PATENT LAW - FUNCTION OF THE APPARATUS REJECTION - INCONSISTENT WITH THE PATENT ACT OF 1952. In Re Tarczy-Hornoch, 397 F.2d 856 (C.C.P.A. 1968).

Appellant, Zoltan Tarczy-Hornoch, filed in the United States Patent Office a patent application claiming a Pulse Sorting Apparatus and Method.[1] The Patent Office Examiner allowed apparatus claims but rejected method claims on the ground that they merely defined the function of appellant's apparatus and therefore were unpatentable.[2] The Patent Office Board of Appeals reversed the rejection of two of the method claims which defined methods capable of performance by apparatus other than that disclosed.[3] On appeal, the C.C.P.A. reversed, and allowed all the claims, holding that a process claim, otherwise patentable,

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1. Serial No. 23,739, filed Apr. 21, 1960.

2. This case law rejection was required of the Examiner by GUIDELINES OF PATENTABILITY MEMORANDUM NO. 1, GP1(d), 792 O.G. 3:

> "Process or method claims which merely define the function of applicant's machine or apparatus are not allowable.
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> "A rejection on this ground is proper where the disclosed machine will inherently carry out the steps set forth in the process claims regardless of whether an apparatus claim is allowed, unless it appears that the process claimed can be carried out either by some machine which is not the functional equivalent, i.e., having materially different characteristics from the disclosed machine, or by hand. In re Gartner et al., 42 C.C.P.A. 1022 (sic). The performance of a process by hand is not necessarily limited to the use of hands alone, but includes the use of prior art apparatus actuated by hand. In re Winder, 44, C.C.P.A. 795 (sic)."

3. See, e.g., id.; In re Parker, 79 F.2d 908 (C.C.P.A. 1935).

should not be rejected merely because applicant discloses apparatus which inherently carries out recited steps.[4]

Although the common law has long recognized certain natural rights of an inventor,[5] the right to obtain the monopoly granted by a United States Patent is exclusively statutory.[6] Pursuant to the United States Constitution, Congress is empowered "to promote the progress of science and useful arts, by securing for limited times to ... inventors the exclusive right to ... discoveries."[7] Prior to the Patent Act of 1952,[8] patent statutes were permissive[9] and processes, eo nomine, were not included as patentable subject matter.[10] In contrast,

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4. In this context "inherently" has been construed to mean that in operation the disclosed apparatus necessarily carries out the process. See, e.g., Ex parte Scherer, 103 U.S.P.Q. 107 (Pat. Off.Bd.App. 1954); Ex parte Coburn, 87 U.S.P.Q. 222 (Pat. Off. Bd.App. 1950).

5. 69 C.J.S. Patents, Sec. 1, et seq.

6. Mast, F. & Co. v. Stover Mfg. Co., 177 U.S. 485 (1900).

7. Art. 1, Sec. 8, clause 8.

8. 35 U.S.C., et. seq. (1953).

9. The Patent Act of 1952 repealed the Patent Act of 1870, as revised, which stated that "any person who has invented or discovered any new and useful art ... may ... obtain a patent therefor."

10. However, case law established that the words "useful art" included processes. See, e.g., Cochrane v. Deener, 94 U.S. 780 (1876).

the Patent Act of 1952 requires that "a person shall be entitled to a patent unless ..." certain statutory conditions prohibit the grant thereof.[11] In In re Stempel, Jr.,[12] and again in In re Ratti,[13] the C.C.P.A. ruled that an applicant is entitled to a patent unless a statutory basis can be found for rejecting claims. Following this reasoning, Tarczy-Hornoch ruled that since there is no statutory basis for the "function of the apparatus" rejection as it had been applied, it must finally be laid to rest.

There is, however, a clear statutory basis for rejecting claims which truly recite only the "function" or "effect" of an apparatus because such a claim does not recite a true method as contemplated by the statute.[14] The function or effect of an apparatus is the result which the apparatus can accomplish.[15] The "method" or "process" which the apparatus is capable of carrying out, on the other hand, is the way in which the apparatus applies "physical forces through physical agents to physical objects" to accomplish the "effect."[16] From

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11. 35 U.S.C. 102 (1953).

