

ORIGINAL

In the

Supreme Court of the United States

SIDNEY A. DIAMOND, COMMISSIONER OF)
PATENTS AND TRADEMARKS,)

PETITIONER,)

v.)

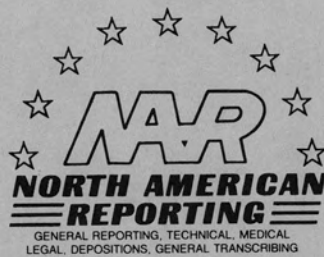
JOHN J. BRADLEY AND BENJAMIN)
S. FRANKLIN,)

RESPONDENTS.)

No. 79-855

Washington, D.C.
October 14, 1980

Pages 1 thru 32



Washington, D.C.

(202) 347-0693

1 IN THE SUPREME COURT OF THE UNITED STATES

2 -----:
3 SIDNEY A. DIAMOND, COMMISSIONER :
4 OF PATENTS AND TRADEMARKS, :

5 Petitioner, :

6 v. :

No. 79-855

7 JOHN J. BRADLEY AND BENJAMIN :
8 S. FRANKLIN, :

9 Respondents. :
10 -----:

11 Washington, D. C.

12 Tuesday, October 14, 1980

13 The above-entitled matter came on for oral argument
14 at 11:36 o'clock a. m.

15 BEFORE:

- 16 HON. WARREN E. BURGER, Chief Justice of the United States
- 17 HON. WILLIAM J. BRENNAN, Associate Justice
- 18 HON. POTTER STEWART, Associate Justice
- 19 HON. BYRON R. WHITE, Associate Justice
- 20 HON. THURGOOD MARSHALL, Associate Justice
- 21 HON. HARRY A. BLACKMUN, Associate Justice
- 22 HON. LEWIS F. POWELL, JR., Associate Justice
- 23 HON. WILLIAM H. REHNQUIST, Associate Justice
- 24 HON. JOHN PAUL STEVENS, Associate Justice

25 APPEARANCES:

LAWRENCE G. WALLACE, ESQ., Deputy Solicitor General,
Department of Justice, Washington, D. C. 20530;
on behalf of the Petitioner.

NICHOLAS PRASINOS, ESQ., Honeywell Information Systems,
Inc., Office of the General Counsel, 200 Smith Street,
Waltham, Massachusetts 02154; on behalf of the
Respondents.

C O N T E N T S

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MILLERS FALLS
ERASE
COTTON CONTENT

P R O C E E D I N G S

1
2 MR. CHIEF JUSTICE BURGER: We will hear arguments
3 next in Diamond v. Bradley.

4 You may proceed whenever you are ready, Mr. Wallace.

5 ORAL ARGUMENT OF LAWRENCE G. WALLACE

6 ON BEHALF OF THE PETITIONER

7 MR. WALLACE: Mr. Justice Brennan and may it please
8 the Court:

9 In this and the next case to be heard the Court of
10 Customs and Patent Appeals reversed the rejection by the
11 Patent Office, including the Patent Office Board of Appeals, of
12 the patent claims at issue. We sought review because we be-
13 lieve that the cases are controlled by this Court's interpre-
14 tation of Section 101 of the Patent Act, in Parker v. Flook,
15 which was decided in the 1977 term, and because the Court of
16 Customs and Patent Appeals' rejection of that interpretaion of
17 the Patent Act in favor of a different explanation of the
18 result reached by the Court in Flook has put the Patent Office
19 in an obviously difficult position with respect to the thou-
20 sands of pending patent applications involving computer pro-
21 gramming.

22 Before getting into the specifics of this case, I
23 would like to say, up front, that we do not regard the inter-
24 pretation of Section 101 of the Patent Code adopted in Flook
25 to be an appropriate subject for reexamination by the Court

1 at this time. This is a statutory interpretation, authorita-
2 tively reached by this Court. It's a matter that Congress can
3 change if it sees fit to do so, and indeed there has been sig-
4 nificant congressional activity in this area since the Court's
5 decision.

6 The Patent Office, which is the administrative
7 agency directly affected, has been following this interpreta-
8 tion for a matter of more than two years now. And ordinarily
9 no member of the Court would reexamine an interpretation of a
10 federal statute subject to congressional change after it has
11 been authoritatively decided by a majority of the Court.

12 The fact that the Court of Customs and Patent Appeals
13 has persisted in differing with this interpretation is not, in
14 our view -- and I say this with all respect to that court --
15 is not in our view a reason for a different approach with
16 respect to the stability of a statutory precedent in this
17 Court.

