1978


John T. Roberts

Follow this and additional works at: http://repository.jmls.edu/jitpl

Part of the Computer Law Commons, Internet Law Commons, Privacy Law Commons, and the Science and Technology Law Commons

Recommended Citation

http://repository.jmls.edu/jitpl/vol1/iss1/2

This Article is brought to you for free and open access by The John Marshall Institutional Repository. It has been accepted for inclusion in The John Marshall Journal of Information Technology & Privacy Law by an authorized administrator of The John Marshall Institutional Repository.
THE CURRENT LAW OF PATENTS
FOR COMPUTER SOFTWARE:
OR BENSON REVISITED

by John T. Roberts*

INTRODUCTION

Have judicial decisions in recent years helped answer whether new methods of operating a computing machine should receive different patent protection than new methods of operating any other machine?¹ Have those who, since the early 1960’s, openly opposed the patenting of computer software made any progress? Have those who urge its acceptance made any progress? Have those who seek only clarification of the law made any progress? In mid-1978, the answer to each of these questions must be largely in the negative.

One court, the Court of Customs and Patent Appeals,² has struggled repeatedly with the question of program patentability. It has, since In re Benson,³ found statutory and patentable the software⁴ inventions of Johnston,⁵ Noll,⁶ Chatfield,⁷ Deutsch⁸ and Flook.⁹ It has found unpat-

---

¹ This issue was addressed by the majority in In re Chatfield, 545 F.2d 152, 157, 191 U.S.P.Q. 730, 734, 6 CLSR 52, 59 (C.C.P.A. 1976), cert. denied, — U.S. —, 195 U.S.P.Q. 465, 6 CLSR 466 (1977) [hereinafter cited as Chatfield].
² The Court of Customs and Patent Appeals will hereinafter be cited as “C.C.P.A.”
⁴ The first appearance of this word demands an acknowledgment of definitional problems. The largest problem is that there are more concepts than words and few agreed-upon definitions. Lawyers ought to feel quite comfortable with this situation.
entable the inventions of Christensen,10 Waldbaum,11 Richman12 and de Castelet.13 This article will undertake the hazardous task of rationalizing these decisions.

During this period the Patent and Trademark Office has rejected software patents on the broad grounds that "the law . . . where the invention resides in a program servicing a computer is clearly settled by . . . Benson,"14 and "the thrust [of Benson] is that computer programs . . . are not patentable."15 Yet, the Patent Office has issued, in its new software class,16 about two hundred patents.17 A review of these patents suggests that the above-stated "settled law" has not been uniformly applied. The Patent Office has also strongly defended disclosure rejections in such cases as In re Knowlton,18 In re Comstock,19 In re Brandstadter,20 and In re Doyle,21 where one or more subject matter rejections would have seemed appropriate.

Since late 1976, the Patent Office has suspended the prosecution of software patent applications while awaiting clarification of the law by the United States Supreme Court.22 As this is being written, there are
between 600 and 900 software applications currently pending before the examiners and Patent Office Board of Appeals, with 450 being filed yearly. There are also several cases pending before the C.C.P.A., including *In re Toma* and *In re Johnson*.

From this state of affairs, two consequences are clear. First, that any software patent issuing in the next several years is likely to be for an invention conceived over a decade ago, thereby extending the duration of coverage of the patent and making potentially far more valuable the patent grant. Second, that the validity of any of these patents will be uncertain for years to come.

Since 1972, applicants, attorneys, examiners and judges have struggled with the equally cryptic discovery of one Gary Benson and writings of one William Douglas. What exactly was the invention or contribution of Benson? What was the exclusive right requested? Why was it denied? Despite explicit judicial requests for reconsideration of its holding in *Gottschalk v. Benson*, the Supreme Court, for six years, the ground the decisions were not final. Since October 3, 1977, the Patent Office has taken the unique position that the disposition of *Noll* was equivalent to a reversal and that *Chatfield* may likewise be ignored since the reasons given for denial of the petition indicated that it would have been accepted and the holding below reversed if the Court, jurisdictionally, could have done so. However, the opposite conclusion appears equally tenable.


26. A similar situation arose with radar patents, first delayed by World War II, and later held up by endless interferences caused, in large part, by the initial delay. Many patents on pre-war radar inventions are only now expiring.


declined to do so. Finally, on January 16, 1978, the Court accepted the petition of the Solicitor General in Parker v. Flook, and issued its decision reversing the C.C.P.A., on June 22, 1978.

I. THE UNSTATED ISSUES

Three issues are subliminally present in every patent case, particularly a software patent case: (1) the economic philosophy of the patent system, (2) retrospective limitations on the patent grant, and (3) prospective limitations on the patent grant. They each deserve identification and discussion since each is of constitutional dimension and clearly affects every decision.

A. The Economic Philosophy of the Patent System

Do patents for inventions advance or impede the progress of the useful arts? Thomas Jefferson himself first opposed, then supported the patent system. The Supreme Court in Mazer v. Stein stated: "The

30. In Dann v. Johnston, supra the Supreme Court reversed on the sole ground of obviousness, while observing that its Benson opinion was "limited." 425 U.S. at 224, 189 U.S.P.Q. at 259, 5 CLSR at 1137. In Chatfield (as well as Noll), the Court denied the petitions of the Government on grounds other than the merits. See notes 6 & 7 supra.


