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PATENT LAW—"FLASH OF GENIUS" TEST FOR INVENTION REJECTED

Plaintiff brought suit for damages based upon the alleged infringement of his U.S. Patent No. 2,398,382 on a method for applying low-reflective films of inorganic salts on the surfaces of optical elements such as lenses. A judgment in favor of plaintiff by the United States District Court in New York found all claims of the patent valid and granted an injunction against further infringement and an accounting for profits and damages resulting from the infringement. Defendant optical company conceded infringement but appealed on the grounds, among other contentions, that the patent was invalid because of lack of invention, in that plaintiff's contribution to the art was not sufficient to support a patent in the light of the "flash of genius" test laid down in *Cuno Corp. v. Automatic Devices Corp.*¹ The Court of Appeals, Second Circuit, in an opinion by Judge L. Hand, rejected the subjective test contended for, and held that invention today is measured by the statutory requirement.² *Lyon v. Bausch & Lomb Optical Co.*, 224 F. 2d 530 (C.A. 2d, 1955).

The American system of patents finds its fundamental basis in the constitutional provision, which provides:

The Congress shall have power . . . to promote the progress of science and the useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.³

The Constitution leaves to the discretion of Congress the manner in which such rights are to be protected. Congress, pursuant to the constitutional grant has passed various statutes setting up the procedural aspects of the patent system, but the main body of substantive patent law, relating particularly to questions of novelty and infringement, has been left for the courts to develop. The early case of *Hotchkiss v. Greenwood*⁴ laid down a standard of invention which was subsequently recognized as authority by courts faced with the baffling problem of what constitutes "patentable invention." Beginning in about 1930, the Supreme Court began to evidence a stricter view of patents than had been taken during the past 100 years. This modern trend to a harsh approach toward patents culminated in the "flash of genius" test promulgated in the *Cuno* case and reaffirmed in the concurring opinion of Mr. Justice Douglas in the case of *A & P Tea Co. v. Supermarket Corp.*⁵ Congress, recognizing that such a strict interpretation of patentability would destroy well established doc-

¹ 314 U.S. 84 (1941).

² 66 Stat. 798 (1952), 35 U.S.C.A. 103 (1954).

³ U.S. Const. Art. I, § 8.

⁴ 52 U.S. 261 (1850).

⁵ 340 U.S. 147 (1950).

trines developed in the case law of the past century, took advantage of the opportunity offered during general revision of the United States Code to insert as a part of the new patent law a clause providing a standard of patentable novelty.⁶

Although novelty is recognized as a requirement for invention,⁷ the courts have always had difficulty in defining the degree of novelty necessary to support invention. The Supreme Court as early as 1850 recognized that an invention, although new, might not be patentable unless it involves so-called "patentable novelty" or some patentable differences over the prior art. The test imposed in the *Hotchkiss* case required that an invention to be patentable must have been the result of "more ingenuity and skill . . . than were possessed by an ordinary mechanic acquainted with the business."⁸

That every slight improvement is not necessarily of a quality which will constitute "patentable invention" was stated in *Atlantic Works v. Brady*.⁹

To grant to a single party monopoly of every slight advance made, except where the exercise of invention, somewhat above ordinary mechanical or engineering skill is distinctly shown, is unjust in principle and injurious in its consequences.¹⁰

That mere trivial change may nevertheless amount to invention under proper circumstances was reflected in *Eibel Co. v. Minnesota & Ontario Paper Co.*,¹¹ in which the court found that a mere change in the pitch of a wire which fed stock to a paper-making machine was sufficient to comprise invention. In reaching this conclusion the court relied on particular facts which satisfied so-called objective tests of invention. The court found that the improvement of Eibel had been generally adopted by the industry, that the alleged invention resulted in a greatly improved capacity of the machine for producing paper free of flaws, and that, although the improvement was apparently simple, it solved a problem long faced by users of the particular machine. The courts, in determining the presence of invention, have sought positive answers to questions such as the following to prove that the alleged invention was beyond mere skill of the calling:

Did the achievement fill a long-felt need in the industry?¹²

Did the achievement bring about new and unexpected results?¹³

⁶ 66 Stat. 798 (1952), 35 U.S.C.A. 103 (1954).

⁷ 66 Stat. 797 (1952), 35 U.S.C.A. 101 (1954).

⁸ *Hotchkiss v. Greenwood*, 52 U.S. 261, 266 (1850).

⁹ 107 U.S. 192 (1882).

¹⁰ *Ibid.*, at 200.

¹¹ 261 U.S. 45 (1923).

¹² *Goodyear Co. v. Ray-O-Vac Co.*, 321 U.S. 275 (1944).

¹³ *Ludlum Steel Co. v. Terry*, 37 F. 2d 153 (N.D. N.Y., 1928).

