THE NEW YORK PATENT LAW ASSOCIATION

VOL. 1 No. 9 JUNE 1962

BULLETIN

ANNUAL OUTING JUNE 15th

A gala program for the NYPLA's **annual outing on June 15th** has been announced by William C. Connor, of the Committee on Meetings and Forums, who is in charge of the event. In view of the success of last year's program, this, the 6th annual outing of our Association, will be held at the **Knollwood Country Club** at Elmsford, New York.

The cost for those attending will remain relatively modest; $15 for each couple and $10 for the men who come stag. This will cover **swimming, tennis, dancing** to Ben Cutler's orchestra (under the baton of "Dutch" Wolff), and **dinner.**

Mr. Connor's assistants on the committee, Robert D. Fier and Maurice B. Stiefel, have arranged with our own Pauline Newman to have a **surprise for the ladies;** Helena Rubinstein having provided beauty consultation at the '61 event. This year, Mr. Connor said, the special feature for the ladies will begin at 4:00 p.m., but he refused to divulge any information on the nature of the surprise.

Following hallowed custom, and appropriate for the occasion, there will be **golf.** The golf fee will be $4 for those attending the dinner, and $6 for those who do not stay for what is promised to be an excellent meal. There will be an additional entry fee of $1 for the putting tournament, which offers first and second prizes.

Other prizes, Mr. Connor informed the BULLETIN, will include the traditional Governor's Cup. This is for the low net for a designated 18 holes. The other customary prizes are all for 18 holes. There will be a first and second prize for the low gross and a first and a second prize for the low net of Class A (handicap of 24 and under) and of Class B (handicap of 24 and more). For ladies only, there will be a low gross and low net prize. A similar prize will be offered for guests.

NEW MEMBERS ELECTED

At a meeting of the Board of Governors held on May 11, 1962, the following applicants were admitted to active membership: Charles Marks, Edwin T. Grimes, William T. O'Halloran, F. Eugene Davis IV, and Joseph Martin Weigman.

The acceptance of these members concluded a successful year for the Admissions Committee which has proposed a total of 40 new names for membership during the past year.

CALENDAR

June 15th — 6th Annual Outing and Dinner-Dance at the Knollwood Country Club, Elmsford, N. Y. Facilities for golf, swimming, and tennis will be available. Special feature for the ladies at 4 p.m. Dinner at 7 p.m.

SATELLITE COMMUNICATIONS DISCUSSED BY THEODORE BROPHY

The Annual Meeting of the Association was climaxed by a discussion of the **legal and administrative challenge presented by satellite communications. Theodore F. Brophy,** Vice President and General Counsel of General Telephone & Electronics Corporation, analyzed the problem, discussed proposed legislative solutions, offered some suggestions, and emphasized the need for timely action.

Technology Ahead of Legislation. Mr. Brophy began by noting that technological advances "almost" permit implementation of a world-wide satellite communications system. Progress in solving the legal problems in this area, however, has not been as rapid, and legislation is only now being considered in Congress.

Mr. Brophy pointed out that there were two systems proposed, the "random polar orbit system" and the "synchronous equatorial orbit system," and that the detailed legal solution may depend, to a great extent, upon the nature of the system ultimately adopted.

Mr. Brophy termed the current legislation "sound in providing for a private enterprise rather than Government ownership system." The House of Representatives has approved one bill and the Senate Commerce Committee another for the establishment, ownership, operation, and regulation of a commercial satellite system. These bills relate only to the U.S. portion of the satellite system.

Details of Bills. Both bills would establish a corporation with stock to be offered at $100. per share. 50% of this stock would be offered to the public and 50% would be available to the communications common carriers approved by the Federal Communications Commission (FCC). The Board of Directors of the new corporation would be composed of six members elected by each of the two stockholder groups, and three appointed by the President. Regulation would be by the FCC, and assistance would be given by the National Aeronautics and Space Administration (NASA).

