

## COMMISSIONER ADDRESSES LARGE NYPLA FALL MEETING

Over 250 members and guests of the NYPLA attended the Association's October meeting at the Roosevelt Hotel on October 27, 1965, in what was indicated to be the largest turnout at a NYPLA function other than the Annual Judges' Dinner. After cocktails and dinner the audience heard an address by the Honorable Edward F. Brenner, Commissioner of Patents.

Commissioner Brenner commended the NYPLA as being one of the most active of the Patent Law Associations in the country, and went on to discuss a wide variety of topics of current interest and importance to the continued progress of the patent system from both domestic and international points of view.

**175th Anniversary.** The Commissioner briefly reviewed the highlights of the recent commemorative program and noted that representatives of over 30 countries, including many of their Commissioners of Patents, had attended International Day on October 20, 1965, held at the Department of State. The group was addressed by Dr. Mora of the O.A.S. who expressed hopes for increased coordination of patent activities in North and South America. Many other topics of international concern were also taken up.

It was revealed by Mr. Brenner that standardized, mechanized search files for use in most of the World's Patent Offices are under development in a variety of technological areas, such as lubricants and metallurgy, with the first of this new type of search file scheduled to go into use within one year on a substantially world-wide basis. The Commissioner did estimate, however, that the use of these standardized search files would, at present, be applicable to a maximum of 1% of the total search fields.

**International Patent Classification.** The Commissioner expressed the view that, although the United States has no current plans to join the International Patent Classification Convention because of the need for much more research and development work in this area, the long range view indicates that it will probably be in the best interests of the U. S. Patent Office to join at some time in the future. At that time, the first step would be to print the International Patent Classification on U. S.

Continued on page 2

## CALENDAR

- Dec. 3rd—Annual Dinner Dance — Hotel Pierre  
Roof Garden; 6:00 p.m.
- Jan. 26th—Forum Meeting, Hotel Piccadilly, "Court  
Review of Patent Office Decisions",  
Joseph Schimmel, Reception—5:30 p.m.,  
Dinner 6:30 p.m.
- Feb. 16th—Dinner Meeting at Hotel Roosevelt.

## SUPREME COURT HEARS SEVERAL PATENT CASES

On October 12, 13 and 14, 1965, the Supreme Court heard oral argument in the cases of *Walker Process Equipment Inc. v. FMC Corp.*, *Graham v. John Deere Co. of Kansas City, Calmar, Inc. v. Cook Chemical Co.*, *Colgate-Palmolive Co. v. Cook Chemical Co.*, and *United States v. Adams, et al* (see Bulletin, Vol. 4, No. 8). Newly appointed Mr. Justice Fortas, who had been attorney for the petitioner in the *Calmar, Inc. v. Cook Chemical Co.* case, sat with the Court in the Walker case, but was not on the bench for the three hours of oral argument concerning the effect and interpretation given to 35 U. S. C. § 103 raised by the other four cases. Only two of the justices, Mr. Justice Black and Mr. Justice Douglas, had ever before sat in the Court in a case concerning the validity of a patent.

The Walker case, relating to the issue of whether treble damages can be recovered against a patent owner for enforcing a fraudulently obtained patent, evoked considerable questioning from the bench. In addition to the parties, the Government, as *amicus curiae*, presented oral argument.

In the cases on Section 103, the questions from the Court indicated a concern over the proper weight given to the result achieved by a combination invention, and it is likely that the opinions of the Court will clarify this point. Also likely is a ruling concerning the weight given to the various signposts of unobviousness.

The NYPLA's brief in *John Deere* had stressed the right of Congress to fix the standards of patentability and that the Constitution did not limit the power of Congress to set forth a test for patentability other than those stated in § 101, § 102, and § 103. Oral argument did not raise the question of a constitutional standard of patentability.

A more detailed review of the arguments may be found in Vol. 174, No. 4, Part I of the USPQ (Oct. 25, 1965).

