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PATENTS - PATENTABILITY OF THE PRODUCT OF A PROCESS

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PATENTS — PATENTABILITY OF THE PRODUCT OF A PROCESS — The problem to be discussed in this comment can best be illustrated by setting forth a hypothetical fact situation. It will be assumed that an inventor, *A* has invented a new and useful process for refining oil, which process is denoted process *X*. Heretofore all oil has been refined by process *Y*. The oil produced by process *X* does not differ sufficiently in its chemical and physical properties from that produced by process *Y* so that the inventor can get a patent on the oil as such. Assuming that, upon proper application, *A* may receive a patent for process *X*, is it possible under the existing patent statutes for *A* to get a valid patent claiming oil produced by process *X* as described? [1]

If *A* obtains a patent for process *X*, he may bring suit for infringement against all who use this process without his permission,[2] but frequently the difficulty of enforcement of the right may make it illusory. It may happen that the person infringing the process patent is operating in a foreign country where *A* has no patent. In such a situation, *A's* patent is useless as a weapon against the foreign infringer.[3] It may also be discovered that the infringement is taking

[1] Problems which arise when there is novelty in the product in addition to the process by which it is produced are discussed in Fell, "Is a Product of a Process Patentable?" 11 VA. L. REV. 432 (1925).

[2] 1 ROBINSON, PATENTS, § 163 (1890); 1 WALKER, PATENTS, 6th ed., § 19 (1929).

[3] This argument was advanced in Ex Parte MacChesney, 17 U. S. PAT. Q. 173 (1932), but the Board of Appeals of the Patent Office denied patentability, nevertheless.

In support of the general rule that suits for infringement of a patent cannot be based on acts done outside the United States, see: Brown v. Duchesne, 19 How. (60 U. S.) 183, 15 L. Ed. 595 (1857); Dowagiac Mfg. Co. v. Minnesota Moline Plow Co., 235 U. S. 641, 35 S. Ct. 221 (1915); Bullock Elec. Co. v. Westinghouse Elec. Co., (C. C. A. 6th, 1904) 129 F. 105; Rushmore v. Manhattan Screw Co., (C. C. N. Y. 1909) 170 F. 188; Victor Talking Machine v. Strauss, (C. C. N. Y. 1909) 171 F. 673.

Sec. 316 of the Tariff Act of 1922 [42 Stat. L. 943 (1923), 19 U. S. C., §§ 174-180 (1935)] and Sec. 337 of the Tariff Act of 1930 [46 Stat. L. 703 (1931), 19 U. S. C., § 1337 (1935)] authorized the exclusion of imports of goods which unfairly compete with American industry. Hearings are held before the Federal Tariff Commission, which then reports to the President, who may authorize the Secretary of the Treasury to order an embargo. On questions of law, appeal lies to the Court of Customs and Patents Appeals and from that court to the United States Supreme Court. These provisions of the Tariff Act were seized upon to exclude importation of products which are the result of processes protected by United States patents. Early decisions indicated affirmance of this practice. Frischer v. Bakelite Corp., (Cust. & Pat. App. (1930) 39 F. (2d) 247; In re Northern Pigment Co., (Cust. & Pat. App. 1934) 71 F. (2d) 447; In re Orion, (Cust. & Pat. App. 1934) 71 F. (2d) 458. But the previous decisions and dicta were reversed in In re Amtorg Trading Corp., (Cust. & Pat. App. 1935) 75 F. (2d) 826, certiorari denied for want of jurisdiction, 296

place in a state far removed from *A's* residence. Since suit must be brought in the jurisdiction where the infringement is taking place,[4] litigation would thus be unduly expensive. There is likewise the possibility that *A* may not be able to discover who is using his process. Under these circumstances, *A* gets little comfort from his process patent. If it were possible for him to sue dealers who are selling the oil produced by process *X*, then he would be afforded a more complete protection for his invention. However, the case of *Merrill v. Yeomans*[5] established that one who did not use a patented process but merely sold the product of the process could not be held liable for infringement of a patent for the process, at least if he were ignorant of the process patent.[6] Hence *A* cannot proceed against the dealers for infringement of his process patent. But if *A* could get a patent for the *product of the process*, then he could proceed against all who make, use, or sell what is claimed in the patent,[7] and *A* could thus reach dealers who sold the product of the process. The obvious desirability of such protection merits an examination of its possibility under the existing statute.

I.

"Any person who has invented or discovered any new and useful art, machine, manufacture, or composition of matter . . .

