THE NEW YORK PATENT LAW ASSOCIATION

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BULLETIN

Annual Dinner Of The NYPLA

Brig. Gen. Frank L. Howley (Ret.), vice-president of New York University, will address the Annual Dinner of the Association which will be held on March 23rd at the Waldorf-Astoria Hotel.

General Howley was the American Commandant in Berlin from 1947 to 1949. He has served as vice-president of New York University since 1952. Since World War II he has spent 1600 hours with the Russians at the conference table and wrung 1300 agreements from them. His formula for success is to "recognize that Communists are liars and swindlers and cutthroats, and treat them as such." His biography notes he "is a veritable firebrand of a speaker in his ability to rouse audiences across the country to a new awareness of the perils from within and without."

The title of General Howley's address will be **"A HARD LOOK AT U.S. FOREIGN POLICY."** It is General Howley's thesis that the primary responsibility of the Federal Government is the security of the American people, and that this security is now being threatened by a well-planned, world-wide conspiracy. He has expressed the view that the United States can only be served by a national foreign policy which looks facts straight in the face and shapes our actions as well as our words to protect the security of the American people.

General Howley has indicated that he will start with the headlines of the day and take a hard look at the trouble spots from Laos to the Congo to Berlin, most of which he knows from firsthand experience. Having reviewed the areas of diplomatic tension, he will then proceed to appraise and comment on the current status of the country's foreign policy and its bearing on our nation's future.

George Whitney, chairman of the Committee on Meetings, announced that the dinner will be held in the Grand Ballroom of the Waldorf-Astoria Hotel at 7:30 p.m. The program will start at 8:30. Prior to the dinner a reception will be held in the East Foyer and in the Astor Gallery, starting at 5:30. Cocktails are included in the cost of the dinner. As in previous years, Ben Cutler will provide the music. After dinner the Park Avenue Suite will be available for a la carte drinks.

CALENDAR

Mar. 23rd	40th Annual Dinner in honor of the Federal Judges, Waldorf-Astoria Hotel. Reception in East Foyer and Astor Gallery at 5:30 p.m. Dinner at 7:30 in Grand Ballroom.
Apr. —	Antitrust Meeting.
May 24th	Annual May Business Meeting.

ROBERT C. WATSON DISCUSSES PROPOSED MAINTENANCE FEES

Mr. Mark N. Donohue, President
The New York Patent Law Association

I have just finished reading the column of the January 1962 issue of the NYPLA "Bulletin" entitled "Maintenance Fees Proposed for United States Patents" and observe the Association desires its members to make their views known. I am writing to express my own opinion on the subject which is one of considerable importance. The column in question is well written and mentions all of the more weighty considerations which should be reviewed by one giving the matter study.

It is first pointed out that the pending fee bill, which includes a section providing for the payment of maintenance fees, is being supported by the Patent Office. The present Commissioner will of course disclose the attitude of the present administration in words of his own choosing and my only comment here is that, as I understand the situation, the views of this administration and those of the administration which preceded it are, with respect to the proposal to require patent owners to pay maintenance fees, broadly the same. . . . I am one of those who believe that, . . . if Patent Office income is to be substantially increased, it is better to require payment of maintenance fees than to greatly enlarge the filing and final fees.

Toward the end of the Eisenhower Administration it was suggested that the fee intake of the Patent Office be raised, as reported in your Bulletin, so that it would approximate 75% of outgo, and this would have caused the filing and final fees to have been increased, in our judgment, too much if those fees were to be relied upon to bring in the necessary income—hence the recommendation that maintenance fees be imposed, as the bill now provides.

I believe that, in view of all the circumstances which presently prevail, if Patent Office income thru fees is to be materially increased, the filing and final fees, or other fees imposed on an applicant, [should] be increased only moderately and that the balance [should] be obtained by requiring the patentee of the successful invention to contribute. My reasons are these:

1. The cost of filing should be kept as low as possible in order to encourage the independent inventor who is still losing ground percentagewise, to the employed inventor. We need the noncorporate inventor. Total costs of obtaining patents should be kept down.

2. The successful inventor and patentee can well afford to pay renewal fees, or maintenance fees.

3. Many countries have similar systems and they work to the satisfaction of those who are concerned.

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WATSON DISCUSSES FEES

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During each of a number of trips abroad I made inquiry of foreign Patent Office officials, and others, and was always informed that changes in the renewal or maintenance fee systems were **not** contemplated.

4. Inquiries made in 1960 of those in our search room, upon a number of occasions, showed that of those present a substantial proportion (more than 50% is my present recollection) were making infringement or validity searches. Some of this work would be unnecessary if the renewal fee system were adopted and it might well be that industrialists could proceed somewhat more promptly to work up new products.

5. Foreigners will not fail to file here if a renewal fee system is adopted. This is of course a guess on my part, but from all I have seen I feel confident that there will be no fall off in filings from abroad. In the last half of 1960 the foreign filings amounted to 20% of all filings and the trend was still upward. However, in this connection I am not attempting to forecast the nature or effect of any Common Market patent policy which may be adopted and which may have an important bearing.

6. The Dutch proposal for the modification of examining procedures is indeed interesting and this development should be studied carefully. However, this concept and the renewal fee idea are not mutually exclusive nor substitutes for each other.

7. I do not attach too much importance to the argument that, if the United States adopts a renewal fee plan, foreign countries will be encouraged to take actions unfavorable to our interests abroad. Renewal fee systems are so firmly established abroad that it seems unlikely that adoption of such a system here could cause trouble abroad for United States nationals. Foreign inventors **do** want to **secure** U.S. patents at less cost to themselves and might be inclined to resent substantial increases in filing and final fees.