## THE FEE BILL—IS IT RETROACTIVE LEGISLATION?

Section 7(c) of the recently enacted fee bill (P. L. 89-83) applies the increased final fees to all patent applications in which the Notice of Allowance is sent by the Patent Office on or after October 25, 1965, irrespective of the application filing date. The fairness and reasonableness of this provision has been questioned by a number of patent lawyers to the point that legislation has been introduced to make the new final fees effective only as to applications filed after October 25, 1965. (*H. R. 11453, Ellsworth*)

Supporters of the bill argue that the filing of an application with the understanding that a prescribed fee schedule would apply establishes a contractual or quasi-contractual relationship between the applicant and the Government. Consequently, a change in fees affecting an already filed application constitutes a breach of that relationship and, it is urged, legislation resulting in such a breach should not remain in force.

## Commissioner Addresses Large NYPLA Fall Meeting

Continued from page 1

Patents at issue without actually using the International Patent Classification in the U. S. Patent Office.

The Commissioner reported that an experimental program for the exchange of search results with the German Patent Office in 1000 applications for patent from each country was initiated in July of 1965, and that a year end review of the results of this program, if favorable, may result in an extension of the procedure.

**International Standardization.** Discussions have been initiated with representatives of various other Patent Offices for harmonizing patent office requirements, procedures, and the patent laws. The Commissioner noted with particular interest that discussions are currently in progress with representatives of the Canadian Patent Office with a view toward standardizing the specification width requirements to make re-typing of the specification unnecessary in cases where an application is to be filed in both the United States and Canada.

The Commissioner also indicated that the United States is currently giving favorable consideration to joining the Madrid agreement. (Although not mentioned by the Commissioner, a relatively unpublicized conference of government, bar association and business officials was called by him last spring to consider this subject, along with other international trademark matters. Representatives of the business community voiced their objections to joining the Madrid Arrangement, citing the extension to the U. S. of trademarks which were never in use and the increased administrative burden it would impose on the Patent Office.)

**Fees.** Turning to the matter of the newly enacted fee bill, the Commissioner noted that, as of October 25, 1965, a \$50 fee must accompany an Appeal Brief, even if the Notice of Appeal was filed prior to that date. The Commissioner also noted that a Joint Working Committee, to work with the Patent Bar, has been established by the Patent Office to determine the disposition of amendments filed on or after October 25, 1965 containing additional claims but not accompanied by the prescribed fee, and that the results will be the subject of a future notice in the Official Gazette. The week preceding the effective date of the new fees was marked by the issuance of some 6,000 Notices of Allowance, as contrasted with the normal weekly output of about 1500.

**New Patent Office Building.** The Commissioner expressed the opinion that the construction of a new Patent Office building in Washington, D. C. was effectively ruled out by Secretary of Commerce Connor in a recent speech to the ABA, thus leaving a nearby area in Maryland as a possible location, if any, for the new building. The Commissioner urged the support of the plan for a new building and observed that, with proper support, congressional approval and the necessary monetary appropriations could result in commencement of design and construction in 1966, with completion in 1971 at the earliest. (See article elsewhere in this issue.)

The Commissioner noted that three systems analysis and engineering task forces are currently making an overall systems study of the Patent Office in an effort to pinpoint areas for simplification and saving of time, both in the Support, and Patent Examining, Operations.

**The Patent Examining Operation.** As of November 1, 1965, the Commissioner informed his audience, a

number of changes in Patent Office procedures will be initiated. The Special Examining Procedures now in operation will become permanent. In cases wherein a requirement for restriction appears warranted, the Examiner will contact the attorney by telephone prior to the first office action in an effort to secure an election over the telephone and thus make possible a first action on the merits to expedite the examination of the application. In addition, times provided for response to Office Actions will be reduced from the current 6 and 4 months, to 4 and 3 months, respectively, but to ease the burden of the applicant, one copy of each of the references cited by the Examiner will be furnished free of charge along with the Office Action, and interviews after Final Rejection will still be permitted.