Did the achievement constitute the last step necessary to make a practical reality of what others had unsuccessfully groped for?¹⁴

Was the device adopted and used by everyone?¹⁵

While the objective tests described above were generally followed by the federal courts, the case of *Cuno Corp. v. Automatic Devices Corp.*¹⁶ decided by the Supreme Court in 1941 was widely interpreted as setting forth a new and stricter requirement for "patentable invention." Although repeating the requirements of the *Hotchkiss* case, Mr. Justice Douglas went on to say: "The new device, however useful it may be, must reveal the flash of creative genius, not merely the skill of the calling,"¹⁷ and called for a strict interpretation of this test. That Mr. Justice Douglas had more in mind than mere proof that the alleged invention was one not obvious to the ordinary mechanic skilled in the art is further evidenced by his intion of the terpretation of the constitutional provision as requiring that the inventor's art be such that "his skill in making this contribution reached the level of inventive genius which the Constitution (Art. 1 Sec. 8) authorizes Congress to reward."¹⁸

The requirement set out by Mr. Justice Douglas in the *Cuno* case gave rise to much surprise and criticism, both in the lower courts and among commentators, and conjecture as to whether a new and stricter test of patentable invention had been deliberately promulgated, or whether the expression "flash of genius" was a mere literary flourish appended to a re-statement of the old law in line with the greater mechanical skill which, because of an advanced technology, could be imputed to the ordinary man skilled in the art.¹⁹

That Mr. Justice Douglas intended a new standard of invention above and beyond that of the *Hotchkiss* case was evidenced in the concurring opinion of *A & P Tea Co. v. Supermarket Equipment Corp.*²⁰ In this opinion the concept of "inventive genius" was reiterated, and expanded in the light of the requirement, deduced from the Constitution, that the invention be more than a mere gadget.

It is not enough that an article is new and useful. The Constitution never sanctioned the patenting of gadgets. Patents serve a higher end—the advancement of science. An invention need not be as startling as an atomic bomb to be patentable. But it has to be of such quality and distinction that masters of the scientific field in which it falls will recognize it as an advance.²¹

¹⁴ The Barbed Wire Patent, 143 U.S. 275 (1892).

¹⁵ *Minerals Separation Ltd. v. Hyde*, 242 U.S. 261 (1916).

¹⁶ 314 U.S. 84 (1941).

¹⁷ *Ibid.*, at 91.

¹⁸ *Ibid.*

¹⁹ *Falkenberg v. Bernard Edward Co.*, 175 F. 2d 427 (C.A. 7th, 1949).

²⁰ 340 U.S. 147 (1950).

²¹ *Ibid.*, at 155.

Despite the opportunity offered in the *A & P* case to affirm the doctrine elucidated in the prior *Cuno* case, it is significant that the majority opinion rested on a finding of mere aggregation, in that the elements which made up the device sought to be patented did not perform any additional or different function in the device than they performed out of it. Failing to find a true combination, the court was not constrained to rule on the presence or absence of invention.

The extreme degrees of strictness exhibited by a number of judicial opinions over the past decade based on a literal application of the *Cuno* rule resulted in so few patents being validated by the courts that Mr. Justice Jackson, was led to comment “. . . that the only patent which is valid is one which this Court has not been able to get its hands on.”²²

Congress in the Patent Act of 1952 inserted a new section which provided:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the difference between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.²³

The Reviser's note which accompanied the bill is helpful in analyzing the legislative intent incorporating section 103 into the Act.

There is no provision corresponding to the first sentence explicitly stated in the present statutes, but the refusal of patents by the Patent Office, and the holding of patents invalid by the courts, on the ground of lack of invention or lack of patentable novelty has been followed since at least as early as 1850. This paragraph is added with the view that an explicit statement in the statute may have some stabilizing effect, and also to serve as a basis for the addition at a later time of some criteria which may be worked out.

The second sentence states that patentability as to this requirement is not to be negated by the manner in which the invention was made, that is, it is immaterial whether it resulted from long toil and experimentation or from a flash of genius.²⁴

It should be noted that in the first paragraph of the Reviser's note, the continuity of decisions on the grounds of lack of patentable novelty since 1850 is pointed out, but the statement begs the question of the standard of invention needed for patentability. Criteria of invention may be formulated at some later date, but it is clear at least that the “flash of genius” test is here legislatively disavowed. Although an alleged invention may be the

²² *Jungersen v. Ostby & Barton Co.*, 335 U.S. 560, 572 (1949).

²³ 66 Stat. 798 (1952), 35 U.S.C.A. § 103 (1954).

²⁴ 35 U.S.C.A. § 103 (1954), Historical & Revision Notes thereto.

result of the flash of creative genius, the absence of that element will not, in the future, negative invention.