Jefferson, like other Americans, had an instinctive aversion to monopolies. It was a monopoly on tea that sparked the Revolution and Jefferson certainly did not favor an equivalent form of monopoly under the new government. His abhorrence of monopoly extended initially to patents as well. From France, he wrote to Madison (July 1788) urging a Bill of Rights provision restricting monopoly, and as against the argument that limited monopoly might serve to incite "ingenuity," he argued forcefully that "the benefit even of limited monopolies is too doubtful to be opposed to that of their general suppression," V Writings of Thomas Jefferson, at 47 (Ford ed., 1895).

His views ripened, however, and in another letter to Madison (Aug. 1789) after the drafting of the Bill of Rights, Jefferson stated that he would have been pleased by an express provision in this form:

"Art. 9. Monopolies may be allowed to persons for their own productions in literature & their own inventions in the arts, for a term not exceeding—years but for no longer term & no other purpose." Id. at 113.

And he later wrote:

"Certainly an inventor ought to be allowed a right to the benefit of his invention for some certain time. . . . Nobody wishes more than I do that ingenuity should receive a liberal encouragement." Letter to Oliver Evans (May 1807), V Writings of Thomas Jefferson, at 75-76 (Washington ed.).

As if anticipating a still current semantic debate, Jefferson initially opposed patents as monopolies, and then approved them as encouragement for ingenuity.

economic philosophy behind the [constitutional clause] . . . is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and useful Arts.'” Just two years ago a Justice Department spokesman opined that virtually everyone supports the principle of patents for inventions.  

Expressing the contrary position, however, a presidential commission studying the patent system recommended in 1966 that software not be patentable. This result was reached, in part, because the commission concluded that “the creation of programs has undergone substantial and satisfactory growth” without patent protection. The government, in its *Flook* petition, echoed this conclusion by stating that the patenting of software would have a “debilitating effect on development of the computer industry.” The evidence cited to support this statement was a fifteen to twenty percent annual growth rate and a current $1.5 billion volume in the software industry. Yet, it is a fallacy to equate effort with progress. Indeed, one could equally argue that these statistics show that software development is both inefficient and repetitive. It is also a nonsequitur to urge that a substantial growth rate in an industry without patent protection demonstrates that patent protection is unnecessary or undesirable. For example, the petroleum industry has recently enjoyed an even greater growth in dollar volume than the software industry, but that does not imply that an economical method of extracting oil from shale will be discovered sooner if the Patent Office denies coverage to that class of inventions.

When a person cites these reasons to justify denial of protection to a particular class of inventions, it is as likely that he doubts the value of patents generally as that he believes this restricted class of inventions ought not to enjoy patent protection.

B. Retrospective Limitations on the Patent Grant

The second constitutional issue, retrospective limitations on the patent grant, was addressed by the United States Supreme Court in *Graham v. Deere.* In *Graham,* the Court found a limitation on the power granted Congress under Article I, § 8 of the United States Constitution, holding that Congress could not grant patents “whose

34. *Id.* at 219, 100 U.S.P.Q. at 333.
35. Almost no one questions that a completely free market for innovations would result in a less than optimum level of innovative activity . . . .
38. *Id.* at D-3 n.13.
40. U. S. CONST. art. I, § 8, cl. 8:
effects are to remove existent knowledge from the public domain . . . ”.41

This issue, reflected in the novelty and nonobviousness requirements of patent law,42 is usually not addressed explicitly in software cases. However, it always seems to be present. As the C.C.P.A. noted recently in In re Warmus,43 the Patent Office Board of Appeals in that case had found subject matter deficiencies relevant in its discussion of obviousness. Yet, this mistake is not limited to the Board. In Flook there was no rejection on novelty grounds—the Patent Office admitted that the invention was novel and unobvious; yet, the government’s brief to the Supreme Court asserted that the application should be rejected for lack of invention.44

In Benson, a similar attack was made. The applicant elected to take the wholly accurate, but in the author’s view quite inadvisable, position that novelty and obviousness were not in issue.45 It would appear safer for an applicant to always assume that he has the burden of persuasion on the question of whether he has made a worthwhile contribution to the art, although this is quite difficult in an appeal to the C.C.P.A.46

C. Prospective Limitations on the Patent Grant

The third and most troublesome issue, as stated in Henry J. Kaiser Co. v. McLouth Steel Corp.,47 is that the Constitution does not permit an inventor “a monopoly broader than his invention.”48 The question then is what later inventions are properly covered by a patent? The many Supreme Court decisions on this issue were summarized in Ben-

The Congress shall have Power . . . To Promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries; . . .

41. 383 U.S. at 6, 146 U.S.P.Q. at 462.
44. The Government’s brief contends that the decision in Funk Bros. Seed Co. v. Kalo Inoculant Co., 333 U.S. 127, 76 U.S.P.Q. 280 (1974), requires that the discovery be treated as prior art and that the end use be an “inventive” application. 354 Pat., T.M. & COPYRIGHT J. (BNA), at D-1, D-5 & D-6 (Nov. 17, 1977).
46. The judicially-approved evidence of unobviousness (see, Graham v. John Deere Co., 383 U.S. 1, 148 U.S.P.Q. 459 (1966)), e.g., the level of skill in the art, is not part of the application and is not persuasive if submitted in affidavit form. Furthermore, if the subject matter rejection is withdrawn, it is not needed. At a later stage, the record is frozen and the introduction of such evidence is not then permitted.
48. Id. at 442, 150 U.S.P.Q. at 295.
son as holding that ideas, scientific truths, principles, phenomena of nature, and intellectual concepts are not patentable; only novel structures or useful applications of them are patentable.49

