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## Patents

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# PATENTS

## DEVELOPMENTS IN NINTH CIRCUIT PATENT LAW

Richard Dale Harmon\*

### INTRODUCTION

Many commentators have noted that patents frequently do not survive judicial scrutiny.<sup>1</sup> It could be argued that the same is true in the Ninth Circuit. For instance, between April 1, 1976, and September 4, 1978, the Court of Appeals for the Ninth Circuit published ten opinions in which the validity of a patent was determined under 35 U.S.C. § 103.<sup>2</sup> In seven of these cases, the patents in question had been held invalid (*i.e.*, the inventions were considered obvious) at the district court level, and each holding of invalidity but one was affirmed.<sup>3</sup> Three patents were held valid at trial, but one of these judgments of validity was reversed by the court of appeals.<sup>4</sup> Thus, only three patents coming

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1. See, *e.g.*, G. KOENIG, PATENT INVALIDITY: A STATISTICAL AND SUBSTANTIVE ANALYSIS (1974); 1 DUNNER, GAMBRELL & ADELMAN, PATENT LAW PERSPECTIVES § A.1(1), at 91-92 (Mathew Bender 1978) (1972 Developments) [hereinafter cited as P.L.P.]; Mintz, *The Standard of Patentability in the United States—Another Point of View*, 1977 DET. COLL. L. REV. 755, 793.

2. This conclusion is based on a perusal of volumes 189 through 198 (advance sheet number 8) of United States Patent Quarterly. The ten decisions which are referred to are: *Santa Fe-Pomeroy, Inc. v. P & Z Co., Inc.*, \_\_\_ F.2d \_\_\_, 197 U.S.P.Q. 449 (9th Cir. Feb., 1978) (per Jamson, D.J.); *Astro Music, Inc. v. Eastham*, 564 F.2d 1236, 197 U.S.P.Q. 339 (9th Cir. Nov., 1977) (per Wallace, J.); *Austin v. Marco Dental Prods., Inc.*, 560 F.2d 966, 195 U.S.P.Q. 529 (9th Cir. Sept., 1977) (per Wright, J.), *cert. denied*, 197 U.S.P.Q. 448 (1978); *Ceco Corp. v. Bliss & Laughlin Indus., Inc.*, 557 F.2d 687, 195 U.S.P.Q. 337 (9th Cir. July, 1977) (per Cummings, J.); *Globe Linings, Inc. v. City of Corvallis*, 555 F.2d 727, 194 U.S.P.Q. 415 (9th Cir. June, 1977) (per Wright, J.), *cert. denied*, 196 U.S.P.Q. 208 (1977); *St. Regis Paper Co. v. Royal Industries*, 552 F.2d 309, 194 U.S.P.Q. 52 (9th Cir. Apr., 1977) (per Solomon, D.J.), *cert. denied*, 196 U.S.P.Q. 208 (1977); *Kamei-Autokomfort v. Eurasian Automotive Prods.*, 553 F.2d 603, 194 U.S.P.Q. 362 (9th Cir. Apr., 1977) (per Van Pelt, D.J.), *cert. denied*, 196 U.S.P.Q. 144 (1977); *Grayson v. McGowan*, 543 F.2d 79, 192 U.S.P.Q. 571 (9th Cir. Oct., 1976) (*per curiam*); *Saf-Gard Prods., Inc. v. Service Parts, Inc.*, 532 F.2d 1266, 190 U.S.P.Q. 455 (9th Cir. Mar., 1976) (per Kennedy, J.), *cert. denied*, 191 U.S.P.Q. 764 (1976); *Norwood v. Ehrenreich Photo-Optical Indus., Inc.*, 529 F.2d 3, 189 U.S.P.Q. 196 (9th Cir. Dec. 1975) (per Koelsch, J.).

3. The *Santa Fe* court reversed a district court finding of obviousness under 35 U.S.C. § 103. See \_\_\_ F.2d at \_\_\_; 197 U.S.P.Q. at 451.

4. The cases where rulings of patent validity were upheld are *Austin v. Marco Dental Prods., Inc.*, 560 F.2d 966, 195 U.S.P.Q. 529 (9th Cir. 1977), and *Saf-Gard Prods., Inc. v. Service Parts, Inc.*, 532 F.2d 1266, 190 U.S.P.Q. 455 (9th Cir. 1976). The Ninth Circuit

under appellate review during this two and one-half year period survived such review.<sup>5</sup>

Some have suggested that this low survival rate is due to the fact that federal courts have adopted an unnecessarily strict standard of patentability.<sup>6</sup> Some contend that the confusion created by Supreme Court decisions such as *Sakraida v. Ag Pro, Inc.*,<sup>7</sup> enables the federal courts to manipulate the applicable standards to the disadvantage of patentees.<sup>8</sup> It is submitted that these observations are essentially incorrect. The following discussion will examine recent Ninth Circuit patent cases, and will conclude that the standard of patentability which has been applied in the Circuit since at least 1975 is not confused and is not unnecessarily strict. Other issues of possible interest to the patent bar will also be discussed briefly, including developments relating to the *Lear* doctrine.<sup>9</sup>

## I. THE STANDARD OF PATENTABILITY

It should be noted initially that, for the purposes of this discussion, the phrase "standard of patentability" refers only to section 103's nonobviousness requirement. There are admittedly other conditions to patentability (e.g., novelty), but these generate little controversy. It should also be noted that the standard of patentability will only be discussed as it relates to "combination inventions," since the law pertaining to such inventions raises the greatest number of issues in contemporary patent litigation.

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reversed a ruling of patent validity in *Kamei-Autokomfort v. Eurasian Automotive Prods.*, 553 F.2d 603, 194 U.S.P.Q. 362 (9th Cir. 1977).

5. See the *Santa Fe*, *Austin*, and *Saf-Gard* cases. Interestingly, *Santa Fe* and *Austin* are two of the court's three most recent decisions, and *Santa Fe*, the most recent decision as of this writing, involved a rare reversal of a trial court finding of obviousness.

6. See, e.g., Comment, *Patent Law Requirements for Patentability*, 45 GEO. WASH. L. REV. 546, 560 (1977) [hereinafter cited as *Requirements for Patentability*]; Note, *Sakraida v. Ag Pro, Inc.: Combination Patents Now Require Synergistic Effects*, 15 HOUSTON L. REV. 157, 171 (1977) [hereinafter cited as *Ag Pro Note*]; P.L.P., *supra* note 1, § A.1(1); Geriak, "Synergism" in *Patent Law*, PATENT LAW NEWSLETTER OF LOS ANGELES PATENT LAWYERS ASSN., at 4 (Feb. 1978).

7. 425 U.S. 273, 189 U.S.P.Q. 449 (1976) [hereinafter cited as *Ag Pro*].

8. See, e.g., P.L.P., *supra* note 1, § A.1(1), at 219-21; Mintz, *supra* note 1, at 793; Comment, *Sakraida v. Ag Pro, Inc.: Confusion between "Invention" and "Nonobviousness"*, 6 CAPITAL U.L. REV. 111, 121 (1976) [hereinafter cited as *Ag Pro Comment*].

9. *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969). *Lear* held that the state contract rule of license estoppel is preempted by federal patent policy. McCarthy, "Unmuzzling" the Patent Licensee: Chaos in the Wake of *Lear v. Adkins*, 45 GEO. WASH. L. REV. 429, 430 (1977).

Finally, it should be noted that any discussion of the standard of patentability is complicated by the fact that there is disagreement about what the applicable standard is. Indeed, the issue is currently the subject of extensive debate.<sup>10</sup> However, the purpose of this discussion is to identify the Ninth Circuit's position on the standard-of-patentability issue, rather than participate in a debate about what the proper standard is in the context of combination inventions.

Despite the limited purpose of this article, it will nonetheless be useful to briefly summarize some of the principal questions which have been raised by the above mentioned "debate." In this way, the Ninth Circuit's answers to these questions can be identified, and from such answers the court's position on the standard of patentability issue will emerge. A summary of currently debated issues would include the following:

1. Is there one standard of patentability, or are there two: one for combination devices and another for so called non-combination devices?<sup>11</sup>

2. Is the standard of patentability a constitutional standard of "invention," or a statutory nonobviousness standard?<sup>12</sup>

3. Did section 103 codify such cases as *A&P*<sup>13</sup> and its requirement of "invention," or was it intended to correct and replace such notions with a codification of the nonobviousness requirement inherent in *Hotchkiss v. Greenwood*?<sup>14</sup>

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10. Compare *Sears, Combination Patents and 35 U.S.C. § 103*, 1977 DET. COLL. L. REV. 83, with *Mintz, supra* note 1, at 757 (discussing "the debate over the standard of patentability"). See also *Rich, Escaping the Tyranny of Words—Is Evolution in Legal Thinking Possible?*, A.P.L.A. BULL. 238 (May-June 1978) [hereinafter cited as *Rich II*].