18 QUESTION: Do you think that the Court of Customs
19 and Patent Appeals declined to follow Flook?

20 MR. WALLACE: I think it has differed with the inter-
21 pretation of Section 101 that this Court adopted in Flook.

22 QUESTION: Well, it didn't -- at least it didn't
23 purport to depart from Flook.

24 MR. WALLACE: It has a different explanation for the
25 result in Flook, which brings about --

1 QUESTION: Different from yours; different from yours.

2 MR. WALLACE: Different from ours, and different --

3 QUESTION: Not necessarily different from ours.

4 MR. WALLACE: Well, this is fairly debatable.

5 QUESTION: Well, that's what this case is about,
6 isn't it?

7 MR. WALLACE: But the Court of Customs and Patent
8 Appeals has written at some length about why it thought that
9 the Court's reading of Section 101 in Flook was erroneous.
10 It's not a difference that is without basis on the pages of
11 their opinions. I believe the Court is familiar with this and
12 I don't want to belabor the point. I do want to make the basic
13 point that if as we view the matter this would not be an
14 appropriate subject for reexamination in the absence of this
15 difference. I don't think that the fact that the Court below
16 has differed with this interpretation should make the matter
17 more subject to reexamination. I think that that would send a
18 message to the lower courts that would be unfortunate for con-
19 sistency in the administration of the law.

20 QUESTION: Yes. Both courts are bound by the meaning
21 of Congress in Section 101, are they not?

22 MR. WALLACE: Of course, Mr. Justice. As I said,
23 the Court has written on that meaning in Flook and Congress is
24 now actively considering what changes if any to make in the
25 patent or copyright laws, and I'll get into the details of that

1 subsequently.

2 QUESTION: Mr. Wallace, I didn't understand the
3 Respondent to ask us to reexamine Flook.

4 MR. WALLACE: I don't believe that has been put to
5 the Court. No one has asked the Court to overrule Flook.
6 The arguments that are being made are, it seems to me, incon-
7 sistent with the ratio decidendi of Flook, and that is what I
8 refer to as the Court's interpretation of Section 101.
9 Nobody is asking that the holding be overruled. The Court of
10 Customs and Patent Appeals has been very meticulous in follow-
11 ing that holding, but based on a different explanation from what
12 I regard, what we have regarded as the ratio decidendi of
13 Flook in the interpretation of Section 101 of the patent laws.

14 Now, in this case, to get into the specifics of this
15 case, the Board of Appeals, as we understand Flook, applied the
16 Flook test to the claims at issue and examined the claims at
17 issue in light of the rationale adopted by this Court in Flook.
18 And under Flook, as the Board of Appeals viewed this, if the
19 claims recite a scientific principle, idea, concept, formula,
20 or phenomenon of nature, then that basic tool of scientific and
21 technological work, as the Court called it in the Benson case,
22 should be assumed to be within the prior art. And then, what
23 remains must be analyzed to determine whether it is novel under
24 Flook's reading of the Morse case and others.

25 If one prefers one can say, then the claims as a

1 whole should be examined, assuming that scientific principle,
2 formula, et cetera, to be already known.

3 QUESTION: Isn't "novelty" covered by another section
4 of the Act?

5 MR. WALLACE: That was precisely the position of the
6 dissenting opinion in Flook. Novelty is covered -- Section 101

7 QUESTION: Well, it's true.

8 MR. WALLACE: -- by Section 102 of the Patent Code.
9 It is.

10 QUESTION: Dissenting opinions, as I was taught in
11 law school, are subversive literature; nothing more or less.
12 But that much is true, that novelty is covered by another
13 section of the patent laws.

14 MR. WALLACE: It certainly is. Section 101 also uses
15 the word "new," however.

16 QUESTION: Mr. Wallace, is it that the remainder of
17 the application is to be examined to determine whether there is
18 novelty or to determine whether anything else novel is claimed?

19 MR. WALLACE: The latter formulation is the more
20 accurate one, Mr. Justice.

21 QUESTION: And that's why the dissent -- that's a
22 point the dissent missed in Flook, isn't it? And in Flook it
23 was conceded the only novel thing was the formula.

24 MR. WALLACE: That is true. It was conceded in
25 Flook. In this case, it is being contested by the Respondent

1 in this Court. However, whether contested or conceded, the
2 Board of Appeals, I think quite rightly, thought it was its
3 duty to determine whether there is any novelty being claimed
4 other than in what must be assumed under Flook to be within the
5 prior art. And that determination was made in this case and
6 the conclusion was that the only contribution, as the Board
7 put it, the only novelty inhered in the program, the computer
8 program, that was a part of these claims. And, as we detail
9 in our briefs and our reply briefs, there was an examination
10 here of the prior art cited by the respondent itself before
11 the Patent Office, a patent that had been issued to Coulter
12 and an application by Carre, in both of which all of the
13 diagrams save the ones at the very end were reproduced by the
14 respondent as part of their claim.

15 The Coulter patent, indeed, is an example of the kind
16 of patent that has been issued on computer hardware. Some of
17 the briefs suggest that our position is that such patents can't
18 be issued, but that in itself is an example of such patents
19 that are valid and can be issued.

20 And, in analyzing these in detail, it was seen that
21 all that was left as a contribution was the program, although
22 respondents contend otherwise before this Court. I think this
23 is adequately set forth in our brief and reply brief.