Two quite different, yet valid, propositions are involved in this holding. The first is that even the discoverer of a concept or property, such as the telegraph, telephone, directional antenna, or leakproof battery, may not obtain a monopoly on the concept or property itself; one can only patent the novel system which carries out the concept or displays the property.50 The second proposition is that even if one is the first to harness a new force, e.g., steam, solar power or atomic energy, he may not claim an exclusive right over every later system employing that force.51

A third, and related, though invalid proposition is that one cannot patent the useful applications of a discovery. As Justice Frankfurter observed in Funk Bros. Seed Co. v. Kalo Inoculant Co.,52 "...any patentable composite exemplifies in its properties 'the laws of nature.' [Such arguments] could fairly be employed to challenge almost every patent."53 Charles Goodyear discovered a law of nature when he heated raw rubber and sulfur to form vulcanized rubber. About the same time, John and Charles Hanson discovered that lead, when recently set, would reunite. This discovery allowed the production of cheaper and superior lead pipe. A century later another inventor discovered a new way of transforming one form of electrical signal to another. All three inventions involved discoveries of laws of nature. In the first, the patent was sustained for all uses for vulcanized rubber.54 In the second, the copier of the process secured a free license by convincing the Court that the patent must be limited to the claimed machine.55 In the third, the government itself convinced the Court to grant everyone a free license.56 The stated ground in both of the latter cases was that the latecomers had an absolute right to use the laws of nature.57

50. For instance, Morse did not invent the first telegraph. He did, however, invent the first long distance telegraph by inventing a relay or voltage amplifier. As such, his ambitious (and unnecessary) claim to "electromagnetism however developed for ... printing ... at any distance" was properly denied.
51. The inventor of the first steam engine, Newcomen, could not claim that Watt's improvement was an infringement. Newcomen achieved power from the condensation of steam, while Watt achieved power from the generation of steam.
53. Id. at 135, 76 U.S.P.Q. at 283.
57. Id. at 72, 175 U.S.P.Q. at 676, 3 CLSR at 262; LeRoy v. Tatham, 14 How. (55 U.S.) 156 (1852).
II. THE DECISION IN GOTTSCALK V. BENSON

Every decision since Benson, and every brief and argument in this area, has sought to explain the holding, rationale, thrust or thinking of Benson. Indeed, the Supreme Court itself has joined this chorus with the singularly ambiguous comment that its Benson holding was "limited."

Every litigant who has attempted to invoke Benson either in support of or in opposition to patents on software has had to either acknowledge or ignore the contradictory positions taken by the Court within the opinion itself. Perhaps Benson can best be understood by focusing upon these anomalies.

It is unlikely that the original draft of the majority opinion concluded that: (a) processes outside those recognized in prior precedents might be patentable; (b) some computer programs might be patentable; and (c) the holding had nothing to do with analog computers. The opinion acknowledges that "[i]t is said . . . that the decision negates each of these things." Yet, who could have said such things about an unwritten opinion? It could certainly not have been the parties, the public or the Bar, since none of them had access to, or knowledge of, the internal memoranda and discussions of the Court. These issues, the author suggests, were probably raised by other Justices of the Court in criticism of or proposed dissents to the initial draft of the opinion, and the entire last half of the opinion was probably rewritten as a compromise to prevent a 4-2 or perhaps even 3-3 split.

It is unusual, in marshalling support for an argument, to state that something is both tall and short or wide and thin. However, stranger things are known to happen in order to get unanimity from a committee, a legislature, or even a court. Justice Douglas' position on monopolies is well-known. Thus, it is quite in character for him to condemn with a rhetorical flourish claims "so abstract and sweeping as to cover

65. My experience . . . convinced me that controls on capitalism were obvi-
both known and unknown uses of the BCD to pure binary conversion." It is inconsistent, however, for him then to say that the claimed process covers the only practical use of the algorithm unless such a statement is made to secure the concurrence of fellow Justices.

It is rare for any court to squarely overrule its own prior decision or to admit an error, either factual or legal. In this case it is doubly unlikely to occur because it is unnecessary—Benson lost. The narrowest rule which will support the assumed facts is that one cannot patent a mathematical algorithm. Benson was also the "high water mark" for the broad position that no computer program is patentable. Justice Douglas specifically indicated that his opinion "[does] not so hold." Between these two extremes is a vast range of legal rules, sufficient to have defeated Benson, but narrow enough to allow patenting of some software inventions.

When it decides Parker v. Flook, the Supreme Court may enlighten everyone as to the true "rule" of Benson. It would be more useful, however, if the Court simply acknowledged that the Benson holding was clearer than the "rule," and set forth the "rule" to be applied in future software patent cases.

III. SOFTWARE AS APPARATUS OR PROCESS

Is an old computer with a new program, an old car with new spark

Free enterprise in the Jeffersonian sense freed the spirit and loosened all men's creative energies. ... I [shared] insight into the corporate world and its chicanery [and the need] to protect small and medium sized companies.


