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Commercial Success as Evidence of Patentability

Cover Page Footnote

Assistant Professor of Law, Howard University. The author is indebted for the constructive criticisms and suggestions of a recent student of patent law, Christine D. LeFlore.

COMMERCIAL SUCCESS AS EVIDENCE OF PATENTABILITY

SPENCER H. BOYER*

[T]he patent system established under the Constitution of the United States has contributed . . . to the development of this country by furthering increased productivity, economic growth, and enhanced standard of living and has strengthened the competitiveness of our products in world markets; and

. . . [W]e have experienced vast technological advances . . . and industrial development continues to depend increasingly upon scientific and inventive endeavors . . .¹

I. INTRODUCTION

WHILE the patent system as a whole is vibrant and healthy (although in a state of flux)² portions of the law which it has engendered are in danger of becoming vestigial appendages. Because of the heuristic reasoning of the courts and the formulaic application of mechanical jurisprudence, the doctrine of commercial success—the step-child of the patent law—is in a state of ill health. To prevent further deterioration, the doctrine of commercial success needs to be reevaluated and placed in its proper perspective as one of the existing realities of life.

A showing of commercial success, *i.e.*, the widespread acceptance of a patented device in the market place, may be invoked by an applicant during the prosecution of his case before the patent office or by a patentee during the prosecution of his case before the patent office or during infringement litigation. The underlying theory is that whenever a device becomes a commercial success, uncommon ingenuity rather than ordinary skill was required to produce that device,³ the argument being that if uncommon ingenuity was not necessary, the device would have been discovered earlier and exploited in the marketplace.

That the patent system has played an important and ever increasing

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1. Exec. Order No. 11,215, 3 C.F.R. 299 (Supp. 1965).

2. See President's Comm'n on the Patent System, "To Promote The Progress of . . . Useful Arts" In an Age of Exploding Technology (1966) [Hereinafter referred to as Patent Report].

3. 35 U.S.C. § 103 (1964) sets forth one standard that the subject matter must meet if a patent is to be granted: "A patent may not be obtained . . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made." See also A. Smith, Patent Law Cases, Comments and Materials 559 (rev. ed. 1964).

role in fostering economic growth, and in promoting the general welfare of this country is well recognized.⁴ Not unlike the Constitution under which it was born,⁵ it is dynamic and growing, gathering content as the exigencies of the future unfold. The patent system is an amorphous, viable creation fully sensitive and responsive to social and economic change or evolution. Internal⁶ and external⁷ forces help fashion a system consonant with the spirit of the times.⁸ The attunement and responsiveness of the system to the demands of the time are evidenced in part by the protean nature of the standard of patentability,⁹ by the modification of the concept of "invention" from the philosophical to the pragmatic,¹⁰ and by the periodical revisions which the substantive patent law has undergone.¹¹

4. The patent system has been characterized as having three great objectives: "First, it aims to stimulate both invention and the assiduous search for new applications of knowledge, which is the basis of invention. It does this by placing the inventor in a position to secure a reward.

"Second, it seeks to create conditions whereby the venture of funds to finance the hazardous introduction into public use of new devices or processes will be warranted. This is done by protecting the industrial pioneer for a limited time against the uncontrolled competition of those who have not taken the initial financial risk.

"Third, it aims to prevent the creation of an industry permeated by the intense secrecy with regard to its processes which characterized the medieval guilds and which can only retard the realization by the public of the benefits of scientific progress. This it does by extending a temporary monopoly to those who, in keeping with the American ideal of openness and frankness, will make a full disclosure of their new ideas so that they may be utilized to the full by those skilled in a particular art." E. Goldstein, *Patent, Trademark, and Copyright Law, Cases and Materials* 2 (1959).

5. U.S. Const. art. I, § 8.

6. The Commissioner of Patents has wide latitude to change the rules of practice of the Patent Office. This authority is derived from 35 U.S.C. § 6 (1964) which provides: "The Commissioner [of Patents], under the direction of the Secretary of Commerce, shall superintend or perform all duties required by law respecting the granting and issuing of patents. . . . He may, subject to the approval of the Secretary of Commerce, establish regulations, not inconsistent with the law, for the conduct of proceedings in the Patent Office."

7. See Patent Report.

8. For other forces which help shape the patent system, see generally Mayers, *The United States Patent System in Historical Perspective*, 3 *Pat., Trademark & Copyright J. of Res. & Ed.* 33 (1959) [Hereinafter cited as *Mayers*].

9. The "inventive skill and mental process" necessary to evidence and sustain patentable invention has gone full circle from skill and ingenuity greater than possessed by an ordinary mechanic, *Hotchkiss v. Greenwood*, 52 U.S. (11 How.) 248, 266 (1850); and "flash of creative genius," *Cuno Eng'r Corp. v. Automatic Devices Corp.*, 314 U.S. 84, 91 (1941); to "obvious . . . to a person having ordinary skill in the art," 35 U.S.C. § 103 (1964).

10. The term "invention" is an imprecise word as used in the patent law. It may refer to the thing invented, i.e., the physical embodiment of the invention. 35 U.S.C. § 103 (1964) uses the term as synonymous with the "subject matter sought to be patented." A. Smith, *supra* note 3, at 449.

11. See 35 U.S.C.A. § 1, Tables I-IV, at xxvii-xxxiv (1954).

It is the purpose of this article to review the origin, development, and rationale of the doctrine of commercial success as evidence of patentability and, more particularly, to analyze the case law bearing on the issue of its probative value and the weight attached thereto.

II. BACKGROUND

A. *The Incentive Factor of the Patent System*

Financial reward has been shown to be a prime motivation of inventors.¹² This contrasts sharply with the view of the patent grant held by an early jurist, Justice Howard, who stated that the "monopoly granted to inventors was never designed for their exclusive profit or advantage; the benefit to the public or community at large was . . . doubtless the primary object in granting and securing that monopoly."¹³

Although a theory of reward to the inventor has been eschewed by some jurists, it was explicitly justified by the Framers of the Constitution.¹⁴ Altruistic motivation is insufficient as an incentive to invention.¹⁵ Inventors, as a whole, need the spur of profits as much as others whose creative and guiding activity is indispensable for human progress. Before any invention is perfected and marketed large sums of money are needed to develop and reduce to practice the original mental conception. Therefore, the inventor must either spend his own money or interest businessmen in his endeavors. Presently, research and development command a scale of expenditure which is possible only by application of the resources of government, private industry and institutions of learning.¹⁶ Unless there is a prospect of gain, the chances are that no money will be spent in developing the invention.

John T. Connor, former Secretary of Commerce, in discussing profit motivation has stated that:

Under the present patent . . . law in the United States, there is great incentive for owners and managers of businesses to support research scientists The results of the research of scientists in the form of inventions and discoveries may be patent rights . . . that substantially help the firm to . . . pay for the many research failures; and to provide the profits . . . and make available the necessary funds to build new facilities for the growing business.¹⁷

12. J. Rossman, *The Psychology of the Inventor* 152, Table 9 (1931).

13. *Kendall v. Winsor*, 62 U.S. (21 How.) 322, 327-28 (1858).

14. "The right to useful inventions seems with equal reason to belong to the inventors." *The Federalist* No. 43, at 267 (H. Lodge ed. 1888) (A. Hamilton).

15. J. Rossman, *supra* note 12. Of the ten motives or incentives for inventing listed by 710 inventors, altruism ranked very low. Only nine inventors cited altruism as their incentive.

