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UNITED STATES PATENT LAW SYSTEM

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THIS article will attempt to outline the history of our patent laws, the procedure thereunder, the interests of the groups that are in daily contact with our patent system (namely, the inventors, patent attorneys, manufacturers, merchandisers) and lastly, but surely not least, the benefit that has been conferred on the citizens of our country as a result of our patent system.

Historically, our patent system can be traced, as can so much of our law, to England and continental countries. The early patent grants of the British Crown divided into two classes: The first class were those grants which were conferred on the inventors of a new manufacture or the introducers of a new trade into the realm. Grants of this class were always sustained by the Courts and their creation was regarded as a legitimate exercise of royal power. The second class, were those grants which were issued as an instrument for the restraint of trade. Grants in the second class were generally to individual guilds, whereby a monopoly was obtained upon the manufacture and sale of some necessity of life, such as salt, in consideration of a substantial payment to the Crown. The abuse of this class was particularly flagrant during the reigns of Queen Elizabeth and King James, when the sovereign found them convenient and practicable means for replenishing a frequently exhausted exchequer.¹

The decisions of the English courts interpreting the provisions of the Statute of Monopolies, constitute the body of the present English patent law. While in the same statute, thus interpreted, are found the sources of patent law of the United States. The constitutional authority for a patent system is contained in Article 1, Section 8, of the United

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¹ The abuse prevalent during this period led to the enactment by Parliament, in the year 1623, of the celebrated Statute of Monopolies (21 Jac. 1, Ch. 3) by any future grants of a like character, and provided that the privilege for the any future grants of a like character, and provided that the privilege for the sole making of any new manufactures within the realm, was to be reserved to the true and first inventor, conferring upon him the exclusive privilege for the term of fourteen years. The Statute of Monopolies was a declaration of the common law enacted into statute law to bind and prevent the sovereign from granting monopolies of the second class, and comprised doctrines that the Court had repeatedly affirmed and reiterated. (Magna Charter 9 Henry III, Chap. XXXVII, A.D. 1225). For reports of early cases, see 1 Abbott Pat. Cases.

States Constitution.² Previous to the passage of any patent statutes by congress, individual states granted patents as a part of their inherent sovereignty. The right of the individual States so to do, was recognized by Congress.³ The patent privilege is now conferred solely by the Federal Government.

Today, our system of jurisprudence has, as an integral part, a body of law, both statutory and precedent, which is, in itself, a complete unit, and which governs the issuance and controls the use of letters patent. The underlying theme of any patent system, is the extending to the grantee a monopoly for a limited period of time.⁴

Our patent system provides for the grant of letters patent, not as a means of replenishing its exchequer, but as an award given to:

"Any person who has invented or discovered any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvements thereof, or who has invented or discovered and asexually reproduced any distinct and new variety of plant, other than a tuber-propagated plant, not known or used by others in this country, before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country, before his invention or discovery thereof or more than two years prior to his application, and not in public use or on sale in this country for more than two years prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law, and other due proceedings had, obtain a patent therefor."⁵

Statute law identical to Section 4886 of the Revised Statute has been in force in this Country since 1790, except that the conditions and limitations attending it have varied somewhat from time to time

² "Congress shall have power * * * to promote the progress of science and useful arts by securing for limited times, to authors and inventors, the exclusive rights to have their respective writings and discoveries."

³ Congress passed in 1793, this Statute: "That where any State, before its adoption of the present form of Government shall have granted an exclusive right to any invention, the party claiming that right, shall not be capable of obtaining an exclusive right under this act but under a relinquishing of his right under such particular State, and of such relinquishment, his obtaining an exclusive right under this act shall be sufficient evidence."

⁴ Section 4884, U. S. C., title 35, section 40, provides: "Every patent shall contain a short title or description of the invention or discovery, correctly indicating its nature and design, and a grant to the patentee, his heirs, or assigns, for the term of seventeen years, of the exclusive right to make, use, and vend the invention or discovery (including in the case of a plant patent the exclusive right to asexually reproduce the plant) throughout the United States and the Territories thereof, referring to the specification for the particulars thereof. A copy of the specification and drawing shall be annexed to the patent and be a part thereof."

⁵ Section 4886; United States Code, title 35, section 31.

and except that the compositions of matter were not mentioned in the Statute prior to that of 1793. The most important amendment of recent years is that of May 23, 1930, which added:

“* * * or who has invented or discovered and asexually reproduced any distinct and new variety of plant, other than a tuber-propagated plant, * * *”.