66. 409 U.S. at 68, 175 U.S.P.Q. at 675, 3 CLSR at 259.
67. Id. at 71, 175 U.S.P.Q. at 676, 3 CLSR at 262.
68. Allowance of claims 8 and 13 was reversed. Id. The Supreme Court opinion does not advert to the several claims which the Patent Office allowed. To date, however, no patent has issued to Benson, suggesting that all of the claims were later rejected by the Patent Office.
69. The rule of any case must be drawn from the facts as they are found by the court. In Benson, the Court found that the "process claim ... may ... be performed ... without any apparatus." Id. at 68, 175 U.S.P.Q. at 675, 3 CLSR at 259. Record evidence such as the requirement of storing signals in a "reentrant shift register," if thought by the reader to be inconsistent with the Court's decision, may have a good deal to do with the correctness of the decision, but nothing to do with the "rule" of Benson.
70. The opinion stated that the President's Commission on the Patent System in 1966 recommended that software not be patentable. Id. at 72, 175 U.S.P.Q. at 677, 3 CLSR at 262. Curiously, the opinion did not point out that this was a feature of the 1967 Administration patent revision bill (Section 106, S.1042, 90th Cong., 1st Sess. (1967), reprinted in the Appendix in this issue), which was withdrawn from further consideration after substantial criticism from the industry, the bar, and finally, the Administration itself.
71. 409 U.S. at 71, 175 U.S.P.Q. at 676, 3 CLSR at 262.
plugs, or an old paper-making machine with an elevated roll, a new machine? The answer to this question depends upon the answerers' definition of the term "machine." May a new program be claimed as a new machine, and does this aid the applicants' cause? These are legal questions, or at least questions which lawyers must, if asked, attempt to answer.

Courts are required in software cases to analyze the apparently mutually exclusive, statutory categories of "process," "machine," "manufacture" and "composition of matter" in light of the original constitutional mandate. The results of this analysis may take the Bar by surprise.

In In re Prater, the court rejected the process claims as not limited to a machine process. It then allowed the apparatus claims, solely on the basis that there were no "mental steps" involved, since the entire operation was performed by machine. The same year, in In re Bernhart, the court allowed a "system" claim. The only rejection was for obviousness, although the Patent Office also raised the question of novelty. The C.C.P.A. held that such machines were statutory subject matter.

Method claims were approved in In re Mahony and In re Musgrave. The latter opinion noted that operational steps in the technological arts made the method a statutory process. Benson also contained only method claims.

Method, use and apparatus claims were presented in In re Foster. The court, citing Musgrave, found that all three types of claims were directed to statutory subject matter. However, the court then rejected the method claims on the ground that the term "signals," as used in such claims, included visible signals which could be manually manipu-

73. U.S. Const. art. I, § 8, cl. 8, quoted in note 40 supra.
75. Id. at 1404, 162 U.S.P.Q. at 550, 2 C.L.S.R. at 48.
76. Id. at 1406, 162 U.S.P.Q. at 52, 2 C.L.S.R. at 51.
77. 417 F.2d 1395, 163 U.S.P.Q. 611, 2 C.L.S.R. 359 (C.C.P.A. 1969). The court correctly noted that the changes are invisible to the eye, and that its memory elements are differently arranged. The court concluded that if it is not a new machine, it is certainly a "new and useful improvement." Id. at 1400, 163 U.S.P.Q. at 616, 2 C.L.S.R. at 366.
78. Id. at 1401, 163 U.S.P.Q. at 617, 2 C.L.S.R. at 368.
80. Id. at 1400, 163 U.S.P.Q. at 616, 2 C.L.S.R. at 367.
83. Id. at 893, 167 U.S.P.Q. at 289-90, 2 C.L.S.R at 938.
lated,86 and that the specification therefore claimed more than what the "applicant regards as his invention."87 This holding rendered as dicta88 the prior statement that the method claims were statutory subject matter.89 The use and apparatus claims were allowed.90

In re Christensen,91 decided after Benson, presented a method claim with a mathematical equation as its novel feature. The court did not discuss the "technological arts" standard of Musgrave,92 but simply held that Benson precluded a claim where its novelty was the solution of a mathematical equation as the final step.93

Only apparatus claims were presented in In re Johnston.94 The Board had found them non-statutory on the ground that a patent on the apparatus would grant Johnston a monopoly over a method of banking.95 The C.C.P.A. reversed the Board, finding that "[r]ecord-keeping machine systems are clearly within the 'technological arts."'96 The majority rejected the Solicitor's suggestion that Benson was logically applicable.97 It noted that Benson involved process claims, while Johnston involved apparatus claims, and that Johnston encompassed neither a law of nature, a mathematical formula, nor an algorithm.98 Judge Rich dissented on the ground that the invention was a new program and Benson precluded patents on such inventions.99 He further asserted that the majority opinion distinguished Benson on the basis of form, and not substance.100

In In re Noll,101 the majority again limited Benson to process (method) claims, finding the decision inapplicable to the machine claims presented.102 The court distinguished between how an applicant

---

86. Id. at 1016, 169 U.S.P.Q. at 102, 2 CLSR at 1001.
87. Id.
88. Dic t a is defined as "opinions of a judge which do not embody the resolution or determination of the court." BLACK'S LAW DICTIONARY 540 (4th rev. ed. 1968).
89. 438 F.2d at 1015, 169 U.S.P.Q. at 101, 2 CLSR at 999.
90. Id. at 1016, 169 U.S.P.Q. at 102, 2 CLSR at 1001-02. Thus it would appear that these are better categories for software claims.
93. 478 F.2d at 1394, 178 U.S.P.Q. at 37, 4 CLSR at 69-70.
95. Id. at 768, 183 U.S.P.Q. at 175, 4 CLSR at 1497.
96. Id. at 771, 183 U.S.P.Q. at 176, 4 CLSR at 1501. (Emphasis in original.)
97. Id. at 771, 183 U.S.P.Q. at 177, 4 CLSR at 1502.
98. Id.
99. Id. at 773, 183 U.S.P.Q. at 179, 4 CLSR at 1506 (Rich, J., dissenting).
100. Id.
102. Id. at 149, 197 U.S.P.Q. at 727, 6 CLSR at 81.
perceives his invention, e.g., a new program, and how he presents it, e.g., a machine claim. This case and the companion case of In re Chatfield, involving method claims, were each decided by 3-2 majorities. Judges Lane and Rich dissented in both cases on the basis that claiming a machine, as opposed to a process, was merely the "drafter's choice" and that both were equally proscribed by Benson.