16. Patent Report at 1.

17. Connor, *Innovators and Patents*, 6 *Pat., Trademark & Copyright J. of Res. & Ed.* 139, 142 (1962-63). At the time, former Secretary Connor was President of Merck & Co.

The purposes usually ascribed to the patent system inevitably include the encouragement of investment in the exploitation of the invention and provision of a means for rewarding the inventor. First, patent systems provide an incentive to invent by offering the possibility of reward to the inventor and to those who support him. This prospect encourages the expenditure of time and risk capital in research and development efforts. Second, and complementary to the first, patent systems stimulate the investment of additional capital needed for further development and marketing of the invention. In return, the patent owner is given the right, for a limited period, to exclude others from making, using or selling the invented product or process.¹⁸ The aim is to prize inventiveness and expansion rather than restraint or limitation of participation in economic and social affairs.

B. *Judicial Interpretation*

Although the patent system is primarily a creature of statute¹⁹ in this country, the courts have played the major role in conditioning its growth and development. The courts have decided how the law will recognize and protect the patent property, narrowing or expanding the standards established by the statutes. Many judges, with a characteristic monopoly-phobia,²⁰ have minimized the importance of commercial success as a patent validity indicator. Yet, the system was based on the economic exploita-

18. Patent Report at 2; Vernon, *The International Patent System and Foreign Policy*, Report prepared for Senate Subcomm. on Patents, Trademarks and Copyrights of the Comm. on the Judiciary, 85th Cong., 1st Sess. (1957). The national patent laws of the various sovereign governments of the world, to the extent that they have a common theme, grant patentees the right to prevent others in the grantor government's jurisdiction from making and selling the object or from using the process which is the subject of the patent. The underlying economic assumption in the grant of patent monopolies by governments to their own nationals is that the monopoly is essential to the stimulation afforded by the grant and it contributes more to the well-being of the nation than the inherent cost of the monopoly. It is even urged that, insofar as different products compete with each other for the same end-use, patent monopolies may tend to encourage competition by encouraging the creation of new "competitive" products. See also *Picard v. United Aircraft Corp.*, 128 F.2d 632, 642 (2d Cir. 1942): "[T]here seems still to be room for some kind of . . . monopoly which, through hope of rewards to be gained through such a monopoly, will induce venturesome investors to risk large sums needed to bring to the commercially useful stage those new ideas which require immense expenditures for that purpose."

19. 35 U.S.C. § 1 (1964). For a general outline of the statutory development see U.S. Dep't of Commerce, Patent Office, *Rules of Practice in Patent Cases* 1 (6th ed. 1968).

20. It is clear that "monopolies" limited, like the patent, in scope and derivation are compatible with our economic system. Judge Frank taking to task those who decry the patent monopoly pungently stated in *Eastern Wine Corp. v. Winslow-Warren Ltd.*, 137 F.2d 955, 958-59 (2d Cir. 1943): "There are some persons, infected with monopoly-phobia, who shudder in the presence of any monopoly. But the common law has never suffered

tion of the invention.²¹ Therein lies the conundrum of commercial success: a system exalting the commercial exploitation and success of invention for the public weal overseen by a judiciary which oftentimes fails to give proper significance to the widespread acceptance and commercial success of a device as evidence of patentable invention.²² What judicial acceptance there is ranges from the position that commercial success is only a make-weight in the scale,²³ to the opinion that it is "the weightiest proof obtainable determinative of invention."²⁴

Commercial success is not in itself determinative of patentable invention;²⁵ nor it is here proposed that it be used in any manner other than as an evidentiary tool. But the probative value of commercial success is inextricably intertwined with the standard of patentability. Moreover, the weight of commercial success as evidence of patentability rises and falls with individual definitions of patentable invention.

True, a well-worn maxim states that "commercial success will tip the scales of invention." Nonetheless, the question remains whether *maximus* or *de minimus* weight should be attached to commercial success. This question has long troubled the courts.²⁶

III. DEVELOPMENT OF THE CASE LAW

The early courts were almost unanimous in upholding the validity of a patent upon a showing of commercial success of the invention. The standard of patentable invention at this time was the test formulated in *Hotchkiss v. Greenwood*,²⁷ which required that an invention be the result of ingenuity and skill beyond that possessed by "an ordinary mechanic acquainted with the business."²⁸ Within this standard during the infancy of the patent law, the courts set forth a definitive, though rudimentary, test for evaluating the role of commercial success as a factor determinative of invention.

The landmark case of *Smith v. Goodyear Dental Vulcanite Co.*,²⁹ estab-

from such a neurosis No one seriously questions whether there should be some monopolies; the only question is as to what monopolies there should be, and whether and how much they should be regulated legislatively or curbed judicially." It is important to distinguish between the patent "monopoly" as a limiting device and the manner in which it is exercised.

21. See note 18 *supra* and accompanying text.

22. A. Smith, *supra* note 3.

23. *Hueter v. Compco Corp.*, 179 F.2d 416, 418 (7th Cir. 1950).

24. *Wahl Clipper Corp. v. Andis Clipper Co.*, 66 F.2d 162, 165 (7th Cir. 1933).

25. *Triumph Hosiery Mills, Inc. v. Alamance Indus., Inc.*, 299 F.2d 793 (4th Cir. 1962).

26. E.g., *Hollister v. Benedict & Burnham Mfg. Co.*, 113 U.S. 59, 72 (1885).

27. 52 U.S. (11 How.) 248 (1850).

28. *Id.* at 267.

29. 93 U.S. 486 (1876).

lished commercial success as a validity-favoring factor. The patent involved a new method of making dental plates by inserting artificial teeth into a rubber denture. After the insertion of the teeth into the gum, the dental plate was vulcanized to form a hard plate rigid enough for mastication yet pliable enough to yield in the mouth. The resultant device provided a cheap, durable substitute for gold plates theretofore used. The device wrought a revolution in the industry, completely dominating the field and displacing previous methods of making dental plates.³⁰ Although doubt as to the patentability of the invention existed, the court recognized that the patented device had gone into general use and had displaced all previously used, analogous devices. This overwhelming commercial success was sufficient to turn the scale in favor of patentability since the utility of the change as ascertained by its consequences is the practical test of the sufficiency of invention.³¹

Courts did not, however, apply the doctrine blindly, but took great care to trace the history of the patented object both during its development and in the market place.³² They took pains to explain why they embraced the doctrine of commercial success as a validity-favoring factor.

30. One dentist claimed the device to be the greatest improvement in dentistry in many years. Another was moved to even higher praise, proclaiming the invention as "a great benefaction to mankind." *Id.* at 495. The infringer hoping to discredit the invention contended that combining the artificial teeth with an elastic material and then using the well-recognized vulcanizing method to harden the material was not sufficient to constitute invention. *Id.* at 497.

31. *Id.* at 495-96.

32. The Smith rule of recognizing displacement of analogous devices by a patented device and the concomitant commercial success of the patent as a validity-favoring indicia was cited with approval in *The Barbed Wire Patent*, 143 U.S. 275 (1892). Previous to the patent in suit, many diverse methods had been employed to prevent cattle from straying from their grazing areas. The concept of barbed wire was not new; however, previous attempts to manufacture barbed wire were expensive and impractical. The adoption of this device was immediate and widespread and became the standard fence in the cattle industry. Nor did this fact escape the court which held that the universal acceptance of the patented barbed wire was indicative of invention.

