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NOTES

AN OUTLINE OF PATENT LAW.

This subject is one that seems to be but seldom investigated and very little known to members of the bar generally, and practically a closed book to the public at large, who generally regard the procuring of patent protection and litigation in connection therewith, as something occult or mysterious. To be sure it is a specialty; if properly

pursued a highly specialized specialty, but the growing importance of patent practice and its relation to the many articles of manufacture used by all of us every day, should warrant the mere skeletonized summary possible in these few pages.

We often hear the remark by writers and business men that this is an industrialized era. This is a truism; but some of the natural consequences of this apparent Nth degree of industrialization are not at once apparent. The developments by research laboratories and experimental facilities of the large industrials have exceeded the most fanciful dream of anyone before the beginning of the last decade. There now seems to be no limit to the possibilities of doing things mechanically and electrically, short of human thought itself.

But how does Patent Law affect all this?

The monopoly granted the inventor by the sovereignty in the form of a patent, in the case of most patents enduring for seventeen years, furnishes the monetary incentive for creation of new machines, methods or processes. This was intended by the spirit of the law. It is its reason for being.

It is perhaps not out of place to mention the effect of the proper protection of new ideas on our civilization and standard of living. We have better and cheaper shoes, matches, ships, electric lights and baking powder, because the inventor, not only of each article, but of the machinery for making it, was assured of reaping a nice profit for his trouble, and was given a cause of action against anyone who would infringe his rights. A homely illustration of effect on standard of living: About 1835 someone conceived the idea of designing a bathtub to be permanently installed in the home. It was adapted to be equipped with pipes and spigots and even a drain. It was a patented article, but supposedly a terrible thing and regarded generally as an extravagant luxury. Ordinances were proposed in Philadelphia and Boston against its use. But the inventor and manufacturer persisted against opposition and finally forced the unwelcome article on an apprehensive public. They persisted solely because of their protection; and we venture the ensuing seventeen years ended with a somewhat cleaner American public.

Originally the patent systems of both Great Britain and the United States had their origin in certain royal grants by which monopolies in trade or manufacture were conferred upon subjects of the British crown. The ancients appreciated the value of inventions, and there are a few recorded instances where inventors were highly rewarded, usually with dignities or honors only, and not by any

legal control of their creations. Patents creating monopolies for inventions were granted as early as the Fourteenth Century. There were numbers of cases of abuses of the privilege, which led, in the reign of James I to the so-called Statute of Monopolies. By this act Parliament abolished all existing monopolies and forbade the creation of new ones, except those in the nature of patents for inventions and for new trades brought into the realm. These were to run for only a limited number of years.

Such was the condition of the English Law when America was settled. The first patent in this country appears to have been granted in 1641, twenty-one years after the Mayflower landed, by the Massachusetts Bay Colony. It was issued to one Samuel Winslow for a process of making salt. A little later numerous patents were granted by the several colonies.

Our own patent system finds its foundation in the Constitution, Article 1, Sec. 8, q. v. This gives Congress the power, but does not make it mandatory, to enact patent laws. Since the first patent act of 1790, this branch of the law has undergone an expected evolution, resulting the present laws.¹

Space restriction makes it impractical to quote this law. For more detail than is here given, reference to the acts is requested.

The statutory classes of inventions, as indicated by the acts, are: Art, Machine, Manufacture, Composition of Matter, Improvement and Design.

The terms "Art," "Method" and "Process" are usually used synonymously to denote "An act or series of acts performed by some physical agency upon some physical object, and producing in the object some change either of character or condition." Thus, the discovery by a foundryman that there existed an advantage in the tangential injection of metal into a mold, so as to impart a rotary motion to the metal, was held to constitute a novel and patentable method.²

Another oft-quoted example of a process or method patent is found in the telephone cases.³ This litigation concerned an electromagnetic process for sound transmission by causing electrical undulations similar in form to the usual sound vibrations in the air.

But we must not suppose that every process or method is a patentable one. The discovery that diethyl ether produces anesthesia could

1. R. S. 475, 480 to 489 inclusive, 4883 to 4898 inclusive, 4903 to 4906 inclusive, 4909 to 4924 inclusive, 4929 to 4936 inclusive.

2. 1 Howard 202.

3. 126 U. S. 1.

not be protected by patent, because the discovery consisted merely in the natural effect of the ether on the body.⁴

To the average person of this age machines are so common that it is thought unnecessary to attempt a definition. It may be said that a machine differs from a tool or an apparatus in that its rule of action resides within itself. If put in motion, it operates according to some fixed rule. The majority of patents are for machines, and cover the greatest variety of human endeavor. In machine patents, all sorts of elements are combined to produce specific and varied results.