The House and Senate bills, Mr. Brophy said, differ as to the ownership of the ground stations. The House bill would have the FCC encourage the individual carriers to own their own stations. The Senate bill does not express a preference for ownership by either the carriers or satellite corporation, but would leave this up to the FCC.

Public Investment. Emphasizing the profit incentive, Mr. Brophy favored a marshalling of the communications common carriers to carry forward the space communications task. He thought it would be dangerous to encourage public investment in a speculative venture where the potential profit has been overemphasized.

He noted that the rates, as far as U.S. interests are concerned, would be subject to regulation, and there was no reason to expect a greater profit return than from existing facilities. The government money now

Continued on page 6

Editorial

This issue completes the first volume of your BULLETIN. A great deal of work and much thought on the part of many persons have gone into its production. Our labors have been worthwhile and the paper can be termed a success if you, the readers, have found it useful and interesting.

When the BULLETIN was set up it was predicted that its major problem would be "copy," and serious efforts have been made during the year to keep the officers, the committee chairmen, and the members alert to the need for a continuing flow of material. Linage statistics based on the first eight issues show that despite this appeal only 63% of our total "copy" was generated by NYPLA activities. The other 37% dealt with the Patent Office; covered activities of other organizations; reached our mailbox as communications; or constituted special articles on outside topics which had been worked up by one of our editors or a guest writer, either on an assigned or voluntary basis.

We do, of course, plan to devote appreciable future space to professional activities and events outside of the Association, but we would hope that when Volume 2 of the BULLETIN goes into production in October our members—with or without portfolio—will take a more active part in contributing to its pages. Our first year has indicated that the BULLETIN has exciting potentials, but these can be fully realized only if it becomes a truly cooperative venture. —The Editor.

DONOHUE RETIRES AS PRESIDENT

It has been a pleasure, a privilege and an honor to serve as President of The New York Patent Law Association. As one of my predecessors aptly stated, no one person can run such an Association as ours. Its success or failure is a measure of the work put into it by all the officers, the Governors, the chairmen of the various committees and subcommittees and committee members who give of their time and energy to make the Association function as it should.

In line with that fundamental principle, I wish to take this opportunity to extend my thanks and sincere appreciation to each of the officers and members of the Board of Governors, to each chairman of a committee and subcommittee, and to each committeeman and Association member who has aided in the work of this Association during the past year. In particular, I want to express my appreciation and thanks to the Editors of the BULLETIN and the Chairman and members of the Committee on Publications for their magnificent and outstanding efforts which have made the BULLETIN a publication of which we are all proud.

—Mark N. Donohue

ACTIVITIES OF THE BAR

The Bar Association of the District of Columbia has presented a certificate of honorary membership to the **Hon. David L. Ladd,** Commissioner of Patents. The award was made at the Association's "D.C. Bar Day Luncheon." This was the first time a Commissioner of Patents had been awarded an honorary membership in the Association. • • • **The Philadelphia Patent Law Association** has awarded a bronze plaque to **The New York Times** for its contribution to a better understanding of the U.S. patent system. A feature article in the Times Magazine Section of September 17, 1961, "Ten Patents That Shaped the World," was rated by that Association as the "most outstanding" article relating to the patent system produced outside the profession during 1961.

HIGHLIGHTS OF NEW KINTNER SURVEY ARE DISCLOSED BY LADD

Commissioner of Patents David L. Ladd has made public the highlights of the recent report on the new **Management Survey of the Patent Office.**

This survey was initiated at the request of the Commissioner of Patents and other officials of the Department of Commerce. It was conducted by a committee (more properly designated as a "task force") from the Patent Office which included other government representatives. **Earl W. Kintner,** former Chairman of the Federal Trade Commission, was in charge of the survey.