24 In light of those findings, there were three possible
25 bases, as we see the case, for distinguishing of Flook and

1 for reaching a different result from Flook. And all three of
2 those are, in our view, unpersuasive.

3 The first is that this application involved a machine
4 claim rather than a process claim such as was involved in the
5 Flook case. The first thing I want to mention about that dif-
6 ference is a passage from an opinion by Judge Rich in the
7 Court of Customs and Patent Appeals. It happens to be a dis-
8 senting opinion but it's not dissenting on this particular
9 point. It's in a case called "Application of Chatfield,"
10 which is cited in the briefs; it's 545 F.2d, and at page 160
11 he points out in his opinion, based on the experience of that
12 Court and of the Patent Office:

13 "Given an invention which is in essence a new pro-
14 gram for a general purpose digital computer, a competent
15 patent draftsman can readily define the invention as
16 either a process or a machine or both. This has been
17 demonstrated time and again by the computer program cases
18 which have come to this Court."

19 We have another similar quotation from the same judge
20 in our brief, on page 22.

21 This is not, as we regard it, a difference of sub-
22 stance in the claim or a difference of inventive contribution,
23 but basically a difference in the draftsmanship of the applica-
24 tion. And indeed the fact that the application is put as a
25 machine claim rather than a process claim, if anything raises

1 possible additional impediments to the granting of the appli-
2 cation because of the cases we've collected on page 17 of our
3 brief, in which this Court has consistently held that a claim
4 describing the inherent operation of a known machine is not
5 statutory subject matter. Obviously, whether the machine was
6 capable of executing the program that respondents have devised
7 was predetermined by the design of the machine itself, and
8 the inventor of that machine should hardly be excluded under
9 the patent laws from uses of the machine which were inherent
10 in the operation that he built into the machine, which is
11 really what's involved here.

12 As we further point out, there is also the problem
13 that allowing this as a new machine claim would extend the
14 life of the patent on the machine through a new machine claim
15 that essentially just describes one of the inherent operations
16 of the machine. This is not a matter that's wholly irrelevant
17 to what the respondents have put into the case in this
18 Court, because page 1 of respondents' brief starts off, in
19 their statement under the heading, "What the invention is":

20 "The Respondents' invention is one of a series of
21 inventions which collectively define an entirely new
22 computer machine which is now being commercially
23 marketed worldwide as the Honeywell Series 60, Level 64
24 computer."

25 In essence they're saying that the life of the

1 of the Coulter patent is extended by this additional machine
2 patent if it were to be granted.

3 And we have also addressed in our reply brief the
4 possibility of a doctrine of transitory novelty where a par-
5 ticular selection put into a player piano or a particular
6 letter or a memorandum inserted into a word processor that
7 hasn't been in the word processor before -- you know, those
8 machines that are replacing typewriters in offices -- would
9 transform the machine for the moment into a new machine. This
10 has never been a doctrine recognized under the patent law and
11 would have the same drawbacks, the same inconsistencies of
12 established law as I have described.

13 A second possible basis for distinguishing Flook,
14 equally unpersuasive in our view, is that the claim here in-
15 volves firmware, so-called, rather than software.

16 QUESTION: Well, is that the same, Mr. Wallace -- is
17 this patent only on the firmware module? Or is it on the
18 whole --

19 MR. WALLACE: The claim is on the whole machine,
20 using the firmware, but --

21 QUESTION: -- switching operation from main memory
22 to switchback registers?

23 MR. WALLACE: Through this method, through the
24 described method, and the contribution --

25 QUESTION: Is that what the patent covers?

1 MR. WALLACE: That's what the claim is.

2 QUESTION: Not merely the firmware module?

3 MR. WALLACE: Not merely the firmware but the claim
4 is on the whole machine and as fixed up with this firmware to
5 transfer the information within the existing computer.

6 QUESTION: Mr. Wallace, under your previous argument
7 which you had just left at the time Justice Brennan asked you
8 that question, would an electric typewriter not be patentable
9 because of the existence of a typewriter that you punch by
10 keys under 101?

11 MR. WALLACE: I don't think the previous patent would
12 necessarily preclude a patent there, because you're dealing with
13 with a different machine. I don't think it would be precluded
14 under 101 in that instance. It might be that the only, that
15 there'd be a lack of novelty because the --

16 QUESTION: But then, that would be under another
17 section.

18 MR. WALLACE: Probably under another section.
19 I haven't really given thought to that particular question, but
20 that isn't what's involved here. Here we have the same hard-
21 ware and the same arrangement of hardware and making use of one
22 of the inherent uses for which it was designed and of which
23 it's capable. That's quite a different question from yours,
24 it seems to us.

25 QUESTION: Mr. Wallace, you do then concede that the

1 patent claims the words "data structure" describe a machine?