Judge Rich's dissent in Chatfield traced the history of the section 101 statutory categories from 1790 to 1952, and stated that the 1952 formulation of categories was a "mere modernization of language and a declaration of existing case law." Yet, if one considers that "useful arts" was the only category of patentable subject matter specifically set forth in the Constitution, the 1790 formulation of patentable subject matter—"any useful art, manufacture, engine, machine, or device, or any improvement therein"—drafted by the very signatories to the Constitution, could not have meant to include, as a first subclass, useful arts which were neither manufactures, engines, machines or devices. Nor could it have meant to include subclasses of manufactures, engines, machines or devices which were not useful arts. It could have meant only to state useful arts, e.g., manufactures, engines, machines, devices or improvements thereon. The initial category—"useful arts"—was all-inclusive. The additional categories must be seen as exemplary only, and not exclusive, or even mutually exclusive. An engine is today, as it was in 1790, first a manufacture, second a machine, third a device, and fourth an improvement on prior engines.

The 1952 Patent Act substituted the term "process" for the prior

103. Id. at 147, 197 U.S.P.Q. at 725-26, 6 CLSR at 78-79.
106. The categories of patentable inventions named in § 101 are an evolution from the first patent act of 1790 where they were named as "any useful art, manufacture, engine, machine, or device, or any improvement therein." The 1973 (sic) act changed it to "any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvement on any art, machine, manufacture, or composition of matter." The 1836 act, which established the first Patent Office, retained the identical language. The Consolidated Patent Act of 1870 (§ 24) simplified it to "any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvement thereof," language which was repeated in the Revised Statutes of 1874 (§ 4886) and which remained the same until 1952. The only change in the wording made by the Patent Act of 1952—which was not a change in substance—was the replacing of the word "art" by the word "process" (§ 101) coupled with a new definition in § 100(b) stating: "The term 'process' means process, art or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material," a mere modernization of language and a declaration of existing case law.

545 F.2d at 159, 191 U.S.P.Q. at 736-37, 6 CLSR at 63-64 (Rich, J., dissenting).
all-inclusive term "useful art." However, Section 100 confirmed the fact that there was no intended change, since it defined process to include "art." Thus, it would appear that the issue in every case is still whether an invention is a "useful art." If an invention is not a (modern) "process," it is not a (classic) "useful art," and therefore, not a "machine." On the other hand, if an invention is a "useful art," it is then a "process" and may also be a "machine."

The English language is unwieldy at best in describing technology. Was Goodyear's invention the "process" of vulcanizing rubber, or the "manufacture" of vulcanized rubber? Was Morse's invention the "process" of transmitting signals, or the telegraph "machine." It is simply easier to describe the contribution, the newness of certain inventions, as a process, or a machine, or a new use, depending upon the contribution itself. The Patent Office has used these categories to classify inventions for many years, and a large body of law has evolved as a consequence.

There is simply no reason for a decision on patentability to depend upon whether an invention is described as a process or machine. If, as Judges Rich and Lane believe, Benson proscribed all patents for program inventions, it necessarily prohibited patent coverage for programs, whether described as processes or machines. If, alternatively, Benson merely held that the mental solution of a mathematical formula is beyond the useful arts, it proscribed no invention within the useful arts, whether called a process or a machine.

IV. LEGISLATION—SOLUTION OR DILEMMA

The appeal to Congress in Benson for a legislative solution to the question of whether software should be patentable was re-echoed by the majority in Chatfield with a curious reverse twist. The court in Chatfield suggested that those who want to preclude the patenting of software should submit proposals to Congress. This was just the reverse of Justice Douglas' invitation in Benson for Congress to broaden statutory coverage to include "these programs." The Benson opinion began conventionally enough, posing the question of whether the claimed method was a statutory "process." It did

109. "If these programs are to be patentable, considerable problems are raised which only committees of Congress can manage. . . ." 409 U.S. 63, 73, 175 U.S.P.Q. 673, 677, 3 CLSR 256, 263 (1972) (footnote omitted).
111. See note 109 supra.
not mention the constitutional provision, nor was there any suggestion that the Court understood that a "process" might be the modern day "useful art" as set forth in the Constitution. The opinion concluded, on broad policy grounds, that the invention was not patentable. The Court held that Benson's invention was not a "process" and, by inference, was not a "useful art."

Thus, a proponent of legislation to permit software patents is faced with a dilemma. If the Benson invitation for congressional expansion of patent coverage was bona fide, then the policy arguments of that case do not apply to "useful arts," which Congress has statutorily defined as "processes." Yet, if these arguments take software outside "processes," they simultaneously take it outside "useful arts." Was not Congress, however unintentionally, invited by the Benson Court to perform either an unnecessary or unconstitutional act?

