

Calendar No. 1908

82^d CONGRESS }
2^d Session }

SENATE

REPORT
No. 1979

REVISION OF TITLE 35, UNITED STATES CODE

JUNE 27, 1952.—Ordered to be printed

Mr. WILEY, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. R. 7794]

The Committee on the Judiciary, to which was referred the bill (H. R. 7794) to revise, codify, and enact into law title 35 of the United States Code entitled "Patents," having considered the same, reports favorably thereon, with amendments, and recommends that the bill, as amended, do pass.

AMENDMENTS

Amendment No. 1: On page 9, line 3 of subdivision (d), section 102, strike the word "or" and insert in lieu thereof the word "on".

Amendment No. 2: On page 29, subdivision (1) of section 282, strike out the word "or" and insert in lieu thereof a comma.

Amendment No. 3: On page 29, subdivision (1) of section 282, strike out the comma after the word "infringement" and insert in lieu thereof "or unenforceability,".

Amendment No. 4: On page 29, first line of section 284, strike out "Upon adjudging a patent valid and infringed" and insert in lieu thereof the following: "Upon finding for the claimant".

PURPOSE

The purpose of the proposed legislation is to revise and codify the laws relating to patents and enact into law title 35 of the United States Code entitled "Patents".

STATEMENT

Hearings were held in the House on H. R. 3760, which dealt with the matter of the codification of title 35, and as a result of those hearings the bill was revised and introduced as H. R. 7794.

This bill is part of the comprehensive program of revising and enacting into law all the titles of the United States Code. Up to the present time 9 out of the 50 titles of the code have been revised and enacted into law and consideration or preparation of bills relating to a number of additional titles is in process.

For many years there had been considerable agitation for a complete restatement and codification of all the laws of the United States, inasmuch as the only such codification—the Revised Statutes of 1874—had become generally outmoded on all subjects.

In 1926, in response to widespread recognition of the need therefor, and after nearly 7 years' effort, the Congress adopted the United States Code, which was a codification of the existing general and permanent laws of the United States arranged in 50 titles according to subject matter, and which was declared to be *prima facie* evidence of the law.

Because of the size of that code Congress decided that it should undergo a testing period before it was enacted into positive law.

The code has now been subjected to such a testing period lasting more than 25 years.

The present patent laws consist of about 60 sections of the Revised Statutes of 1874, together with a large number of acts of Congress passed since that date revising various sections of the Revised Statutes or making new enactments not related to any section of the Revised Statutes.

Since the sections of the Revised Statutes relating to patents were merely a compilation of the act of July 8, 1870, 16 Stat. 198, our present patent law is essentially the act of 1870 with subsequent amendatory and supplemental enactments.

The last general revision of the patent laws was the act of July 8, 1870, which was enacted as part of a program to revise and consolidate all the laws of the United States then under way. In 1866 Congress passed a law providing for a commission to revise and consolidate the statutes of the United States. The Commission which was appointed to perform this work prepared a preliminary draft of the part relating to patents and copyrights in 1868, and a second preliminary draft in 1869. The following year a draft of the statutes relating to patents and copyrights as revised, simplified, arranged, and consolidated by the Commission was reported to Congress, and at the same time referred to the Committee on Patents; a bill was introduced by the chairman a few days later.

The object of the Commission on revision of the laws was only to revise, arrange, and consolidate the statutes in force and the draft reported from the Commission presumably was for this purpose only.

The probable reason for referring the matter to the Committee on Patents was that during this same period there had been suggestions for amending the patent laws in substance and it appears that the Committee on Patents studied the draft of the Commission and changed it by various amendments affecting matters of substance. The bill thus introduced was enacted on July 8, 1870, 16 Stat. 198, and included the subjects of copyrights and trade-marks as well as patents.

When the Revised Statutes, as in force on December 1, 1873, were enacted on June 22, 1874, the sections of the act of 1870 were distributed in various parts of the Revised Statutes.