2 MR. WALLACE: Well, this is the argument being made
3 by the respondents. At one point, before the CCPA, the
4 Government said that the claims do, are written in a way to
5 describe a machine. The claims are basically for a process of
6 transferring the information, but they're written in the form
7 of claiming the machine, the familiar machine, the conventional
8 machine, as a program to perform this process. That's the best
9 I can describe it.

10 QUESTION: Do the words "data structure" have any
11 recognized meaning? There are all sorts of glossaries in the
12 briefs and all, and this is one term, a rather important term,
13 that doesn't seem to be included in any of the glossaries.

14 MR. WALLACE: I don't know of any accepted meaning
15 for it. Data processing is the most common use of computers.
16 It's really a more common use than solving mathematical
17 problems of the kind that was involved in Flook. The examples
18 given by the Court of Customs and Patent Appeals are typical
19 of that, reproducing a page of the Milwaukee phone book or a
20 court opinion. This is data processing, and in a sense a
21 computer is a data structure. I don't know that anything more
22 than that is meant by it.

23 Now, the fact that the claims here involve firmware
24 rather than software seem to us of no legal significance.
25 The Court of Customs and Patent Appeals itself said that

1 firmware may be likened to software. All that is really in-
2 volved here is a microprogram that fits into the control unit
3 rather than the kind of program that fits into the main memory
4 storage, so that then the microprogram, like an ordinary
5 program, consists of a series of sequential steps to be
6 carried out through the ordinary mathematical functioning of
7 the digital computer; but using them in a microprogram in the
8 control unit, that enables the programmer to have a so-called
9 macroprogram in the main memory and he can, by throwing that
10 one switch, or giving that one instruction, that will set off
11 the series of sequential steps that have been put into the
12 control unit in the microprogram. That's the only difference
13 and it doesn't seem to us or to the Court of Customs and Patent
14 Appeals to be a difference of legal significance.

15 Then the third possible basis for distinguishing
16 Flook and the one that the Court of Customs and Patent Appeals
17 has in fact been relying on in the post-Flook cases is an
18 attempt to limit the holding in Flook to computer programs de-
19 signed to solve mathematical problems.

20 Our submission is that this is basically an illusory
21 distinction and indeed one that doesn't fit in with the rea-
22 soning of the Court of Customs and Patent Appeals itself, in
23 its own cases, because a digital computer is designed solely to
24 perform mathematical computations. Any program that makes use
25 of it is necessarily mathematical in nature, regardless of

1 whether it's designed ultimately to find the solution to a
2 mathematical problem or for the more common purpose of data
3 processing. And indeed, the skills and contribution required
4 of the deviser of the program does not depend on whether the
5 program is designed to solve a mathematical problem or to do
6 the data processing.

7
8 The examples given by the Court of Customs and Patent
9 Appeals in this case, reproducing a page of the Milwaukee
10 telephone directory or a particular court opinion, seem to us
11 examples that require less of a contribution, less of an
12 inventive contribution from a programmer than was involved in
13 Flook, where, after all, a new formula was devised to calculate
14 the alarm limits.

15 Whether the particular inventive contribution varies,
16 depending on the nature of the data processing to be done or
17 the nature of the mathematical problem to be solved --

18 MR. JUSTICE BRENNAN: We'll resume there at 1 o'clock,
19 Mr. Wallace.

20 (Recess)

21 MR. JUSTICE BRENNAN: You may resume, Mr. Wallace, if
22 you're ready.

23 MR. WALLACE: Thank you, Mr. Justice Brennan.

24 I have stated why, in our view, each of the three
25 possible bases for distinguishing the Flook case is unpersua-
sive, and those arguments are elaborated in our briefs.

1 I just want to briefly inform the Court of the
2 legislative developments in this field, currently. On page
3 24 of our brief we refer to a bill that was introduced last
4 March by Representative Kastenmeier, a bill entitled, "The
5 Computer Software Copyright Act of 1980." That bill since
6 that time has been favorably reported by both the House
7 Committee on Government Operations and the House Judiciary
8 Committee, but has not yet gone to the House floor, although
9 it is anticipated that there will be floor action with
10 respect to it during the session right after the elections.

11 There has not yet been activity in the Senate, but
12 the significant thing, as we see it, is that the congressional
13 activity is focusing on copyright protection rather than
14 patent protection, which would protect the deviser of computer
15 programs. Arguably, this protection already exists under the
16 present copyright law and this would just be a clarification.
17 But it would afford protection to the deviser of programs
18 against plagiarism, against the copying of the fruits of his
19 labors, but still would not preclude others, would not exclude
20 them from the inherent uses of the machine if they through
21 their own labors want to devise a program to process similar
22 data in a similar way -- for instance, reproducing the Milwau-
23 kee telephone directory.