U. S. 576, 56 S. Ct. 102 (1935). Here the act of infringement of the process patent took place in the U. S. S. R. and the goods were sold to an American corporation. Proceedings were begun to have the goods excluded from the country on the basis that they unfairly competed with American industry. The Tariff Commission recommended an embargo, but the Court of Customs and Patent Appeals held, one judge dissenting, that this importation did not constitute unfair competition in the sense meant by the Tariff Act. It would thus appear that there is no remedy for the owner of a process patent if the goods are being manufactured outside the United States, if he has no patent in the foreign country.

In Boesch v. Graff, 133 U. S. 697, 10 S. Ct. 378 (1890), a dealer who had purchased articles in Germany and sold them in the United States was held liable for infringement, but the patent infringed was a product patent.

[4] Barton v. Nevada Consol. Copper Co., (D. C. N. Y. 1929) 36 F. (2d) 85; Kryiak v. Owens Bottle Co., (D. C. Ill. 1928) 25 F. (2d) 358.

[5] 94 U. S. 568, 24 L. Ed. 235 (1876).

[6] Accord: Welsbach Light Co. v. Union Incandescent Light Co., (C. C. A. 2d, 1900) 101 F. 131; National Phonograph Co. v. Lambert, (C. C. Ill. 1903) 125 F. 388; American Graphophone Co. v. Gimbel Bros., (D. C. N. Y. 1916) 234 F. 361 at 368; Kryiak v. Owens Bottle Co., (D. C. Ill. 1928) 25 F. (2d) 358; Barton v. Nevada Consol. Copper Co., (D. C. N. Y. 1928) 36 F. (2d) 85; American Ball Co. v. Federal Cartridge Corp., (C. C. A. 8th, 1934) 70 F. (2d) 579 at 582.

[7] The owner of a product patent has a cause of action against all who make, use, or sell the product. 3 ROBINSON, PATENTS, § 927 (1890); 1 WALKER, PATENTS, 6th ed., § 400 (1929).

may, upon payment of the fees required by law, and other due proceeding had, obtain a patent therefor."[8]

Every claim for a patent must come within the terms of the statute quoted above.[9] Hence it would appear that the oil produced by process *X* must be found to be a new manufacture or composition of matter in order that a patent may be granted for it. By hypothesis, its physical and chemical properties do not distinguish it substantially from oil produced by process *Y*.[10] To establish novelty, therefore, it must be found that an element of the novelty of a product resides in the process by which that product is made.

The Patent Office tribunals have established a rule that when an article is a new thing and it is impossible to define it except by the method by which it is produced, then it may be claimed by reference to the process producing it.[11] But when the product is not new or when it is possible to define it without reference to the process by which it is made, then the invention must be claimed in terms other than the process by which it is produced.[12] The word "new," as used in the above rule, obviously refers to structure, properties, etc.[13] The rule would seem to preclude the inventor in the hypothetical case. However, the Patent Office tribunals are amenable to the federal courts,[14] and hence a further examination of the case law is necessary.

The case most frequently cited in support of the statement that an article may not be claimed by reference to the process of manufacture is *Cochrane v. Badische Anilin & Soda Fabrik*.[15] Here the Supreme Court said: "Every patent for a product or composition of matter must identify it so that it can be recognized aside from the description of the process for making it, or else nothing can be held to infringe the

[8] Rev. Stat., § 4886 (1887), 35 U. S. C., § 31 (1935).

[9] 1 ROBINSON, PATENTS, § 69 (1890); 1 WALKER, PATENTS, 6th ed., § 18 (1929). It may be added parenthetically that the term "art" in the statute is synonymous with "process." 1 ROBINSON, PATENTS, § 159 (1890); 1 WALKER, PATENTS, 6th ed., § 19 (1929).

[10] See introductory paragraph of this comment.

[11] Ex parte Painter, [1891] Dec. Commr. Pat. 200, 57 Off. Gaz. 999; Ex parte Ekstedt, [1932] Dec. Commr. Pat. 26, 425 Off. Gaz. 613; In re Butler, (Cust. & Pat. App. 1930) 37 F. (2d) 623; In re Grupe, (Cust. & Pat. App. 1931) 48 F. (2d) 936; AMDUR, PATENT LAW AND PRACTICE 21, 28 (1935).

[12] Ex parte Scheckner, [1903] Dec. Commr. Pat. 315, 106 Off. Gaz. 765; Ex parte Fesenmeier, [1922] Dec. Commr. Pat. 18, 302 Off. Gaz. 199; Ex parte Bosworth, [1929] Dec. Commr. Pat. 2, 378 Off. Gaz. 3; AMDUR, PATENT LAW AND PRACTICE 21, 28 (1935).

[13] In re Butler, (Cust. & Pat. App. 1930) 37 F. (2d) 623.

[14] Rev. Stat., § 4915 (1887), 35 U. S. C., § 63 (1935).