The Recommendations. The report itself is a very extensive and bulky document and covers in detail the physical facilities, organization, personnel policies (as they affect manpower utilization), and some of the procedures of the Patent Office. It includes recommendations dealing with:

- A new Patent Office building.
- Changes in practice which would grant responsibility to patent examiners more rapidly.
- Making a clearer distinction between administrative and patent examining personnel.
- The establishment of a permanent planning group.
- Procedures for controlling the quality of issued patents.
- A new grouping of technical arts and the examining functions associated with them.
- New programs for career development.

The report states that the Management Survey Team used as a point of departure earlier reports and studies, including those published by various Congressional committees.

Adoption of Recommendations. Commissioner Ladd said that where feasible recommendations will be put into effect as soon as it is possible to do so. Other recommendations will be instituted following final approval by the Department of Commerce. One of the recommendations was to create more Divisions. This would be accomplished, he indicated, by creating more positions of Primary Examiner in each of the existing Divisions.

The survey was made because of the critical situation in which the Patent Office now finds itself, with its work backlog growing year-by-year. The Commissioner illustrated this state of emergency and the reasons for it by a series of three charts, which will be found on page 3 of this issue in condensed form.

Chart No. 1 shows a steady year-by-year increase since 1957 in the number of applications filed in the Patent Office.

Chart No. 2 graphically compares the rise in expenditures for research and development conducted by Government and industry, with the increases in Patent Office appropriations and personnel.

Chart No. 3 reveals the real problem in its starkest form; the increase in the cumulative search load in the Patent Office and the declining productivity of the examiners as measured by application disposals.

The scope of this survey and the pertinency of some of its proposals are said to indicate that it may be the most important thing that has happened to the Patent Office in many years. It should constitute a fertile field of study for the NYPLA committees during the coming year.

NEW ADMINISTRATION TAKES OFFICE AT ANNUAL MEETING

The slate of officers and governors presented by the Nominating Committee for the ensuing Association year was unanimously accepted by the members present at the annual meeting on May 24th. The new administration took office immediately upon its election. The officers and governors elected are as follows:

President	— Cyrus S. Hapgood
First Vice President	— Ralph L. Chappell
Second Vice President	— John N. Cooper
Third Vice President	— Albert C. Johnston
Secretary	— Frank W. Ford, Jr.
Treasurer	— Albert C. Nolte
Governors (3 years)	— Mark N. Donohue
	Henry W. Koster
	Robert E. Isner

MESSAGE FROM PRESIDENT HAPGOOD

I am most grateful for the honor of serving as President of The New York Patent Law Association.

The members of this Association, now in its forty-first year, can take pride in its stature and in the conduct of its affairs over the years. Its successes have been due in large measure to the interest shown by its members in the many activities of the Association and to the work of its committee members, Board of Governors and officers, under the able leadership of its past presidents. As your new President, I shall try to provide a continuation of that leadership.

I take this opportunity to commend Mr. Mark N. Donohue for the exemplary manner in which he conducted the office of President throughout the past year. The entire membership, I am sure, joins in my tribute to his devotion and accomplishments in performing the duties of that office. —Cyrus S. Hapgood