24 There may be a basis for a congressional judgment if
25 that is a more appropriate form of protection.

1 I would like to reserve the balance of my time.

2 QUESTION: Mr. Wallace, can I ask one question before
3 you sit down? With respect to your third, your response to
4 the third arguable distinction of Flook, namely, that Flook
5 should not be limited merely to mathematical formulas produced
6 by some software, is it your view of the patent claim which
7 is in Judge Rich's opinion -- it describes four separate means
8 of describing this data structure -- that that description of
9 a first, second, third, and fourth means is in effect a
10 description of a computer software program, and that that is
11 what they're seeking to patent?

12 I must confess I have some difficulty understanding
13 the claim and I'm not quite sure where in your view of the case
14 the program is claimed by the patent.

15 MR. WALLACE: Well, in our presentation in this Court
16 we're not going back to the claims ab initio, but we're rely-
17 ing on the findings of the Board of Appeals that while the
18 claims are cast as a claim on a machine, the only thing new in
19 the claims in light of the prior art is the microprogramming
20 to be inserted into the control unit. This is based on the
21 fact that the claims reproduce in detail and rely on the prior
22 art of the Coulter and Carre applications. And we think that
23 is the posture in which the case comes to this Court. The
24 Court of Customs and Patent Appeals did not disagree with the
25 Board's findings with respect to where their claim of novelty

1 inheres, and I think it would just be a distraction to try to
2 reanalyze the claims ab initio.

3 QUESTION: Well, Mr. Wallace, this gets back, I guess,
4 to the question I asked you, wasn't it, earlier? You don't
5 regard this patent as simply on the firmware module. It's
6 broader than that.

7 MR. WALLACE: The claims are put more broadly, but
8 that is where the novelty inheres in the claims. That's where
9 the claim of novelty inheres under the findings of the Board.

10 QUESTION: But that's never been passed on, I thought?

11 MR. WALLACE: Well, the Court of Customs and Patent
12 Appeals didn't differ with it; it didn't uphold that either.
13 It just said that the Board shouldn't have isolated where the
14 claim of novelty is.

15 QUESTION: But didn't it say that the issues of
16 novelty and obviousness remain to be considered?

17 MR. WALLACE: Yes, yes. I'd like to reserve the
18 balance of my time.

19 MR. JUSTICE BRENNAN: Mr. Prasinis.

20 ORAL ARGUMENT OF NICHOLAS PRASINOS

21 ON BEHALF OF THE RESPONDENTS

22 MR. PRASINOS: Mr. Justice Brennan, may it please the
23 Court:

24 The issue before the Court today is a narrow question
25 of statutory interpretation under 35 U.S.C. 101.

1 More specifically, the question is whether or not the respon-
2 dents' invention is a machine as that term is used under
3 35 U.S.C. 101. If it is, Your Honors, then the invention is
4 eligible to be considered by the United States Patent and
5 Trademark Office under the other conditions of patentability
6 of 35 U.S.C.

7 Your Honors, briefly then, the question is eligi-
8 bility, not patentability. I would like to state up front,
9 Your Honors, that this is a machine in the true sense of the
10 word. It is disclosed as a machine, it is claimed it is a
11 machine, and it is a machine. Even the Commissioner admitted
12 before the CCPA that it is a machine, and I might read the
13 exact words. In reply to a question of one of the Justices
14 which was, "Do you agree with the applicant that he is claim-
15 ing a machine where it starts out in multiprogram computer
16 systems?"

17 The answer was, "I suppose it is a machine. It is
18 an apparatus of some sort. Yes, Your Honor."

19 Your Honors, I would also like to state up front
20 that this is not a computer program. Computer programs are
21 generally written by programmers. They are sold separate and
22 apart. They utilize conventional computers. This invention
23 utilizes hardware which is physically incorporated into the
24 computer to make a new computer machine.

25 Your Honors, I might state again that this is one

1 of a series of inventions which collectively define the Level
2 64 Honeywell Series computer which is marketed worldwide today.
3 It was developed over an extended period of time. It involved
4 hundreds of engineers and at a cost of over \$25 million.

5 The invention is comprised of a hardware combination
6 comprising registers, hardware gates, logic circuits, and
7 memory elements which are physically incorporated into the
8 computer and permanently incorporated into the computer. They
9 cooperate with each other and function with each other to
10 substantially instantaneously and automatically change the
11 physical capabilities of this machine. In effect, what they do
12 is provide different architectures, different models, so to
13 speak. It instantaneously, substantially provides a scien-
14 tific model or a business model. Let me make this absolutely
15 clear by a familiar analogy. Recently, an automobile manu-
16 facturer --

17 QUESTION: Before you get to your analysis,
18 Mr. Prasinis, because I have trouble getting into analogies,
19 Judge Rich described the two advantages of your -- your
20 machine relates to, what do you call it, reinitializing the --

21 MR. PRASINIS: That's a portion of the computer
22 machine.

23 QUESTION: The two difficulties before, as I under-
24 stand it, were that sometimes you have to pull an awful lot
25 of switches and it's time-consuming when you void it --

1 MR. PRASINOS: Right.

2 QUESTION: Or secondly, you have to use software
3 that is what they say, model-dependent.

4 MR. PRASINOS: Yes, Your Honor.

5 QUESTION: As I understood it, that meant that the
6 problem was you could only use that software for one kind of
7 model.

