The New 1952 Patent Statute

By Karl B. Lutz *

Congress has once again used its power to legislate concerning patents. On July 4, 1952 it passed the Patent Act of 1952, which was approved by the President and became effective on January 1, 1953. This statute contains provisions which seem certain to revitalize the U. S. patent system.

The new patent statute was drafted primarily as a part of the general plan of revising the U. S. code and enacting it into law. It is well to remember that the United States Code as originally compiled and published in 1926 was not enacted as law, but was only prima facie evidence of the law. By a fortunate distribution of committee functions, a sub-committee of the House Committee on the Judiciary, charged with revision of the entire United States Code, was also charged with consideration of bills relating to patents. This sub-committee, under Joseph L. Bryson, decided to codify the patent statutes and to incorporate in the new statute some provisions to improve and strengthen the law of patents.

In preparing its first preliminary draft in 1950 this committee studied all existing patent statutes, and in considering amendments of substance consulted the following sources:

"(1) All the bills related to patents which have been introduced in Congress since 1925, and some earlier bills, together with any hearings and reports on these bills, (2) the reports of the Science Advisory Board (1935), the Temporary National Economic Committee (1941) and the National Patent Planning Commission (1943, 1944, 1945), (3) reports and recommendations of private groups such as the American Bar Association, Patent, Trademark and Copyright Section, and (4) miscellaneous sources such as books, articles in legal periodicals, etc." [1]

This preliminary draft was widely circulated and was subject to criticism and discussion by government em-

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[1] Proposed Revision and Amendment of the Patent Laws, Preliminary Draft with Notes, Committee Print, Committee on the Judiciary, House of Representatives, Govt. Printing Office, 1950, p. vi.

ployees, by patent lawyers and by representatives of industry. As the result of this thorough discussion lasting over several years, the language of the act was considerably improved and the more controversial provisions were removed. The bill was successfully guided through Congress by Congressman Bryson and Senator Alexander Wiley.

In this new law Congress has legislated for the first time on certain phases of patents, and it has codified some doctrines of patent law that were developed in the courts by "common law" processes. To understand the full impact of the new statute it is important to keep in mind the following basic facts.

The entire U. S. patent system stems from the Constitutional clause which gives Congress power to provide for the granting of patents. Operating under this grant of power Congress has passed various patent statutes, setting up the procedural part of the patent system. But the main body of patent law, relating to questions of novelty and infringement, was left to the courts to develop by "common law" processes. In using this power, the federal courts for over a hundred years took a liberal attitude toward patents. They believed that the purpose of the Constitution was to foster and protect invention, and their decisions carried out that purpose.

But since 1930 the U. S. Supreme Court has taken a less benevolent attitude toward patents. It has reversed precedents of long standing; it has destroyed well-established doctrines of the common law of patents; it has taken a harsh attitude toward most of the patents that have come before it.[2] This attitude of the Supreme Court has naturally been reflected to some extent in the decisions of the lower courts.

Congress, being cognizant of this changed attitude of the courts, has inserted in the new act some provisions which codify the "common law" of patents as it existed

[2] For a more complete development of this theme see "Are the Courts Carrying Out Constitutional Public Policy on Patents?" Journal of the Patent Office Society, October, 1952, p. 766.

prior to the recent apostasy from the benevolent policy of the Constitution. These provisions are worthy of some short attention.

Since the entire Federal Patent System stems from the Constitutional clause on patents, any basic treatment of patent law must start with this clause. In recent years some members of the U. S. Supreme Court have mis-read the patent clause as permitting patents only for such startling innovations as "push back the frontiers of chemistry, physics, and the like" and "make a distinctive contribution to scientific knowledge."[3] Actually the word "science" belongs with the copyright part, not with the patent part, of the Constitutional clause, and the House Committee Report[4] on the new law correctly explains that the Constitution provides for the granting of patents "to promote the progress of *useful arts.*"[5] This interpretation is borne out by the first patents issued by the federal government, which were for such devices as "A Method for Forming Punches to Impress Marks on Metal," and "An improved Machine for Roving and Spinning Cotton." Such inventions relate to the "useful arts" (in modern language "practical arts") but do not "push back the frontiers of science."