In *Magowan v. New York Belting & Packing Co.*, 141 U.S. 332 (1891), another early case, a patented method for stuffing boxes of pistons with a backing of pure vulcanized rubber rather than the previous use of piles of cloth on canvas coated together and vulcanized was in question. The court held the patent valid stating: "a fact not to be overlooked and having much weight, [was] that the Gately packing went at once into such an extensive public use, as almost to supersede all packings made under other methods . . . that fact was pregnant evidence . . ." *Id.* at 343.

Even where the question of patentability of the device was not free from doubt, as in *Topliff v. Topliff*, 145 U.S. 156, 164 (1892) the court held that "in view of the extensive use to which these springs have been put by manufacturers of wagons, [we are inclined] to resolve the doubt in favor of the patentees . . ."

The *Smith* rule was challenged in 1891 in *McClain v. Ortmayer*.³³ The patentee relied on the commercial success of the device. Mr. Justice Brown, in finding the patent invalid, discounted the value of commercial success and implicitly rejected the *Smith* rule, stating: That "the extent to which a patented device has gone into use is an unsafe criterion even of its actual utility, is evident from the fact that the general introduction of manufactured articles is as often affected by extensive and judicious advertising, activity in putting the goods upon the market and large commissions to dealers, as by the intrinsic merit of the articles themselves."³⁴ The court cautioned that patents might be secured upon trifling variations such as attractive packaging methods if generality of sales was made the test of patentability.³⁵

Implicit in the analysis was the apprehension that one would secure a monopoly without having made the slightest contribution of value to the useful arts. The court appeared to have been side-tracked by this issue and failed to fully comprehend the importance of commercial success. Justice Brown's discussion of commercial success would seem, however, to be more than dicta. Commercial success was judged in terms of the effect attractive packaging and energetic promotion *might* have on the sales of *patented medicines*.³⁶ But the law has tests of invention other than subtle conjectures of what might have been. Mr. Justice Brown did not apply his hypothesis to the patent in question, thereby failing to determine whether or not the success of the invention at issue was due to active sales promotion, advertising, attractive packaging³⁷ or whether success could, in fact, be attributed to its merits. No effort was made to trace the patented device in the market place as was done in the *Smith* and *The Barbed Wire Patent*³⁸ cases. Further, Mr. Justice Brown appears to have misinterpreted the probative value attached to commercial success by prior courts as a validity-favoring factor. Commercial success was discussed by him in terms of "criterion"³⁹ and "test of patentability"⁴⁰ as if it were the *sole* indicia of patentability. The courts in *Smith* and *Topliff v. Topliff*⁴¹ did not intend that commercial success supersede all other tests of patentability or be the dominant test. They recognized

33. 141 U.S. 419 (1891).

34. *Id.* at 428.

35. *Id.*

36. *Id.*

37. *Id.*

38. 143 U.S. 275 (1892).

39. 141 U.S. at 427.

40. *Id.*

41. 145 U.S. 156 (1892).

the probative value of commercial success in a doubtful case and used it accordingly to resolve the doubt in favor of the patentee.⁴²

Courts were divided for the next forty years in their approaches to commercial success. In 1914, the ninth circuit in *Sherman-Clay & Co. v. Searchlight Horn Co.*⁴³ announced that it was proper to charge a jury that, absent evidence that the success was due to any cause other than the merits of the device, the fact that a device had gone into general use and had supplanted other devices used for a similar purpose was sufficient evidence of invention. Once the patentee showed commercial success of the patented device the burden would be on the antagonist to show that the commercial success was not due to the intrinsic merits of the device.⁴⁴ In that case the court traced the history of the patented phonographic horn in the market place, noted that everybody wanted the patented horn rather than the old model,⁴⁵ and found nothing which tended to show that the extensive use of the patented phonographic horn was due to any cause other than the merit of the device.⁴⁶

The careful analysis of the commercial success of the device by the court in *Sherman* showed the merits of the device to be the cause of its commercial success. However, this careful analysis was not evidenced by Mr. Justice Brown in *McClain*, where comparatively wide use of a patented device was held not to show requisite novelty and invention. *McGhee v. Le Sage & Co.*⁴⁷ discussed aggressive agencies, generous advertising, and attractive pricing,⁴⁸ without applying these factors to the commercial success of the patent in issue.

During the 1930's commercial success emerged as a dominant issue in much of the patent litigation. In the preceding forty years few courts had gone beyond the general usage theory as espoused in *Smith* or the advertising and vigorous promotion theory expressed in *McClain*. In order to further establish commercial success as a fallible indicia of patentable invention, other factors which could contribute to the commercial success were introduced.

*Paramount Publix Corp. v. American Tri-Ergon Corp.*⁴⁹ introduced the concepts of a newly-available method and the satisfaction of a long-felt

42. Both cases held that the showing of commercial success of the patented devices in view of all the facts was sufficient to establish patentable invention.

43. 214 F. 86, 94 (9th Cir. 1914).

44. *Id.* at 92-93.

45. *Id.* at 93.

46. *Id.* at 94.

47. 32 F.2d 875 (9th Cir. 1929). The patent was directed toward a u-shaped drapery hook which the court did not consider worthy of patent protection.

48. *Id.* at 876.

49. 294 U.S. 464 (1935).

need. The patentability of a process for producing a combined sound and picture film was in issue. The patentee introduced voluminous evidence to show that the film produced by the patented process was more useful than any film produced by any other method and had found all but universal acceptance. The court dismissed the evidence of utility and prompt acceptance, concluding that such factors added little weight to the claim of invention.⁵⁰ It was conceded that where a method or device satisfied an old or recognized want, invention was to be inferred. But the court felt that the need or want had to be old and recognized.⁵¹

Before the patented process became available, motion pictures were silent and there was no generally recognized demand in the motion picture industry for the reproduction of sound to accompany motion pictures. The patentee with his new process created that demand, but the court with unfathomable logic discounted the success which the process enjoyed. The court in effect stated that there could be no demand for a thing which did not exist because it was not known. But when that thing did come into being the demand which it engendered and the consequent success it enjoyed could not be counted because the things coming into creation caused their own demand.⁵² The aphorism "necessity is the mother of invention" appears to have escaped the court. The patentee was ahead of his time and invented a process which completely revolutionized an industry. The industry recognized the merit of the invention and promptly adopted it independent of aggressive sales tactics or extensive advertisement as complained of in *McClain*. Nothing would stifle technological advance or produce trifling variations of known methods more than the test proposed in the *Paramount* case, that is, having the inventor wait until there was a well recognized need before giving birth to an idea. The commercial success of pioneer inventions as a validity-favoring factor would be of no value under the holding in the *Paramount* case.

An earlier case in the same vein was *Dubilier Condenser & Radio Corp. v. Aerovox Wireless Corp.*⁵³ The *Dubilier* patent related to a radio receiving set condenser provided with means to keep the elements constituting the stack or the body of the condenser pressed together firmly and to prevent loosening or separation of the plates. The issue was whether the condenser developed by Dubilier embodied merely mechanical adaption or whether it constituted a new combination meriting patent protection. The patentee attempted to show that the device manufactured

50. *Id.* at 474.

51. *Id.*

52. *Id.* at 476.