Thus there are five general classes of inventions for which patents are granted, viz: articles or process; machines; compositions of matter; and plants. Taking into account improvements on each of the four classes first recited in the Statute, there may be said to be nine classes of inventions. In addition, patents are issued for designs.⁶

Under the constitutional authority vested in it, Congress passed legislative acts governing the issuance and control of letters patent. The first patent statutes, passed in 1790, were repealed by the patent act of 1793, which was in turn repealed by the act of 1836. The patent statutes under which patents are granted at the present time were approved in 1870, and, with the amendatory acts made from time to time since that date, and the great number of decisions of the Federal Courts, comprise the law of patents. Although under the early patent statute, the President and the members of his cabinet issued the grants, the issuance of letters patent have, since 1836, been under the control of a Commissioner of Patents. Since 1925, the Patent Office has been under the supervision of the Secretary of Commerce. No attempt will be made to deal section by section with the patent statutes.⁷

Briefly, the procedure prescribed for the obtaining of United States letters patent involves the filing of an application for letters patent which comprise a disclosure,⁸ (drawings), specification (the description of the invention), and claims, the claims directed to the features in which the inventor believes his invention lies and on which he desires protection.⁹ Upon the filing of the application, and the payment of the

⁶ “Section 4929 (U. S. Code, title 35, section 73). Any person who has invented any new, original, and ornamental design for an article of manufacture, not known or used by others in this country before his invention thereof, and not patented or described in any printed publication in this or any foreign country before his invention thereof, or more than two years prior to his application, and not in public use or on sale in this country for more than two years prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law and other due proceedings, had, the same as in cases of invention or discoveries covered by section forty-eight hundred and eighty-six, obtain a patent therefor.”

⁷ Statutes relating to patents are gathered under Title 35, U. S. Code.

⁸ In some instances where the supposed invention is simple, a disclosure is not made.

⁹ Section 4888 (U. S. C., Title 35, Section 33).

statutory fee, the application is then assigned to the particular division of the Patent Office that passes on the art to which the application relates.¹⁰ The examiner in the particular division passes on the application, views the application in light of what is known in the particular art, to determine first, whether there is patentable invention involved in the application and second, if there is invention, the scope that should be given it. The examiner's action is communicated to the patent attorney representing the inventor,¹¹ and a reply to that action is then drafted by the attorney.

The reply of the attorney takes the form of an amendment to the application and usually includes the adding of additional claims to the application and argument as to the scope of the references cited by the examiner against the application. In the event the examiner agrees to the amendment of the attorney, the application is then allowed and upon payment of the final fee, the patent issues. In the event the attorney and examiner disagree as to the patentability of the alleged invention or as to the scope to be afforded it, and the examiner makes two rejections of the application or of certain of the claims; the attorney for the applicant may appeal¹² to the Board of Patent Appeals, this board reviews the decision of the examiner and either affirms or reverses the same. In the event the patent attorney still questions the propriety of the decision of the Board of Appeals, an appeal may be taken to the Court of Custom and Patent Appeals, the decision of that court being final.¹³ All the proceedings on applications are *ex parte*.

Should the inventor's application claim an invention similar to that claimed by another inventor in either a pending application or, under certain conditions, with an already issued unexpired patent, the application is then transferred to the Examiner of Interferences and an

¹⁰ There are sixty-five divisions in the Patent Office at the present time.

¹¹ Originally the rules for admission for practice before the Patent Office were lax. Of late years, there has been a higher standard set and for a person to qualify for practice before the United States Patent Office today, various requirements must be met. (See Rule 17 of Rules of Practice, United States Patent Office.)

¹² Rule 134 of Rules of Practice, United States Patent Office reads as follows: "134. There must have been two rejections of the claims as originally filed, or, if amended in matter of substance, of the amended claims, and all the claims must have been passed upon, and except in cases of division all preliminary and intermediate questions relating to matters not affecting the merits of the invention settled, before the case can be appealed to the board of appeals." See also Rules 133 and 135 to 142, inclusive, of Rules of Practice, United States Patent Office.

¹³ An alternative appeal is permitted to the United States District Courts: U. S. C. title 28, section 301; U. S. C. title 35, section 59a; and U. S. C. title 35, section 62.

interference is declared.¹⁴ When an interference is declared, proof by deposition is taken by the parties thereto as to the conception date of their invention, and the reduction to practice of the invention. Upon these proofs, the Examiner of Interferences makes his decision as to who is the first and original inventor.¹⁵ In the event the parties disagree with the decision of the Examiner of Interferences, appeal may be had to the Board of Patent Appeals, and from the Board of Patent Appeals to the Board of Custom and Patent Appeals. Upon the termination of an interference, the party to whom the award of priority is made, has the patent issued to him.¹⁶

With his patent issued, the inventor has reached his first goal. There remains, for the inventor, the problem of placing his invention in production and distributin to the purchasing public. This problem as most inventors know, is difficult of solution.¹⁷

Assume that the inventor, in one way or another, places his invention in production and a sales demand therefore is created. The extent of the patent's monopoly or its scope is governed by the claims of the grant, interpreting by the specification, and in light of the previous knowledge of man in the field to which the invention applies. A sales volume in any quantity attracts attention. To protect the industry built around the patent, its monopoly must be enforced. While industrialists generally will not knowingly subject their companies to patent infringement suits, they will attempt, by avoiding the claims of the patent, to avoid its monopoly. This is particularly true where the sales volume of the invention indicates that the financial return is adequate.