11. Recent discussions of this issue would include *Geriak, supra* note 6, at 4; P.L.P., *supra* note 1, § A.1(1), at 224 & *passim*; and *Ag Pro Note, supra* note 6.

12. Recent discussions of this issue would include those authorities cited in notes 10 and 11 *supra*, as well as *Rich, Laying the Ghost of the "Invention" Requirement*, 1 A.P.L.A. Q.J. 26 (1972-73) [hereinafter cited as *Rich II*]; and *Ag Pro Comment, supra* note 8.

13. *Great Atlantic & Pacific Tea Co., v. Super-Market Equip. Corp.*, 340 U.S. 147, 87 U.S.P.Q. 303 (1950) [hereinafter cited as *A&P*].

14. 11 U.S. (How.) 248 (1851). P.L.P. discusses *Deere & Co. v. Sperry Rand Corp.*, 513 F.2d 1131, 185 U.S.P.Q. 495 (9th Cir., 1975) (section 103 "codified" *A&P*'s standard for the patentability of combination devices), and states that "there is no shred of credible evidence to support the court's view that section 103 codified the *A&P* requirement." P.L.P., *supra* note 1, § A.1(1), at 182. To the extent that P.L.P. means that section 103 was intended to replace the "invention requirement" with an obviousness test, P.L.P. is

4. Is synergism a condition to patentability for combination inventions, just one indication of nonobviousness, or simply rhetorical embellishment stemming from dictum in *Anderson's Black Rock*?<sup>15</sup> Furthermore, just what does "synergism" mean in the patent law context?<sup>16</sup>

5. Must a combination invention produce "unusual or surprising results" in order to be patentable?<sup>17</sup>

6. Are *Black Rock* and *Ag Pro* (and *A&P*) compatible with *Graham v. John Deere Co.*,<sup>18</sup> or do these cases represent "two very different theories of patentability . . . ."<sup>19</sup>

7. How and when are *Graham's* secondary considerations of patentability actually considered?<sup>20</sup>

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correct. See, e.g., *Rich I*, *supra* note 12; *Rich II*, *supra* note 10, KAYTON, THE CRISIS IN LAW IN PATENTS, Pt. 1 (Pat. Resources Group, Inc., 1970). As will be seen below, however (see text accompanying notes 60 to 68 *infra*), *A&P's* pronouncements relating to the standard of patentability can be harmonized with section 103. Thus, to the extent that *A&P* and section 103 are compatible, the *Deere* case is unobjectionable.

15. *Anderson's-Black Rock, Inc. v. Pavement Salvage Co., Inc.*, 396 U.S. 57, 163 U.S.P.Q. 673 (1969) [hereinafter cited as *Black Rock*]. An able discussion of the respective positions of the federal courts can be found in *Republic Indus., Inc. v. Schlage Lock Co.*, 433 F. Supp. 666, 196 U.S.P.Q. 351, 354-56 (S.D. Ill. 1977). Some courts and commentators view "synergism" as a condition to patentability. See, e.g., *St. Regis Paper Co. v. Bemis Co.*, 549 F.2d 833, 193 U.S.P.Q. 8 (7th Cir. 1977); *Sears*, *supra* note 10, at 84; *Ag Pro Note*, *supra* note 6, at 169. However, it has been said that "in the patent law context, 'synergism' has no talismanic power; synergism is merely one indication of nonobviousness." *Clark Equip. Co. v. Keller*, \_\_\_\_ F.2d \_\_\_\_, \_\_\_\_, 197 U.S.P.Q. 209, 217 (8th Cir. 1978). Finally, "with respect to the current 'synergism' fad," Judge Rich contends convincingly that: "synergism as a general requirement [should be] ignored as another rhetorical embellishment or flourish, incapable of practical application as a determinant of patentability." *Rich II*, *supra* note 10, at 255.

16. See notes 57 to 63 *infra*, and accompanying text. This subject is also discussed by the authorities cited in notes 10 and 15 *supra*.

17. Some Ninth Circuit patent cases have answered this question affirmatively, especially when Judge Trask has been a panel member. See, e.g., *Regimbal v. Scymansky*, 444 F.2d 333, 169 U.S.P.Q. 773 (9th Cir. 1971); *Hewlett-Packard Co. v. Tel-Design, Inc.*, 460 F.2d 625, 174 U.S.P.Q. 140 (9th Cir. 1972); *Deere & Co. v. Sperry Rand Corp.*, 513 F.2d 1131, 185 U.S.P.Q. 495 (9th Cir. 1975). *Regimbal*, *Hewlett-Packard* and *Deere* all have been heavily criticized by P.L.P. (see P.L.P., *supra* note 1, § A.1(1), at 40-41, 91-93 and 181-83), but such criticism is not based on an analysis of what the court means by "unusual or surprising results." It is submitted that, as used by the court, the unusual-or-surprising-results requirement is wholly compatible with the obviousness standard of section 103 as elucidated by *Graham*. See text accompanying notes 41 to 50 *infra*.

18. 383 U.S. 1, 148 U.S.P.Q. 459 (1966) [hereinafter cited as *Graham*].

19. P.L.P., *supra* note 1, § A.1(1), at 195. This issue is discussed in the text accompanying notes 94 to 95 *infra*.

20. This issue is discussed in the text accompanying notes 96 to 101 *infra*.

Before briefly examining the Ninth Circuit's position with regard to each of these questions, a definition of the phrase "combination invention" (or "combination device") may prove useful. Critics of judicial discussions of combination inventions have frequently asserted that it is unfair to have a higher standard of patentability for combination inventions because, by definition, *all* inventions are combinations of parts or elements, and all of these parts or elements are known.<sup>21</sup> Although it may be true that all inventions are combinations of known elements, this observation is not particularly relevant to a discussion of the patentability of such combinations.

In the patent context, the requirement that the obviousness of combination devices be evaluated with extra care only applies where an invention is a combination of elements which are all known *in the pertinent prior art*.<sup>22</sup> Therefore, for the purposes of determining obviousness under section 103, a "combination device" is a device which combines elements which are all old in the art. Accordingly, if a combination invention includes an element which is new to the art pertaining to that invention, the invention is not a "combination invention" for the purposes of a section 103 analysis. This would be true even if the new element was well-known and widely used in other art fields.<sup>23</sup>

The consequences of concluding that an invention is a combination device for section 103 purposes will be examined below.<sup>24</sup> A discussion of the Ninth Circuit's answers to the seven questions mentioned above will serve as a foundation for such examination.

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21. It is submitted, of course, that there is not a "higher" standard for combination inventions, just a mandate to exercise great care when evaluating the obviousness of such combinations. See notes 25 and 27 *infra*. It cannot be denied, however, that this mandate has prompted some courts to view combination inventions with a somewhat skeptical eye. See, e.g., P.L.P., *supra* note 1, § A.1(1), at 11-12. For discussions of the fact that all inventions are combinations of known elements see *id.*; Arnold, *Selling Section 103 Nonobviousness*, A.P.L.A. BULL. 44, 47 (Jan.-Feb., 1978); Mintz, *supra* note 1, at 790-93; *Requirements for Patentability*, *supra* note 6, at 557 and n.92.

22. See, e.g., *Austin v. Marco Dental Prods., Inc.*, 560 F.2d 966, 971-72, 194 U.S.P.Q. 529, 533 (9th Cir. 1977). *Austin* involved a hand-held dental tool which used a diaphragm valve system to control air and water flow. Although the system "was not new and had been used in unrelated industries," *id.*, the device was not a combination device for the purpose of determining patentability (*i.e.*, obviousness) because the system was new to the art under consideration. *Id.*

23. Use of the new element may, of course, be obvious under section 103, but it would still not be an element "known in the prior art." *Black Rock*, 396 U.S. at 59, 163 U.S.P.Q. at 674.

24. See text accompanying notes 103 to 109 *infra*.

## A. THERE IS ONLY ONE STANDARD OF PATENTABILITY

The first question above is not difficult to answer: there is only one standard by which the patentability of an invention is judged.<sup>25</sup> If an invention is new, useful, nonobvious, and embodies patentable subject matter, it is patentable.<sup>26</sup> This is as true for a new combination of elements which are individually old in a particular art as it is for an invention which does not represent such a combination.