53. 37 F.2d 657 (2d Cir. 1930).

under the patent achieved a wide market and was extensively imitated. The court brushed aside this argument by stating that it could not predicate validity of the patent on *mere* commercial success.⁵⁴ The commercial success of the patented device was attributed by the court to the phenomenal growth of the radio industry coincidental with the marketing of the device. Even though there was an expanding market which could, in part, account for the commercial success of the device, the court failed to determine if this was *in fact* the reason for the success of the device, rather than the intrinsic merit of the device. As in previous cases in which the doctrine of commercial success was excoriated, the court found factors, other than the merits of the device, which could possibly account for commercial success and stopped at that point without a further exploration of the ramifications and exigencies of the market place.

A more sympathetic approach was taken in *Electric Machinery Manufacturing Co. v. General Electric Co.*⁵⁵ The industry had been waiting for a reliable automatic system of control to make the advantages of synchronous motors available in a wider field. The patentee invented such a control system, which was immediately seized and put into widespread use. Holding the patent valid, the court declared that there was "[n]o doubt [that] there were other contributing causes for the increased use of such motors, but fairness must compel them to take second place and give the lion's share of the credit"⁵⁶ to the inventor for the opening of new fields for synchronous motors.

Here, unlike *Paramount*, the court realized that the demand for the patented device and the resultant commercial success, were evidence of a patentable invention. The invention opened up new areas in which the synchronous motor could be used, and, consequently, was commercially successful. The court accordingly placed great weight on this showing of commercial success as a validity-proving factor.

After a period of indecision, the Ninth Circuit in 1939 reevaluated its view of commercial success and reasserted its 1914 position that a showing of immediate commercial success spoke strongly of invention.⁵⁷

54. *Id.* at 660 (emphasis added).

55. 88 F.2d 11 (2d Cir.), cert. denied, 301 U.S. 702 (1937).

56. *Id.* at 14-15.

57. *Research Prods. Co. v. Tretolite Co.*, 106 F.2d 530 (9th Cir. 1939). "The patent covers a process for treating petroleum emulsions for the purpose of recovering the oil contained in the emulsion. . . . The problem claimed to have been solved by the process patented is that of freeing the oil imprisoned within or outside, the small globules of oil and water making up the emulsion which comes from the oil well in that form. The emulsion is of no practical use as a fuel, and was a waste product until some means was developed for breaking [down] the emulsion thus setting free the oil imprisoned therein. Two other means had been employed for that purpose; the use of electric current, and of

Perhaps the most complete analysis and best exposition of the anatomy of the doctrine of commercial success as a validity favoring factor was set forth by the court in *Wahl Clipper Corp. v. Andis Clipper Co.*⁵⁸ Discussing the approach to be taken in applying the doctrine of commercial success, it stated that "the determination of this question . . . unfortunately is not solvable with any mathematical nicety nor certainty . . ."⁵⁹ As to the weight to be attached to a showing of commercial success, the court concluded that it must indulge in some speculation as to the value of the patented article and the likelihood that one skilled in the art would be readily able to solve the problems involved in the patent.⁶⁰ Although the standard of patentability was still ostensibly that announced in *Hotchkiss*,⁶¹ the court felt disposed to differentiate between the concept of inventive genius and the opposing *Hotchkiss* concept of the mechanic skilled in the art. Rather than compare the two the court concluded that "it would seem safer and more accurate to study the product itself and, if possible, ascertain the verdict of the public—the ultimate beneficiary of the contribution."⁶² Commenting on the probative value of commercial success the court added that "[i]n most instances the judgment of those who pay their money to secure the benefits of the patented article is . . . better than the opinion of experts or the speculation of an arbitrator."⁶³ Thus, after laying the foundation by explaining its approach to the question and by setting forth the public's role in accepting the device, the court set forth the weight to be attached to commercial success. "Inasmuch as experience is more reassuring than theorizing, and history more certain than prophecy, so the test of public approval, if uninfluenced by detracting factors, must afford the *weightiest proof obtainable* determinative of invention."⁶⁴ As a means to determine the validity of the patent, the court was well aware of the necessity for tracing the development of the invention itself and its subsequent history in the market place. Noting that the patent statute was enacted to promote the useful arts,⁶⁵ it stated that "it is more important to study those developments of the

centrifugal force. The patentee conceived the idea of using chemicals to produce the desired result. . . . The use of this type of chemical was highly successful and . . . resulted in the recovery of over a billion barrels of crude oil, at a relatively small cost." *Id.* at 532. Tracing the history of the patented process in the market place, Circuit Judge Wilbur declared that "[s]o great and immediate a success speaks strongly of invention" *Id.*

58. 66 F.2d 162 (7th Cir. 1933).

59. *Id.* at 164.

60. *Id.*

61. 52 U.S. (11 How.) 248 (1850).

62. 66 F.2d at 165.

63. *Id.*

64. *Id.* (emphasis added).

65. *Id.*

art which are bright with use in the channels of trade than to delve into abandoned scrap heaps and dust-covered books which tell of hopes unrealized and flashes of genius quite forgotten."⁶⁶

The court saw before it a commercially successful, patented device which fulfilled the constitutional mandate to promote the useful arts⁶⁷ and which was "bright with use in the channels of trade . . ."⁶⁸ But the court was not unmindful of the objections raised in *McClain*⁶⁹ to using commercial success as a validity-favoring factor. The court felt that these co-acting factors should be closely scrutinized to ascertain whether increased sales were attributable to the merits of the device or to advertisement. Recognizing that there was advertising genius as well as inventive genius,⁷⁰ a careful analysis of the facts would reveal if inventive genius was indeed the cause of the commercial success of the patented device.

Other factors which could contribute to the commercial success of a patented device were analyzed. These factors included: "an intensive sales drive, a consolidation of competing industries, an abandonment of the manufacture of an old article, the happy use of a trade name, a sharp revival of business, or any other means which an alert management of an industry successfully adopts to sell a nationally used article."⁷¹ It is necessary for the court to closely scrutinize all of these factors⁷² and to determine if some are merely coincidental; it will not suffice for the courts to find one of these factors to exist and conclude it to be the sole cause of commercial success. "It is quite true that advertising and the ability to advertise, should not be overlooked."⁷³ Nor should any other factors be overlooked. "However, where the patented article obviously has merit and does its work in a perfect manner, as it is designed to do, it will not do to say that the entire commercial success is due to advertisement."⁷⁴ If "the public has given its tribute [of acceptance], the judge should accord to the creator of the article the title of inventor."⁷⁵

A. *Commercial Success Under the "Flash of Genius" Standard of Patentability*

The period from 1942 to 1951 saw the role of commercial success as a validity-favoring factor of patentable invention become even more mud-

66. *Id.* at 165.

67. U.S. Const. art. I, § 8.

68. 66 F.2d at 165.

69. 141 U.S. 419 (1891).

70. 66 F.2d at 165.

71. *Id.*

72. *Id.*

73. *E. R. Wagner Mfg. Co. v. Porter Steel Specialties*, 116 F.2d 63, 67 (7th Cir. 1940).