Inventions classifiable as "Articles of Manufacture" are very numerous and include practically everything patentable, and not classifiable either as machinery on the one hand, or Composition of Matter and Design on the other. Thus a screwdriver, a railway ticket,⁵ or a building⁶ may be subjects for patents as articles of manufacture.

Composition of Matter has been defined as follows: "An instrument formed by the intermixture of one or more of these ingredients and possessing properties which belong to none of these ingredients in their separate state."⁷ Compositions of matter may be mechanical mixtures or chemical compounds and the act as construed comprises solids, liquids and gases—literally thousands of examples are found around us all the time. A rustless steel, an ink, a shaving cream, an automobile finish, a synthetic resin, and a refractory may be mentioned as typical of the field.

Patents for Designs differ from patents for other classes of inventions in that they have reference to the outward appearance of a thing rather than its utility. The object seems to be improvement in decoration rather than in physical structure. These parts of the act were "plainly intended to give encouragement to the decorative arts. They contemplate not so much utility as appearance,"⁸ although utility is not a bar to a design patent.

An improvement is some addition to or alteration of an existing means, by which the existing means is enabled to produce its intended results in a more efficient or a more economical manner. The usual term "improvement" connotes its meaning in patent law, and applies to improvements in all the other enumerated classes.

4. Fed. Case 9865.

5. 210 Fed. 338.

6. 203 Fed. 699.

7. Robinson Pat. Sec. 192.

8. 14 Wall. 511.

The subject matter of an invention must have novelty and utility.

Novelty as here used is not greatly different from the ordinary use of the word, but has a definitely restricted meaning, best set forth in the inventor's oath accompanying the application.⁹

"Utility" means industrial value; it has no reference to relative value. The instrument or machine must function as intended, even though imperfectly. If this is the case its utility is established.

Devices offensive to public policy are not patentable; as a gambling machine.¹⁰ A process for making white spots on tobacco leaves to be used as cigar wrappers, so as to imitate supposedly superior grades of tobacco, was held to be invalid, as deceptive and in the nature of a fraud.¹¹

The foregoing has been devoted to a brief discussion of the subject matter and prerequisites of patentable inventions. We will follow with a bit of the *modus operandi*; the application and its incidents, and wrongs and remedies in the Patent Law.

The proceedings commence with the application, which is the first presentation of the matter to the Patent Office. A power of attorney (revocable at any time by the inventor) must accompany each application. The Application includes the Petition, Specification, Oath and Drawings, not to forget the accompanying filing fee of twenty dollars in the case of all but designs, in which case the fee varies with the period of time the patent is to run.

Without enumerating the parts of the specification it must be said that it is of the greatest importance that it shall be so full, clear, concise and exact as to enable any person skilled in the art to which the invention belongs to make and use the invention. The gist of the invention is set forth in the claims, by which the applicant carefully defines what he regards as the novel features of his invention. The successful writing of claims is a matter requiring much experience, judgment and a thorough familiarity with the art in question. The commercial value of a patent depends upon the claims more than any other element of the application. A single word in a single claim has often been decisive of the question of infringement.

Assume now that an application, complete and technically correct, is on file in the Patent Office. After being given a serial number, it is assigned to a particular division of the office devoted to

9. Rules of Practice, U. S. Patent Office 1925.

10. See 40 Fed. 89.

11. 103 Fed. 868.

examination of a class of patents including the particular application. It often happens that the claims are too broad; i. e., that the inventor has claimed as new the inventions of others who have preceded him. The claims found to be too broad, are rejected; references are cited to the applicant, who then may amend his application and claims, and resubmit his case. This alternate amendment and examination generally results in an eventual disclosure of the really novel features of the invention if any; otherwise the examiner finally rejects the application.

At this stage, or later, an Interference may be encountered. This is a proceeding instituted by the Patent Office to determine priority of invention between two or more parties claiming substantially the same patentable invention.¹² At least one of the parties must be an applicant; the others may be applicants or patentees. The grantee of a patent is not interference-proof. If another party appears as the prior inventor, he is the one entitled to the patent.