8 MR. PRASINOS: Yes.

9 QUESTION: Now, as I understand it, your description
10 of this invention, it describes hardware that only fits in one
11 model. Or is the hardware transferable to different kinds of
12 models?

13 MR. PRASINOS: What it does, that language in the
14 beginning, in the summary, was amended in the very first
15 portion, and it's on the record in here, where "model-dependent"
16 was stricken out and additional language was written in which
17 in effect made it clear that what it did is provided different
18 independent models to the computer. One way of initializing
19 it is just to initialize it by actually having a clone of its
20 initial type of model under consideration.

21 QUESTION: Is the invention claimed in this patent
22 model-dependent? Model-dependent as Judge Rich used the term
23 in the second page of his opinion?

24 MR. PRASINOS: No, it is not. Your Honor, what
25 this --

1 QUESTION: Well, then, it's not a permanent part of
2 any given model of the machine?

3 MR. PRASINOS: It is a permanent part of this compu-
4 ter, the Level 64 computer machine, Your Honor.

5 The analogy might make this clear, Your Honor.
6 Recently an automobile manufacturer introduced an automobile
7 engine called the V-8, 6 & 4. What it is, it automatically
8 substantially instantaneously changes it to a four-cylinder
9 model, six-cylinder model, eight-cylinder model in response to
10 power requirements. When you need power, like passing or going
11 up a hill, why it automatically changes it into an eight-
12 cylinder model. Or when it's idling, it changes to a four-
13 cylinder model.

14 Now, one way that that can be done is you're going
15 to have some kind of hardware that will sense the power require-
16 ments. Some other type of hardware that's going to cut off
17 the cylinders and its appurtenant hardware. And still another
18 control element. Now, this physical hardware is incorporated
19 into that automobile engine and substantially and automatically
20 changes and gives different models.

21 Now, that's exactly what our machine does. It pro-
22 vides different computing powers, Your Honor.

23 QUESTION: But that's for a given machine, and as I
24 understand the prior art, if you had the right software for a
25 particular machine, you could have done that before this

1 invention.

2 MR. PRASINOS: The problem is that this is not soft-
3 ware, Your Honor. That's where the misunderstanding comes.

4 QUESTION: But how is it an advance over the soft-
5 ware, is what I don't understand?

6 MR. PRASINOS: It is hardware, Your Honor. Software
7 is utilized, if I might make that point clear, by computer
8 programs. All computer machines, systems, are comprised of
9 both hardware and software. The hardware are the physical
10 objects which, upon which the circuits are fabricated and
11 transmit the electric circuits, electric signals. The soft-
12 ware utilizes the hardware in order to solve user problems.

13 Now, Your Honor, software are written by programmers
14 and they're generally, software are generally embodied in this.
15 They are shown on the record on pages 4 and 5, and these are
16 typical software. You put this in a conventional computer.
17 These are sold separate and apart from the computer. The user
18 then, who buys something like this to solve something like placing a
19 telephone directory into his computer or solving an accounting
20 problem, Your Honor. Now, Your Honor --

21 QUESTION: Was there software available before your
22 invention for reinitializing particular models of machines?

23 MR. PRASINOS: Yes, it was; yes, it was, Your Honor.

24 QUESTION: Well, that's the kind of software that
25 would be analogous to your invention, I guess?

1 MR. PRASINOS: What's that? Yes, Your Honor.

2 This is the type of software that would do that.

3 QUESTION: Is there some particular rule applicable
4 to patents that pertain to the computer industry that is
5 different from the rules that pertain to every other kind of
6 industry?

7 MR. PRASINOS: No, Your Honor, it is not. Basically,
8 Your Honor, all machines have a rule of action. Therefore,
9 for example, the rule of action can be embodied in the machine
10 operations.

11 QUESTION: What is it in 101 that the examiner can
12 kind of turn away at the door? Supposing, at the time of the
13 invention of the vacuum cleaner, somebody brought in a vacuum
14 cleaner and said, this is a machine and it does something a lot
15 better than a broom could do it. Could the examiner say, it
16 doesn't meet the 101 criterion?

17 MR. PRASINOS: No. But under the precept --

18 QUESTION: Well, if the inventor came in, or the
19 applicant came in and said, I've invented vacuum, What happens
20 when there's a vacuum?

21 MR. PRASINOS: Yes, Your Honor.

22 QUESTION: That would not be patentable, any more
23 than an applicant who came in and said, I've invented the law
24 of gravity. That's not patentable. That much is conceded,
25 isn't it?

1 MR. PRASINOS: I didn't hear the first part, Your
2 Honor.

3 QUESTION: Well, it was a question. If an applicant
4 came in and said, my total machine depends upon my invention
5 of a vacuum. Now, that would not be patentable, would it?