74. *Id.*

75. 66 F.2d at 165.

dled. The question of commercial success was raised in approximately 180 cases on or above the district court level with the courts expressing approval of the doctrine in one-third of the cases during the period.⁷⁶ The fate of patents did not fare well during this period. The Supreme Court raised the standard of patentability stating that a device must not only be new and useful but must also be an "invention" or "discovery" revealing a "flash of creative genius."⁷⁷

Of the 22 patents adjudicated by the Supreme Court from 1940 to 1949, the Court invalidated 77.3 percent.⁷⁸ The passion of the Court for invalidating patents caused Mr. Justice Jackson, dissenting in *Jungersen v. Ostby & Barton Co.*,⁷⁹ to lament that "the only patent that is valid is one which this Court has not been able to get its hands on."⁸⁰ During this same period, in the courts of appeals, the patent mortality rate was 76.6 percent.⁸¹

With patents in such disfavor with the courts, the significance of commercial success as an element to be considered in making a patent validity determination was markedly diminished. A pair of Supreme Court cases practically debilitated the doctrine. The first of these was *Jungersen*. The patent involved a method for casting articles of intricate design by putting a first mold of flexible material, such as rubber, around the article, covering this with a plaster of paris mold, and melting out the first mold. Equating this with the *cire perdue* or lost wax process of the 16th century, the court held invalid all the claims of the patentee. With respect to the commercial success of the method, the court said: "[T]he fact that this process has enjoyed considerable commercial success, however, does not render the patent valid . . . Where, as here, however, invention is plainly lacking, commercial success can not fill the void."⁸² Dissenting vigorously, Mr. Justice Jackson declared that "[o]f course, commercial success will not fill any void in an invalid patent. But it may fill the void in our understanding of what the invention has meant to those whose livelihood, unlike our own, depends upon their knowledge of the art."⁸³ Mr. Justice Jackson, realizing the importance of tracing the history of the patented process in the market place, added that the patent-

76. The author analyzed approximately 180 cases litigated during this period where the doctrine of commercial success was invoked by the patentee.

77. *Cuno Eng'r Corp. v. Automatic Devices Corp.*, 314 U.S. 84, 91 (1941).

78. Only five of the 22 patents adjudicated during this period were held valid. *Mayers* at 51, app. A.

79. 335 U.S. 560 (1949).

80. *Id.* at 572.

81. Courts of appeals adjudicated 697 patents from 1940 to 1949. The courts upheld the validity of only 163 of these patents. *Mayers* at 52, app. B.

82. 335 U.S. at 567.

83. *Id.* at 571.

ee's success was not due to the gullibility of the public or marketing magic, but was grounded on the hard-headed judgment of a highly competitive and critical industry.⁸⁴

Later the Court emphasized the limit to which commercial success may bolster validity. "The Court of Appeals and the respondent both lean heavily on evidence that this device filled a long-felt want and has enjoyed commercial success. But commercial success without invention will not make patentability."⁸⁵ With such a high standard of patentability the doctrine of commercial success was of little value. The invention either met the standard of patentability or was invalidated. The court's view was veiled to all other factors except that of inventive genius. "[T]o justify a patent, [the device] had to serve the ends of science—to push back the frontiers of chemistry, physics, and the like; to make a distinctive contribution to scientific knowledge."⁸⁶

Almost prophetically, Judge Learned Hand tried to forestall this interpretation of patent grants when he found: "[T]he invention has had a most exceptional success; the business of one of the plaintiffs which had been threatened with extinction . . . has become stable, its sales have risen to several million a year. Other seals, like rubber rings and paper gaskets have practically disappeared."⁸⁷ His theory was that "great pioneer [inventors] . . . need no patents to call them forth . . . The patent law is aimed at animating a lower order of skill and imagination."⁸⁸ Judge Hand recognized the probative value of commercial success in evaluating the validity of these "lower order" inventions and placed great emphasis on commercial success in determining the validity of patents.

To further cloud the picture, the test set forth in *Cuno Engineering Corp. v. Automatic Devices Corp.*⁸⁹ was seemingly ignored in *Hutzler Bros. Co. v. Sales Affiliates Inc.*⁹⁰ by the Fourth Circuit. Declaring the patent valid and infringed upon, the court stated that "there is unquestioned force in the district court's suggestion that commercial success

84. *Id.*

85. *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 153 (1950). The patent covering a three-sided frame for moving groceries at a supermarket check-out counter was invalidated by the court.

86. *Id.* at 154.

87. *Dewey & Almy Chem. Co. v. Mimex Co.*, 124 F.2d 986, 990 (2d Cir. 1942).

88. *Id.*

89. 314 U.S. 84 (1941).

90. 164 F.2d 260 (4th Cir. 1947). The patent in suit dealt with a composition for the removal of hair from living skin. Depilatories were known but all had a noxious and objectionable odor of rotten eggs and caused skin irritation and burns. Prior depilatories were composed of alkaline compounds of inorganic sulfides. The patent in suit replaced the sulfides with mercaptans (thiogylic acid in particular), an alkaline reacting material such as lime and perfume material.

is a factor of probative value on the question, in close cases, whether a patent actually involves novelty and invention."⁹¹

The Supreme Court itself added to the confusion by its decision in *Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.*⁹² In the opinion of the district court judge, the new "cell met with immediate commercial success due to the advantages of its construction and not to extensive advertising."⁹³ The Supreme Court affirmed the decisions of the district court and the court of appeals holding the patent valid saying:

During a period of half a century, in which the use of flashlight batteries increased enormously, and the manufacturers of flashlight cells were conscious of the defects in them, no one devised a method of curing such defects. Once the method was discovered it commended itself to the public as evidenced by marked commercial success. These factors were entitled to weight in determining whether the improvement amounted to invention and should, in a close case, tip the scales in favor of patentability.⁹⁴

Mr. Justice Black, in a dissenting opinion, felt that "the use of solid containers to hold liquids predated the dawn of written history."⁹⁵ In a separate dissenting opinion, Mr. Justice Jackson expressed his thought that the court of appeals should have determined whether the success was due to the new product or the increased demand from the war, before relying so heavily on the commercial success.⁹⁶

B. *Commercial Success Under the "Obviousness" Standard of Patentability*

In order to stabilize the law and minimize the extreme degree of strictness toward patents exhibited by the Supreme Court, section 103 of the Patent Act was enacted in 1952.⁹⁷ To constitute a patentable invention

91. *Id.* at 267.

92. 321 U.S. 275 (1944). The patent involved was directed toward a leak-proof dry cell flashlight battery. Conventional dry cells, having a cup-like zinc electrode containing a central carbon electrode, a viscous liquid electrolyte and a depolarizing mix, were utilized. The alleged invention resided in surrounding these dry cells with an insulating material and an outer metallic sheath.

93. *Id.* at 278.

94. *Id.* at 279 (footnote omitted).

95. *Id.*

96. *Id.* at 280.

97. 35 U.S.C. § 103 (1964) states: "A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made." The intention behind § 103, as expressed in Committee Reports, is that the new section "should have a stabilizing effect and minimize great departures which have appeared in some cases"

the subject matter sought to be patented could not be obvious to one of ordinary skill in the art.⁹⁸ The flash of genius concept was repudiated.⁹⁹ However, the doctrine of commercial success still fared poorly. As late as 1964, the District Court for Mississippi stated: "The fact that there has been commercial success will not create patentability, for creative genius is needed."¹⁰⁰

After passage of section 103, the First Circuit, still adhering to the strict test of patentability announced in *Cuno*, conceded commercial success and satisfaction of a long felt need but, nevertheless, held the patent invalid, stating:

[G]reatly increased efficiency, coupled with the make-weight factors of commercial success and supplying a felt need, can not in combination support a conclusion of invention as a matter of law. But in view of the strictness with which the Supreme Court in recent years has applied the classic test of invention, an increase in efficiency, when no novel principle is involved, must be rather extraordinary to warrant patent protection.¹⁰¹

The court completely ignored the section 103 test for obviousness, and the relation that commercial success has to it. The standard of patentable invention under section 103 was a basic codification of the *Hotchkiss* standard;¹⁰² the doctrine of commercial success should accordingly have taken on new life.¹⁰³

and may well represent a repudiation of the strict judicial attitude of recent years and a return to a test similar to that of *Hotchkiss*. Federico, Commentary on the New Patent Act, 35 U.S.C.A. 1, 22-23 (1954).

