THE NEW YORK PATENT LAW ASSOCIATION

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BULLETIN

Commissioner Ladd Discusses Common Market Patent

FIRST FORUM DINNER NOVEMBER 8TH

The first Forum dinner-meeting of the season will be held on Wednesday, November 8th, at the Hotel Picadilly, 227 West 45th Street. Albert C. Nolte, Jr., vice chairman of the Committee on Meetings has announced that **Ernest A. Faller** of the Patent Office will be the speaker.

Mr. Faller will discuss **"Changes in the Manual of Patent Examining Procedures,"** which is also the title of a book of which he is editor.

Cocktails will be served at 5:30, followed by dinner at 6:30. In keeping with the Forum policy of modest prices, the dinner will cost $4.50, including gratuities. It is anticipated that the meeting will be concluded by 9:00 p. m.

QUESTIONNAIRE ON FORUM TOPICS

Albert C. Nolte, Jr. reports that sixty cards have been returned so far, expressing the preferences of members on topics for forthcoming Forum programs. Several members indicated interest in a meeting dealing with copyright law, in addition to the anticipated heavy response in favor of programs covering patent law questions. "How to Run a Law Office" was a further suggested topic.

PATENT PROGRAM ON TV

Paul S. Bolger, first vice president of the Association, appeared on WCBS TV at 10 a.m. on October the tenth. Mr. Bolger consented, on short notice, to participate in place of the Hon. David L. Ladd, Commissioner of Patents, who was unable to appear.

The program was "Calendar," a current events telecast of which Harry Reasoner is Master of Ceremonies. The portion of the program in which Mr. Bolger participated lasted five minutes.

Mr. Bolger did not know in advance what questions would be directed to him. During the telecast he was asked, among other questions, to explain how to file a patent application, and the meaning of "Pat. Pending."

CALENDAR

Nov. 8th	Forum dinner-meeting. Ernest A. Faller of the Patent Office will speak on "Changes in the Manual of Patent Examining Procedures."
Dec. 8th	Annual Christmas dinner-dance, Hotel Pierre.
Jan. —	Forum dinner-meeting on trademarks. Topic and date to be announced.

Foresees International System

At the NYPLA dinner-meeting on October tenth, commemorating the 125th Anniversary of the Patent Act of 1836, the guest speaker was the Hon. David L. Ladd, Commissioner of Patents.

International Patent Probable. Mr. Ladd spoke on the prospects for an international patent system for the Common Market nations. He expressed the view that such a system was a probability for the not too distant future, with the possibility that membership might be offered to other nations, including the United States. This, he pointed out, would directly raise the question as to whether or not we should become a party to an international patent system.

International Background. As background, it was noted that the Benelux countries have been working on an international system for industrial property and that the four Scandinavian countries have drafted legislation looking toward a common "Nordic" patent.

A bill is now before the Netherlands Parliament which offers some revolutionary concepts with respect to patents. An examination of the application will not be made in accordance with the usual established procedure of examining applications after a certain period of pendency. Publication of the application will be withheld until 18 months after the effective filing date. Either the applicant or a member of the public can request examination of the application. If no request for examination of the application is made within 7 years, then the application will be abandoned.

Coordinating Committee. While the Treaty of Rome, which established the European Economic Community (Common Market) on March 25, 1957, apparently leaves patents within the national domain of the various member countries, a coordinating committee has been appointed by the Common Market countries to prepare legislation to establish a common patent for the Common Market territory.

No Official Release. The Commissioner stated that this committee has not made its proceedings public, but that sufficient information has reached the public via "leaks" and off-the-record statements to give a fair indication of the plan which the coordinating committee may be expected to propose.

Common Market Patent. The available information indicates that this would involve: (1) a single patent for all six countries of the Common Market; (2) the filing of a single patent application through the national patent office (to weed out security cases), which would forward it to the Common Market patent office; (3) the deciding of infringement cases in the national courts; and (4) the review of validity in the Common Market courts.

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Application to Mail at Second Class Postage Rates Pending at New York, N. Y.

