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SOME RECENT DEVELOPMENTS OF THE LAW OF PATENTS.

The Supreme Court of the United States, in the closing years of its ordinary appellate jurisdiction, has settled several hitherto vexed questions of patent law, and has shed new light upon others. It is doubtful whether any other like period in the history of this law has been distinguished by so many important decisions. It would seem as though the Supreme Court had discussed and disposed of the questions presented, having in mind that the principles and rules enunciated must serve as permanent guides for the new Circuit Courts of Appeal.

It has become the fashion, among the patent bar, to contend that these decisions have revolutionized rather than developed the former practice and law. This tendency has been especially noticeable since, under the operation of the Evarts Act, the Circuit Courts of Appeal have become the tribunals of last resort.

It is true that the Supreme Court has made some material modifications in the generally accepted theories as to certain phases of patent law. Thus, by a strict interpretation of the statute, it has been decided that the term of a United States patent is limited by the duration of a foreign patent for the same invention (*Bate Refrigerating Co. v. Sulzberger*, 157 U.S. 1). Subsequent to the jurisdiction act of 1887 and prior to *In re Hohorst*, 150 U. S. 659, it had been generally supposed that suits for infringement of patents against citizens of the United States could only be brought within the district where defendant resided. It now appears to be the prevailing opinion in view of *In re Hohorst*, *supra* and *In re Keasbey & Mattison Co.*, 160 U. S. 221, that such suits may be brought in any district in

which the defendant may be found. It is hardly necessary to suggest the strategic importance of this decision in many cases.

This doctrine, and the rule that the burden of proof is upon a complainant, in a suit for infringement, to allege and prove actual or constructive notice of the patent (*Dunlop v. Schofield*, 152 U. S. 244; *Coupe v. Royer*, 155 U. S. 584) are contrary to the general practice formerly prevailing in the lower courts, and are not easily reconcilable with some of the earlier decisions of the Supreme Court.

The Supreme Court has also definitely determined the relations of the Federal Government to owners of patents. It is now settled that while the Federal Government is liable under its contract for the use of a patented invention, it is not liable in tort, and an officer of the United States exercising his official functions in the use of Government property, cannot be restrained by injunction against infringement (*U. S. v. Berdan Fire-arms Co.*, 156 U. S. 552; *Belknap v. Schild*, 161 U. S. 10; *Kirk v. U. S.*, 163 U. S. 49).

In actions at law it has sharply drawn the distinction between the respective functions of court and jury in cases of infringement (*Coupe v. Royer*, 165 U. S. 565; *Black Diamond Co. v. Excelsior Co.*, 156 U. S. 611; *Market-street Cable Co. v. Rowley*, 155 U. S. 621), and has held that the statutes of limitation of the various States are applicable thereto (*Campbell v. Haverhill*, 155 U. S. 610). It has approved the practice of taking advantage on demurrer of invalidity apparent on the face of a patent (*Richards v. Chase Elevator Co.*, 158 U. S. 300) has laid down the rule that the decision of the Patent Office upon questions of priority is conclusive thereafter between the parties, unless the contrary is established by indisputable evidence (*Morgan v. Daniels*, 153 U. S. 120), and has strictly enforced the doctrine of estoppel in the determination of the rights of employers in patents taken out by employees (*Lane v. Locke*, 150 U. S. 193; *Gill v. U. S.*, 160 U. S. 426).

In the *Singer Sewing Machine* case the relations between the public and the owner of a patent at the date of its expiration, are exhaustively discussed. The court there holds that a generic name passes to the public simultaneously with the dedication resulting from the expiration of the patent (*Singer Mfg. Co. v. June Mfg. Co.*, 163 U. S. 169).

Upon the vexed question of damages, it has declared the unsatisfactory doctrine, that while at law a plaintiff is entitled to recover what he has lost even though it exceed defendant's

profits, a defendant in equity is liable to account only for such profits as are found to have actually accrued to him from the use of the patented invention (*Belknap v. Schild*, 161 U. S. 10; *Keystone Mfg. Co. v. Adams*, 151 U. S. 139; *Coupe v. Royer*, 155 U. S. 565, 583).