98. 35 U.S.C. § 103 (1964). In *Allen v. Standard Crankshaft & Hydraulic Co.*, 323 F.2d 29 (4th Cir. 1963), the court declared: "In approaching the question of obviousness, however, judges should mistrust their subjective notions if there are objective indicia to guide their judgements." *Id.* at 34. The court went on to observe that it "should not convert its simplicity into obviousness in the face of hard proof of a recognized need for the answer . . . by people of skill in the art, of recognition by the industry that the claimed invention was the answer, and of its prompt adoption with attendant commercial success." *Id.* (footnote omitted).

99. 35 U.S.C. § 103 (1964) specifically states that "[p]atentability shall not be negated by the manner in which the invention was made." Therefore it would matter not whether the invention was made through long, laborious trial and error, by accident, or by a flash of genius.

100. *Zero Mfg. Co. v. Mississippi Milk Producers Ass'n*, 232 F. Supp. 720, 723 (S.D. Miss. 1964), *aff'd*, 358 F.2d 853 (5th Cir.), *cert. denied*, 385 U.S. 841 (1966).

101. *Ellis, Inc. v. Denis*, 224 F.2d 311, 312 (1st Cir. 1955).

102. The legislative reports suggest that Congress intended § 103 to be a codification of the *Hotchkiss* standard. See H.R. Rep. No. 1923, 82d Cong., 2d Sess. 7 (1952); S. Rep. No. 1979, 82d Cong., 2d Sess. 6 (1952).

103. As stated heretofore, the underlying theory of commercial success of a patented device is that, if that device becomes a commercial success, it is evidence that uncommon ingenuity rather than ordinary skills were required to produce the invention. The doctrine does not operate when the invention is clearly anticipated under § 102 of the Patent Act.

The Second Circuit, in deciding *Deering, Milliken & Co. v. Temp-Resisto Corp.*,¹⁰⁴ reverted to the heuristic reasoning of *McClain*¹⁰⁵ decided almost 100 years earlier. The court cautioned against relying too heavily on commercial success, especially in view of the availability of modern advertising techniques.

On the subject of invention the Special Master relied almost exclusively on favorable acceptance by the consuming public and "a recognized want of a product . . . coupled with unsuccessful attempts to produce it." The commercial success of almost every new article which has appeared on the market in recent years is the result of intensive advertising campaigns. In fact it is a primary function of good advertising to make the public conscious of a long felt want for the first time—a process not dissimilar to starting a tradition. A conclusion of invention derived from this circumstance, however, does an injustice to this modern-day art of salesmanship.¹⁰⁶

To further complicate matters the Second Circuit in the same year seemingly did an about face in *Norman v. Lawrence*,¹⁰⁷ basing its decision on phenomenal commercial success:

It is true that courts have again and again evinced repugnance to recognizing as patentable a trivial readjustment of existing elements into a new combination, apparently insisting that monopolies should be limited to new assemblages of old elements that are important and imposing. That disposition will no doubt continue; it is hard to attach value to a trifling modification of a gadget that has arisen on the surface of a stream of novelties because it has found immediate favor. We can only reply that, while the standard remains what it is, we can see no escape from measuring invention in cases where all the elements of the new combination had been long available, (1)

In other words, a plain absence of invention is not overcome by evidence of commercial success. Nor should it be. But, even in cases where there is no anticipation under § 102, the courts, at this late date, are still at odds as to the value of commercial success.

104. 274 F.2d 626 (2d Cir. 1960). Metal treatment of fabrics for retaining body heat was the basis of the patent involved. Metallic flakes were applied to the fabric in such a manner as not to affect its porosity or pliability. The prior art contained a number of patents, disclosing fabrics coated with a binder and metal particles, many of which were concerned with pliability and porosity. Cf. *England v. Deere & Co.*, 182 F. Supp. 133 (S.D. Ill.), aff'd, 284 F.2d 460 (7th Cir. 1960), cert. denied, 365 U.S. 870 (1961), in which the court affirmed the validity of a patent on a new twine holder for hay baling machines. For the legal effect of its success, the court relied on a statement in *Ray-O-Vac Co. v. Goodyear Tire & Rubber Co.*, 136 F.2d 159 (7th Cir. 1943), aff'd, 321 U.S. 275 (1944): "The court found the patent to be valid and infringed. There was considerable oral testimony given as to the wide acceptance of the product immediately following its appearance on the market. . . . Such evidence bore directly upon the plaintiff's contention that the invention was not obvious. . . . The public appraisal of a new article's worth, evidenced by its prompt acceptance, outweighs, in some cases, a volume of opinion evidence given by professional experts." Id. at 160.

105. 141 U.S. 419 (1891).

106. 274 F.2d at 632-33.

107. 285 F.2d 505 (2d Cir. 1960). The patent in suit involved an earring pad for holding an earring to the wearer's ear. Invention was alleged to reside in the combination of a pad and a rubber pocket. Both the pad and the pocket were old in the art.

by whether the need had long existed and been desired, and (2) whether, when it was eventually contrived, it was widely exploited as a substitute for what had gone before.¹⁰⁸

It should not be necessary for all of these factors to exist simultaneously. A substantial portion of these criteria ought to outweigh a judge's subjective conviction that if one skilled in the art had really looked for the answer he would have immediately found it. Of these factors, commercial success should be a dominant factor taken into consideration by the judge. This is consistent with the view taken by Judge Hand of the incentive built into our patent system.¹⁰⁹

Perhaps the best exposition of both sides of the commercial success doctrine is to be found in *H.W. Gossard Co. v. J.C. Penney Co.*¹¹⁰ The patent at the center of the controversy disclosed a type of foundation garment, or girdle, for women. By utilization of particular placings of arrow-shaped sections, the patentees obtained a supporting garment that needed only one-way stretch elastic fabric in these sections. In the prior art, there were illustrations of the use of one-way stretch chevron-shaped fabric sections, although with somewhat different placements of the strips. Affirming a holding of invalidity, the Court cited *Jungersen*,¹¹¹ *Goodyear*,¹¹² and *A&P*¹¹³ and gave a comprehensive discussion of the weight to be given commercial success. The Court said:

Perhaps the closest question in this case is the effect to be given to the commercial success of plaintiff's garment manufactured under the patent in suit. Crescent and others did copy plaintiff's garment shortly after it came upon the market. Although the prior art was available to them, they did not produce the claimed infringing garments until plaintiff's garment was available.

Wide acceptance of a product indicates the alleged invention was not obvious. . . . The presumption of validity arising . . . from the fact that the invention entered into immediate use and met with substantial commercial success. . . . This court

108. *Id.* at 506.