The BULLETIN is published monthly (except in July, August, and September) for the members of The New York Patent Law Association. It endeavors to keep its readers informed on all phases of the Association's activities; to direct attention to important events in the patent, trademark, copyright, and related fields; to furnish information on outstanding activities of other patent organizations; and to constitute a forum for debating questions of particular concern to the profession. Correspondence may be directed to the Editor, Room 1711, 135 East 42nd Street, New York 17, N. Y.

NEW COMMITTEE ON LEGAL REFERRAL

Established This Year. The Committee on Legal Referral, newly created and beginning its operations this year, was appointed for the purpose of investigating and making recommendations to the Association on problems incident to legal referral in the fields of patents, trademarks, and copyrights. It is headed by John F. Neary, Jr.

Scope of Study. This committee will study the existing procedures in referral and is expected to make recommendations as to the preferred methods for placing inquiring prospective clients in contact with members of the Patent Bar. The committee will be particularly concerned with situations where the inquiry is initiated through a member of the legal profession or a bar association.

Effect of Advertising Ban. It is believed that the magnitude of the problem may have been accentuated by the change in the regulations of the Patent Office made some two years ago. This change, it will be recalled, prohibited all advertising by members of the Patent Bar.

Mr. Neary reports that investigation by his committee to date has revealed little or no evidence that the discontinuance of such advertising has created a problem for inventors looking for an attorney.

Referrals Analysed. The local bar associations have been very cooperative in supplying information and assistance. In one instance, where some seven thousand referrals were made available for study, barely one referral out of a thousand was found to relate to patent, trademark or copyright matters. While no information indicating a contrary trend has yet come to light, the work of the committee is continuing in the expectation that sufficient facts may be adduced to form a sound basis for appropriate recommendations.

THE PRESIDENT COMMENTS ON COMMITTEE RESPONSIBILITIES

We are now entering the active phase of our Association's fortieth year. There are present and with us important and far-reaching problems affecting the administration of our patent and trademark laws. The Patent Office backlog and the congested condition of the calendars in our Federal Courts are illustrative.

Since the Association was established to, **inter alia,** "promote the development and the administration" of our patent and trademark laws (Constitution, Art. II), these are **our** problems. So too are proposals for legislation or rule amendments designed to correct or remedy such problems, as well as proposals for legislation or rule amendments designed to correct real or imagined abuses of our patent or trademark systems.

In each case the problem, and the suggested remedy, requires realistic appraisal by our Association and a frank expression of our views with respect thereto.

Of necessity, action by the Association on matters of this kind must be through its various committees. These committees, and their membership, collectively and individually, discharge their duty to themselves and to the Association only to the extent that they give to the tasks assigned or assumed the careful study, thought and consideration necessary realistically to evaluate a given problem and the proposed remedy with respect to the **immediate as well as the long-range** effect of each on the "development and administration" of our patent and trademark law.

It serves no purpose to cure an ill if the cure results in the patient's death. All ills should be treated to insure the well-being and continued good health of the patient.

For the past 125 years, the United States has enjoyed and profited from a patent system that has its roots in the principles upon which was based the Act of July 4, 1836—the Patent Act of 1836. Proposals advanced by this Association or its committees, or by others, which are designed to remedy some acute reoccurrences of the chronic problems incident to adherence to these proven principles must be weighed and appraised, in committee, in the light of their value as cures for the presently acute ills, as well as their long-range effect on the future well-being of our patent system.

There are problems, and the problems must be recognized and solved if we are to continue to enjoy the benefit of this system. We cannot be adverse to change **per se;** but in recommending a change members of a committee considering an assigned or assumed problem, individually or collectively, should be neither reckless nor blind as to its ultimate effect on our patent system, no matter how efficacious the proposal may appear as a remedy for some presently acute problem or evil.

—Mark N. Donohue

Warren Dunham Foster

Warren Dunham Foster, a patent attorney, and a member of NYPLA since 1934, died at his home in Ridgewood, New Jersey, on September 21, 1961. Mr. Foster was an inventor of motion picture apparatus; he received 65 patents. Mr. Foster founded the Kinatone Patents Corporation and the Camera Patents Corporation. His age was 74.