12. 241 F.2d 755 (C.C.P.A. 1957).

13. 270 F.2d 810 (C.C.P.A. 1959).

14. 35 U.S.C. 101 (1953).

15. See, e.g., Waxham v. Smith, 294 U.S. 20 (1935).

16. Application of Shao Wen Yuan, 188 F.2d 377, 381 (C.C.P.A. 1951).

O'Reilly v. Morse[17] in 1853 to the present time, the United States Supreme Court has managed to maintain the methods-effects dichotomy.[18] In Waxham v. Smith the Supreme Court ruled that "a method, which may be patented irrespective of the particular form of the mechanism which may be available for carrying it into operation, is not to be rejected merely because the specifications show a machine capable of using it."[19] However, the lower courts, beginning with In re Weston[20] in 1901, failed to maintain the separation, and the "function of the apparatus" rejection[21] has been wrongly applied for about seventy years. Examiner-in-Chief Bailey led the battle to correct the doctrine, first with a rigorous dissent in Ex parte Goldsmith,[22] then writing the majority opinion in Ex parte Symons,[23] and again with another rigorous dissent in Ex Parte Packard,[24] which overruled the

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17. 56 U.S. (15 How.) 62 (1853).

18. See the list of Supreme Court cases cited in the dissenting opinion of Examiner-in-Chief Bailey in Ex Parte Goldsmith, 94 U.S.P.Q. 403, 407 (Pat.Off.Bd.App. 1952).

19. Supra, note 15, at 22.

20. 17 D.C.App. 431 (D.C.Cir. 1901).

21. Supra, note 2.

22. Supra, note 18.

23. 134 U.S.P.Q. 74 (Pat.Off.Bd.App. 1962), noted in 12 DePaul L. Rev. 346 (1963).

24. 140 U.S.P.Q. 27 (Pat.Off.Bd.App. 1963).

Symons case on the basis of stare decisis in view of prior C.C.P.A. cases.[25] Now, in Tarczy-Hornoch, the C.C.P.A. has finally expressly overruled itself and has fallen into line with the statute and the Supreme Court.

That the "function of the apparatus" rejection, as wrongly applied,[26] was without logical foundation is perhaps most strikingly indicated by reference to 35 U.S.C. 100 and 101 which specifically authorize a process patent for a "new use of a known ... machine." It is, at best, inequitable to conclude that a new use of a new machine should not be patentable as well.[27]

In addition to bringing the case law into line with the Patent Act and correcting obvious inequities, the Tarczy-Hornoch decision also removed one of the impediments to patenting computer programs. Inasmuch as the Patent Office has steadfastly refused to patent computer programs per se, i.e., as a method divorced from apparatus, patent practitioners have adopted the technique of writing the patent application so that the program is embodied in special purpose apparatus designed to execute that program. Heretofore the "function of the apparatus"

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25. See, e.g., In re Horvath, 211 F.2d 604 (C.C.P.A. 1954); In re Windner, 241 F.2d 734 (C.C.P.A. 1957).

26. Supra, note 2.

27. This is more fully developed in Ex parte Packard, Supra, note 24, dissenting opinion of Examiner-in-Chief Freehof, at 32.

tended to prevent a patent issuing on the program (method), i.e., claims directed only to the special purpose apparatus were allowable. This patent coverage is inadequate for the inventor of the program because the use of his program in other apparatus, e.g., a general purpose computer, will not infringe. Unfortunately for the program inventor, however, the Patent Office is also applying the "mental step" rejection against patent applications for computer programs, and so adequate patent coverage for computer programs is not yet clearly in sight.[28]

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28. Process Patents for Computer Programs, 56 Calif. L. Rev. 466 (1968), presents an analysis of the subject of patenting computer programs, and, in particular, analyzes the "mental step" rejection.