

*Did Learned Hand Get It Wrong?:
The Questionable Patent Forfeiture Rule of
Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*

Dmitry Karshedt

My article critiques the rule of *Metallizing Engineering*, a 1946 Second Circuit opinion penned by Judge Learned Hand, holding that one who competitively exploits a secret invention at a time that precedes the filing of a patent application on that invention by a year or longer forfeits the right to the patent. The article demonstrates that this patent forfeiture rule is based on a serious misreading of precedent and is not supported by the Patent Act. In addition, the outcome of *Metallizing* is inequitable given the facts of the case, which are gleaned from the district court opinion and analyzed in detail in the article. The article shows that, in spite of these problems, other appellate courts, including the Federal Circuit, have adopted the rule in seeming deference to Judge Hand and without serious analysis.

More importantly, Judge Hand's stated policy rationales for the rule, encouragement of prompt disclosure of patentable inventions and prevention of a de facto extension of a patent monopoly term, are highly questionable in view of modern patent law scholarship. The article argues that the former rationale is weak due to failures in the disclosure function of patents, and that maintaining the *Metallizing* rule for reasons of encouraging disclosure may contribute to undesirable over-patenting. As for the "extension of monopoly" rationale, it is clear that trade secret protection that precedes patenting does not provide a patent owner with any kind of a legal monopoly. Hiding behind this rationale is Judge Hand's desire to punish patentees for prior commercial exploitation of their secret inventions. Such punishment, the paper argues, is unwarranted given the modern understanding of the on-sale and public use statutory bars. But worst of all, the most important policy reason for the patent system—to provide an incentive for researchers to engage in inventive activity—is disserved by the *Metallizing* rule. The article thus calls for its overruling or abrogation.