The question as to what constitutes invention is necessarily left to be determined upon the facts in the particular case. A valuable modification of the tests formerly employed is found in *Potts v. Craeger*, 155 U. S. 597, where, *inter alia*, it is held that a double use may involve invention provided the second use is in an art remote from the former art.

The cases which have been most extensively discussed are *Miller v. Eagle Mfg. Co.*, 151 U. S. 189; *Risdon v. Medart*, 158 U. S. 68, and *Morgan v. Albany Co.*, 152 U. S. 425.

In *Miller v. Eagle Mfg. Co.*, the inventor claimed two different functions or operations of a spring in separate patents. The Supreme Court found that the operation covered by the second patent was necessarily included in that of the earlier one, and might have been claimed therein, and that the two functions were identical. It held that where matters covered by a second patent were thus inseparably involved in matters embraced in a former patent, issued to the same inventor, the second patent was void. The use of the term "inseparably involved" gave rise to much contention among the patent bar. It has been strenuously claimed that a generic description of an invention and a specific description of a definite combination of elements embodying the invention in a particular form with or without improvements thereon, were so inseparably involved that they could not be the subjects of separate patents. It is to be borne in mind, however, that in *Miller v. Eagle Co.*, the devices of the two patents were identical in construction and operation, and the second patent was for a function necessarily exercised in the first patent. If the words "inseparably involved" be limited to such identity, and the other language used by the court be confined to the case there presented, it will not be found that it lays down any rule inconsistent with the previous decisions of the court. It seems now to be recognized by the Circuit Courts that the term is to be limited to cases where the second patent claims a function necessarily performed by the device of the first patent. If the claims of the two patents specify different parts of a combination or if one omits one or more of the elements contained in the other, they are not "inseparably involved" (*Walker on Patents*, 3d edition, §180a; *Thomson-Houston Elect.*

Co. v. Winchester Ave. Ry. Co., 71 Fed. 205; *Id.* v. Elmira & H. Ry. Co., 71 Fed. 405; Deering v. Winona Co., 155 U. S. 286; Fassett v. Ewart Mfg. Co., 62 Fed. 407; McBride v. Kingman, 72 Fed. 908).

"The test of identity is whether both when properly 'construed in the light of the description define essentially the same thing. When the claims of both cover and control essentially the same subject matter both are for the same invention and the later patent is void'" (Thomson-Houston El. Co. v. Elmira & H. Ry. Co., *supra*).

In this connection may also be considered the case of *Risdon v. Medart*, 158 U. S. 68. There the court stated that as a general rule neither a process not involving chemical or other elemental change but consisting solely in the operation of a machine, nor the function of a machine, was patentable. Here again, when the patent for the machine covers the invention by which the process is necessarily carried on, there is but one invention and but one patent therefor. The application of this principle, however, is attended with great difficulty. As Mr. Walker says in his work on patents: "This question of the patentability of processes which consist entirely of mechanical transactions, but which may be performed by hand, or by any of several different mechanisms or machines, is the most important unsettled question known to the patent laws of the United States." Walker on Patents, § 3a.

The distinction between a process and a function had already been previously repeatedly announced and applied in the second Circuit (*Risdon v. Medart*, *supra*; see, also, *Blakesley Novelty Co. v. Conn. Webb Co.*, 78 Fed.; *Travers v. Gem Hammock and Fly Net Co.*, 75 O. G. 678; *Wells Glass Co. v. Henderson*, 67 Fed. 935).

If, however, there is such a change in the method or arrangement of operations as involves invention and produces a new and useful result, and if it covers only means or methods of producing such result irrespective of the effect of mechanism, the process may be the subject of a separate patent (*Risdon v. Medart*, *supra*; *Schwarzwalder v. N. Y. Filter Co.*, 66 Fed. 157).