109. *Dewey & Almy Chem. Co. v. Mimex Co.*, 124 F.2d 986 (2d Cir. 1942). See also *National Dairy Prods. Corp. v. Borden Co.*, 394 F.2d 887 (7th Cir.), cert. denied, 393 U.S. 953 (1968) which dealt with commercial success in relation to other factors. Borden was alleged to have infringed upon a method for packaging separate units of cheese in a package filled with a preservation gas atmosphere which was substantially free of mold-inducing air. The court took the position that "[s]uch secondary considerations as commercial success, long felt but unresolved needs, [and] failure of others . . . might be utilized . . . as indicia of obviousness' [P]rior unsuccessful attempts to satisfy this long felt need in the cheese industry [were] strong indicia that the [plaintiff's] method, successfully achieving aims so long sought, was not obvious." *Id.* at 891. Accord, *General Food Corp. v. Perk Foods Co.*, 283 F. Supp. 100 (N.D. Ill. 1968).

110. 304 F.2d 515 (7th Cir. 1962).

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

112. *Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.*, 321 U.S. 275 (1944).

113. *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147 (1950).

stated . . . "In a close case evidence of the commercial success may tip the scales in determining whether an improvement amounts to an invention." However, it is just as well established that commercial success without invention will not make patentability. . . . "Although commercial success may be relevant in a doubtful case of patentability, it may not be used to create a doubt on the question where none would otherwise exist" Commercial success will not sustain a patent in view of clear proof of invalidity.¹¹⁴

Although the court invalidated the patent in the face of great commercial success it did so with a full understanding of the doctrinal concept of commercial success. The court gave full consideration to the patentee's contention that a showing of commercial success evidenced that the invention was not obvious to one skilled in the art. This assertion was thoroughly explored and found not to be the case. There was no formulaic application of convenient precedence contrary to the patentee's view; nor was a judicial gloss applied to the patentee's theory of commercial success. With precise reasoning, the court concluded that the weight attached to commercial success of the patented device in the *instant* case would not sufficiently tip the scales of invention. Would that all courts be so thorough.

This stringent analysis was lacking in *Lorenz v. F. W. Woolworth Co.*¹¹⁵ Finding the patent for a reclining chair invalid, the court dismissed the showing of commercial success as an indication of lack of obviousness. "Commercial success . . . in a proper case . . . is relevant on the issue . . . that the patent under attack served to satisfy a 'long felt want'. . . . Here, the only evidence of 'long felt want' is the relatively large number of patents issued on reclining chair hardware in recent years . . . together with the immediate adoption of the . . . device by the trade."¹¹⁶ It is difficult to imagine what else the court would need to indicate a patentable invention. There was a showing of commercial success in a crowded field. The court thought the change in the patented device was not worthy of protection and was merely the usual, common device of manufacturers trying to improve their products by routine engineering devices.¹¹⁷ Other than commenting on the number of patents granted,¹¹⁸ the court did not trace the development of the device nor the history of the patent in the market place. The court apparently lost sight of the

114. 304 F.2d at 517-18.

115. 305 F.2d 102 (2d Cir. 1962).

116. *Id.* at 104-05.

117. *Id.* at 105, citing *E. J. Brooks Co. v. Stoffel Seals Corp.*, 266 F.2d 841, 842 (2d Cir.), cert. denied, 361 U.S. 883 (1959).

118. *Id.* at 105 n.6. The court noted that "eighteen patents on different variations of hardware for use in reclining chairs . . . [had] been issued. . . . in this narrow area in . . . twelve years."

role of the patent system in encouraging development by designing around patents.¹¹⁹ The disclosure made it possible for others to make different and better products. It inspired others with a desire to meet in competition the article covered by the device. The reclining chair industry appears to have been highly competitive as evidenced by the large number of patents issued on variations of the chair.¹²⁰ Within the six years prior to the issuance of the patent to the plaintiff, no less than thirteen patents were issued for reclining chairs. The patentee's success is shown by the immediate adoption of the patented device by the trade. The patentee operated within the framework of the patent system and designed around other patents. He succeeded where others failed. There was no evidence that the commercial success of the device was due to any cause other than the merit of the patent device.¹²¹

IV. SUMMARY OF CASES

On the surface there appears to be no consistent approach utilized by the courts in evaluating the commercial success of a patented device. Nor does there appear to be a uniform weight attached to commercial success as an evidence of patentability. The cases seem to be irreconcilable on the basis of the stated reasoning of the courts and the resultant outcome.

Under the *Smith*¹²² standard, immediate acceptance by the public of the patentee's device, resulting in the displacement of a previously used, analogous device, was held indicative of invention. However, because displacement of analogous devices might result from judicious advertising and energetic marketing, this criterion was held to be undependable.¹²³

119. *Atkins v. Gordon*, 86 F.2d 595 (7th Cir. 1936). The Woolworth court displayed its lack of understanding of the patent system by adding: "When inconsistent monopoly grants thus seemingly flow from the Patent Office, it is clear that the weight to be attached to the determination of patent examiners must be very limited." 305 F.2d at 105 n.6. The thorough analysis required of the courts in evaluating the commercial success of a patented device was exemplified in both *National Sponge Cushion Co. v. Rubber Corp.*, 286 F.2d 731 (9th Cir. 1961), cert. denied, 368 U.S. 976 (1962) and *Georgia-Pacific Corp. v. U.S. Plywood Co.*, 258 F.2d 124 (2d Cir.), cert. denied, 358 U.S. 884 (1958). In *Georgia-Pacific* the court refused to let itself be blinded by the presence of factors other than the intrinsic merits of the device which might have attributed to the commercial success of the patented panel. The wartime conditions were examined by the court as a possible cause of the commercial success of the panel, but instead of stopping at this point the court proceeded to the heart of the matter. They analyzed the conditions in the market place and the role the patented device had in shaping these conditions. The court concluded that it was the intrinsic merits of the device that shaped the market place and led to its commercial success rather than extrinsic factors.

120. *H. W. Gossard Co. v. J. C. Penney Co.*, 304 F.2d 515 (7th Cir. 1962).

121. *Id.*

122. *Smith v. Goodyear Dental Vulcanite Co.*, 93 U.S. 486 (1877).

123. *McClain v. Ortmayer*, 141 U.S. 419 (1891).

Until the 1930's the courts were faced with only two alternatives when the question of commercial success arose. They could decide whether the patented device had displaced an analogous device because of its intrinsic merits or because of an extensive advertising campaign. More complex factors for judicial consideration were introduced by *Wahl*¹²⁴ and *Paramount*.¹²⁵ Under the *Paramount* test, newly available methods and satisfaction of long felt needs were to be subjects of inquiry when dealing with commercial success. Unless the device did, in fact, satisfy a long felt need, commercial success as an indicia of patentability would be nugatory. Consolidation of industries, the fortuitous use of a trade name and various other factors, such as advertising, were areas of concern in the *Wahl* case. However, unless these factors could be explicitly shown to have caused the success of the device, success was to be attributed to the intrinsic merits of the device. The court held a showing of commercial success to be the weightiest proof of patentable invention available in the absence of art.

Under the *Cuno* doctrine, a patentee must have revealed a "flash of genius" to be accorded protection for his invention. The holdings in *A&P* and *Jungersen*, decided under the *Cuno* standard, markedly diminished the significance of commercial success as a validity-favoring factor. Even with the advent of section 103 of the patent statute, which purportedly minimized the strictness of the *Cuno* case, the courts were still divided in their approach to commercial success. In *Ellis, Inc. v. Denis*¹²⁶ the court conceded that the patented device demonstrated commercial success and satisfaction of a long felt need, but nonetheless held the patent invalid, thus bowing to the *Cuno* doctrine.