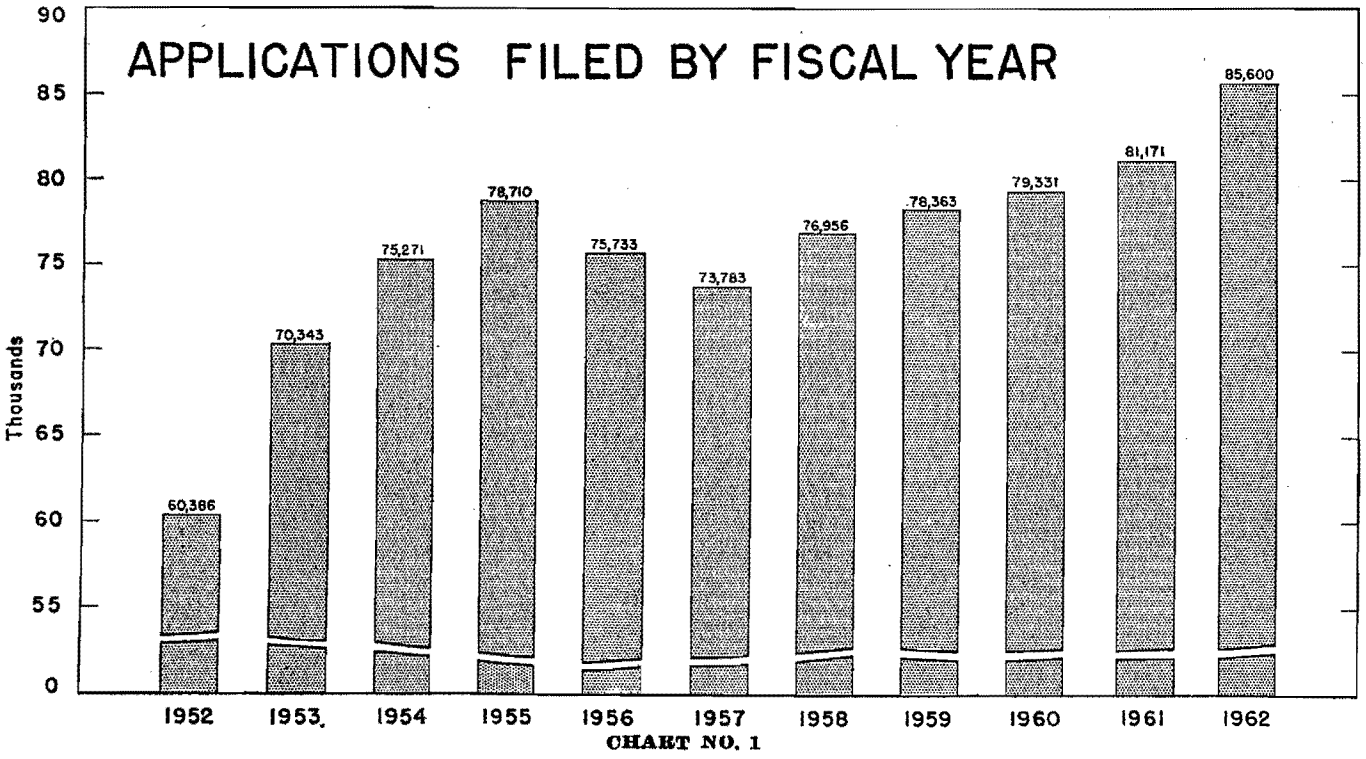
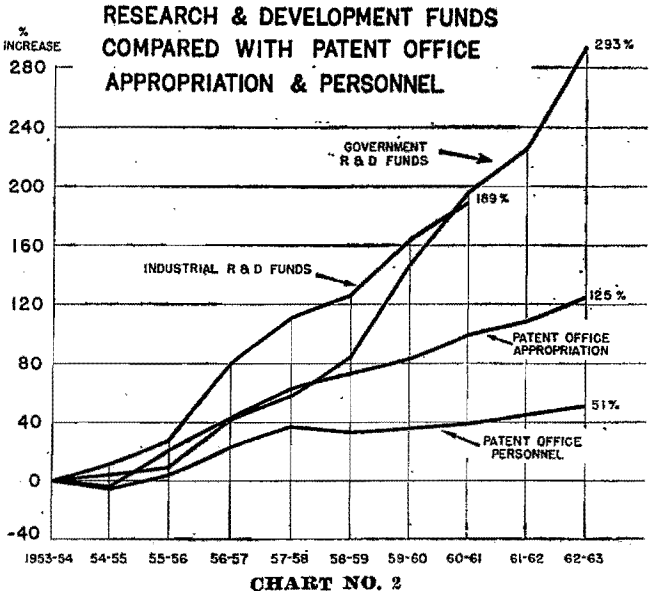