V. THE RULES SINCE BENSON

This section seeks to distill the "rule" of Benson, as delineated by the various decisions of the C.C.P.A. The case analysis, however, illustrates the uncertainty of the court, both as to the holding of the Benson and as to how the Benson holding should be applied to the variety of program-related patent claims presented. Each interpretation of the Benson "rule," as announced by the C.C.P.A., is set forth in brackets following the case which enunciated that interpretation.

While a logical division of programs is into systems and applications software, this division does not aid in the analysis of program patentability decisions in the C.C.P.A. since Benson. System inventions have been found patentable in Chatfield, but unpatentable in Waldbaum. Application programs have been found patentable in Flook, Noll, Deutsch and Johnston and unpatentable in Richman, de

---

113. Id. at 71-72, 175 U.S.P.Q. at 676, 3 CLSR at 262.
114. "Systems software" performs some basic machine functions necessary for all users regardless of the nature of their particular problems; "applications software" deals with a user's particular problem.
Castalet,\textsuperscript{122} Waldbaum\textsuperscript{123} and Christensen.\textsuperscript{124} Christensen\textsuperscript{125} presented an invention for oil exploration. Specifically, one could determine subsurface porosity by filling a bore hole with fluid, generating compression and shear waves, determining resultant values, and then computing the porosity by use of a novel quadratic equation. The court found that Benson prohibited patents where the point of novelty is the solution of a mathematical equation as the last step of the claimed method.\textsuperscript{126} [Rule 1: Math as the last step is unpatentable.]

A formula was the novel element in Flook.\textsuperscript{127} The process involved updating the value of alarm limits in an oil refinery. The applicant sought to distinguish Christensen on the ground that his calculation was not the last step of the claim. However, the examiner and Board rejected the application on the basis of Christensen.\textsuperscript{128} The C.C.P.A. reversed the Board, finding the thrust of Christensen to be its exact holding, and concluding that patentability was precluded only where there was no post-solution activity.\textsuperscript{129} The court also read Benson as condemning only claims which "wholly pre-empt"\textsuperscript{130} use of the formula, i.e., where the solution \textit{per se} would infringe. [Rule 2: Math alone is unpatentable.]

The court was correct in observing that one could solve the equation for the new alarm limit without infringing the claim. The claim clearly called for a last step of \textit{using} the information (the new alarm value) to adjust the control system.\textsuperscript{131} However, the unanswered question which remained was whether the court properly interpreted the "rule" of Benson.

Should a decisional rule of law be measured solely by the facts as found by the court, or by indisputably inconsistent, evidentiary facts appearing in the record? The rule of Benson, as stated by Flook,\textsuperscript{132} is wholly consistent with the factual findings of the Benson Court. Yet, it is quite inconsistent with the evidentiary facts in Benson. The Court in Benson found that the claimed invention was a method of transforming

\textsuperscript{123} In re Waldbaum, 559 F.2d 611, 194 U.S.P.Q. 465, 6 CLSR 415 (C.C.P.A. 1977).
\textsuperscript{125} Id.
\textsuperscript{126} Id. at 1394, 178 U.S.P.Q. at 37, 4 CLSR at 70. As is made quite clear in Judge Rich's concurring opinion (\textit{Id.} at 1395-96, 178 U.S.P.Q. at 38-39, 4 CLSR at 70-72 (Rich, J., concurring)), the court did not perceive the Supreme Court's Benson ruling to be "limited," as the Supreme Court itself later stated. \textit{See} note 62 \textit{supra} and accompanying text.
\textsuperscript{128} Id. at 22, 195 U.S.P.Q. at 10, 6 CLSR at 428.
\textsuperscript{129} Id. at 23, 195 U.S.P.Q. at 11, 6 CLSR at 429.
\textsuperscript{130} Id.
\textsuperscript{131} Id. at 22, 195 U.S.P.Q. at 10, 6 CLSR at 428.
\textsuperscript{132} \textit{See} note 130 \textit{supra} and accompanying text.
BCD numerals to binary.133 If this were so, and Claim 13 can be read as such,134 then anyone using the method in any context would infringe the claim. However, the Court also found Claim 8 unpatentable.135 Yet, the only way to infringe Claim 8 was to perform the calculations on a "re-entrant shift register." Doing them manually or using anything but a re-entrant shift register would not infringe the claim.

The court in Flook did not explicitly state what it construed the facts of Benson to be. A few months earlier, in Waldbaum,136 the C.C.P.A. noted an argument by appellant's counsel that the Court in Benson treated both claims together.137 While refusing to comment on the accuracy of that observation, the court stated that there was nothing in Benson to support that argument.138 Even with its deficiencies, the Flook gloss on Benson was at least an understandable rule. If one could practice an inventive algorithm or formula without infringing the claim, the claim was proper. That rule lasted exactly two months.

133. 409 U.S. at 63, 64, 175 U.S.P.Q. 673, 674, 3 CLSR 256, 256 (1972).
134. A data processing method for converting binary coded decimal number representations into binary number representations comprising the steps of—
   (1) testing each binary digit position i, beginning with the least significant binary digit position, of the most significant decimal digit representation for a binary "0" or a binary "1";
   (2) if a binary "0" is detected, repeating step (1) for the next least significant binary digit position of said most significant decimal digit representation;
   (3) if a binary "1" is detected, adding a binary "1" at the (i+1)th and (i+3)th least significant binary digit positions of the next lesser significant decimal digit representation, and repeating step (1) for the next least significant binary digit position of said most significant decimal digit representation;
   (4) upon exhausting the binary digit positions of said most significant decimal digit representation, repeating steps (1) through (3) for the next lesser significant decimal digit representation as modified by the previous execution of steps (1) through (3); and,
   (5) repeating steps (1) through (4) until the second least significant decimal digit representation has been so processed.