For the industrialist to determine the scope of the patent, he conducts, or has conducted for him, an independent search of the previous art. Searches of this character are conducted with meticulous care. If the industrialist, or his patent counsel, are satisfied that the prior art limits or invalidates the claims of the grant, the supposed monopoly of the inventor is invaded. The recourse of the patentee, or those holding under him, then rests in litigation. While a patent is clothed with a presumption of validity, real respect is not paid its monopoly until

¹⁴ See section 4904 (U. S. Code, 35 section 52); also Rules 93 to 133, inclusive, of the Rules of Practice, United States Patent Office.

¹⁵ Examiner's decision is an award of priority.

¹⁶ The decisions of the Patent Office and its tribunals are contained in the Reports of the Commissioner, United States Patent Law Quarterly, and in the Federal Reporter, second series. A movement is under way to have all decisions of the Patent Office combined in one set of reports.

¹⁷ Many thousands of patents issued by the Patent Office at no time have been placed in commercial use. Some continental countries in their patent statutes provide that the invention of the grant must be worked periodically for the grant to remain in force.

it has been the subject matter of successful litigation. Particularly, is this true where the patent is not a "pioneer" in its art, but only an improvement. Thus, in the greater share of cases, until a patent grant has been proven under the fire of litigation, the enforcement of its monopoly is difficult.

Federal Courts have jurisdiction over all patent litigation¹⁸ and it is to these courts, litigants come for a determining of their patent rights. Suit on an unexpired¹⁹ patent invokes the principles of equity. Federal statutes, as to jurisdiction of the parties, etc., and the federal equity rules must, of course, be observed. The action itself, is started by bill of complaint, which sets up the issuance of the patent; and, if the plaintiff is not the inventor or patentée, his chain of title; and the alleged invasion of the monopoly of the grant, together with a prayer for relief. The prayer for relief asks that the defendant be perpetually enjoined²⁰ from further invasion of the plaintiff's rights, and that he be required to account²¹ to the plaintiff for the gains and profits realized by the defendant's invasion of the plaintiff's monopoly.

Proof in patent cases of necessity differs, since infringement is a question of fact. In all cases, however, it is necessary that the article or process, machine, composition of matter or plant, charged with being an infringement, come within the scope of the claims of the patent in suit, either literally or through the application of the doctrine of equivalents. There are some twenty-eight defenses to an infringement suit. The two principal defenses are: invalidity and non-infringement. The defense must be set up affirmatively by answer to the bill. From the decree of the Federal District Court, there is appeal to the Federal Circuit Court of Appeals, and the possibility of appeal to the Supreme Court of the United States.

From the foregoing, it is evident that the monopoly of a grant to be effective must be enforced and that to enforce it, the patent itself must be sound; the language of the claims must be clear and as broad as the state of the art at their issuance will permit. It is also evident that it is the monopoly of the patent grant that is of primary and major importance. Since the passage of the Sherman Anti-Trust Act of 1890, and the Clayton Act of 1914, the obtaining and exercising of monopolies in given industries through the acquiring of patents has been very marked. Examples of industries that have been built up,

¹⁸ See United States Code, Title 28, Section 41, Sub-section 7.

¹⁹ When a patent is expired, the remedy in an action at law is adequate.

²⁰ A preliminary injunction is usually not asked for unless the patent has already been litigated and held valid.

²¹ The accounting proceedings is an independent proceeding generally conducted before a Master appointed by the Court and is granted only upon the successful termination of a patent suit proper.

and a monopoly therein established through patents are easy of citation.²² Abuses of the use of patent monopolies have cropped out of late years. Such abuses can, and are being regulated. Reform in our patent statutes and procedure, both in the Patent Office and in the Federal Courts, has been a matter of growth. That growth is continuing, and from all indications, abuses as they present themselves, will be remedied. As it now stands, our patent system is regarded as the most efficient in the World.

It is, to the stimulus afforded by the Patent Office and our patent system that the great share of our new industries of the last fifty years owe their creation. It is because of the stimulus afforded by the Patent Office and our patent system that our older industries have kept pace with, and exceeded the development of foreign industry, and it is on American invention, as fostered and stimulated by the patent system, that we confidently depend for ability to meet our present crisis, maintain our scale of living, and yet compete successfully in the markets of the world with nations where the scale of living is much lower than our own.

²² Electric light & power industry, telephone industry, automobile industry, typewriter industry, aluminum industry, photography.