The Commissioner also observed that as of November 1, 1965, if an application appears to contain allowable subject matter after initial review and search, the Examiner will be urged to contact the attorney by telephone in an effort to place the case in condition for allowance by preliminary amendment and thus make the first Office Action a Notice of Allowance. In such instances, the Commissioner did note that the application file would, in any event, still be fully documented for possible litigation of the ensuing patent, and expressed the hope that this procedure might ultimately result in 25% of First Office Action taking the form of Notices of Allowance. These changes are more fully discussed in the text of an address to the Examining Corps by Assistant Commissioner Wahl, appearing in 819 O.G. 896 (Oct. 19, 1965).

**Presidential Commission.** The Commissioner observed that the 14 member Presidential Commission on Patents met in August and October of 1965. It will meet again in December, 1965, and hopes to file a Preliminary Report by April 8, 1966, and a Final Report by October 8, 1966. He indicated that Secretary of Commerce Connor had named him as his designee on the Commission.

The Commissioner described fiscal 1966 as a "crucial year" for the U. S. Patent Office, estimated the filing of over 90,000 applications for U. S. Patent during this period, and expressed a desire for 100,000 disposals, including the issuance of 68,000 U. S. Patents—as compared to a previous high of 55,000 issues—during fiscal 1966.

**Question and Answer Period.** In response to questions at the completion of his address, the Commissioner observed that a detailed survey of the practice of requesting attorneys to include a list of the most pertinent references of which they are aware with the application as filed, had not proven the practice to be particularly helpful to the Examining Corps, and that the practice would, accordingly, not be made mandatory. The Commissioner also observed that the possibility of enabling the charging of Patent Office fees to attorney's deposit accounts had been considered, but had not proven practicable because of the difficulty arising from defunct deposit accounts.

The meeting was closed with an appeal by Albert C. Johnston, 1st Vice President of the Association, to members to make their ideas and suggestions for improvement of the patent system known to the special committee appointed to coordinate activities between the NYPLA and the Presidential Commission. Communications should be addressed to W. Houston Kenyon, Jr., 165 Broadway, New York, New York 10006.

## BRIEFS FROM WASHINGTON

A number of bills of interest to patent practitioners are being considered by Congress:

**S. 1971—Williams** proposes that the question of obviousness under 35 USC 103 be made a matter solely for judicial determination. Refusal of a patent under 35 USC 102 remains the responsibility of the Patent Office.

**S. 2207—McClellan** is directed toward simplifying the procedure to be followed in patent and trademark appeals before the CCPA by eliminating the requirements for "reasons of appeal." The bill is similar to **H. R. 7553—Willis**, drafted by Judge Rich, which died in the 88th Congress.

**S. 2326—Dirksen** is the Government patent policy bill approved by the APLA and ABA. The bill is similar to **S. 1809—McClellan**. It differs principally on two grounds: (1) It denies the Government the right to grant exclusive licenses, and (2) where Government ownership of patents is provided for in certain fields, this Dirksen bill avoids the language "fields which directly concern the public health, welfare or safety."

**H. R. 10022—Morris** authorizes the Government to take into account, in the negotiation of contracts, whether it is likely that a valid claim could be made against the United States for patent infringement.

**S. 2455—Dirksen** proposes that the Patent Office be located in Illinois.

**H. R. 2853—Steed**, the bill to increase copyright fees, was passed by the House on September 7, 1965.

**S. 2472—Monroney** is the companion bill in the Senate which is awaiting action.

**S. 1758**, permitting practice before any Federal agency by attorneys without special requirements, was passed by both houses of Congress with an amendment allowing the Patent Office to continue its examination requirement.

**Miscellaneous**—The President enacted the Patent Office budget on August 28. ••• The renewal term of copyrights has been extended to December 31, 1967, by P. L. 89-164, signed on September 2. ••• The nomination of Philip E. Mangan as Examiner in Chief in the Patent Office was confirmed by The Senate on October 15, 1965.