NYPLA REPRESENTED AT CONGRESSIONAL HEARINGS

KEFAUVER DRUG BILL OPPOSED

On October 18th Paul S. Bolger appeared for the Association before the Senate Antitrust and Monopoly Subcommittee in opposition to S. 1552 sponsored by Senator Kefauver.

Summary of Association's Position. He summarized the position of the Association as follows:

"Section 2 of the Bill, which on its face would amend the Sherman Act, specifies that certain practices, especially as related to the settlement of interferences, would be illegal as applied to applications for drugs regardless of the general legality or illegality of such practice. This can only result in inhibiting settlement of interferences, and thereby in prolonging prosecution, increasing expenses, and delaying the issuance of patents. This in turn would inevitably diminish research in the affected field.

"Section 3(b) of the Bill would require that patents be granted on certain types of new drugs only if, in addition to the other statutory requirements for patentability, the Secretary of Health, Education and Welfare has found that the therapeutic effect of such a new drug is significantly greater than that of its predecessors. Such a change would complicate and lengthen the patent examining procedure and tend to substantially duplicate the standards presently imposed by the Patent Office in patent applications for drugs.

"Section 3(c) of the Bill would amend the Patent Act to provide that patents issued after interference proceedings would have an effective date as of the filing date of the prevailing party's application where the patent was for drugs not requiring a new drug application, and as of the effective date of the new drug application in cases where that is required. By Section 3(d) of the Bill, rights to sue for infringement would appear to accrue as of the "effective date" of the patent, although the "infringer" would have no notice of the fact that such a patent was lurking in the Interference Division. The change in the effective date also means that where an application has had a lengthy prosecution history before it is put in interference, the three year period of exclusivity following the effective date of the patent to issue might very well have expired long before the issuance of the patent and the inventor or patentee would be deprived of any period of exclusive right as contemplated by the constitution.

"Section 3(d) of the Bill would provide for compulsory licensing to any "qualified applicants" three years after the "effective date" of any patent for a new drug, which date, as pointed out above, would be the date of issue only for patents which issued without involvement in an interference."

LINDSAY BILL H.R. 4333 SUPPORTED

Dayton R. Stemple, Jr. represented this Association before the Subcommittee on Patents, Trademarks and Copyrights of the Judiciary Committee of the House at hearings held on the Lindsay bill, H.R. 4333, covering housekeeping amendments to the Lanham Act. James F. Hoge and Daphne Leeds, representing the Central Clearing House for several groups including the NYPLA, presented the primary arguments as proponents of the bill.

NYPLA Statement. The hearings were held on August sixteenth and the following statement was presented by Mr. Stemple as representing the official position of our Association:

> **"The Committee on Trademarks having previously approved S. 2429 (86th Congress) and having recently approved H.R. Bill 4333, the Association urges the early enactment of H.R. Bill 4333 since, for all practical purposes its provisions are essentially non-controversial and have been endorsed by the Bar."**

The sole witness appearing against the bill opposed, among other things, the deletion of "purchasers" at certain points in the Lanham Act. Mr. Stemple responded on behalf of the Association, pointing out that protection should be afforded to the public broadly instead of purchasers only.

Bill Has Passed the House. The bill passed the House of Representatives on September 18th and will now be referred to the Senate, where it is hoped it will be acted on early in the second session, which convenes in January, 1962. The Senate passed an almost identical bill (S. 2429) during the 86th Congress in 1960, and thus should not oppose the present bill.

"REGISTERED USER" BILL OPPOSED

Mr. Robert Bonynge spoke on behalf of the NYPLA in connection with the "registered user" bill, S. 1396, before the Senate Subcommittee on Patents, Trademarks and Copyrights on June 21, 1961.

Provisions of Bill. The registered user bill is patterned after corresponding provisions in the law of certain British countries and would change the present Trademark Act by eliminating the "related company" provision (Section 5).

Under the proposed bill the application for registration of registered users must be accompanied by a statement setting forth the relationship between the parties involved, the method of control exercised by the registrant or applicant over the nature and quality of the goods or services and "any conditions imposed by the registrant or applicant for registration of the mark with respect to the characteristics of goods or services, or the mode or place of the permitted use."

