420</sup>

This comment reviewed various decisions that demonstrated the disadvantages suffered by foreign inventors. These disadvantages are especially severe in an interference context. A foreign inventor who wins an interference may not be able to prevent the losing party from patenting obvious variations of the invention. In many situations, this can effectively eliminate the value of a foreign inventor's United States patent. In addition, courts have applied Hilmer doctrine when two foreign inventors are involved. In such a case, the policy of favoring domestic inventors has no application, but the second foreign inventor that files a United States application gains the advantage intended for the domestic inventor.

Hilmer doctrine is eliminated under proposed 35 U.S.C. § 106 of the Patent Harmonization Act of 1992. Foreign inventors have a lot to gain if Congress changes existing United States practice. In view of the amount to be gained, foreign inventors should be willing to make comparable concessions in the patent laws of their respective countries.

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<sup>418</sup> *In re Hilmer*, 359 F.2d 859, 883 (C.C.P.A. 1966).

<sup>419</sup> *In re Hilmer*, 424 F.2d 1108, 1112-13 (C.C.P.A. 1970).

<sup>420</sup> 359 F.2d at 878.