In *Morgan Envelope Co. v. Albany Paper Co.*, 132 U. S. 425, the Supreme Court passed on the comparatively modern doctrine of contributory infringement. There the plaintiff sold patented fixtures for delivering toilet paper to such persons only as dealt in and used its toilet paper. Defendants having obtained such patented fixtures from the original purchasers

from the patentee, fitted them with paper of their own manufacture and also sold their paper to others with the intention that such paper should be used in plaintiff's fixtures. The Supreme Court affirmed the principle already announced by the lower courts "that the manufacture and sale of a single element of a combination with intent that it shall be united to the other elements and so complete the combination is an infringement." But it held that this doctrine had no application to cases where the element made by the alleged infringer was not separately patented and was of a perishable nature to be delivered by the combination and used periodically when put in actual use.

In the further consideration of the development of or limitations upon this doctrine two questions have arisen:

Is the alleged infringement reconstruction or repairs?

May the owner of the patent lawfully impose a limitation upon a purchaser as to the use to which such combination is to be put?

As to the first question the Court of Appeals in the Eighth Circuit in *Shickle Harrison & Howard Iron Co. v. St. Louis Car-Coupler Co.*, 77 Fed. 739, holds that the fact that the alleged infringing article is an important element of the patented combination and only capable of use in connection with the other elements thereof is not conclusive against the right to replace, but that when it is liable to break or wear out long before the rest of the combination, and other parts are equally or more important and the invention is not confined to the part broken, anyone may furnish to original purchasers a new article to replace the worn out or broken one, but could not sell to other persons or for other purposes.

The same rule is applied by the Court of Appeals in the Second Circuit in *Thomson-Houston Co. v. Kelsey El. Ry. Spec. Co.*, 75 Fed. 1009, where the defendant, by public advertisement, had offered to sell to the public generally one element of a patented combination. There the defendant was permitted to sell said elements to replace those broken or worn out, or to substitute its manufacture for those sold by complainant, but was enjoined against the reconstruction of those not so sold. See also *Thomson-Houston Electric Co. v. Ohio Brass Co.*, 78 Fed. 139.

In *Heaton v. Peninsular Button Fastener Co. v. Eureka Specialty Co.*, 77 Fed. 288, the parties sought to take advantage of the principles enunciated in the decision in *Morgan Envelope Co. v. Albany Paper Co.*, *supra*. The complainant sold a patented machine for affixing buttons to shoes, upon the condi-

tion that it should only be used in connection with the unpatented staples made by it. The defendants manufactured staples adapted only for use in said machines and induced purchasers of said machines to buy their staples in violation of said restriction. The court below dismissed the bill on demurrer on the theory that it would be contrary to public policy to enforce said restriction. The Court of Appeals held that the rules as to contributory infringement already considered were applicable to the facts as charged in the bill and reversed the decree.

On the other hand in *Keeler v. Standard Folding Bed Co.*, 157 U. S. 659, the Supreme Court has held, three Justices dissenting, that the purchaser of a car-load of beds from the owner of the territorial right for the State of Michigan, for the express purpose of selling them in Massachusetts, had the right to sell them anywhere within the United States, even within territory already assigned to another party. In the forcible dissenting opinion of Mr. Justice Brown it is pointed out that the effect of this decision is to place it in the power of a patentee to sell licenses to make and sell for every State in the Union except his own, and to then establish a rival factory and undersell and ruin his licensees.

These cases show something of the present status and tendency of the law of patents in the United States. The charge of departure from principles heretofore established previously referred to, appear to be due to a strict application by the Supreme Court of the rules of law and statutory construction to questions of jurisdiction, practice and evidence at the expense in some instances of the doctrine of *stare decisis*.

But in its disposition of the fundamental questions of invention, infringements and the respective rights and obligations of patentees and the public, the Supreme Court has consistently applied and developed the earlier decisions.

It is impossible to predict the influence which the Supreme Court is hereafter to exert upon the law relating to inventors. This will largely depend upon the extent to which the Circuit Courts of Appeals may certify to it, or it may deem it advisable by certiorari to pass upon, new questions concerning which there may be a division of opinion in the various circuits.

It is a matter for congratulation that the structure of the patent law of to-day rests on such a firm foundation and has been so harmoniously built up that the additions of the future must be in the line of development subordinate to the existing plan.

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