Bill Found Burdensome. In speaking against the bill, Mr. Bonynge stated that the report of the Committee on Trademark Law had voted to disapprove S. 1396 because the bill would throw an enormous administrative and financial burden upon U. S. trademark owners who are presently employing a system of multiple permitted users. Mr. Bonynge stated that he did not foresee any benefits to small businesses from the bill. On the contrary, he said the bill would result in burdensome formalities and substantial expenditures to American business both at home and abroad.

Effect on Franchised Systems. Upon completion of his testimony Mr. Bonynge was questioned by Senators Hart and Cotton.

Some of the questioning concerned the effect of the bill on owners of franchised systems such as restau-

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HEARING ON CHANGE IN RULES

The Patent Office has announced that a hearing will be held in Room 3886B of the Department of Commerce Building at 10:00 a.m. on November 20, 1961, to consider a proposed amendment to the rules of practice in Patent Cases. The amendment would provide for the publication or the release for publication of decisions of the Board of Appeals in abandoned applications, even though the application involved may not be open to public inspection.

The Patent Office notice states that it is not intended to publish or release for publication every decision of the Board of Appeals, but only a selection of those considered desirable and useful. The determination as to the desirability for publication will be made in the first instance by appropriate officials of the Patent Office. The applicant will, however, be notified and given an opportunity to present reasons why it should not be published.

Persons wishing to be heard orally should notify the Commissioner of Patents of their intended appearance.

NEW MEMBERS ELECTED

The election of six candidates to membership in the Association has been confirmed by the Board of Governors. The new members are: Shirley D. Brinsfield, John R. Peterson, James E. Ryder, William H. Saltzman, Samuel W. Tannenbaum, and Milton J. Wayne.

"Registered User" Bill Opposed

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rants and hotels which hold licenses from trademark owners. Mr. Bonynge pointed out that the present trademark statute requires the trademark licensee to live up to the quality standards set by the trademark owner, and that the test of validity of a license is the control exercised by the trademark owner over the nature and quality of the goods. He stated that the proposed bill would not provide any increase in protection to the public.

Mr. Bonynge conceded that the normal license agreement sometimes provides for territorial allocation, but stated that under the present law such territorial allocations are valid and are necessary.

Common Market Patents

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Examination of Application. As to procedure, Mr. Ladd indicated that the application would be filed in (or translated into) several languages and that there would be no initial patent examination except to determine whether the application complied with the regulations. The proposed patent term would be 20 years from the date of filing; divided into a first period of 6 years, and a second period of 14 years.

The examination procedure would be expected to follow, in general, the proposed Dutch patent law. The examination would probably be conducted by the national patent office. It would take place, if at all, during the first 6 year period, and then only upon the request of the applicant or upon a petition for cancellation filed by an outside party. If no examination was requested or made during the 6 year period, the application would lapse. On the other hand, if an examination was requested and a patent issued, it would run for the full 20 year period.

Concurrent National Patents. It is apparently anticipated that the Common Market countries may continue to issue their own patents, but the Commissioner pointed out that the national patents could be so overshadowed by the Common Market patent that the national systems might eventually be abolished as involving unwarranted duplication.

Position of Non-Member Countries. It is considered likely that other countries will be able to join on an equal basis with the Common Market countries. A limited or partial membership may also be made available. The Commissioner stated that if the United States were to join, it would have to be on a limited basis because of the constitutional mandate under which Congress is granted the power to secure to inventors the exclusive right to their discoveries.

It is as yet unsettled whether citizens of other countries will be able to obtain a Common Market patent if their countries do not become members. The right to obtain a Common Market patent would be attractive since between 50% and 80% of the applications filed in European countries are filed by residents of other countries.

There has been no indication as to where the patent office of the Common Market might be located.

Adoption of Plan Imminent. The Commissioner stressed the fact that these plans for a Common Market patent are moving at a rapid pace and that the legislation may be presented for adoption some time next year. In answer to a question, he stated that the United States Patent Office had an observer at the conference and was following the situation closely.

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