Although there is only one standard of patentability, it cannot be denied that combinations of known elements are more carefully scrutinized for obviousness.<sup>27</sup> It should be noted, however, that obviousness is the applicable standard nonetheless. At most, the close scrutiny which is invoked for combination patents merely represents a "[slight modification] of the analytical process" whereby obviousness is evaluated.<sup>28</sup> This analytical process will be discussed in section II below, but here it can be observed that the process does not constitute a special standard of "super-

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25. See, e.g., *Nickola v. Peterson*, \_\_\_ F.2d \_\_\_, \_\_\_, 198 U.S.P.Q. 385, 399-402 (6th Cir. 1978) (Markey, Chief Justice of C.C.P.A., sitting by designation). *Nickola* relies in part on the commendable Ninth Circuit decisions of *Reeves Instruments Corp. v. Beckman Instruments, Inc.*, 444 F.2d 263, 170 U.S.P.Q. 74 (9th Cir., 1971). P.L.P., *supra* note 1, § A.1(1), at 37-39. P.L.P. argues in these pages that some Ninth Circuit cases properly recognize the single statutory standard (e.g., *Reeves Instrument Corp. v. Beckman Instruments, supra*), while others improperly adhere to a special "super standard" or "impossible standard" for combination devices (e.g., *Regimbal v. Scymansky*, 444 F.2d 333, 169 U.S.P.Q. 777 (9th Cir. 1971). Although P.L.P.'s tendency to overreact to certain judicial patent opinions is sometimes justified, in this case it is submitted that the *Reeves* and *Regimbal* cases can be reconciled, and that *Regimbal* does not propound a special standard of patentability for combination devices. See text accompanying notes 41 to 56 *infra*.

26. 35 U.S.C. §§ 101-103 (1970).

27. The Supreme Court has stated that it is difficult to use old elements in a way which an (ordinarily) skilled mechanic would not have thought of if given the same problem to solve. *A&P*, 340 U.S. at 152, 87 U.S.P.Q. at 306. It therefore admonished courts to "scrutinize combination patent claims with a care proportioned to [said] difficulty . . . ." *Id.* This extra care does not constitute a different standard for combination devices. See note 106 *infra*, and accompanying text. If anything, it only implies that there be a greater reliance on so-called secondary indicia of nonobviousness (such as the extent to which others had tried to solve the same problem, and their degree of success, if any) in any case where old elements are serving a new function or achieving new results.

28. *Regimbal v. Scymansky*, 444 F.2d 333, 339, 169 U.S.P.Q. 773, 778 (9th Cir. 1971). It is even doubtful that such a modification exists, for the *Regimbal* court was apparently only referring to the need to be alert for an absence of some new function of result if a device is a combination device for the purposes of an obviousness analysis under *Graham*. 444 F.2d at 339-40, 169 U.S.P.Q. at 778. This "need" (which is little more than recognition of the fact that a lack of new functions or results necessarily renders a combination obvious) is discussed at the text accompanying notes 50 to 51 *infra*.

nonobviousness,"<sup>29</sup> or a "peculiar 'synergism' standard."<sup>30</sup> Moreover, it is probably even inaccurate to say that the extra care with which the obviousness of combinations is evaluated constitutes a "more stringent test, solely for combination patents,"<sup>31</sup> for this erroneously implies that the *Graham* three-prong analysis is not relied upon when evaluating combination patents.<sup>32</sup>

Ninth Circuit opinions confirm that there is but one standard of patentability. Since at least 1975, no Ninth Circuit opinion discussing a combination patent has even suggested that there is more than one standard of patentability. Indeed, although the various panels of the Ninth Circuit naturally express themselves differently when discussing the court's approach to the obviousness inquiry in the combination context, there is a remarkably uniform application of the *Graham* three-part test.<sup>33</sup>

In most combination cases applying *Graham*, there is not even a reference to the various catch phrases (such as "unusual or surprising consequences") which the Supreme Court has occasionally used in order to describe the various deficiencies it detected in a given combination.<sup>34</sup> These phrases have created consternation among those who view them as representing separate, judicially created conditions to patentability for combination devices. However, there is good reason to believe that the Supreme Court never intended to establish conditions to patentability beyond those contained in Title 35 of the United States Code.<sup>35</sup> Moreover, as is explained below, the Ninth Circuit's ap-

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29. This phrase is found in P.L.P., *supra* note 1, § A.1(1), at 37.

30. This phrase is from Mintz, *supra* note 1, at 761.

31. This passage is from *Ag Pro Comment*, *supra* note 8, at 118.

32. In the Ninth Circuit, obviousness is the standard, and the *Graham* test is the means by which obviousness is evaluated in the combination context. See the following text accompanying notes 33 to 79 *infra*.

33. All of the decisions cited in note 2, *supra*, state that *Graham* defines the means by which obviousness is evaluated.

34. See, e.g., the decisions mentioned in the text accompanying note 77 *infra*.

35. As mentioned in the text accompanying note 34 *supra*, the familiar phrases of *A&P* appear to have been used by the Supreme Court in an effort to describe the deficiencies of the combination at issue. In other words, in *A&P*, the Supreme Court was describing what the invention in question lacked, not a series of mechanical tests for patentability. For instance, *A&P* states: "[The] old elements which made up this device [did not] perform any additional or different function in the combination that they perform out of it;" "this case is wanting in any unusual or surprising consequences," etc. Such language does not denote the creation of new conditions to patentability. The requirements for patentability are set forth in 35 U.S.C. §§ 101, 102, and 103. The Supreme Court has acknowledged this fact in *Graham*, and in post-*Graham* decisions.



plication of Supreme Court guidelines indicates that such extra conditions have not been perceived in the language of recent Supreme Court patent opinions.<sup>36</sup>

#### B. THE STANDARD IS NONOBVIOUSNESS UNDER SECTION 103

Adverting to the second question set forth above, it seems clear that there is no requirement of "invention" other than that set forth in the patent laws.<sup>37</sup> As Judge Rich has cogently demonstrated, there is always an invention; the issue is whether the invention is a patentable or unpatentable invention.<sup>38</sup> And, of course, patentability is determined in the Ninth Circuit by reference to the obviousness standard and the *Graham* three-part test.

Ninth Circuit panels do not evidence a tendency to look for a "lack of invention" (the so called constitutional standard) as opposed to obviousness under section 103. Only Senior District Judge Van Pelt of Nebraska (sitting by designation) in *Kamei-Autokomfort v. Eurasian Automotive Products*,<sup>39</sup> and a brief per curiam opinion in *Grayson v. McGowan*,<sup>40</sup> even implied that an obvious combination was not an "invention." However, both opinions expressly relied on *Graham's* three-part test—a fact which strongly suggests that the references to the lack of "invention" are merely inartfully worded conclusions that the inventions in question were unpatentable due to obviousness.

#### C. SECTION 103 DOES NOT CODIFY THE "INVENTION" REQUIREMENT

Ninth Circuit decisions handed down before 1976 have fre-

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Accordingly, to the extent that cases such as *Regimbal v. Scymansky*, 444 F.2d 333, 339-40, 169 U.S.P.Q. 773, 777-78 (9th Cir. 1971) transform the phrases of *A&P* into separate, mechanical tests of patentability, they would appear to be at odds with the relevant Supreme Court and Ninth Circuit decisions. As Judge Rich has said, "there is a world of difference between saying something is not there and saying it has to be there." *Rich II*, *supra* note 10, at 258.

36. See text accompanying notes 37 to 79 *infra*.

37. Much has been made of courts which hold patents invalid for "lack of invention." See, e.g., *Rich I*, *supra* note 12, at 40 (critically discussing *Hewlett-Packard Co. v. Tel-Design, Inc.*, 460 F.2d 625, 630, 174 U.S.P.Q. 140, 144 (9th Cir. 1972)). It seems clear, however, that the Ninth Circuit, at least, means that a nonobvious (*i.e.*, patentable) combination is involved in those few instances where its panels have adapted the undesirable "invention" terminology. See, e.g., *Regimbal v. Scymansky*, 444 F.2d 333, 338, 169 U.S.P.Q. 773, 777 (9th Cir. 1971) (discussing "the test for invention (*i.e.*, nonobviousness) for devices that combine [old] elements." [emphasis added]).

38. See *Rich II*, *supra* note 10, at 242-45.

39. 553 F.2d 603, 194 U.S.P.Q. 362 (9th Cir. 1977).

40. 543 F.2d 79, 192 U.S.P.Q. 571 (9th Cir. 1976).

quently been criticized for failing to appreciate that section 103 was designed "to neutralize the missteps in the *A&P* decision," and thereby replace *A&P*'s "old requirement of 'invention'" as the test for patentability.<sup>41</sup>

For instance, the 1972 case of *Hewlett-Packard Co. v. Tel-Design, Inc.*,<sup>42</sup> came under fire because it noted that an obvious combination was unpatentable "for lack of invention."<sup>43</sup> However, *Graham* and its three-part test was expressly relied upon by the *Hewlett-Packard* court. Moreover, after concluding that the patent in question was a "combination patent," the court stated as follows with regard to the criteria for patentability: "Until the Act of 1952 these criteria were novelty and utility. In 1952 Congress added section 103 which required nonobviousness. It is with this requirement that we are concerned."<sup>44</sup> The court went on to state: "Furthermore, when the patent [discloses a combination device], special strictness must be applied to be certain that the new claims satisfy all requisites of patentability, and particularly section 103."<sup>45</sup> There could hardly be a clearer indication that obviousness is the test, and that the "special strictness" with which the court examines combination patents merely means that special care will be used during such examination; it does not mean that there are conditions to patentability above and beyond nonobviousness. In other words, *Hewlett-Packard* did not really mean that the invention in question "lacked invention;" it meant that the invention was obvious under section 103. The court merely adopted the "want of invention" terminology of the *A&P* case; terminology which the Supreme Court itself has somewhat carelessly reiterated in post-1972 cases such as *Black Rock* and *Ag Pro*. Such lapses are now rare in the Ninth Circuit, as the above discussion of the *Kamei-Autokomfort* and *Grayson* cases illustrates.<sup>46</sup>

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41. The quoted passages are from P.L.P., *supra* note 1, § A.1(1), at 181-82.