CHART NO. 1



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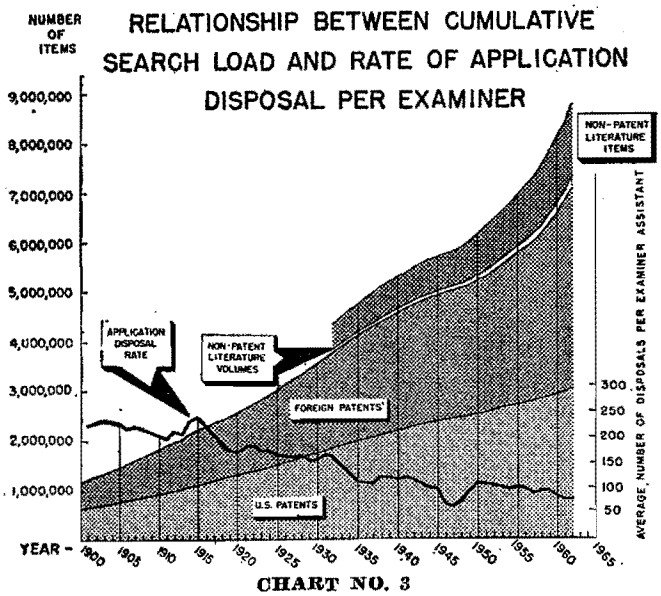

CHART NO. 3

Title vs. License—"Statement of Principles" Submitted to Government

The **National Council of Patent Law Associations** has submitted to the Administration and the various Government agencies concerned a **Statement of Principles for the Evaluation of Federal Government Patent Policy.** This was done in an endeavor to assist the Government in resolving the conflict between the patent title policy and the patent license policy relative to Government research and development contracts.

The NYPLA, as a member of the National Council, has participated in submitting this statement to the Government. Working through its Subcommittee on Government Relations to Patents, of which Hugh A. Chapin is chairman, it has itself submitted the statement to New York State congressmen and others particularly concerned with the Government's patent policy.

This Statement of Principles is said to be the product of an extensive study based upon a thorough examination of the many writings on the subject and the applicable statutes.

The **Statement of Principles** is set forth in full, below.

"1. Since the ultimate outcome of the current cold war between the Free World and the Communist World may well be dependent upon future technological advancements made in the United States, the overriding and controlling consideration must be the adoption of, or continued adherence to, that policy which will provide the greatest incentive and stimulation to the making of such advancements.

"2. Any policy with respect to research and development work done by industry for the Government should accordingly be such that the Government will be provided with the best solutions to its problems in the shortest time.

"3. Industry should be given such incentives to use its best efforts to accomplish this, and to stimulate competition for research and development work, as are consistent with the needs of the Government and the public.

"4. Industry's prospect of owning patent rights on inventions developed by it in such work

(a) provides an important incentive to solve problems in a practical manner;

(b) encourages all-out efforts by contractors; and

(c) promotes the further development of inventions to adapt them and make them available for use by the public.

"5. Industry ownership is not inconsistent with meeting the needs of the Government, since the Government's interest is, and should be, to be free to make, or to have made for it, and to use the invention in governmental work without charge, which interest can be satisfied by the grant of a free license to the Government by the contractor.

"6. Industry ownership is not inconsistent with the needs of the public, for the risk, which is rare if not nonexistent, of 'suppression' of the invention by the contractor's failing to develop the invention for use by the public, can be eliminated in appropriate situations by compulsory licensing provisions. So-called 'suppression' is generally the result of lack of demand for the invention in its existing form.

"7. Any statute or regulation dealing with Government patent policy should take into account at least the following factors in order to protect the needs of the Government, the contractor, and the public:

(a) the nature and intended use of the invention;

(b) the extent to which the Government initiated and fostered the development;

(c) the extent to which the contractor was previously in possession of developments and inventions in the field, and the relation of the particular invention to this previous work;

(d) whether the invention was made or reduced to actual practice by the contractor before or after undertaking the work for the Government; and

(e) whether the invention has any possible commercial applications, the further development of which would require the speculative risk of substantial capital to make the invention available to the public.