Except for the brief period when the *Cuno* doctrine held sway, there has been an uneven evolution in the doctrine of commercial success. The courts no longer look at one single factor, such as displacement of analogous devices, but approach the question with a more sophisticated view, employing the doctrine on a case-by-case basis without *explicitly* setting forth guidelines. As a result, the approach of many courts to the doctrine of commercial success is still tenuous and unsure, lacking the certainty and predictability needed for a doctrine which plays such a substantial role in patent litigation.

V. RECOMMENDATIONS

The weight attached to commercial success as evidence of patentability varies with the standard to be applied, the nature of the invention, and

124. *Wahl Clipper Corp. v. Andis Clipper Co.*, 66 F.2d 162 (7th Cir. 1933).

125. *Paramount Publix Corp. v. American Tri-Ergon Corp.*, 294 U.S. 464 (1935).

126. 224 F.2d 311 (1st Cir. 1955).

the judicial attitude toward patents.¹²⁷ These parameters, however extrinsic to the device itself, will continue to affect the outcome of patent litigation. To obtain a degree of consistency in the application of an evidentiary requirement of commercial success, guidelines are necessary.

These guidelines may be divided into the three broad areas: (A) consumer identity, (B) criteria of commercial success, and (C) factors contributing to that success.

Although the doctrine may seem to be irreconcilable on the basis of *stated* reasoning of the cases, by using the criteria set forth, the doctrine is seen to be consistent and not tenuous, and the cases are, in fact, reconcilable.

A. Consumer Identity

The court's first task should be to ascertain the consumer identity, *i.e.*, that part of the public purchasing the patented device.¹²⁸ It is necessary for the courts to establish general categories of consumers when the question of commercial success is raised. Appropriate categories would be (1) limited or specialized markets and (2) the general public.¹²⁹ The courts have consistently performed this task without explicitly stating so, regardless of the standard of patentability. The devices in *Smith* (dental plate), *Barbed Wire* (barbed wire), *Paramount* (film), *Dubilier* (condenser), and *Electric Machinery* (control system) would fall into the category of devices having a limited or specialized market. The devices of *Sherman-Clay* (phonographic horn), *McClain* (horse seat pad), and *Wahl* (massage vibrator) would be categorized as devices purchased by the general public.

In evaluating commercial success of the devices having a specialized market, the courts were apparently aware that they were dealing with experts—dentists, cattlemen, movie producers, radio manufacturers, and machine manufacturers. Except in *Dubilier* and *Paramount*, the courts heeded the approbation of the experts in recognizing the merit of the devices in question and found them patentable. This recognition of the devices, by those in a position to evaluate the relative merits of similar devices, resulted in their commercial success.

B. Criteria of Commercial Success

Having established the identity of the consumer, the courts must then determine if the patented device was in fact commercially successful

127. This cannot be done with mathematical certainty and will require much imagination by the court.

128. Costas, *Discovery and the Issue of Commercial Success in Patent Infringement Actions*, 45 J. Pat. Off. Soc'y 13, 26-33 (1963).

129. *Id.*

among that group. This determination could take into account displacement of analogous devices in the market place, the extent of the market captured, satisfaction of a long-felt need, creation of new industries, the opening up of wider fields in an existing industry, success in a crowded field, or solution of long existing problems. The nature of the device will, in great measure, determine the criteria to be used by the court.¹³⁰

C. *Contributing Factors*

The court's task is not finished when it finds commercial success. It must then determine whether factors extrinsic to the merits of the device caused commercial success or whether the public was paying tribute to the device itself.¹³¹ Factors other than the intrinsic merits of the device which required the scrutiny of the court were set forth in *Wahl*.¹³² Of course, advertising and an intensive sales drive are factors that should be foremost in the mind of the court. This is particularly true when the consumer group is the general public. This group is more apt to be swayed by advertising than the experts in specialized markets who have expertise at evaluating the intrinsic merits of competing devices. Greater emphasis has been placed on commercial success of devices directed toward specialized markets than to those directed to the general public.¹³³

VI. CONCLUSION

The doctrine of commercial success is to be found nowhere in the patent statutes; yet, it has played an important part in the development of patent law. It has been both boon and bane to inventors depending upon the court's interpretation of its probative value. The probative value of commercial success has been praised as the weightiest proof available indicative of patentable invention and it has been equally damned as an unsafe criterion. It appears that those jurists with more than a superficial understanding of the patent system and its incentive basis have liberally construed the doctrine of commercial success and placed great emphasis at times on its legal significance in patent validity determinations.

Unfortunately, the question of commercial success as a validity-favoring factor does not always arise before such enlightened jurists. Other jurists, treading the unfamiliar ground of patent litigation, often fail to comprehend the importance of commercial success. Success is found by retreating to an interpretation of the doctrinal concept of commercial

130. *Id.*

131. *Wahl Clipper Corp. v. Andis Clipper Co.*, 66 F.2d 162 (7th Cir. 1933).

132. *Id.* See text accompanying note 55 *supra*.

133. Compare *Smith v. Goodyear Dental Vulcanite Co.*, 93 U.S. 486 (1876) (directed toward specialized market), with *Lorenz v. F. W. Woolworth Co.*, 305 F.2d 102 (2d Cir. 1962) (directed toward general public).

success which considers the least number of factors and imposes the minimum burden upon the court. These courts have found it easier to reject commercial success as evidence of a patentable invention than to examine the complex relationship between commercial success caused by the intrinsic merits of the device and commercial success resulting from conditions in the market place.

Mere conjecture will not suffice. In many cases painstaking analysis will be necessary to separate the wheat from the chaff. This analysis will entail the determination of whether the patented device is in reality a commercial success, whether it was the condition of the market place which led to the success of the device, whether the device changed conditions of the market place, or whether advertising, vigorous promotion or other such related factors were ancillary to, or responsible for the commercial success of the device in question.

The judicial task may be laborious and time-consuming, but no more time-consuming or laborious than the development and exploitation of the patented invention which the courts invalidate with a passion. The inventor has fully disclosed to the public his invention, and the Patent Office has deemed the invention to meet the statutory requirements. The patented device has become a commercial success, spurred the economy, and promoted the general welfare. The *quid pro quo* for the inventor's contribution to the public weal should be a full consideration of the doctrine of commercial success by the judiciary. The judiciary should rid itself of the tendency to dismiss commercial success, a validity-favoring factor of patentability, with judicial gloss and instead delve into the commercial and developmental history of the patented article, as did some of the early courts. The fundamentals of the patent system were better understood a hundred years ago or more when judges were closer in time to the Framers of the Constitution than they are today.

If an invention is not useful, it will sink into contempt and disregard. In the case of a commercially successful device, the public has chosen to reward the inventor for his efforts. We have set up, in the patent system, an incentive system based on public acceptance. Only the public can render the verdict as to whether an invention will be commercially successful. The judiciary should take heed of the approbation. The courts should excise this eloquent evidence with great reluctance. We cannot superimpose upon this patent, economic-incentive system another which operates according to mere conjecture. If the doctrine of commercial success is to be discounted as validity-favoring evidence of patentability, let it be done so only after a thorough analysis of *all* the factors involved.