6 MR. PRASINOS: Your Honors, it's combination of ele-
7 ments that are patentable.

8 QUESTION: Right; correct.

9 MR. PRASINOS: The scientific principle itself is not
10 patentable.

11 QUESTION: Exactly.

12 MR. PRASINOS: It is a discovery, it has always
13 existed, and in that form a person that comes in and says,
14 I have discovered a basic, fundamental principle cannot get a
15 patent on that. What he can get it is when he clothes it with
16 the hardware, the combination of elements. Out of the myriad
17 of combinations that are possible --

18 QUESTION: When a machine is a combination of ele-
19 ments, the mere fact that one element is the law of gravity or
20 the operation of the law of gravity does not make the machine un-
21 patentable per se, does not make a machine ineligible under 101.
22 That's your point.

23 MR. PRASINOS: That's right. In Flook, as a matter
24 of fact, this Court stated in essence that the conditions for
25 patentability are that it falls under one of the categories

1 of 35 U.S.C. 101. Two, it is manmade; three, it has not
2 always existed.

3 QUESTION: Right. But that -- if you're looking at
4 it as a whole, as a combination one element being an unpatent-
5 able element, there nevertheless in the other element must
6 exist some novelty.

7 MR. PRASINOS: Your Honor, there is not novelty
8 involved in 35 U.S.C. 101.

9 QUESTION: I didn't say that. I didn't say that.
10 But even though having an unpatentable element in it doesn't
11 disqualify, nevertheless you have to have -- the novelty in
12 the unpatentable element won't provide the novelty necessary
13 for the patent. You have to have the novelty in the other
14 element, don't you?

15 MR. PRASINOS: No, Your Honor. Your Honor, it's
16 just like Lee De Forest had the -- first of all, he took
17 Fleming's valve, which was identical to Lee De Forest's
18 arrangement, and all Lee De Forest inserted is a piece of wire
19 in between. Now, that piece of wire, you can say, may not be
20 patentable, and there was no novelty in that piece of wire.
21 However, when you inserted it in there and biased in a certain
22 way, that made those elements cooperate and function in a man-
23 ner never before known and really what it did is introduce
24 the whole electronic industry.

25 QUESTION: Well, then you should have -- why didn't

1 you answer my question and say, yes, the novelty must
2 exist in something besides the unpatentable element? You
3 just said it does.

4 MR. PRASINOS: It exists in the combination, Your
5 Honor.

6 QUESTION: Well, all right.

7 MR. PRASINOS: It exists in the combination, not
8 any one element.

9 QUESTION: But the novelty cannot be, cannot solely
10 exist in the unpatentable element.

11 MR. PRASINOS: But novelty is not an issue under
12 35 U.S.C. 101, Your Honor.

13 QUESTION: I understand that.

14 QUESTION: Mr. Prasinios, supposing -- you emphasize
15 the difference between a machine and a process, as I understand
16 you?

17 MR. PRASINOS: Yes.

18 QUESTION: Supposing a patent application said in
19 substance as follows, we have a new machine. The thing that's
20 new about it is that it will use the formula described in the
21 Flook case. That's the only thing that's new. We've got a
22 machine that uses that formula and all the other elements are
23 well known. Would the fact that it was a machine take it out
24 of the Flook case?

25 MR. PRASINOS: I can't visualize that particular

1 situation, but I would like to say --

2 QUESTION: Say that had not been a process claim but
3 they'd said, we have a computer programmed to solve this equa-
4 tion, updating our alarm limits and all that, and the only
5 thing new about it is it has this particular program on the
6 machine, and we're asking for a patent on the machine as
7 opposed to the process.

8 MR. PRASINOS: I think the decisions of this Court
9 applied. If it's a manmade machine that has not always
10 existed, it certainly would be eligible for consideration
11 under the other statutes of novelty under 102 and 103, Your
12 Honor.

13 QUESTION: You'd say that if the precise invention
14 described in the Parker v. Flook case had been described in
15 terms of a machine which will do these things instead of a
16 process, then it would have been patentable subject matter?

17 MR. PRASINOS: No; no, Your Honor. I am not saying
18 that at all.

19 QUESTION: So then the distinction between a machine
20 and a process can't be critical?

21 MR. PRASINOS: The distinction is that a process,
22 Your Honor, changes something to a different state of thing.

23 QUESTION: Well, a machine can do that too.

24 MR. PRASINOS: Yes, but, for example, a process, you
25 take steel, you take iron, you heat it to a given temperature,

1 you put it in cold water, that changes it to a different state
2 of thing. Now, 101 specifically enumerates process and
3 delineates process from machine. And machine is a combination
4 of elements.

5 QUESTION: Well, process can be a combination of
6 elements.

7 MR. PRASINOS: It's a series of steps, Your Honor,
8 a process is, for performing a -- changing something to a
9 different state of thing.