Common Law of Patents Partly Codified

As stated above, Congress has, until the present statute, left the question of "novelty" entirely to the courts. This question, sometimes called the "standard of invention," involves the decision as to how much novelty a device must have in order to qualify as a patentable invention. At an early date the courts decided that the mere fact that the device had *some* novelty was not enough. It was more difficult to decide *how much* novelty is necessary. In general the courts have held that this is a question of fact to be determined in each individual case. But they have evolved certain helpful rules, such as the rule of "mechanical skill." This rule has been

[3] Concurring opinion of Mr. Justice Douglas and Mr. Justice Black in Great A. & P. Tea Co. v. Supermarket Co., 71 Sup. Ct. 127.

[4] 82nd Congress. 1 use Report No. 1923, to accompany H. R. 7794, p. 6.

[5] For a full explanation of this interpretation see "Patents and Science," a clarification of the Patent Clause of the U. S. Constitution," 18 George Washington Law Review, 50 (1949).

codified in the new act by stating that the device is not patentable if it "would have been obvious at the time the invention was made to a person having ordinary skill in the art."[6]

The courts also developed certain "objective" tests, such as the following:

1. Did the invention fill a long-felt want? If the best brains in a particular field have failed for years to solve a pressing problem, and someone comes forward with a solution which is recognized at once as the answer, is not this some evidence of invention? The United States Supreme Court has answered "yes."[7]

2. Did the inventor take the last step necessary to make a practical reality out of what others had unsuccessfully groped for? The Supreme Court has said that this is some evidence of invention.[8]

3. Was the new device immediately adopted by everyone and widely used commercially? This also has been recognized by the Supreme Court as some evidence of invention.[9]

Space does not permit discussion of all of the different objective tests of this kind that have been applied by the courts. Of course, no one of these tests is necessarily conclusive, and they must all give way in the face of a statutory bar, such as prior use, prior publication, or prior patenting.

The new act does not expressly codify these "objective tests," but it leaves them available for use as evidence that an invention "would not have been obvious."

In recent decisions the U. S. Supreme Court has tried to raise an impossibly high standard of invention, on the theory that an invention can result only from a "flash of creative genius."[10] The new act flatly rejects this view by declaring that "patentability shall not be negatived by the manner in which the invention was made."[11] By

[6] Sec. 103.
[7] Goodyear v. Ray-O-Vac, 321 U. S. 275 (1944).
[8] Washburn Mfg. Co. v. Beat 'em All Barbed Wire Co., 143 U. S. 275 (1892).
[9] Minerals Separation Co. v. Hyde, 242 U. S. 261 (1916).
[10] Cuno Engineering v. Automatic, 314 U. S. 89, 91.
[11] Sec. 103, last sentence.

inference, this clause requires the courts to apply the well-known "objective" tests mentioned above.

The new law says "A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it."[12] This is another doctrine of the "common law" of patents that has been more breeched than honored in recent years. By re-affirming it in this statute Congress obviously intended that patents should not be lightly held invalid.

The new statute contains a more accurate statement of the rights conveyed by a patent than any previous act. The old statute said that the patent conveys the "exclusive right to make, use and vend the invention." This language seemed to convey a positive right to do the things enumerated regardless of any prior basic patent, and was often so interpreted by those unskilled in patent law. The new act more correctly states that the patent conveys "the right to exclude others from making, using, or selling the invention."[13] This language permits the inventor to exclude others from his invention, but if his invention is merely an improvement on a prior basic invention, warns him that the basic inventor may exclude him from the entire field covered by the basic patent.

Prior to this new act the patent statutes made no attempt to cover the question of infringement, leaving it entirely to the courts. In passing on this question the courts developed certain rules of thumb as to the "amount of nearness" to the patented invention that must be present before the court will hold an accused device to be an infringement of the patent. The new act makes no effort to codify the "common law" rules relating to "direct infringement," except to state broadly that whoever uses the invention without authority infringes the patent.[14]

In cases of infringement it was sometimes found that the "direct infringer" was either financially irresponsible, or was difficult to reach. In such cases the court

[12] Sec. 282, first paragraph.
[13] Sec. 154.
[14] Sec. 271 (a).

resorted to the doctrine of joint tort feasors to hold as "contributory infringers" those who aided or abetted an infringement. In some instances the courts went perhaps too far in applying this doctrine to help inventors. But in recent years the courts have reacted against these too-lenient cases, and have not only failed to penalize one who would formerly have been held as a "contributory infringer,' but have also penalized the patent owner for "misuse" of his patent. This doctrine of "misuse" had been carried so far as to actually discourage certain types of inventions.