42. 460 F.2d 625, 174 U.S.P.Q. 140 (9th Cir. 1972). The *Hewlett-Packard* case is discussed briefly at note 37 *supra*.

43. The case is criticized in P.L.P., *supra* note 1, § A.1(1), at 91-93.

44. 460 F.2d at 629, 174 U.S.P.Q. at 143.

45. *Id.* It cannot be denied that the *Hewlett-Packard* court followed the above-quoted language with the observation that "[i]n this circuit we have determined that the combination of old elements must produce an 'unusual or surprising result'; that 'unusual or surprising result' is the basis upon which the legal conclusion of nonobviousness must rest." If this means that a combination invention which is found to be nonobvious under the *Graham* test can still be found unpatentable because an additional "new and surprising result" condition is not met, then the *Hewlett-Packard* opinion is both incorrect and internally inconsistent.

46. See text accompanying notes 39-40 *supra*.

*Deere & Co. v. Sperry Rand Corp.*<sup>47</sup> is another case which attracted negative attention when it declared that section 103 “codified the unusual and surprising consequences” test for patentability of combination devices which “originated in the *A&P* case.”<sup>48</sup> It is interesting to note that *Deere*, *Hewlett-Packard*, and the similar, heavily criticized case *Regimbal v. Scymansky*,<sup>49</sup> may largely reflect a unique perspective of Judge Trask. In each of these three cases, Judge Trask was a member of the panel, and in *Hewlett-Packard* he wrote the court’s opinion (the *Deere* opinion is *per curiam*). Judge Trask did not participate in any of the ten section 103 cases decided during the survey period under discussion.

Despite this perhaps unique viewpoint (section 103 only codifies *A&P* to the extent that *A&P* makes nonobviousness a condition to patentability), it is worth noting that *Deere* does not state that section 103 codifies any requirement of “invention” beyond nonobviousness. The *Deere* court apparently only intended to acknowledge that, despite *Graham*’s focus on certain factual inquiries, the Supreme Court in *Black Rock* did advert to *A&P* as well, and did indicate that a court evaluating the patentability of a combination device should be alert to the fact that there may be no “new result,” “new or different function,” or addition to the “nature and quality” of earlier devices.<sup>50</sup> The purpose of such alertness remains to be discussed,<sup>51</sup> but it is evident that the Ninth Circuit does not discern a requirement of “invention” in section 103—at least not beyond that which is inherent in the requirement of nonobviousness.

Despite the fact that cases such as *Hewlett-Packard*, *Deere*, and *Regimbal* do not create the complications which are often ascribed to them, it is evident that they are not the Ninth Circuit’s most lucid expositions of the standard of patentability. Perhaps this deficiency explains why they are no longer seriously

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47. 513 F.2d 1131, 185 U.S.P.Q. 495 (9th Cir. 1975). *Deere* is discussed briefly at note 14, *supra*.

48. The language is in 513 F.2d at 1132, 185 U.S.P.Q. at 496. The *Deere* case is criticized by P.L.P., *supra* note 1, § A.1(1) at 181-82.

49. 444 F.2d 333, 169 U.S.P.Q. 773 (9th Cir. 1971). *Regimbal* is discussed at notes 28, 35 and 37 *supra*.

50. These, of course, are essentially the phrases of *A&P*. *Black Rock* also alludes to a combination’s “failure to add to the nature and quality of [an old element].” 396 U.S. at 62, 163 U.S.P.Q. at 675.

51. See text accompanying notes 62 to 66 *infra*.

relied upon by the court when it evaluates the obviousness of a combination device.<sup>52</sup> Other, more satisfactory discussions of obviousness in the combination context, such as those found in

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52. In the cases cited at note 2 *supra*, *Deere* and *Hewlett-Packard* are occasionally cited in connection with the statutory presumption of validity, but only the *Kamei-Autokomfort* opinion by visiting Senior District Judge Van Pelt from Nebraska appears to seriously rely on these decisions in relation to a section 103 issue; *Kamei-Autokomfort* cites *Hewlett-Packard* and *Regimbal*. 553 F.2d at 608, 194 U.S.P.Q. at 367. *Santa Fe* clearly relies on *Saf-Gard* and *Reeves*, as does the *Austin* decision. *Saf-Gard* itself relies on *Reeves*, while the *Grayson*, *Ceco*, *Horwood*, *St. Regis*, and *Astro Music* courts evidently depended on Supreme Court rather than Ninth Circuit decisions. All acknowledge the primacy of *Graham*.

*Globe Linings* is unique, and may show that Ninth Circuit patent cases need not necessarily be divided into two camps, with *Regimbal*, *Hewlett-Packard*, and *Deere* on one hand and *Reeves*, *Saf-Gard*, and *Santa Fe* on the other. The *Globe Linings* court precedes its discussion of obviousness with citations to *Saf-Gard* and *Graham*, in that order. 555 F.2d at 730, 194 U.S.P.Q. at 418. It then mentions *Regimbal* and *Hewlett-Packard* in connection with the "test for patentability of a combination patent [meaning invention]." *Id.* at 732, 194 U.S.P.Q. at 419. Some might argue that the court failed to perceive the inconsistency in these cases, but it is preferable to assume, absent indications to the contrary, that the court perceived consistency in these cases and chose to harmonize them. This may explain the court's curious amalgam of A&P's "whole greater than the parts" language with A&P's "unusual and surprising consequences" language. The *Globe Linings* court stated: "We must . . . decide whether the 'whole' of this patent claim exceeds the sum of its parts in an unusual or surprising way." *Id.* No one can know exactly what this *sui generis* passage means, but it is clearly not an attempt to establish a standard of patentability in the combination context which differs from that found in section 103, or which involves an analysis different from that found in *Graham*, for the court went on to hold the invention unpatentable because it is "a combination of ideas which produces results that would be 'expected by one of ordinary skill in the art'." *Id.* Usually, an expected result is an obvious result.

However, the *Globe Linings* holding, as quoted above, does perform a disservice which is not related in any way to its reference to *Regimbal* and *Hewlett-Packard*. As members of the patent bar know, it is best to view most inventions as solutions to problems. Obviousness is a question of whether the "subject matter as a whole" (*i.e.*, the solution) would have been obvious to one of ordinary skill in the art. 35 U.S.C. § 103 (1970). It is meaningless to ask whether such a solution, once discovered, "produces results that would be expected by one of ordinary skill in the art." Of course it will produce such results. The operating characteristics of cams, levers, gears, etc., are well known, and once a combination is found which finally solves the problem, the results will be predictable.

Thus, the *Globe Linings* inquiry seems misdirected. The issue is the obviousness of the solution, not whether a mechanic who is shown the solution could predict the results which will be produced by said solution. The Supreme Court is in accord. In *Black Rock*, the court recognized that, when a combination invention is involved, "the question of [patentability] must turn on whether the combination supplied the key requirement [of nonobviousness]." *Black Rock*, 396 U.S. at 60, 163 U.S.P.Q. at 674. In other words, the question of patentability turns on whether the combination itself would have been obvious (*i.e.*, on whether it would have been obvious to solve a given problem by combining the old elements which were combined in the way they were combined), not on whether the results produced by the combination are obvious. Furthermore, a narrow focus on "results" ignores the statutory requirement that the obviousness of the subject matter as a whole be determined. See generally notes 63 and 65 *infra*.

*Reeves Instrument Corp. v. Beckman Instruments, Inc.*<sup>53</sup> and *Saf-Gard Products, Inc., v. Service Parts, Inc.*,<sup>54</sup> are relied on increasingly,<sup>55</sup> although it is submitted that, once the Ninth Circuit's position on the standard of patentability is understood, all of these cases can be viewed as essentially compatible.<sup>56</sup>

#### D. THE "SYNERGISM" CONTROVERSY: THE CONSEQUENCES OF A LACK OF "CONTRIBUTION"

Before synergism can be discussed, the Ninth Circuit's definition of the term in the patent context must be ascertained. However, in this connection there is one problem: the Ninth Circuit has apparently never defined or even used the word synergism. The recent case of *Santa Fe-Pomeroy, Inc. v. P & Z Co., Inc.*,<sup>57</sup> does mention in passing that the process in question had "synergy"<sup>58</sup> but the concept played no significant part in the court's analysis.<sup>59</sup> It is necessary, therefore, to turn to the opinion of other courts.