10 Your Honors, if I might now turn to Benson and Flook,
11 on which the Commissioner so heavily relies, in Flook a mathe-
12 matical algorithm was involved. It was a discovery of some-
13 thing that always existed. The mathematical algorithm involved
14 in Flook was a procedure for solving a given type of mathe-
15 matical problem. Hence, Flook never discovered anything but a
16 law of nature. This Court notes --

17 QUESTION: He certainly argued to the contrary
18 here.

19 MR. PRASINOS: What's that, sir?

20 QUESTION: I say, he certainly argued to the contrary
21 here.

22 MR. PRASINOS: I was not here, Your Honor.

23 This Court noted that the underlying notion is that
24 a scientific principle such as that expressed in Flook reveals
25 a relationship that has always existed. Thus, it was not the

1 type of subject matter that the patent laws were enacted to
2 protect. Yet, this Court never enunciated a two-step rule, it
3 is submitted, Your Honors. They merely recognized that the
4 process of Flook was old.

5 The Commissioner here is advocating a two-step rule
6 whereby you would look at an invention and see what the funda-
7 mental law of nature is like, for example, in Edison's light
8 bulb. Then you would say, that's in the prior art. Now, are
9 there other novel features? Let us now look at that bulb;
10 that's old. Let's look at the incandescent filament; that's
11 old. The vacuum technology is old. Therefore there is nothing
12 new.

13 Certainly Flook was not all about that, Your Honor.
14 Your Honors, it is only by this mistaken and somewhat irra-
15 tional approach that the Commissioner can even lay claim that
16 there is a program involved. This Court need not decide any
17 broad policy questions regarding computer programs. There is
18 no computer program involved.

19 As this Court articulated, such policy decisions are
20 to be reserved and addressed by Congress.

21 Your Honors, it is submitted that the Commissioner
22 is seeking a per se rule to have for his own administrative
23 convenience, to have a program per se held as unpatentable
24 subject matter. There is no program here. He states that it
25 puts him in a difficult position to examine such programs.

1 He has examined this invention, as the record below shows.

2 Your Honors, this is a manmade machine which has
3 never existed. The Commissioner has admitted this. It fully
4 complies with the conditions and precepts set out by
5 this Court in its decisions of 101, including Benson,
6 Flook and Chakrabarty. Holding and finding that this inven-
7 tion is patentable subject matter under 35 U.S.C. 101
8 would deprive the public of no rights which it has heretofore
9 existed.

10 Your Honors, the decisions of this Court under
11 35 U.S.C. 101 requires that the court below be affirmed.
12 Thank you.

13 MR. JUSTICE BRENNAN: Anything further, Mr. Wallace?

14 MR. WALLACE: Just briefly, Mr. Justice Brennan.

15 ORAL ARGUMENT OF LAWRENCE G. WALLACE

16 ON BEHALF OF THE PETITIONER -- REBUTTAL

17 MR. WALLACE: In the joint appendix in this case, on
18 pages 99 through 120, are reproduced the diagrams that accom-
19 pany the application, and which I think can quickly be referred
20 to to show what it was that was being claimed.

21 The diagrams on pages 99 through 119 were all repro-
22 ductions of those in the prior art and in the Coulter patent
23 and Carre application, the Coulter patent having been assigned
24 to Honeywell, which is also the assignee of this claim.

25 The ones claimed to be novel, the ones added, are

1 those on page 120. The ones up through page 119 are the same
2 hardware, the same arrangement of hardware. The ones on 120
3 are Figures 15a, 15b, and 15c.

4 On page 2 of our reply brief, we discussed these
5 briefly. Respondents told the Patent Office that Figure
6 15a illustrated the switch system base instruction whose
7 "operation code" is similar to the operation code of any
8 instruction." In other words, it's really a conventional
9 macroprogram mechanism by which to activate the microprogram
10 in the control unit that is illustrated in Figures 15b and
11 15c. Those are flow charts which the respondent stated
12 disclosed the microprogram, or can be translated into the
13 microprogram. That is the basis for the Board's finding that
14 the claim of novelty inhered in a microprogram, and that
15 everything else was conventional in the art.

16 Now, obviously, process claims and machine claims
17 stand on equal footing under Section 101. The mere fact that
18 a claim is phrased as one or the other cannot be the end of
19 inquiry under Flook, and I'll elaborate further on the meaning
20 of Flook in the next case.

21 MR. JUSTICE BRENNAN: Thank you, Mr. Wallace. Thank
22 you, gentlemen. The case is submitted.

23 (Whereupon, at 1:26 o'clock p.m., the case in the
24 above-entitled matter was submitted.)

CERTIFICATE

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North American Reporting hereby certifies that the attached pages represent an accurate transcript of electronic sound recording of the oral argument before the Supreme Court of the United States in the matter of:

No. 79-855

Sidney A. Diamond, Commissioner
of Patents and Trademarks,

v

John J. Bradley and Benjamin S. Franklin

and that these pages constitute the original transcript of the proceedings for the records of the Court.

BY: WJW

William J. Wilson

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