[15] 111 U. S. 293, 4 S. Ct. 455 (1884).

patent which is not made by that process."[16] But this statement does not stand for the proposition that a product can never be claimed by reference to the process which produced it; in fact the decision intimates a contrary conclusion. It merely holds that if a product is claimed by reference to the process the patentee cannot bring action for infringement against those who sell the same product produced by another process.

The *Wood-Paper Patent* case,[17] however, seems to be more directly in point. Here complainant's patent, which claimed wood pulp as an article of manufacture, was held invalid by the Supreme Court because somewhat similar pulp had been produced by other processes and from other substances.

> "A product or a manufacture had been obtained and had been used in the arts, a manufacture which was the same in kind and in substance, and fitted for the same uses as the article of which the complainants now claim a monopoly. That this manufacture may have been the product of one or more different processes is, as we have said, quite immaterial in considering the question whether it is the same as that produced by the complainants."[18]

The holding of the Court is somewhat weakened by the fact that complainant's process patent was also held invalid. It should also be noted that this case was decided two years previous to *Merrill v. Yeomans*, discussed above, and hence may have impliedly been overruled by that decision. However, the *Wood-Paper Patent* case must be reckoned with, since it specifically says that a new process of manufacture is immaterial to the patentability of the product.

Another case which may be cited to the same proposition is *American Tube Works v. Bridgewater Iron Co.*[19] Complainant had invented a new process for casting copper cylinders. Perfect cylinders cast by other methods were rare before complainant's invention. The court invalidated a product patent on the ground the patent was anticipated if cast copper cylinders free from defects were known and could be produced before the invention of the new process, citing *Cochrane v. Badische Anilin & Soda Fabrik.*[20] There are several other decisions to the same effect.[21]

[16] 111 U. S. 293 at 310.

[17] American Wood Paper Co. v. Fiber Disintegrating Co., 23 Wall. (90 U. S.) 566, 23 L. Ed. 31 (1874).

[18] 23 Wall. (90 U. S.) 566 at 595.

[19] (C. C. A. 1st, 1904) 132 F. 16.

[20] 111 U. S. 293, 4 S. Ct. 455 (1884).

[21] Societe Fabriques, etc. v. Lueders, (C. C. N. Y. 1904) 135 F. 102; Hide-ite Leather Co. v. Fiber Products Co., (C. C. A. 1st, 1915) 226 F. 34; Carbide & Car-

These cases would seem to settle the matter were it not for the fact that other cases intimate a contrary conclusion. In *Merrill v. Yeomans*,[22] the complainant had invented a new machine and a new process for manufacturing hydrocarbon oils. As the Court interpreted the patent, there was no claim for the product of the process, and therefore the defendant, who had merely sold the product, was held not liable for infringement of the process patent. In discussing the remedy of the inventor, the Court said:

> "If the patentee is also entitled to a patent for the product of this distillation, and has failed, as we think he has, to obtain it, the law affords him a remedy, by a surrender and reissue. When this is done, the world will have fair notice of what he claims, of what his patent covers, and must govern themselves accordingly."[23]

This is a clear intimation that it is possible for an inventor to obtain a patent for the product of a process. There are other authorities reaching a similar conclusion.[24]

2.

Since the cases which have specifically considered the problem of whether the product of a process is patentable intimate opposite conclusions, a study of other problems in the law of patents is in order so that analogies may be drawn to the problem of process-product patentability. However, it must be confessed, no entirely satisfactory analogies may be found upon examination of the discussions of novelty in the standard texts on patent. In *Schwartz v. Housman*,[25] the defendant claimed that the process which he used did not infringe plaintiff's process patent. It was held that, though there was similarity or even identity of appearance in the product which defendant produced and the product produced by plaintiff's patent, there was not necessarily infringement of the process patent. This holding leaves room for argument, therefore, that, even though two products appear to be

bon Chemicals Corp. v. Texas Co., (D. C. Tex. 1927) 21 F. (2d) 199 at 206; In re Jones, (App. D. C. 1929) 30 F. (2d) 1003; In re Lawson, (Cust. & Pat. App. 1930) 39 F. (2d) 667; Westinghouse Elec. v. Quackenbush, (C. C. A. 6th, 1931) 53 F. (2d) 632.

[22] 94 U. S. 568, 24 L. Ed. 235 (1877).

[23] 94 U. S. 568 at 573.

[24] American Graphophone Co. v. Gimbel Bros., (D. C. N. Y. 1916) 234 F. 361; In re Burt, (App. D. C. 1928) 24 F. (2d) 273; In re Harvey, (Cust. & Pat. App. 1934) 71 F. (2d) 200; In re Ewert, (Cust. & Pat. App. 1935) 77 F. (2d) 498; J. E. Baker Co. v. Kennedy Refractories, (C. C. A. 3d, 1918) 253 F. 739.