As has already been stated, the present patent laws consist of the Patent Act of 1870 with subsequent enactments adding to or changing various sections of that original act. The first patent law was enacted in the second session of the First Congress in 1790. When the first Congress met, one of its very first items of business was the considera-

tion of patents and copyrights, and the first patent bill was H. R. 10 of the First Congress.

The patent laws are enacted by Congress in accordance with the power granted by article 1, section 8, of the Constitution which provides that:

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

This provision was unanimously adopted by the Constitutional Convention following suggestions for Federal jurisdiction over both patents and copyrights which had been made in the Convention by James Madison of Virginia and Charles Pinckney of South Carolina. Each proposed separate provisions relating to patents and to copyrights which were merged by the Drafting Committee of the Convention into the general statement we now have, which was adopted without any dissenting voice.

The background, the balanced construction, and the usage current then and later, indicate that the constitutional provision is really two provisions merged into one. The purpose of the first provision is to promote the progress of science by securing for limited times to authors the exclusive right to their writings, the word "science" in this connection having the meaning of knowledge in general, which is one of its meanings today. The other provision is that Congress has the power to promote the progress of useful arts by securing for limited times to inventors the exclusive right to their discoveries. The first patent law and all patent laws up to a much later period were entitled "Acts to promote the progress of useful arts."

The first patent law, which was enacted on April 10, 1790, vested the jurisdiction to issue patents in a Board consisting of the Secretary of State, the Attorney General, and the Secretary of War. The person principally interested and the leader of the group was the Secretary of State, Thomas Jefferson, who was personally deeply interested in the subject matter of patent law. Jefferson was not a patentee himself, but he was the inventor of a number of devices, most of them being "gadgets."

This first law made the power of the Board to issue patents absolute, and also provided for various things that would be necessary in a general patent law.

While the Board, and particularly Thomas Jefferson, was quite favorable to the granting of patents, and granted them with great consideration, the other duties of members of this Board, in view of their high offices, made it impossible for them to devote much time to this work, and as a result the law was changed in 1793 to make the granting of patents a clerical function. Under the act of 1793 patents were granted to anyone who applied on fulfilling the formal requirements and filing the necessary papers and fees.

This law continued in force until 1836 when the dissatisfaction with the granting of patents without any examination as to novelty or other matters led to the appointment of a select committee by the Senate which introduced a bill that became the new law which was enacted on July 4, 1836. This new law contains the fundamental principles of our present patent law. It created a Patent Office with a Commissioner of Patents at the head, and examiners with the func-

tion of examining applications for patents and with the power to refuse patents, which was not present in the previous law. The law had many other provisions in it relating to details of procedure, enforcement of patents, and matters of that sort.

Amendments were made to this act of 1836 at various times until 1870 when the law was completely revised in the manner above referred to.

The present bill in a sense, then, is the second revision and codification of the patent laws.

A detailed description of the provisions of H. R. 7794 as set forth in House Report No. 1923, Eighty-second Congress, is as follows:

Although the principal purpose of the bill is the codification of title 35, United States Code, and involves simplification and clarification of language and arrangement, and elimination of obsolete and redundant provisions there are a number of changes in substantive statutory law. These will be explained in some detail in the revision notes keyed to each section which appear in the appendix of this report. The major changes or innovations in the title consist of incorporating a requirement for invention in § 103 and the judicial doctrine of contributory infringement in § 271.

The bill divides the statutes into three parts. The first part contains the sections of the law relating to the Patent Office generally, its powers and duties and some ancillary matters of that kind. The second part consists of the sections relating to the conditions under which a patent may be obtained and the procedure in obtaining patents. The third part contains the sections relating to the patents themselves and the protection of rights under patents, and matters relating to that phase of the subject.

Stated generally, these three parts relate to, first, the Patent Office, second, obtaining a patent, and third, the patent itself. Of course it has not been possible to maintain this three-part division strictly and there may be some overlapping of the three phases of the subject. In each part the sections are arranged in several chapters of more or less homogeneous subject matter, with chapter headings.