#### *What Is "Synergism"?*

As a part of the parlance of patent law, "synergism" or "synergistic effects" are words which can be traced to the following dictum in *Black-Rock*: "A combination of elements may result in an effect greater than the sum of the several effects taken separately. No such synergistic result is argued here."<sup>60</sup> This passage obviously reflects *A&P's* pre-103 observation that "the conjunction of known elements *must contribute something*: only when the whole in some way exceeds the sum of its parts is the accumulation of old devices patentable."<sup>61</sup> Therefore, in order to

53. 444 F.2d 293, 170 U.S.P.Q. 74 (9th Cir. 1971), *cert. denied*, 191 U.S.P.Q. 764 (1971).

54. 532 F.2d 1266, 190 U.S.P.Q. 455 (9th Cir. 1976).

55. See *Cool-Fin Electronics Corp. v. International Corp.*, 491 F.2d 660, 180 U.S.P.Q. 481 (9th Cir. 1974), and note 52 *supra*.

56. See text accompanying notes 79 to 93 *infra*.

57. \_\_\_\_ F.2d \_\_\_\_, 197 U.S.P.Q. 449 (9th Cir. 1978).

58. *Id.* at \_\_\_\_, 197 U.S.P.Q. at 453.

59. Indeed, the *Santa Fe* opinion may be the Ninth Circuit's most complete formal application of the *Graham* three-part test. The case also contains a detailed discussion and analysis of secondary considerations. Synergism alone is clearly not determinative of the obviousness issue.

60. 396 U.S. at 61, 163 U.S.P.Q. at 674.

61. 340 U.S. at 152, 87 U.S.P.Q. at 305 (emphasis added). In other words, the Court's use of the word "only" in this context simply means that there can be no patent if there is no "contribution". Such a proposition is self-evident.

understand what the Supreme Court means by synergism, it is necessary to determine what is meant by the Court's statement that the whole must exceed the sum of its parts, for the word synergism is simply a shorthand label for this latter notion.

A close look at *A&P* is revealing. After the "whole must exceed the sum of the parts" language, the Court remarked that

Elements may, of course, especially in chemistry of electronics, take on some *new quality* or *function* from being brought into concert, but this is not a usual result of uniting elements old in mechanics. This case is wanting in any *unusual or surprising consequences* . . . . [Also, the] old elements which made up this device [do not] perform any *additional or different function* in the combination than they perform out of it.<sup>62</sup>

This passage indicates that, for the purposes of patent law, the whole of a combination device exceeds the sum of its parts if at least one element of the combination takes on some new, additional, or different quality of function in the combination, or if the combination yields any unusual or surprising consequences. It seems clear that the Court was using a variety of words and phrases to communicate the basic notion that a combination invention must "contribute something."

### *The Notion of a "Contribution"*

If the foregoing is true, then it would appear that the phrases of *A&P* should not be interpreted as literally or applied as mechanically as some courts have done. The various phrases do not represent separate conditions of patentability; they simply represent an array of expressions the court used to nonobvious contribution.

There is a critical distinction between a "contribution" in the *A&P* sense of the word and a *nonobvious* contribution. *A&P* is like *Black-Rock* in that the *A&P* court began what would now be called an obviousness determination under *Graham*, but never got past an evaluation of the differences between the prior art and the claims at issue. The "*Graham* analysis," if you will,

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62. *Id.* at 152, 87 U.S.P.Q. at 306 (emphasis added). For reasons discussed below, this passage reveals that it may be preferable to use the word "contribution" as a synonym for the various phrases of *A&P*.

As this article went to press, a Ninth Circuit decision was handed down which con-

was short-circuited by the fact that an evaluation of the relevant differences indicated that there was no basic contribution:

[T]his counter does what a store counter always has done—it supports merchandise at a convenient height while the customer makes his purchases and the merchant his sales. The three-sided rack will draw or push goods put within it from one place to another—just what any such a rack would do on any smooth surface—and the guide rails keep it from falling or sliding off from the counter, as guide rails have ever done.<sup>63</sup>

Thus, regardless of the level of ordinary skill in the art or any secondary considerations, the combination in *A&P* was obvious as a matter of law.

*A&P*, therefore, is consistent with *Graham*. Both are obviousness analyses, and nothing in *A&P* suggests that obviousness inquiries should not now follow the *Graham* approach exclusively. *A&P* does indicate, however, that in certain rare cases the *Graham* inquiry will be cut short by the fact that the combination makes no basic “contribution.”

*Black-Rock* makes this point even more overtly. After citing *Graham* and mandating “strict observance of [the] requirements [of the *Graham* three-part test],” the *Black Rock* Court held the patent invalid because the invention “added nothing to the nature and quality of the [old elements]” (*i.e.*, there was no basic contribution).<sup>64</sup> Significantly, the *Black-Rock* Court went

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firms, as is contended herein, that it is appropriate to view these phrases of *A&P* as interchangeable and conclusory labels. The court stated:

“To withstand challenge a combination patent [meaning invention] must be synergistic; it must result ‘in a effect greater than the sum of the several effects taken separately.’ *Phrased differently*, to be valid a combination patent [meaning invention] must produce an ‘unusual or surprising results.’”

*Penn International Indus. v. Pennington Corp.*, Nos. 77-2142, 77-3501, Slip. Op. at 2888 (9th Cir., Sept. 1, 1978) (per Wright, J.) (emphasis added and citations deleted). Such labels simply state the results of a *Graham* analysis in conclusory form. Thus, *Graham* remains the only meaningful analytical touchstone.

The foregoing quote is dictum since the *Penn* device was not considered a combination device. It should be noted that, despite this deference to the synergism test and the phrases of *A&P*, the *Penn* court clearly relied on *Graham*, and on section 103 as the sole applicable standard. *Id.* at 2887.

63. 340 U.S. at 152, 87 U.S.P.Q. at 306.

64. 396 U.S. at 62, 163 U.S.P.Q. at 675.

on to observe that: "We conclude *further* that to those skilled in the art the use of the old elements in combination was not [a patentable] invention by the obvious-nonobvious standard."<sup>65</sup> Since the conclusion of obviousness is a "further conclusion," it is apparant that *Black-Rock* was decided on the basis that no contribution was present. In effect, the court was making a *Graham* analysis but had its task simplified by the fact that the combination did not even embody some form of basic contribution.

In most combination cases, however, such a contribution will be present.<sup>66</sup> Cases such as *A&P*, *Black Rock*, and *Ag Pro* are in the minority, as Ninth Circuit decisions illustrate. Thus, whenever the elements of a combination arguably produce results they have not produced before (either individually or in combination), operate in a way they have not operated before, serve functions they have not served before, etc., then a "contribution" is present, and the *Graham* analysis which is in progress must be completed.

It should be noted that no new "contribution requirement" is being advocated. A contribution is required in the sense that any nonobvious combination will make a contribution, but the notion only arises in the context of a *Graham* inquiry. In those few cases (such as *A&P*, *Black Rock*, and *Ag Pro*) where the lack of a contribution is revealed by the initial stages of a *Graham* analysis, the need to complete the analysis is obviated.

It should be noted further that the phrases of *A&P* are descriptions of some of the various kinds of contributions a combination invention can make. The *A&P* court characterized any such contribution as a "whole" which exceeded the sum of its parts, but the simple word "contribution" can be used as an effective synonym for this language, thus avoiding the complications created by the word synergism, which is just one possible form of contribution.

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65. *Id.* at 63, 163 U.S.P.Q. at 675 (emphasis added).

66. Although almost all combinations contribute something, not all do. *A&P* dealt with the supermarket counter, which has already been discussed. The lack of contribution was clear. The elements were old, the function they served was old, and no new result was evident. Note that by "new" results, the court did not necessarily mean that an element must do something it has never done before. It is, of course, possible to have old elements perform as they always have to produce results consistent with that performance, and yet



Of course, as noted above, determining that a contribution is present only insures full application of the *Graham* test, for the contribution must still be a *nonobvious* contribution. Furthermore, the obviousness inquiry must concern itself with the obviousness of the combination structure as a whole, rather than the obviousness of any given element.<sup>67</sup> Although written before section 103's enactment, *A&P*'s discussion of "unusual" or "surprising" (instead of merely "new") results suggests that the Court recognized that patentable contributions must be nonobvious contributions.

As several courts have recognized, the language of *A&P* indicates that the word "expected" is implicit in the "whole must exceed the sum of the parts" passage,<sup>68</sup> and the passage can therefore properly be modified to read as follows: "[the] concert of known elements must contribute something; only when the whole in some way exceeds the [*expected*] sum of its parts is the accumulation of old devices patentable."