### *Announcement*

Copies of an article entitled **UMBRAS AND PEN-UMBRAS: THE PATENT GRANT AND ANTITRUST POLICY** by H. Thomas Austern have been obtained specially for members of the NYPLA and for **BULLETIN** subscribers. The article is a refinement of a widely acclaimed speech given by the Author at the NYPLA annual antitrust meeting on February 24, 1965 (see **BULLETIN**, Vol. 4, No. 7).

The supply is limited, and therefore, requests will be on a first-come-first-served basis. To order a copy, send a check for \$1.00 made payable to the NYPLA or to the N. Y. Patent Law Assoc. to:

Edward Halle, Esq.  
The Franklin National Bank Building  
600 Old Country Road  
Garden City, N. Y.

## RECENT CASES OF SPECIAL INTEREST

**Patents—Estoppel.** Where a defendant in a patent action had previously offered the plaintiff the benefit of defendant's secret process and was rebuffed and then expended money and effort to build up its own market, and where the plaintiff in order to exert coercion on the defendant acquired a patent for the purpose of instituting suit so that the plaintiff might dominate the market, the plaintiff is estopped by lack of clean hands from maintaining the infringement suit, **The Borden Co. v. Clearfield Cheese Co.**, 146 USPQ 660 (W. D. Pa. 1965). Since the plaintiff at one time thought that the patent was invalid or non-infringed when it later desired the defendant to make the product for it and was willing to participate in any infringement, it cannot press its claim with clean hands.

• • • •

**Design Patent.** A claim for a design patent should be rejected as not being directed to proper subject matter where the design is hidden from view when in normal use, **Ex parte Fesco**, 147 USPQ 74 (P. O. B'd of Appeals 1965). Articles which are concealed or obscure in normal use are not proper subjects for design patents, since their appearance is not a matter of concern. Consequently, the disposable vacuum cleaner bag of the design application was not patentable.

Even if the subject of the claim were "often" seen, unless the subject matter were seen in its normal mode of operation, it is not subject to design protection. Thus, even if a printed circuit board were seen when the case for the same is removed, the claim should be refused, **Ex parte Jaffe**, 147 USPQ 45 (P. O. B'd of Appeals 1964).

• • • •

**Copyrights—Infringement.** The use of plaintiff's copyrighted hand puppets for a brief period of time on a television show without the copyright owner's consent does not constitute copyright infringement, **Mura v. Columbia Broadcasting System**, 147 USPQ 38 (S. D. N. Y. 1965). Defendant purchased the puppets on the open market and broadcast an image of the puppets during a children's show for about 35 seconds. A film recording was made but never used. The Court held that in order to constitute a copy, there must be some degree of permanency. The presentation on a television program of an image reproduction of a transitory and impermanent nature does not amount to copying. Even if there was infringement, the use of the puppets was subject to the defense of fair use. The use tended to stimulate sales of the puppets and not to interfere with such sales, so the test for fair use was met.

• • • •

**Patents—Jury Trial.** A patent owner is entitled as of right to a trial by jury of the issues of fact respecting patent validity, infringement and damages, unless that right is waived by failure to make a timely demand, **AMF Tuboscope, Inc. v. Cunningham**, 147 USPQ 132 (10th Cir. 1965). The right to trial by jury is not lost by a demand in the pleadings for an accounting. A ruling by a District Court judge that a patent case was too complex for a jury and so inappropriate for jury trial was held to be an abuse of discretion and reversible error.

## ACTION POSTPONED ON PATENT OFFICE RELOCATION

The proposal to shift the Patent Office out of Washington has been shelved temporarily by a refusal of the Senate Appropriations Committee on June 30, 1965, to authorize money for the project.

Government Services Administration had requested \$2.4 million for preliminary planning and construction studies for a new Patent Office building on a "government-owned or donated" site somewhere in Anne Arundel or Howard Counties, Maryland.

Vigorous opposition by the District of Columbia Patent Bar and by three former patent commissioners succeeded in gaining the support of Senator Robertson (D—Va.), who urged the Senate Appropriations Committee to defer appropriating money for the project to permit study of proposals to retain the Office in or near the District. One site frequently mentioned is Anacostia—Bolling Field, which is located in the District and which has not yet been allocated to another agency.