"8. The withholding of patent rights from the contractor is justified, if at all, only as a recognized exception to a policy that the public interest is generally best served by private ownership of patented inventions made by the contractor. The rare exception might be made when, in the Government contracting officer's judgment, the following conditions are met:

(a) the situation involves the creation and development of a new technological field where there is no significant non-governmental experience to build upon;

(b) virtually all funds required are furnished by the Government; and

(c) any invention which may be made under the contract would be likely to dominate the field or be of critical significance to it.

"9. The invention covered by any Government-owned patent should be available to any member of the public indiscriminately and without charge.

"10. The Government should not embark upon a policy of licensing the public for a royalty or other fee because

(a) such a policy would require the Government to enforce its patents in the courts against those who refused to pay the fee, resulting in complicated, expensive and anomalous litigation;

(b) such a policy might involve the granting of exclusive licenses, which would risk discriminations and abuse (such as plagued the British Crown in the granting of monopolies in the 17th Century and resulted in the Statute of Monopolies); and

(c) such a policy would put the Government in the incongruous position of granting to itself patents of financial value for enforcement against its own citizens."

Frank E. Barrows

Frank E. Barrows, a member of this association since 1922, died on May 29th at the age of 73, following an operation. Mr. Barrows, who had been a partner in the law firm of Pennie, Edmonds, Morton, Barrows and Taylor since 1919, served as president of the NYPLA for the year 1952-53. He had been active in politics in Glen Ridge, N.J., his home, serving as mayor from 1936-40. He is survived by his widow Mrs. Susan Carr Johnson Barrows, two daughters and three sons.

UNAUTHORIZED PRACTICE OF LAW

The Supreme Court of Florida has decided that a registered patent attorney who is not a member of the Florida Bar may not prepare and prosecute patent applications in Florida. In **State** ex rel. the **Florida Bar v. Sperry,** 133 USPQ 157 (1962), the court said that such work constituted the practice of law, making the practitioner "amenable to the rules and regulations of Florida courts." This decision is in contrast to **Chicago Bar Association v. Kellogg,** 83 USPQ 269 (1949), which allowed a registered patent attorney who was not a member of the local bar to prepare and prosecute patent applications in Illinois.

The underlying constitutional issue as to whether the federal government, acting through the Patent Office, has exclusive control over patent prosecution practice was raised in **Battelle Memorial Institute v. Green,** 133 USPQ 49 (1962). In that case, the Ohio Court of Appeals, Franklin County, held that such control was exclusively vested by the United States Constitution and by Acts of Congress in the Commissioner of Patents and held that state courts could not exercise control over that which "they do not have the power to authorize in the first instance."

The lower court in **Battelle** also reached the conclusion that the preparation and prosecution of patent applications constituted the **practice of law.** The Ohio Court of Appeals, however, did not rule on this aspect and it left open the question as to whether **Battelle,** a corporation, was engaged in the unauthorized practice of patent law. Presumably the Ohio court viewed this as a matter for the Commissioner of Patents to determine.

REVIEW

With the category of "Works of Art" being utilized more frequently in Copyright Office registrations, especially for those in the design field, an article appearing in the next issue of the Journal of the Patent Office Society, **"Copyrights, The Artist, And Filing Delay,"** by Cameron K. Wehringer, is indeed timely.

The question of filing delay considered therein, moreover, is of general application in the Copyright field.

Since the decision in **Washingtonian v. Pearson** in 1938, 306 U.S. 30, it has been generally considered that statutory copyright is obtained for a published work, by publication plus proper copyright notice. Registration or filing has been secondary, required only prior to a suit for infringement, which might be many years later.