The organization of the bill and the arrangement of the sections are such that new future amendments can readily find their place in the organization. Catch lines of parts, chapters, and sections are provided for convenience of reference.

The first chapter in part I relates to the Patent Office and covers the establishment of the Patent Office, its seal, officers and employees, restrictions on officers and employees as to interest in patents, bond of the Commissioner, duties of the Commissioner, the Board of Appeals, the Patent Office library, etc. Very little change is introduced in these sections. There is one change in section 3, relating to a temporary successor to the Commissioner when the office is vacant, filling a gap in the present law. There is a change in section 4 relating to the disability of Patent Office employees to obtain patents.

The next chapter collects some of the details relating to procedure in the Patent Office of general application with no important changes.

The next group, sections 31, 32, and 33 relate to practice before the Patent Office. In them the language of the prior statutes has been rearranged and divided into several sections. There has been no change in substance in these sections, except in the third of this group which is a criminal provision for unauthorized practice. The

language has been considerably simplified, and the maximum fine has been raised from \$100 to \$1,000.

In the next group of sections, relating to Patent Office fees, there have been a few readjustments in some minor fees, and an upward change in the fee for an appeal to the Board of Appeals.

The sections of the first part apply to the Patent Office as such, and, except for provisions specific to patents, include trade-marks as well as patents, where they relate to organizational and procedural matters, since the registration of trade-marks is handled by the Patent Office.

Part II relates to patentability of inventions and the grant of patents.

Referring first to section 101, this section specifies the type of material which can be the subject matter of a patent. The present law states that any person who has invented or discovered any "new and useful art, machine, manufacture, or composition of matter, or any new or useful improvement thereof" may obtain a patent. That language has been preserved except that the word "art" which appears in the present statute has been changed to the word "process." "Art" in this place in the present statute has a different meaning than the words "useful art" in the Constitution, and a different meaning than the use of the word "art" in other places in the statutes, and it is interpreted by the courts to be practically synonymous with process or method. The word "process" has been used to avoid the necessity of explanation that the word "art" as used in this place means "process or method," and that it does not mean the same thing as the word "art" in other places.

The definition of "process" has been added in section 100 to make it clear that "process or method" is meant, and also to clarify the present law as to the patentability of certain types of processes or methods as to which some insubstantial doubts have been expressed.

Section 101 sets forth the subject matter that can be patented, "subject to the conditions and requirements of this title." The conditions under which a patent may be obtained follow, and section 102 covers the conditions relating to novelty.

A person may have "invented" a machine or a manufacture, which may include anything under the sun that is made by man, but it is not necessarily patentable under section 101 unless the conditions of the title are fulfilled.

Section 102 in paragraphs (a), (b), and (c) repeats the conditions in the existing law relating to novelty.

Subsection (a) is the language of the existing law, recognizing that the interpretation by the courts excludes various kinds of private knowledge not known to the public.

Paragraph (d) relating to a bar to patentability when the inventor has previously obtained a patent in a foreign country, represents a liberalizing change in the existing law.

Subsection (e) is another well-recognized condition imposed by a decision of the Supreme Court which was not expressed in the existing law; for the purpose of anticipating subsequent inventors, a patent disclosing the subject matter speaks from the filing date of the application disclosing the subject matter.

Subsection (f) merely emphasizes that it is the inventor that applies for the patent.

Subsection (g) relates to the question of priority of invention between rival inventors.

Section 102, in general, may be said to describe the statutory novelty required for patentability, and includes, in effect, an amplification and definition of "new" in section 101.

Section 103, for the first time in our statute, provides a condition which exists in the law and has existed for more than 100 years, but only by reason of decisions of the courts. An invention which has been made, and which is new in the sense that the same thing has not been made before, may still not be patentable if the difference between the new thing and what was known before is not considered sufficiently great to warrant a patent. That has been expressed in a large variety of ways in decisions of the courts and in writings. Section 103 states this requirement in the title. It refers to the difference between the subject matter sought to be patented and the prior art, meaning what was known before as described in section 102. If this difference is such that the subject matter as a whole would have been obvious at the time to a person skilled in the art, then the subject matter cannot be patented.