Sen. Tydings (D—Md.) has indicated that he will continue his active drive to have the Patent Office relocated in Maryland. At the present, however, the matter is awaiting further study by the Department of Commerce at the request of the Senate Appropriations Committee.

## RULES PROPOSED TO STANDARDIZE PATENT APPLICATION FORMAT

The Patent Office presently has under consideration a number of changes in the Rules of Practice relating to format of patent applications and drawing content, to bring them closer to practices followed in foreign countries. Proposed Rule 70 specifically delineates the contents of the application and the preferred order in which they are to appear as follows:

- Title of Invention
- Inventor(s)
- Cross-references to Related Applications
- Abstract of the Invention
- State of the Prior Art
- Description of the Invention
- Claim

The rule as proposed recommends that the listed items

## TRADEMARK MAINTENANCE IN MEXICO

Recent developments on questions of renewal for non-use have caused great concern to American owners of trademark registrations in Mexico. The recently appointed Commissioner of Patents has applied the principle that trademarks not in use in Mexico for a period of more than five years cannot be validly maintained. This principle as applied by the Mexican Patent Office is contrary to the long-established practice of filing renewals for non-use.

**Change of Practice.** During recent months, the Mexican Patent Office has rejected all second applications for renewal for non-use, and has instituted *ex officio* cancellation proceedings for cancellation of trademark registrations not in use. Notification of these proceedings is made on the registrant and not on the attorney of record. Thus, it is important to remember that a three month term from a date of publication of the notice in the Mexican Industrial Property Gazette is permitted to answer the cancellation action.

Many appeals have been filed seeking to reverse this procedure. The Courts have reversed the Mexican Commissioner of Patents and maintained the trademark registrations in cases where second renewals for non-use were filed.

**Appeals by the Commissioner.** The Commissioner has appealed from these adverse decisions, but in Mexico, three Supreme Court decisions must be rendered on the same legal issue before these decisions have the effect of *stare decisis*.

Although three Supreme Court decisions have not yet been rendered, the Mexican Trademark Bar has verbal assurances from the Patent Office that, in view of the many representations made, these cancellation proceedings will be discontinued, permitting unlimited number of renewals for non-use. This change does not affect previously pending cases in which applications for non-use renewals were denied.

be preceded by the applicable headings.

In general, the requirements for each of the items follow the existing rules. The identification of pertinent prior art is encouraged. The proposed claim formats correspond to those now permissible but also permit the inclusion of reference numerals in the claim. Proposed Rule 77(g) provides that the use of reference characters shall in no way be construed as placing any limitations on the scope of the claims.

### BULLETIN

of The New York Patent Law Association

165 Broadway, New York, New York 10006

Volume 5. November 1965 Number 2.

The BULLETIN is published monthly (except in July, August, and September) for the members of The New York Patent Law Association. Annual Non-Member Subscriptions \$2.50/year. Correspondence may be directed to The Editor, 90 Broad Street, New York 4, N. Y.

#### OFFICERS OF THE ASSOCIATION FOR 1965-66

PRESIDENT, John N. Cooper. 1ST VICE PRESIDENT, Albert C. Johnston. 2ND VICE PRESIDENT, Hugh A. Chapin. 3RD VICE PRESIDENT, Edward Halle. TREASURER, Albert C. Nolte. SECRETARY, Alfred L. Haffner, Jr.

#### EDITORIAL STAFF

EDITOR-IN-CHIEF, Douglas M. Clarkson. EDITOR, Arthur S. Tenser. ASSOCIATE EDITORS: Paul H. Blaustein, Nathan M. Briskin, Harold Einhorn, Joseph D. Garon, George Gottlieb, Moonray Kojima, Stanley H. Lieberstein, Eric D. Offner, James J. Romano, Jr., Robert J. Sanders, Jr. PHOTOGRAPHY EDITOR, Bernard Olcott. CONSULTING EDITORS, Joseph Barcovitz, Henry E. Sharpe.