Mr. Wehringer has given thoughtful consideration to the policy considerations involved, contrasting "mere" delay with "deliberate" delay in the light of the cases and the practices in the field and considering also the proposed Revision of the Copyright Law in this area.

In a field where trade practices do not necessarily jibe with law, it is refreshing to see new thought given to the problems.

"Washingtonian Revisited by Wehringer," an appropriate suggested sub-title, is a worthy addition to copyright literature.

—Theodore R. Kupferman

Editor's Note: Mr. Kupferman is a former president of the Federal Bar Association of New York, New Jersey and Connecticut; Chairman of the Committee on International Copyright and Trademark Relations of the Section of International and Comparative Law of the American Bar Association; and Assistant Professor of Law, New York Law School.

JOTTINGS ON THE ANNUAL MEETING

Cyrus S. Hapgood was duly installed and presented with the president's gavel at the 40th Annual Meeting of the Association on May 24th. In his statement of acceptance he spoke in laudatory terms of the way in which Mark Donohue and his administration had carried on the work of the Association during the past year. • • • The new president said the response to the committee questionnaire had been overwhelming and that it would not be possible to place everyone on the committee of his choice.

The only surprise of the meeting was the presentation of a **resolution:** "RESOLVED: A Committee be appointed by the President to consider a change of name of the Association to a name similar to 'The New York Patent, Trademark, and Copyright Law Association,' and that the Committee so appointed report to the Association the reasons for and against such change." The resolution passed but the vote was close enough to require a show of hands.

In his report for the Board of Governors **Mark Donohue** mentioned among other items the large number of bills on which the Association had filed a report or taken a position during the year. • • • He noted the past year as of particular significance to the Association because of the institution of the BULLETIN and offered special commendation to the BULLETIN staff for the successful handling of this publication. He also expressed his appreciation of the splendid job the meetings and forum committee had done. • • • **Albert Nolte,** our treasurer, reported NYPLA assets of $30,449.56 in bonds and cash.

In the summary reports presented on behalf of the various committees, **Cyrus Hapgood** said the Association had commented favorably on the proposed location of the Patent Office in Langley, Virginia. • • • 40 new members were reported for the year by **John Cooper.** • • • **George Whitney** urged that members submit suggestions for the next year to the meetings and forum committee, and indicated that the committee was tentatively reserving the Pierre for the dinner-dance and the Waldorf for the annual dinner, although one of the newer hotels had been considered. • • • **Eben Graves** said that the ethics committee had presented to the Department of Justice the matter of patent practice by engineers not registered in the Patent Office and that these cases were now being investigated by the F.B.I.

Tennes Erstad reporting for the employment committee said that it had filled 25 secretarial positions during the year and 13 professional positions, but that its register still showed 4 secretarial jobs available and 66 professional openings. • • • The library committee, according to **Saxton Seward,** is still trying to complete its collection of photographs of past presidents. • • • **John Neary, Jr.** said that the legal referral committee was cooperating with the City Bar which had agreed to take over our referrals provided that we would contribute seven lawyers to its panel.

R. Morton Adams reported that the committee on economic matters had made little real progress on the problem of "how to increase take-home pay," but promised an immediate report when the solution was found. • • • **Robert Ossan** said that the writers bureau of the public information committee was working on a monograph entitled "The Patent Lawyer," and also mentioned the possibility of establishing a summer patent workshop on the Fairleigh-Dickinson campus. • • • **Henry Sharpe,** speaking for the publications committee, asked for comments from the members on what they want to see in next year's BULLETIN.

Register of Copyrights Cites Outstanding Cases of 1961

The **1961 Report of the Register of Copyrights** contains a digest of copyright cases which were decided in 1961. A selection of the more interesting cases follows.