In the patent context, therefore, synergism is not a two plus two equals five proposition. As commentators have noted, since two plus two can never equal five,<sup>69</sup> "true" synergism is not a condition to patentability.<sup>70</sup> Indeed, the term really only makes

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still have the over all result (*i.e.*, the solution to the problem) be nonobvious. The combination as a whole is the focus, not the individual elements. See generally note 52, *supra*, and the discussion of the *Globe Linings* opinion.

67. See, *e.g.*, *Santa Fe-Pomeroy, Inc., v. P & Z Co., Inc.*, \_\_\_\_ F.2d \_\_\_\_, \_\_\_\_, 197 U.S.P.Q. 449, 455 (9th Cir. 1978).

68. See, *e.g.*, *E-T Industries, Inc. v. Whittaker Corp.*, 523 F.2d 636, 187 U.S.P.Q. 369 (7th Cir. 1975) (discussing whether an invention produced "a result greater than the anticipated sum of the separate parts"). The *E-T* case is interesting in that its opinion was written by Mr. Justice (then Judge) Stevens. It also shows that the proper perspective for an obviousness analysis is whether "a person skilled in the art, fully aware of the separate elements [which were old in the art], would not be expected to combine them when looking for the solution to the problem . . . ." 523 F.2d at 641, 187 U.S.P.Q. at 373.

69. See, *e.g.*, Arnold, *supra* note 21, at 46-47.

70. True synergism has been defined as follows: "The joint action of agents, as drugs, which when taken together increase each other's effectiveness." The Random House Dictionary 1442 (1967). In other words, synergism essentially relates to a reaction between two chemical agents whereby the natural properties (and effects) of each are intensified by their interaction. The concept has no real application in the mechanical realm. Thus: "Synergism, as a species under the genus nonobviousness, is certainly appropriate to consider, particularly in chemical cases. Outside chemical cases it is a dangerous standard . . . ." P.L.P., *supra* note 1, § A.1(1), at 31 n.70. True synergism must always be distinguished from synergism in the patent context, which essentially amounts to some new function or result (*i.e.*, a "contribution" in the *A&P* sense); that is, when such new function or result is present, the (subject matter as a) whole does exceed the expected sum of the parts in *A&P*'s sense of the phrase. See generally the text accompanying notes 60 to 66 *supra*.

sense in the chemical field,<sup>71</sup> which probably explains why it cannot be found in Ninth Circuit opinions.

### *Is Synergism Required?*

Some circuits have apparently considered true synergism a condition to patentability of a combination device, but the Ninth Circuit is not among them.<sup>72</sup> Indeed, *Reeves* emphasized in 1971 that there was only one standard, that the standard is obviousness under section 103, and that the *Graham* analysis is the proper means of determining obviousness.<sup>73</sup> *Reeves* is just one of many Ninth Circuit cases which indicate that combination devices are to be analyzed under the *Graham* three-part test without any special concessions to the need for true synergism.<sup>74</sup> Thus, in the *Santa Fe* case, a Ninth Circuit panel which found "synergy" also engaged in the most thorough application of the *Graham* three-part test and *Graham's* secondary considerations before concluding that the combination in question was nonobvious. In other words, true synergism is neither sufficient nor necessary as an indication of nonobviousness.<sup>75</sup>

Significantly, when discussing "the applicable legal standards," the *Santa Fe* court relied exclusively on *Graham*, and simply noted in passing that *Ag Pro* was in accord with the *Graham* standard of patentability.<sup>76</sup> This approach is becoming

71. See note 70 *supra*.

72. An able discussion of the various positions of the circuits on the synergism issue can be found in *Republic Industries, Inc., v. Schlage Lock Co.*, 433 F. Supp. 666, 669-72, 196 U.S.P.Q. 351, 354-56 (S.D. Ill. 1977). The *Republic* court cited *Reeves* for the proposition that *Black Rock* is "a reaffirmation of [*Graham*], not . . . a deviation from the [*Graham*] criteria." *Id.* at 670, 196 U.S.P.Q. at 355. See also *Geriak, supra* note 6, at 4 (discussing the *Republic* case); *Clark Equipment Co. v. Keller*, \_\_\_\_ F.2d \_\_\_\_, \_\_\_\_, 197 U.S.P.Q. 209, 217 (8th Cir. 1978) ("in the patent law context, 'synergism' has no talismanic power").

73. See the reference to *Reeves* at note 69 *supra*. The Patent and Trademark Office is in accord. See *Medlock & Love, Recent Developments in Patent Law*, 15 PAT. L. ANN. 393, 399 (1977).

74. See, e.g., *Santa Fe-Pomeroy, Inc., v. P & Z Co., Inc.* \_\_\_\_ F.2d \_\_\_\_, 197 U.S.P.Q. 449 (9th Cir. 1978); *Saf-Gard Products, Inc. v. Service Parts, Inc.*, 532 F.2d 1266, 190 U.S.P.Q. 455 (9th Cir. 1976); *Cool-Fin Electronics Corp. v. International Corp.*, 491 F.2d 660, 180 U.S.P.Q. 481 (9th Cir. 1974).

75. The presence of true synergism can, of course, "help you". *Rich II, supra* note 10, at 257. That is, the presence of true synergism should satisfy the "contribution" requirement discussed above in the text accompanying notes 60 to 66 *supra*. However, as that discussion indicates, synergism in the patent context can be satisfied with other types of contributions.

76. \_\_\_\_ F.2d at \_\_\_\_, 197 U.S.P.Q. at 455.

common in Ninth Circuit patent cases, of which *Santa Fe* was the most recent example at this writing. For instance, in addition to *Santa Fe*, *St. Regis Paper Co. v. Royal Industries*, *Ceco Corp. v. Bliss & Laughlin Industries, Inc.*, *Saf-Gard Products, Inc. v. Service Parts, Inc.*, and *Norwood v. Ehrenreich Photo-Optical Industries, Inc.*, each relied on the *Graham* analysis exclusively in order to ascertain the obviousness (or nonobviousness) of the combinations in question.<sup>77</sup> The *Ceco* case in particular indicates that, in the Ninth Circuit at least, *Ag Pro* must be viewed as no more than an extension of *Graham*, for *Ag Pro* is merely mentioned in a footnote as part of the “progeny” of *Graham*.<sup>78</sup> The message is clear: cases such as *Ag Pro* and *Black Rock* are subsumed under the general guidelines of *Graham* and do not signal a shift away from obviousness as the standard of patentability.

### *The Role of “Unusual or Surprising” Results*

It is true that some recent Ninth Circuit cases allude to more than the *Graham* test when considering the patentability of a combination device. *Kamei-Autokomfort*, *Globe Linings, Inc. v. City of Corvallis*, and *Astro Music, Inc. v. Eastham* each recite the familiar Ninth Circuit “unusual or surprising result” language.<sup>79</sup> *Kamei-Autokomfort* is representative. It states: “Where a combination patent [meaning device or invention] combines old elements, there is a requirement that the patent [meaning device or invention] produce an unusual or surprising result in order to be nonobvious.”<sup>80</sup> *Astro Music* and *Globe Linings* also refer to the synergism concept (although they do not use the word itself) by noting that “only when the whole in some way exceeds the parts is the accumulation of old devices patentable.”<sup>81</sup>

It is submitted, however, that this group of cases is not at odds with Ninth Circuit decisions such as *Santa Fe*, *Saf-Gard* and *Ceco*, which concentrate on the *Graham* analysis to ascertain obviousness. The Ninth Circuit has not recognized any condition to patentability in the combination context besides nonobviousness.

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77. Citations for each of these cases is provided at note 2 *supra*.

78. 557 F.2d at 691 n.11, 195 U.S.P.Q. at 340 n.11.

79. Citations to these cases are provided at note 2 *supra*.

80. 553 F.2d at 608, 194 U.S.P.Q. at 367.

81. See, e.g., 564 F.2d at 1238, 197 U.S.P.Q. at 340.

It must be remembered that the Ninth Circuit panels which use the whole-must-exceed-the-parts language and/or the "unusual or surprising results" language expressly borrow said language from *A&P*.<sup>82</sup> And, as has been seen, this language merely represents *A&P*'s requirement that a combination invention represent a nonobvious "contribution."<sup>83</sup> The phrase "unusual or surprising results" thus has a special meaning in the Ninth Circuit. As in *A&P*, it is merely one means of characterizing what exists when a combination invention makes a nonobvious contribution to the art. The Ninth Circuit could substitute the phrase "nonobvious contribution" in every opinion where it has used the phrase "unusual or surprising results," and there would be no substantial change in Ninth Circuit patent law. Combination inventions would still have to embody some new function or result in order to be patentable,<sup>84</sup> and the *Graham* three-part test would still have to be used to determine whether the subject matter as a whole would have been obvious to one of ordinary skill in the art.