A patent cannot be canceled, even if granted to one not the first inventor, but another patent may be granted to any person proving himself to be the first inventor. The statute¹³ provides the relief that may be invoked in the case of conflicting patents, viz., by suit in equity by either party. The Interference proceeding is governed by an elaborate set of rules, under a special official known as an Examiner of Interferences. Appeals are given in turn to the Examiners-in-Chief, to the Commissioner of Patents and to the Court of Appeals of the District of Columbia. There is also the provision of a Bill in Equity, as in *ex parte* cases.

In case a patentee claims as his own more than he had a right to claim as new, or if some other error creeps into the documents through inadvertence, accident or mistake, bona fide, he is entitled to a reissue. This is a proper course wherever the original patent is invalid because of the above reasons. A reissued patent is one that has been issued in place of the original to correct some defect occurring in the latter.

A patented invention is property and may be transferred as such. It is not subject to levy and execution, but equity may compel a transfer for the benefit of creditors. There are three usual methods of transferring property in patents, viz., by assignment, grant or license.

A true assignment conveys the entire title to the patent, or an

12. R. S. Sec. 4904.

13. R. S. Sec. 4918.

undivided interest in the whole. It carries the rights to make, to use and to sell throughout the United States. If it conveys less than this, it is not an assignment. If the transfer is of the right to make, use and sell in a restricted territory, within and less than the United States, it is a grant. If the transfer is only of the right to make, or only to use, or only to sell, the grant becomes a license only. In general, any interest is assignable after application is filed.

In case the application is finally rejected after running the gamut in the Patent Office, appeals be as follows: From the Commissioner in person to the Court of Appeals, District of Columbia, thence to the Supreme Court of the District of Columbia, formerly, but now usually in any U. S. District Court where the Commissioner of Patents will accept service. At this stage it is not so much a true appeal as it is of the nature of a new suit. From the District Court the cause may be regularly appealed to the Circuit Court of Appeals of the District where the suit is pending.

We have just considered the legal course sometimes pursued by an inventor before obtaining his patent. It is unusual, however, that this entire course of appeal is necessary to obtain a patent, if any patentable novelty at all can be found in the device.

After obtaining his patent, the patentee has a monopoly, which is property, and for an injury to which the law affords a remedy. Usually this injury is infringement, actionable at law or in equity, depending on circumstances. Infringement may consist in either making, using or selling the patented subject, without right to do so, and may consist of contributory infringement. Whether or not infringement has taken place; whether or not one device or process constitutes an infringement of another often requires the greatest degree of legal and engineering ability to decide.

Since patents have their origin under the laws of the United States, the Federal Courts alone have jurisdiction when the validity or infringement of a patent is in issue. This is true regardless of diversity of citizenship or other grounds for federal jurisdiction. Cases involving contracts relating to patents may, however, arise in the state courts, since here the contract and not the patent itself is in question.

Patent litigation may take the form of an action at law for damages due to past infringement, as in case the patent has expired. If such action provides complete relief, it is exclusive of equity. But

usually it is desired not only to secure damages for past infringement and to compel an accounting, but to prevent future infringements. This is the usual patent suit, and where warranted, the relief usually decreed. Under the patent laws, power to grant injunctions is specifically given; it is highly discretionary and follows the usual principles of equity. The injunction may be either preliminary or permanent. The statute further provides that the recovery shall include profits made by the defendant as well as damages sustained by the complainant.

As in any other pursuit, the administration of the patent laws is not without its difficulties. Worthy of mention is the fact that our country is divided into nine circuits. Suit must be filed in the District Court of the circuit where the defendant resides or has a place of business. Appeal lies to the Circuit Court of Appeals for the same circuit, and its jurisdiction is geographically limited. Obviously it is sometimes necessary to bring suit in all nine circuits to obtain complete relief. Aside from this expense, delay and inconvenience, there is often a sad divergence in the views of the several Courts of Appeal. Under these circumstances a *writ of certiorari* to the United States Supreme Court is usually applied for and allowed.

The solution of this snarl would appear to be a new tribunal, in the nature of a Court of Patent Appeals. Attempts have been made along these lines, so far without definite result.

Certain other improvements in the present system might be suggested. With the volume of patentable material increasing from year to year by almost unbelievable amounts, some more adequate scheme of patent classification facilitating reference work, will of necessity be introduced. The British system of abridging and classifying all new patents once a week might afford a constructive suggestion along this line.

Space does not permit any extended thesis on the defects, and improvements possible, in the patent law.

As to advantages, much could be said of this practice. It is enough to say at the present that patent law is coming more and more to be recognized as an indispensable adjunct of all modern business which is in any way concerned with manufacturing and sales.

ROBERT B. TERRY, '26.