The most publicized copyright case of the year, and probably the most important, was **Public Affairs Associates, Inc. v. Rickover,** 248 F.2d 262 (D.C. Cir. 1960), certiorari granted, 365 U.S. 841 (1961). In its decision the Circuit Court of Appeals for the District of Columbia held that works written by a Government official on his own initiative may be copyrighted even if they deal with matters of official concern, unless "they are statements called for by his official duties or explanations as guides for official action."

On another main point of the case, the court held that copyright was lost by distribution of copies in the form of press releases without a copyright notice; since the group receiving the copies was not limited in any way, the publication was "general" rather than "limited."

Two decisions of the Second Circuit Court of Appeals dealt with the position of the copyright notice. The first, **Ideal Toy Corp. v. J-Cey Doll Co.,** 290 F.2d 710 (1961), reached the conclusion that the copyright notice on an uncopyrightable feature of a doll will not invalidate protection for a copyrightable feature that bears its own notice. The second, **Coventry Ware, Inc. v. Reliance Picture Frame Co.,** 288 F.2d 193 (1961), held that a notice appearing on a label permanently affixed to the back of a framed work of art complies with the requirements of the law. A petition for certiorari in the **Coventry Ware, Inc.** case was filed with the Supreme Court, 29 U.S.L. Week 3360 (May 20, 1961). The petition was denied on October 9, 1961 (30 U.S.L. Week 3112).

In two related cases involving designs, **Fabrex Corp. v. Scarves by Vera, Inc.,** 129 U.S.P.Q. 392 (S.D.N.Y. 1961), and **Scarves by Vera, Inc. v. Fabrex Corp.,** 129 U.S.P.Q. 395 (S.D.N.Y. 1961), the court upheld a notice reading merely "Vera ©" on the ground that the name "Vera" had been prominently and commonly used as an abbreviation of the full name of the copyright owner and, therefore, disclosed its identity. The court also remarked that clearance of a design by the Design Registration Bureau of the Textile Distributors Institute was of no significance in determining questions of copyright infringement. In **Scarves by Vera, Inc. v. American Handbags, Inc.,** 188 F.Supp. 255 (S.D.N.Y. 1960), the court held, among other things, that a manufacturer may incorporate in his handbags, without permission, plaintiff's scarves bearing copyrighted designs "so long as plaintiff is not identified with manufacture of the handbag." The decision in this case, and that in **Peter Pan Fabrics, Inc. v. Dixon Textile Corp.,** 188 F. Supp. 235 (S.D.N.Y. 1960), also lend support to the concept that notices appearing on detachable tags or labels are invalid.

The Ninth Circuit Court of Appeals, in **Hayden v. Chalfont Press, Inc.,** 281 F.2d 543 (1960), held that names given to geographical locations by a mapmaker are not protected by copyright in his map. **Noble v. D. Van Nostrand Co.,** 128 U.S.P.Q. 100 (N.J. Super. Ct., Ch. Div. 1960), involved a case in which two authors had jointly undertaken research for a book. The State Court held that the aggregate compilation of their research was subject to protection even though never reduced to manuscript form and that as co-owners the authors could each use the material without the other's consent, subject to a duty to account for any profits.

In a case involving a plan for pooling bets on horse races, **Briggs v. New Hampshire Trotting and Breeding Assn., Inc.,** 191 F.Supp. 234 (D.N.H. 1960), the court upheld the principle that there is "no protection by copyright to games, or similar systems, as distinguished from publications describing them," but expressed the view that "if the copyright law can protect dramas, . . . there is no reason why it cannot protect certain forms of public presentations in the form of games or sports involving activity rather than mere words."

Satellite Communications Discussed

Continued from page 1

spent would not be included in the investment base on which the rates would be computed. Mr. Brophy would prefer to have the public invest through the communications common carriers and not directly.

Immediate Need for Legislation. In conclusion, Mr. Brophy reiterated his opening observation of the immediate need for "a pattern or framework within which the U.S. interests in satellite communications can be owned, operated and regulated." He expressed confidence that under the pressure of circumstances we can and will find a solution to these difficult problems.

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