Once the proper meaning of the phrase "unusual or surprising results" is understood, it is not surprising to learn that the phrase is essentially only used in those cases where the lack of a contribution is so clear that the invention is necessarily obvious. In such cases, use of the familiar phrase of *A&P* (instead of a thorough *Graham* inquiry) evidently occurs because the lack of a contribution obviated the need to complete an analysis under *Graham*'s guidelines. For example, *Astro Music*, which is a case of clear obviousness,<sup>85</sup> contains many references to the catch phrases of *A&P*, while cases requiring full analysis of the obviousness issue, such as *Santa Fe*, *St. Regis*, *Ceco*, *Saf-Gard*, and *Norwood*, each entirely avoided the phrase "unusual or surprising results."

It must be observed, however, that even the *Astro Music* court made it clear that the standard of patentability was one

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82. See, e.g., *id.*

83. See the text accompanying notes 62 to 66 *infra*.

84. That is, a contribution, as that notion is discussed in the text accompanying notes 62 to 66 *supra*.

85. *Astro Music* involved an invention which did no more than provide a slot in the handle of a crank used for adjusting guitar strings. The slot could be used to remove guitar pegs, eliminating the need for the separate tool (containing the same slot) which had previously been used. 564 F.2d at 1237, 197 U.S.P.Q. at 340.

obviousness under section 103. It cited *Graham* for this proposition.<sup>86</sup> The court then noted that "the district court found that the patent was invalid because the device failed the test of nonobviousness of 35 U.S.C. § 103."<sup>87</sup> The district court found as it did because the elements of the combination in question were old, they performed old functions in the combination, and they achieved the same result they had always achieved.<sup>88</sup> There was, in other words, no contribution. In the parlance of *A&P*, the whole did not exceed the sum of the parts, let alone the expected sum of the parts.

Again, where there is no contribution, an obviousness inquiry is necessarily avoided. This is why the courts in *Black Rock* and *Ag Pro* declared the patents there at issue invalid without completing formal applications of *Graham*. The combinations in those cases represented no contribution (*e.g.*, no new function or new result), and thus were obvious as a matter of law. In the words of the *Black Rock* Court, "the combination . . . added nothing . . ."<sup>89</sup> However, as noted above, the Court then made it clear that if something had been added, *Graham* would have to be applied fully.<sup>90</sup> Ninth Circuit opinions have consistently acknowledged that this is the law, and it is neither surprising nor unfortunate that they have done so.

It would have been preferable if the *Astro Music* court had mentioned, as other Ninth Circuit panels have, that the obviousness of assembling the combination itself—and not just the obviousness of the elements or their functions—is part of a *Graham* inquiry under 103.<sup>91</sup> It would also have been helpful if the court had emphasized that hindsight must be avoided,<sup>92</sup> and that simplicity does not mean obviousness.<sup>93</sup> However, given the nature of the invention in *Astro Music*, the reliance on shorthand phrases is understandable since obviousness could be discerned without a systematic application of a *Graham* analysis.

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86. *Id.*

87. *Id.* at 1238, 197 U.S.P.Q. at 340.

88. *Id.*

89. 396 U.S. at 82, 163 U.S.P.Q. at 675.

90. *Id.* (emphasis added).

91. See note 52 *supra*; *Santa Fe-Pomeroy, Inc. v. P & Z, Inc.*, \_\_\_\_ F.2d \_\_\_\_, \_\_\_\_, 197 U.S.P.Q. 449, 455 (9th Cir. 1978).

92. Hindsight is to be scrupulously avoided. See, *e.g.*, *Saf-Gard Products, Inc. v. Service Parts, Inc.*, 532 F.2d 1266, 1272, 190 U.S.P.Q. 455, 460 (9th Cir. 1976).

93. See, *e.g.*, *Eagle Iron Works v. McLanahan Corp.*, 429 F.2d 1375, 1382, 166

### E. ANDERSON'S *Black Rock* AND *Ag Pro* ARE EXTENSIONS OF GRAHAM

Some have argued that *Graham* has been circumvented by *Black Rock* and *Ag Pro*, and that lower courts are now presented with inconsistent, or at least confusing Supreme Court guidance regarding the standard of patentability.<sup>94</sup> As is discussed above, the Ninth Circuit has adopted a fairly uniform focus on obviousness as the standard of patentability, and on *Graham* as containing the test for ascertaining obviousness. Accordingly, *Black Rock* and *Ag Pro* are clearly viewed as consistent with *Graham*, and as applications of *Graham*'s guidelines.<sup>95</sup> In the eyes of the Ninth Circuit, neither *Black Rock* nor *Ag Pro* have added to or altered the standard of patentability.

### F. *Graham*'s "SECONDARY" CONSIDERATIONS SHOULD ALWAYS BE CONSIDERED WHEN THERE IS A NEW FUNCTION OR A NEW RESULT

One of the more unsettled questions in the Ninth Circuit and other circuits is the consideration to be given to such "secondary" indicia of nonobviousness as commercial success and imitation by others. It has been argued persuasively that such considerations are not secondary at all, but are directly relevant to the issue of whether an invention was obvious at the time it was made.<sup>96</sup> Furthermore, consideration of such evidence is the best safeguard against the use of hindsight,<sup>97</sup> which often seems to render "obvious" solutions to longstanding problems that elude other diligent and skilled researchers.

These facts notwithstanding, the Supreme Court in *Black Rock* did state that such factors as commercial success "without invention will not make patentability."<sup>98</sup> The Ninth Circuit has

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U.S.P.Q. 225, 230 (3d Cir. 1970) ("the simplicity of an invention is not necessarily a bar to a patent").

94. See, e.g., P.L.P., *supra* note 1, § A.1(1), at 219-28; *Requirements for Patentability*, *supra* note 6, at 559-60.

95. See especially text accompanying notes 77 to 78 *supra*.

96. See, e.g., *Rich I*, *supra* note 12, at 38-40. At least one Ninth Circuit panel appears to agree. The *Austin* court states as follows: "Whether the differences cited arise to the level of patentability depends upon the level of ordinary skill in the pertinent art. Such a determination must follow an analysis of the problems purportedly solved by the invention and the efforts of others to arrive at satisfactory solutions." 560 F.2d at 971, 195 U.S.P.Q. at 533. This last sentence appears to be a reference to some of the most important secondary considerations discussed in *Graham*.

97. The *Ceco* decision is only one example of judicial recognition that secondary considerations serve "as a check that hindsight has not tainted our conclusion." 557 F.2d at 690, 197 U.S.P.Q. at 339.

98. 396 U.S. at 61, 163 U.S.P.Q. at 674.

occasionally repeated this language, which originated with *A&P*. However, this does not mean that *Graham*'s secondary considerations are not to be considered at all until after the invention in question has somehow been found either obvious or nonobvious. Such a proposition would be absurd, for it would insure that secondary considerations would only be invoked when they were no longer needed; *i.e.*, after the obviousness issue is resolved.

It is evident that the Ninth Circuit's practice is to always consider the secondary considerations unless the obviousness of the invention is clear because there are no new elements, new functions, or new results (*i.e.*, no contribution).<sup>99</sup> As mentioned above, such clear indications of obviousness will occasionally emerge from the initial stages of the *Graham* inquiry into obviousness. In such cases, secondary considerations need not be evaluated because no amount of commercial success or the like will render the invention nonobvious. This is all Ninth Circuit panels are saying when they state that "[secondary considerations] are not controlling where there is a lack of invention [meaning patentable invention], . . . and where obviousness is clear . . . ."<sup>100</sup> However, where obviousness is not clear, as is true when any arguably new function or new result is present, the Ninth Circuit evaluates the relevant secondary considerations, even if the combination in question is ultimately found to be obvious.<sup>101</sup> In other words, even though secondary considerations cannot "fill the gap",<sup>102</sup> they must nonetheless be evaluated be-

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99. That is, unless a case like *Astro Music* is involved. Thus, *Saf-Gard* and *Santa Fe* involved in-depth analyses of secondary considerations. See also the discussion of the *Austin* case, *supra* note 93, where the court implies that obviousness cannot be determined without reference to at least certain secondary considerations.

A good list of the so-called secondary considerations is contained in R. NORDHAUS, *PATENT, TRADEMARK, AND COPYRIGHT INFRINGEMENT* 66-68 (1971) (discussing eleven different considerations).

100. *Kamei-Autokomfort v. Eurasian Automotive Products*, 553 F.2d 603, 606, 194, 362, 365 (9th Cir. 1977) (emphasis added). The *Kamei-Autokomfort* case involved a plastic steering wheel cover.