That provision paraphrases language which has often been used in decisions of the courts, and the section is added to the statute for uniformity and definiteness. This section should have a stabilizing effect and minimize great departures which have appeared in some cases.

The next group of sections relates to the application for a patent. Sections 116 and 118 introduce a new element in our statutes. The existing statute is very strict in requiring that only the inventor may apply for a patent. These two sections provide for certain types of situations where it may be impossible for the inventor himself to apply, or where, in the case of a joint invention, one of the joint applicants has been inadvertently erroneously included, or a joint inventor inadvertently excluded; the sections provide all the safeguards necessary for the inventor.

Section 119 introduces a minor change.

Sections 120 and 121 express in the statute certain matters which exist in the law today but which had not before been written into the statute, and in so doing make some minor changes in the concepts involved.

Section 122 incorporates into the title the rule of secrecy of patent applications which has existed in the Patent Office for generations.

The next chapter relates to the examination of the application in the Patent Office; rejection by the examiner, the right to reconsideration, the time within which an applicant must reply to actions, time for prosecuting application, appeal to the Board, and interference between rival claimants for a patent. Very little has been changed in this group of sections except a minor revision in the interference section.

The next chapter relates to the review of Patent Office decisions.

The act of 1836 provided, for the first time, for the refusal of patents by officials known as examiners. The legislature was jealous of the rights of the public and provided adequate means of reviewing the action of the Patent Office. In fact, there are now two types of review. The applicant may appeal to a court of appeals especially

provided, or he may file suit in the district court against the Commissioner to have his rights adjudicated by the court.

This group of sections makes no fundamental change in the various appeals and other review of Patent Office action, but has made a few changes in the procedure in various instances to correct some of the problems which have arisen, particularly in section 146. These details are mainly procedural.

Chapter 15 collects the provisions relating to plant patents, the next those relating to designs, and chapter 17 restates the recently enacted statute relating to secrecy of certain inventions.

Part III deals with the patent itself after it has been granted.

The first chapter of this part relates to correcting and amending a patent.

Sections 251 and 252 are a development of the present statute relating to what are called reissues. Under certain circumstances the patentee may obtain a new patent to replace the old one to correct certain kinds of defects that he may have discovered in the patent. These two sections together replace the present one, make a number of clarifications and a few additions in further development of the subject.

Section 253 relates to another form of correction of a patent known as the disclaimer. The patentee files a paper in the Office which is recorded. He disclaims certain things from the scope of his patent or disclaims certain claims. This subject of disclaimers, in the present law, has resulted in a great deal of confusion and uncertainty in certain situations in the law which at times are almost ridiculous. Consequently, the bill in two sections, 253 and 288, has introduced certain changes relating to disclaimers. One of these changes is that only a whole claim can be disclaimed; a patent cannot be rewritten by filing a paper in the Patent Office.

The second change relates to the situation when a patent has two or more claims and one of them may be discovered to be invalid. There is now a provision in the statute under which an invalid claim must be disclaimed without unreasonable delay in order to save the rest of the patent. What delay is unreasonable is presently quite confusing, and the present law does not, as a matter of fact, prevent the patentee from suing again on the invalid claim if he so wishes.

The bill has eliminated that requirement. It has left the situation so that if one claim of a patent is invalid, the patentee may take it out. He may sue on the remaining claims which have whatever validity they may have on their own merits. That is, one bad claim does not affect the other claims, unless they are also bad for similar reasons.

Other provisions of the bill take care at least as well as is done in the present law of the possibility of a patentee suing again after his patent has been held invalid. That can be done today and no change is made in that situation, except that certain provisions tend to deter doing such a thing.

Section 255, which permits the Patent Office to correct by a certificate a merely clerical error made by the patentee, is new.