The new statute [15] does not go to the extreme lengths in helping the inventor as some of the old cases on contributory infringement, but it definitely codifies this doctrine in language that includes a large part of the field covered by the old cases. It also gives the patent owner relief from the doctrine of "misuse" in certain defined areas.

This section on "contributory infringement" and "misuse" is probably the most controversial part of the new act, and must be interpreted by the courts. But it is to be hoped that they will carry out the apparent congresslonal intent of restoring at least part of the doctrine of "contributory infringement" and of restricting the doctrine of "misuse."

Another feature of the new act that is more liberal toward inventors relates to invalid patent claims. A patent usually contains more than one claim, and these claims are looked upon as stating the metes and bounds of the invention. Quite often a claim may be believed to be valid when the patent is granted, but later someone may discover that the claim is invalid over new prior art which is found as the result of a more exhaustive search. An old rule of patent law said that one such invalid claim would render the entire patent invalid. This doctrine was an historical hold-over from the old English rule that any false statement in a patent was an attempt

[15] Sec. 271 (b, c and d).

to mislead the Crown, and therefore rendered the entire patent invalid.

The harsh results of this rule had been partially softened by the court-developed doctrine which permitted an invalid claim to be "disclaimed." But even this court doctrine required that the "disclaimer" be filed within a certain period, not too well defined, and resulted in considerable uncertainty and even hardship. The new statute corrects this situation by stating that "whenever, without any deceptive intention, a claim of a patent is invalid, the remaining claims shall not thereby be rendered invalid."[16] Some remnant of the old rule, however, is still retained in the provision that in a suit for infringement, no costs may be recovered by the patentee "unless a disclaimer of the invalid claim has been entered at the Patent Office before the commencement of the suit."[17] There is some substantial opinion that so much of the old rule is justified, but this section of the new act would seem to require some clarification.

It is generally agreed both here and in other countries, that an inventor is entitled to a greater field of protection than the specific thing illustrated in his patent. One of the time-honored ways of doing this is to claim an element of the device by its "function," i.e. what it does. In recent years some courts have been overly-critical of these functional statements, and one section of the new law provides that a claim shall not be held invalid on the sole grounds that it contains a functional statement.[18]

Sometimes when a patent application is filed an honest mistake of judgment is made as to whether a particular individual is, or is not, a joint inventor. Previous to this new act such a mistake usually constituted a fatal error that rendered the patent invalid. The new act permits the correction of a bona fide mistake in joining, or failing to

[16] Sec. 253.
[17] Sec. 288.
[18] Sec. 112. Par. 3.

join, a person as an inventor.[19] Other provisions permit adding or withdrawing inventors while the application is still pending in the Patent Office.[20]

The sections discussed above by no means exhaust the list of liberalizing changes made by the 1952 Patent Act. But they cover what are thought to be the more important ones, and they amply demonstrate that the new law gives up to its title, which is:

> An Act to *revise* and codify the laws relating to patents and the Patent Office, and to enact into law Title 35 of the United States Code entitled, "Patents." (Italics added.)

Congress is to be congratulated upon the fact that in thus revising and codifying the laws of patents it has again understood and carried out the public policy embodied in the patent clause of the Constitution. It has kept within the broad limitations expressed in the Constitution and it has been liberal with inventors and inventions in using its power:

> To promote the progress of . . . useful arts by securing for limited times to . . . inventors the exclusive right to their . . . discoveries.[21]

In fact, it is quite possible that the generally favorable attitude of Congress will be even more beneficial than all of the specific liberalizing changes discussed above. The fact that the 1952 Patent Act was passed by unanimous consent shows that Congress is in complete agreement with the conclusion that a strong patent system should be maintained in this country, and that the best public policy on patents is the liberal policy expressed in the Constitution.

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[19] Sec. 256.
[20] Secs. 116 and 118.
[21] U. S. Constitution, Article I. Sec. 8, Language pertaining to copyright omitted.