Id. at 74, 175, U.S.P.Q. at 677, 3 CLSR at 264.
135. Claim 8 reads:
   The method of converting signals from binary coded decimal form into binary which comprises the steps of—
   (1) storing the binary coded decimal signals in a re-entrant shiftregister,
   (2) shifting the signals to the right by at least three places, until there is a binary "1" in the second position of said register.
   (3) masking out said binary "1" in said second position of said register.
   (4) adding a binary "1" to the first position of said register,
   (5) shifting the signals to the left by two positions,
   (6) adding a "1" to said first position, and
   (7) shifting the signals to the right by at least three positions in preparation for a succeeding binary "1" in the second position of said register.

Id. at 73-74, 175 U.S.P.Q. at 677, 3 CLSR at 263-64.
137. Id. at 616, 194 U.S.P.Q. at 469, 6 CLSR at 424.
138. Id.
De Castelet’s invention was a method of generating a curve, using an algorithm and a computer to control either a milling or drafting machine. The Board found that the claim recited “a machine environment, a particular art or a particular end use.” The C.C.P.A. was again forced to recast the rule in Benson. It found “practical application” to be the key, asserting that the Benson opinion did not find the BCD-to-binary conversion in a data processing apparatus a “practical application” of the discovery, since the process had to use the information to achieve a result other than merely the solution of the equation. [Rule 3: The claim is unpatentable if there is no activity, i.e., practical application, following math.]

Implicit in Flook’s method of adjusting the alarm limit was using the new alarm limit. This presumably was the “post-solution activity” of Flook found lacking in de Castelet. Like Flook, the concluding step of de Castelet was the transferring of a signal to a model forming means, a milling machine or drawing machine. The claim did not recite what the means did with the information once received. Indeed, on a literal reading, the claims would be infringed if the means did nothing with the signal. As such, the C.C.P.A. found that the claim was directed to a process for solving a “set of mathematical equations per se.” In an aside, the court suggested that a more explicit use of the information in the last step would have altered the result. Thus, the rule of de Castelet may be nothing more than an exegesis of claims drafting.

Two recent cases involved inventions which improved the operations of computers themselves. The invention in Chatfield improved the priority allocations in a multi-programming system. Operations were periodically measured during execution, and the programs causing bottlenecks were assigned a lower priority for the ensuing period. In Waldbaum, the invention was concerned with making a register function as a counter.

Chatfield’s main claim contained the steps of analyzing system utilization and regulating resource access. Remarkably, this was found not to constitute an algorithm. The dependent claims

140. Id. at 1243, 195 U.S.P.Q. at 445.
141. Id. at 1239, 195 U.S.P.Q. at 442.
142. Id. at 1244, 195 U.S.P.Q. at 446.
143. Id. at 1244, 195 U.S.P.Q. at 446-47.
147. Id. at 157, 191 U.S.P.Q. at 735, 6 CLSR at 69.
contained explicit formulas. The rule, enunciated by the court, was that the algorithm was not preempted, since the claim was not infringed unless the entire claimed method was performed. Expressed otherwise, if the algorithm may be performed without infringing the claim, the claim is proper. In Benson, the Supreme Court was quite clear that use in a computer was the only practical use of the algorithm; and one may assume the same could be said of Chatfield's invention. In Chatfield, however, there was more than the mere solution of an algorithm. There was an additional step of "resuming the operation of the computing system" after the priority determination calculations. The Benson algorithm contained no such additional step.

Using the Chatfield test, it would appear that the Waldbaum claims should have been approved. The Waldbaum invention was not measured by that test. Rather, it was measured by two remarkably inconsistent tests, enunciated for the first time as the "rules" of Benson. First, the claim was found not limited to a practical application, and therefore "abstract and sweeping" and improper. Second, the claim was found to have no practical application except as disclosed.

Presumably either the first or second criticism could be leveled at every invention. For years after its discovery the laser had virtually no practical application; it was largely an exciting laboratory curiosity. Today, new and unexpected uses are appearing daily. A claim to the laser could have been rejected in 1958 under the second Waldbaum rule and could be rejected in 1978 under the first Waldbaum rule.

The Waldbaum application also contained use claims for the process of making a J-register count the busy lines in a telephone system. The "abstract and sweeping" scope of other claims was absent here. A patent with these use claims would instruct competitors how to use the invention and would reserve only one use to the inventor's assignee. These claims, however, were also denied on the ground that they would preempt the algorithm because no other use was disclosed.