Section 256 is a new section in the law that is correlated with section 116 and relates to a mistake in joining a person as a joint inventor. Very often two or three people make an invention together. They

must apply as joint inventors. If they make a mistake in determining who are the true inventors, they do so at their peril. This provision permits a bona fide mistake in joining a person as inventor or in failing to join a person as an inventor to be corrected.

The next chapter of two sections relates to assignments and ownership.

Section 262 merely states in the statute a peculiarity relating to joint ownership.

The next two sections collect provisions now in the law referring to the Government ownership of patents, making little change except in language.

The next chapter relates to infringements of patents.

Section 271, paragraph (a), is a declaration of what constitutes infringement. There is no declaration of what constitutes infringement in the present statute. It is not actually necessary because the granting clause creates certain exclusive rights and infringement would be any violation of those rights.

Paragraphs (b), (c), and (d) relate to the subject referred to as contributory infringement. The doctrine of contributory infringement has been part of our law for about 80 years. It has been applied to enjoin those who sought to cause infringement by supplying someone else with the means and directions for infringing a patent. One who makes a special device constituting the heart of a patented machine and supplies it to others with directions (specific or implied) to complete the machine is obviously appropriating the benefit of the patented invention. It is for this reason that the doctrine of contributory infringement, which prevents appropriating another man's patented invention, has been characterized as "an expression both of law and morals." Considerable doubt and confusion as to the scope of contributory infringement has resulted from a number of decisions of the courts in recent years. The purpose of this section is to codify in statutory form principles of contributory infringement and at the same time eliminate this doubt and confusion. Paragraph (b) recites in broad terms that one who aids and abets an infringement is likewise an infringer. The principle of contributory infringement is set forth in the provisions of the next paragraph which is concerned with the usual situation in which contributory infringement arises. This latter paragraph is much more restricted than many proponents of contributory infringement believe should be the case. The sale of a component of a patented machine, etc., must constitute a material part of the invention and must be known to be especially made or especially adapted for use in the infringement before there can be contributory infringement, and likewise the sale of staple articles of commerce suitable for noninfringement use does not constitute contributory infringement. The last paragraph of this section provides that one who merely does what he is authorized to do by statute is not guilty of misuse of the patent. These paragraphs have as their main purpose clarification and stabilization.

Section 272 is a new section in the law relating to infringement, but it is of relatively little importance and it follows a paragraph in a treaty to which the United States is a party.

Beginning with 281 is a group of sections relating to remedy for infringement of a patent, the suit in the courts. The present statutes

on this matter are in confusion because they were written quite some time ago and court procedure and the names of actions and so on have changed since then. So the present sections were substantially reorganized into a group of sections fitting in at this place, with some changes.

Section 281 is a declaration which serves as a preamble to the others.

Section 282 introduces a declaration of the presumption of validity of a patent, which is now a statement made by courts in decisions, but has had no expression in the statute. The defenses to a suit for infringement are stated in general terms, changing the language in the present statute, but not materially changing the substance.

The next few sections relate to injunctions, damages, attorney fees, the statute of limitations, and to marking and notice; all of which together replace present statutes on suits, with a good deal of reorganization in language to clarify the statement of the statutes.

Section 288 is the companion section to the disclaimer section, 253.

Section 292 is a criminal statute relating to falsely marking an article as being patented when it was not patented, which is now the present law. But this section revises it and makes a few changes, and also makes it an ordinary criminal action as well as an informer action as in the present statute.

Section 293 is a new section that is needed on some occasions to obtain jurisdiction over foreign patent owners that do not reside in the United States.

The revision notes, which follow and constitute a part of this report, point out in more detail the revisions made by the bill.

The committee is of the opinion that the codification of title 35 is most desirable in order that the laws relating to patents can be readily accessible and understandable. Previous codifications, such as those of titles 18 and 28, have proved their worth, and after a study of the bill H. R. 7794 the committee believes that it should be given favorable consideration.