[25] Schwartz v. Housman, (C. C. N. Y. 1898) 88 F. 519.

the same, there may be some difference between them based upon the process by which they are produced.

An analogy might possibly be sought in the familiar principle in the law of patents that the result of a process or of the operation of a machine cannot be patented.[26] However, upon examination, the comparison fails. The principle is based on interpretation of the following statute:

> "Before any inventor or discoverer shall receive a patent for his invention or discovery, he shall . . . file in the Patent Office a written description of the same . . . in full, clear, concise, and exact terms; . . . and he shall particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery." [27]

This same statute is the foundation for the rule that the function of a machine may not be patented.[28] The courts reason that, if the inventor could patent a result or a function, then he could thus obtain a monopoly over all future means to accomplish the same result or function. But in the specification which is a part of his application he has not described these future means. Therefore, since he has not described what he claims, he has not complied with the statute, which requires a full, clear, concise, and exact description of what is claimed. Thus broad and indefinite claims for the result or function as a device to monopolize all future developments of new means to accomplish the same result cannot be used since this would preclude later inventors who might devise other means to accomplish the same result.[29] However, the reasoning does not apply to the hypothetical situation discussed in this comment because we may assume that the inventor would have no difficulty in drawing his claims so that the description of the product would be clear and complete, adding, of course, that the oil is produced by process *X*. He would thus comply with the statute. The claims would be narrow and specific rather than broad and in-

[26] LeRoy v. Tatham, 14 How. (55 U. S.) 156 at 175, 14 L. Ed. 367 (1852); American Steel Co. v. Denning Wire Co., (C. C. Iowa, 1908) 160 F. 108; Eastern Dynamite Co. v. Keystone Powder Co., (C. C. Pa. 1908) 164 F. 47.

[27] Rev. Stat., § 4888 (1887), 35 U. S. C., § 33 (1935). In re Gardner, 32 App. D. C. 249 (1909).

[28] Mitchell v. Tilghman, 19 Wall. (86 U. S.) 287, 22 L. Ed. 125 (1874); Expanded Metal Co. v. Bradford, 214 U. S. 366, 29 S. Ct. 652 (1909). In re Weston, 17 App. D. C. 431 (1901); In re Gardner, 32 App. D. C. 249 (1909).

[29] LeRoy v. Tatham, 14 How. (55 U. S.) 156, 14 L. Ed. 367 (1852); American Steel Co. v. Denning Wire Co., (C. C. Iowa, 1908) 160 F. 108; Eastern Dynamite Co. v. Keystone Powder Co., (C. C. Pa. 1908) 164 F. 47.

definite and therefore could not be rejected on the basis of non-compliance with the statute.

Perhaps the closest analogy to the problem of the patentability of the product of a process is that of the patentability of the product of a machine. There are a few cases holding that the product of a machine is not patentable unless there are other elements of novelty present,[30] and sometimes the product of a machine and of a process are considered together by the court and disposed of in one sweeping dictum.[31] On the whole, however, the machine-product question has been no more definitely settled than has the process-product question and hence little light is shed on the latter by a consideration of the former.

From the preceding discussion the following conclusions seem justified:

First, the cases which have specifically considered the problem of the patentability of the product of a process are vague and intimate opposite conclusions. The question seems still to be an open one.

Second, no entirely satisfactory analogies may be drawn from the solution of other problems in the law of patents. Whether novelty in a product exists in the process by which the product is produced is comparatively unrelated to other problems of novelty.

Third, there is strong policy favoring the claims of the inventor. If infringement of the process patent takes place outside the United States, the inventor cannot combat the infringers unless he can obtain a product patent. If the infringement takes place in a jurisdiction remote from his residence, proceedings against infringers are inconvenient and expensive. If the persons violating the process patent are unknown to the inventor, he cannot proceed against anyone unless he has a product patent. These policy arguments have never been presented to any court except the Board of Appeals of the Patent Office.[32]

The prediction may therefore be ventured that claims for a product which does not differ from the prior art except in the process by which that product is manufactured may yet be allowed and held valid.

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[30] Wooster v. Calhoun, 30 Fed. Cas. No. 18,035, p. 610 (1873); Draper v. Hudson, (C. C. 1873) 1 Holmes 208.

[31] See 48 C. J. 31 (1929) and cases cited to the proposition, "nor is a product new merely because made by a new process or machine."

[32] Ex parte MacChesney, 17 U. S. PAT. Q. 173 (1932).