What has been the effect of the new Patent Act on the determination by the courts of the presence or absence of "patentable invention"? An analysis of appeals courts' decisions since January 1, 1953, shows that where mere aggregation has been found, the courts have relied on the first sentence of paragraph 103 of the Act. And it has consistently been reiterated that this sentence did not change the common law rule, developed since the *Hotchkiss* case, that something more is necessary for invention than is obvious to the skilled mechanic.²⁵

Thus, where aggregation alone has been found, that is, where nothing new, however trifling an advance, results from activity, it is apparently not necessary to consider the question of "flash of genius."

The cases subsequent to the Act which have found invention have first, of necessity, applied the "obviousness" test of paragraph 103. And the measure of obviousness, as determined in the past and repeated by Judge Hand, is an objective test. Given the fact that some advance has been made, that is, that more than mere aggregation is involved, its status as invention is measured by the finding:

The most competent workers in the field had for at least ten years been seeking a... coating to prevent reflection; there had been a number of attempts, none satisfactory; meanwhile nothing in the implementary arts had been lacking to put the advance into operation; when it appeared, it supplanted the existing practice and occupied substantially the whole field.²⁶

In the case of *Pacific Contact Laboratories v. Solex Laboratories*,²⁷ objective tests are likewise relied upon, namely, a failure of the art to adopt existing devices to the alleged inventive use and immediate commercial success of the new device, to prove that the device was not obvious to a skilled mechanic.

It is only after a finding of invention, based on time-honored objective tests supported by proper application of the first sentence of 35 U.S.C. 103, that the courts are faced with the test of "flash of genius." The *Solex* case rejects this test in the light of the second sentence of paragraph 103 and the legislative intent as evidenced by the Reviser's note.

In the instant case, the alleged invention is clearly stated by Judge Hand not to measure up to the strict juridical approach taken during recent years:

²⁵ *Wasserman v. Burgess & Blacher Co.*, 217 F. 2d 402 (C.A. 1st, 1954); *Interstate Rubber Products Corp. v. Radiator Specialty Co. Inc.*, 214 F. 2d 546 (C.A. 4th, 1954); *General Motors Corp. v. Estate Stove Co.*, 203 F. 2d 912 (C.A. 6th, 1953); *Stanley Works v. Rockwell Mfg. Co.*, 203 F. 2d 846 (C.A. 3d, 1953).

²⁶ *Lyon v. Bausch & Lomb Optical Co.*, 224 F. 2d 530, 535 (C.A. 2d, 1955).

²⁷ 209 F. 2d 529 (C.A. 9th, 1953).

On the other hand, it must be owned that, had the case come up for decision within the twenty, or perhaps, twenty-five years before the Act of 1952 went into effect on January 1, 1953, it is almost certain that the claims would have been held invalid.²⁸

In failing to cite the *Cuno* case, it is evident that Judge Hand finds "patentable invention" sufficiently described by the case law and the statute, and recognizes the legislative right: ". . . reinstate the courts' initial interpretation, even though it may have been obscured by a series of later comments whose upshot is at best hazy."²⁹

Thus, the implication arises that, at best, Judge Hand treats "flash of genius" as an unwarranted deviation from established case law.

Finally, in the case of *R. M. Palmer Co. v. Luden's Inc.*,³⁰ the court held a design patent for a hollow chocolate figure valid, finding that the designs were new, original and ornamental, and, tested objectively, the alleged invention met the standard of 35 U.S.C. 103. Further, the court clearly pointed out that the Act repudiated the "flash of genius" requirement, thus confirming in statutory form what had been case law for many years prior thereto.

²⁸ *Lyon v. Bausch & Lomb Optical Co.*, 224 F. 2d 530, 535 (C.A. 2d, 1955).

²⁹ *Ibid.*, at 537.

³⁰ 128 F. Supp. 672 (E.D. Pa., 1955).

SALES—HOLDER OF CERTIFICATE OF TITLE ESTOPPED BY TRANSFER OF AUTOMOBILE IN ORDINARY COURSE OF BUSINESS

Plaintiffs, who are wholesale automobile dealers in New Mexico and Colorado, sold several automobiles at their places of business to a licensed used car dealer from Utah. Possession of the automobiles was transferred to the purchaser with knowledge that he was a used car dealer and that he intended to take the automobiles to his place of business in Utah for purpose of resale. The foreign certificates of title showing plaintiffs to be the legal owners together with sight drafts were forwarded to a Utah bank on an agreement that the buyer would pay the drafts before obtaining the certificates. The buyer never paid the drafts and never received the certificates. About a month later, the retailer sold the automobiles to the defendants at his place of business in Utah in the usual course of trade for a valuable consideration. Defendants made no inquiry of him as to the title certificates or his authority to sell, and had no actual knowledge of the original sales arrangement. Plaintiffs brought the replevin actions in Utah for the automobiles. The Utah Supreme Court, refusing to apply a Utah automobile statute, denied recovery on the ground of estoppel. *Heaston v. Martinez*, 282 P. 2d 833 (Utah, 1955).