101. See, *e.g.*, *Globe Linings, Inc. v. City of Corvallis*, 555 F.2d 727, 730-31, 194 U.S.P.Q. 415, 419 (9th Cir. 1977) *aff'g* \_\_\_\_ F. Supp. \_\_\_\_, 185 U.S.P.Q. 807 (D. Ore. 1975). The *Globe Linings* court did state that "because a patentable invention is lacking, secondary considerations . . . cannot fill the gap." 555 F.2d at 731, 194 U.S.P.Q. at 419. However, the fact that the invention was obvious does not mean that secondary considerations were not evaluated before there was a conclusion that the invention was obvious. The district court did accept "some evidence . . . concerning such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc.," but it did not "find that evidence persuasive, particularly in light of the small difference between prior art and the challenged product." \_\_\_\_ F. Supp. at \_\_\_\_, 185 U.S.P.Q. at 810.

102. This phrase is from the *Globe Linings* case, which is discussed at note 101 *supra*.

fore the presence of a gap can be ascertained.

## II. A METHOD OF EVALUATING THE OBVIOUSNESS OF A COMBINATION INVENTION

A patentee seeking to have a patent upheld in the Ninth Circuit should first consider whether the patent discloses a combination device for the purposes of ascertaining obviousness under section 103. A combination device for such purposes is a device which has elements old *in the art*. If a combination device uses an element which is well known, but which is new in the art, then the device is not a combination device within the meaning of *A&P*, *Black Rock*, and *Ag Pro*.<sup>103</sup> Such was the case in the recently decided case of *Austin v. Marco Dental Products, Inc.*<sup>104</sup>

The importance of differentiating between "combination" and "noncombination" devices is not that a different standard of patentability applies to the two; the importance of differentiation lies in the fact that combination devices are scrutinized with greater care. Thus, there is not a "more severe test" *per se*, as older Ninth Circuit patent decisions have occasionally implied;<sup>105</sup> there is only a requirement of extra "care" when analyzing obviousness in the combination context,<sup>106</sup> and of "strict observance of [the] requirements [of the *Graham* three-part test]." <sup>107</sup>

Once it is determined that a combination device is at issue, the litigant must begin with *Graham*'s three-part factual inquiry. Once the scope of the prior art and the differences between said art and the claims are evaluated, the litigant must be prepared to show a court where a contribution has been made in the *A&P* sense of the word. For reasons explained above, if this cannot be done, further application of *Graham* is unnecessary. If a contribution is arguably present, and a patentee should rightfully be given the benefit of any doubt,<sup>108</sup> then application of *Graham* must be

103. *Austin v. Marco Dental Products, Inc.*, 560 F.2d 966, 195 U.S.P.Q. 529 (9th Cir. 1977).

104. *Id.* at 971-72, 195 U.S.P.Q. at 533.

105. *See, e.g., Regimbal v. Scymansky*, 444 F.2d 333, 340, 169 U.S.P.Q. 773, 778 (9th Cir. 1971).

106. The "extra care" admonition of *A&P* is discussed at note 27 *supra*.

107. This language is from the *Black Rock* opinion, 396 U.S. at 62, 163 U.S.P.Q. at 675, and it has not received sufficient recognition by those who have been critical of *Black Rock* and *Ag Pro*.

108. *See* text accompanying notes 62 to 66 *supra*. Indeed, it would also seem proper to view any solution to a problem as a new result, if such solution did not exist previously. It should also be remembered that even "simple" devices or "simple" solutions can con-



completed. During the process of completing a *Graham* analysis, "such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might [and at this stage should] be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented."<sup>109</sup>

It is believed that there is little or no controversy regarding the standard of patentability under *Graham* or the nature of the analytical process it prescribes. It is therefore submitted that there should be no confusion or controversy regarding the Ninth Circuit's standard of patentability for combination inventions, since *Graham* and its focus on obviousness is recognized as the source of all relevant guidelines. It is further submitted that these guidelines are not unnecessarily strict. Indeed, when one considers the fact that most strong patents are not even tested by a trial on the merits, it is noteworthy that thirty percent of the recent Ninth Circuit patent cases resulted in holdings of validity.

### III. LEAR DEVELOPMENTS

One of the most significant recent developments relating to *Lear v. Adkins* involves an Eighth Circuit case which is now in some doubt because the Supreme Court has granted a petition for writ of certiorari in *Quick Point Pencil Co. v. Aronson*.<sup>110</sup>

#### A. THE LISTERINE DOCTRINE

Briefly, in *Quick Point* the Eighth Circuit relied on the spirit of *Lear* (and *Sears-Compco*)<sup>111</sup> to reject the venerable state contract law doctrine that a party who agrees to pay for an unpatentable idea in perpetuity is bound by the terms of the agreement, and therefore must pay for any use it makes of the idea, even after the idea has entered the public domain. Often referred to as the "Listerine" doctrine because of the Second Circuit's 1960 decision in *Warner-Lambert Pharmaceutical Co., Inc. v. John J. Reynolds, Inc.*,<sup>112</sup> this rule essentially states that the law will not

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tribute something. See, e.g., *Saf-Gard Products, Inc. v. Service Parts, Inc.*, 532 F.2d 1266, 1271-72, 190 U.S.P.Q. 455, 459 (9th Cir. 1976).

109. *Santa Fe-Pomeroy, Inc. v. P & Z Co., Inc.*, \_\_\_\_ F.2d \_\_\_\_, \_\_\_\_, 197 U.S.P.Q. 449, 445 (9th Cir. 1978).

110. 567 F.2d 757, 196 U.S.P.Q. 281 (8th Cir. 1977), cert. granted \_\_\_\_, \_\_\_\_ U.S.P.Q. \_\_\_\_ (June 5, 1978).

111. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 140 U.S.P.Q. 524 (1964); *Compco Corp. v. Day-Bright Lighting, Inc.*, 376 U.S. 234, 140 U.S.P.Q. 531 (1964).

112. 280 F.2d 197, 126 U.S.P.Q. 3 (2d Cir. 1960).

assist any contracting party improvident enough to agree to pay for something which others can use for free.

The Eighth Circuit correctly held that the *Warner-Lambert* rule is preempted by federal patent policy to the extent that it would require payment for any ideas which is in the public domain. In the process, the Eighth Circuit understandably acknowledged that *Sears and Compco* mean what they say: if a party does not unfairly obtain the idea of another, use of the idea is lawful if the idea is in the public domain. Contrary to the inferences of the *Quick Point* dissent, *Kewanee Oil Co. v. Bicron Corp.*<sup>113</sup> is not to the contrary. *Kewanee* simply states that the federal patent laws do not preempt state laws designed to prevent unfair or improper appropriation of unpatentable ideas (*i.e.*, trade secrets). *Kewanee* is completely consistent with *Sears-Compco* and *Lear*.

Accordingly, the Listerine doctrine should fall based on a preemption theory, and no contracting party should be made to pay for any idea after that idea has legitimately become public property. To conclude otherwise would lead to illogical and unnecessary conflict with *Sears and Compco*.

## B. PAYMENTS FOR KNOW-HOW

A noteworthy *Lear*-related development emanating from the Ninth Circuit can be found in *St. Regis Paper Co. v. Royal Industries*.<sup>114</sup> In *St. Regis*, a patentee-licensor lost its right to receive royalty payments under the license when a challenge under *Lear* led to a holding of patent invalidity. However, the patentee had imparted significant know-how to the licensee, and the court thus held that the patentee-licensor was entitled to

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113. 416 U.S. 470, 181 U.S.P.Q. 673 (1974).

Of course, *Sears-Compco* did not mark the demise of the misappropriation doctrine. See, *e.g.*, *Goldstein v. California*, 412 U.S. 546, 178 U.S.P.Q. 129 (1973); *National Football League v. Governor of the State of Delaware*, 435 F. Supp. 1372, 1377 n.2, 195 U.S.P.Q. 803, 805 n.2 (D. Del. 1977). Accordingly, those cases which proscribe copying of distinctive, non-functional features of an unpatentable device do not signal a shift away from *Sears-Compco*; they merely acknowledge that State laws forbidding misappropriation or "palming off" are not preempted by Federal patent policy. See, *e.g.*, *Teledyne Industries, Inc., v. Windmere Products, Inc.*, 433 F. Supp. 710, 195 U.S.P.Q. 354, 373-77 (S.D. Fla. 1977). The *Quick Point* and *Listerine* cases, of course, do not involve unfair practices of this type.

114. 552 F.2d 309, 194 U.S.P.Q. 52 (9th Cir. 1977).

compensation for such know-how even though the patent was invalid and royalties were barred.<sup>115</sup>

The court went further and implied that a “royalty” on such know-how might be appropriate if a license agreement were drafted so as to provide for such royalty in the event of a successful *Lear* challenge.<sup>116</sup> This type of royalty (which, of course, would only apply if a transfer of know-how is actually involved) may provide some means of protecting patentees who as a group, have heretofore been at the mercy of *Lear* and its elimination of license estoppel.

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115. *Id.* at 314-15, 194 U.S.P.Q. at 57-58.

116. *Id.*