Like Benson, the holding in Waldbaum is clear. The rule, however, is not. Should Waldbaum have disclosed another practical application for counters? Is optimizing a multi-programming computer more practical and less sweeping and abstract than counting lines in a telephone switching system? Did the court between November, 1976, and July, 1977, discover the real law, rule, or thrust of Benson?
Deutsch\textsuperscript{156} was argued the same day as Waldbaum, but was decided considerably sooner and with the opposite result. Deutsch disclosed an optimizing system for a multi-plant refinery, whereby the system is optimized less frequently than the individual plants.\textsuperscript{157} As far as the opinion indicates, the Deutsch process, as claimed, was the only practical use of the disclosed algorithm,\textsuperscript{158} no other use was disclosed. However, the Waldbaum-Benson rule was not applied. Rather, the C.C.P.A. held that the test of preemption was whether the algorithm was freely available apart from the purpose claimed.\textsuperscript{159} The court assumed that the answer was in the affirmative without stating whether the other uses had to be known, practical, or within the technological arts. This test is similar, if not identical, to that of Chatfield, and was undoubtedly inspired by the court's observation that Deutsch's invention was further removed from Benson than Chatfield.\textsuperscript{160}

The invention in Deutsch differed from that in Benson, Chatfield and Waldbaum in being an application rather than a system invention. It also differed in two respects thought significant enough for the court to note. First, it disclosed alternative enabling means.\textsuperscript{161} Second, the file contained an affidavit asserting that it was "fully conceivable" that the technique could be employed on a hard-wired or analog computer.\textsuperscript{162}

Richman made a mathematical discovery. His claim, like Flook's, was limited to a particular use, namely calculating a bore sight correction angle.\textsuperscript{163} Like Flook, the use to which this information was put was implicit, but suggested, by the disclosure of airborne radar.\textsuperscript{164} Under the Benson-Chatfield-Deutsch-Flook test there would have been no preemption, since the algorithm was freely available except for airborne radar bore sight corrections.\textsuperscript{165} That rule, however, was not mentioned.

The Richman process, which the court found both novel and obvious, involved the acquisition of certain data.\textsuperscript{166} The court could have, but did not, observe that these novel steps placed Richman further from Benson than either Chatfield or Deutsch. The court emphatically rejected the procedure of dissecting a claim into its old and new elements.\textsuperscript{167} According to the court, it is no bar to a patent that the novel

\begin{footnotesize}
\begin{enumerate}
\item\textsuperscript{156} In re Deutsch, 553 F.2d 689, 193 U.S.P.Q. 645, 6 CLSR 408 (C.C.P.A. 1977).
\item\textsuperscript{157} Id. at 690-91, 193 U.S.P.Q. at 646-47, 6 CLSR at 409-11.
\item\textsuperscript{158} Id. at 692-93, 193 U.S.P.Q. at 648-49, 6 CLSR at 413-14.
\item\textsuperscript{159} Id. at 692, 193 U.S.P.Q. at 648, 6 CLSR at 413.
\item\textsuperscript{160} Id.
\item\textsuperscript{161} Id. at 693, 193 U.S.P.Q. at 648-49, 6 CLSR at 414.
\item\textsuperscript{162} Id.
\item\textsuperscript{163} In re Richman, 563 F.2d 1026, 1027, 195 U.S.P.Q. 340, 341 (C.C.P.A. 1977).
\item\textsuperscript{164} Id.
\item\textsuperscript{165} Id. at 1028, 195 U.S.P.Q. at 342.
\item\textsuperscript{166} Id. at 1029, 195 U.S.P.Q. at 343.
\item\textsuperscript{167} Id.
\end{enumerate}
\end{footnotesize}
step is a mathematical calculation.\textsuperscript{168} A new test evolved: A claim is unpatentable if it is directed "essentially" to a method of calculating.\textsuperscript{169} The court termed this the decisive factor.\textsuperscript{170} It stated that neither the inclusion or exclusion of a formula in the claim was determinative of whether the claim was "essentially" a method of calculating.\textsuperscript{171}

The court was quite clear on what the Patent Office should say and not say when, upon dissection of the claim, it found novelty solely in an algorithm.\textsuperscript{172} By implication, it found Richman's claim, and perhaps Richman's entire invention, essentially a mathematical calculation. Neither the claim nor the opinion stated exactly what Richman proposed to do with the correction factor for the depression angle. This opinion was also classifiable as a lesson in claims drafting.

VI. CONCLUSION

Perhaps an analogy to another area of law is useful. For over a generation, the courts have expanded the thesis that no arguably innocent or unfairly treated person should be convicted of a crime. The unintended effect of this philosophy on both perpetrators and victims of crime, is now being recognized and a new balance is being sought. Similarly, the first rules advanced to prevent overly broad software protection have had the unintended side effect of factually stripping protection from meritorious inventors.

It is unrealistic to think that any simple formulation will ensure that every inventor receives exactly his due—no more, no less. It is not unreasonable, however, to hope that the courts will recognize that the patent system operates in the context of competing social interests, that all inventions come in degrees, that a balance is better than a bias in the governing rules, and that predictability is better than capriciousness in the application of these rules to particular facts.

\textsuperscript{168} Id. at 1030, 195 U.S.P.Q. at 343.
\textsuperscript{169} Id.
\textsuperscript{170} Id. at 1030, 195 U.S.P.Q. at 344.
\textsuperscript{171} Id.
\textsuperscript{172} Id.

\textbf{POSTSCRIPT:} On June 22, 1978, the Supreme Court announced its decision in \textit{Parker v. Flook}, reversing the C.C.P.A. by a vote of 6 to 3. Justice Steven's majority opinion construed the Morse case to require the process, not the algorithm, to be novel. It further asserted that post-solution activity was irrelevant, exalting form over substance. It concluded that the present statute, in light of prior precedents, prevented an expansion of protection. Justice Stewart's dissent found the claim within prior precedent and asserted that the majority was breaking new ground by importing novelty considerations into subject matter questions. [\textit{Ed. Note:} A further discussion of this, and other major cases decided since publication of this issue, will be contained in the first annual supplement.]