—Robert C. Watson

Editor's Note: Because of space limitations it has been necessary to omit portions of the above letter from the Hon. Robert C. Watson, former Commissioner of Patents.

PATENT APPLICATIONS TO BE KEPT IN SECRECY

As reported in the Federal Register (F.R. Doc. 62-915), selected decisions of the Board of Appeals, or of the Commissioner, in abandoned applications not otherwise open to public inspection **(Rule 14 (b))** may now be published or made available for publication at the Commissioner's discretion, **unless** the applicant makes a timely presentation of sufficient reasons for not doing so.

The applicant will be notified, through the attorney of record in the application file, when it is proposed to release such a decision and a time not less than thirty days will be set for presenting any such reasons.

The fact that the subject matter of the application has **not been made public** in any manner, or that the same subject matter is being prosecuted in a **pending application,** will be considered sufficient reason for not releasing the decision if the applicant so requests unless the text of the decision contains no description of such subject matter. Others reasons presented will be duly considered.

ABA RECONSIDERING NEED FOR RECOGNITION OF SPECIALTIES

John C. Satterfield, president of the American Bar Association, disclosed in "The President's Page" of the January issue of the ABA Journal that a **new plan for recognition and regulation of specialties in the field of law practice has been drawn up.** It will probably be submitted to the House of Delegates of that association for discussion at its next Midyear Meeting.

The revival of this proposal in a new form is of particular interest to the Patent Bar, which already has a means of indicating those qualified to practice in this specialty through the register of attorneys admitted to practice before the Patent Office.

Previously Considered in 1954. Mr. Satterfield recalls that at the 1954 Midyear Meeting of the ABA a resolution was adopted recognizing the need for proper recognition and regulation of specialization in the various fields of the law. In implementation of this resolution a detailed plan was drawn up for the regulation of specialization. After hearings on the proposal the Board of Governors of the ABA finally concluded that it was not feasible and it was dropped.

At the Annual Meeting in August 1961, the Board of Governors authorized the president to appoint a special committee to reconsider the matter, and a distinguished committee was established under the chairmanship of David F. Maxwell. It is this committee that is making the new recommendations.

New Proposal. Mr. Satterfield cites the following premises as constituting the foundation for the proposed new plan:

"1. The plan will be voluntary and entail minimal educational requirements.

"2. The issuance of a certificate of special proficiency in a particular subject will not foreclose the recipient from the practice of law in other fields.

"3. The program will be administered within the present orbit of the American Bar Association without requiring the establishment of outside autonomous entities.

"4. It is contemplated that the program will be administered through the Sections and that at least one Section will undertake a pilot project. The Sections will be expected to formulate and propose standards for the issuance of certificates of proficiency subject to the review of an American Bar Association Advisory Council and final approval by the House of Delegates.

"5. An Advisory Council is to be appointed by the President with representations from appropriate interested groups.

"6. Information of certification by qualified holders will be permitted within the legal profession in accordance with such rules as the Committee on Ethics may approve."

Regulation by ABA. Mr. Satterfield points out that a major departure from the 1954 plan is the proposal to issue "Certificates of Proficiency," rather than to certify specialization. He considers that the program will be of tremendous value to the legal profession as well as to the public and that it will lend itself to regulation by the American Bar Association as the great national organization of lawyers.

COMMON MARKET CARTEL CONTROLS

American firms with subsidiaries operating in the Common Market countries or which themselves do business with Common Market companies have a new set of ground rules to observe. **Effective January 1, 1962, new regulations went into effect barring cartels which can detrimentally affect trade among member nations of the European Economic Community.**

Articles 85-90 of the Treaty of Rome, which established the EEC, set up general principles governing competition. These general principles have now been codified and middle Europe is for the first time faced with legislation which is reminiscent of our own anti-trust statutes.

Exceptions. The ordinance is binding on all individuals, companies, and groups within the boundaries of the EEC, but does not necessarily include all agreements. Contracts relating to patents, utility models, designs, trademarks, and know-how (including licensing agreements) may perhaps be excluded from the new registration requirements. It may prove desirable, however, to obtain a specific ruling excepting important contracts.

Cartels created after January 1, 1962, must be registered with the EEC High Commission, presumably before they are placed in operation. Cartels existing on January 1, 1962, must be registered prior to August 1, 1962. The Commission is in a position to impose substantial fines for violations. The operation of this legislation will bear careful watching.

WARRANTY AGAINST INFRINGEMENT

Section 2-312 of the Uniform Commercial Code is now being actively considered in New York State by the Joint Legislative Committee on Interstate Cooperation and the New York Commission on Uniform State Laws. William E. Dampier, chairman of the NYPLA Patent Law Revision Committee, has named a sub-committee composed of Norval Ewing, chairman, John Dumaresq, Herbert Goodman, Ewan MacQueen, and Allen Weise to consider the legislation.

The proposed draft of Section 2-312 reads as follows:

"SECTION 2-312. **Warranty of Title and Against Infringement; Buyer's Obligation Against Infringement.**

"(1) Subject to subsection (2) there is in a contract for sale a warranty by the seller that

(a) the title conveyed shall be good, and its transfer rightful; and

(b) the goods shall be delivered free from any security interest or other lien or encumbrance of which the buyer at the time of contracting has no knowledge.

"(2) A warranty under subsection (1) will be excluded or modified only by specific language or by circumstances which give the buyer reason to know that the person selling does not claim title in himself or that he is purporting to sell only such right or title as he or a third person may have.

"(3) Unless otherwise agreed a seller who is a merchant regularly dealing in goods of the kind warrants that the goods shall be delivered free of the rightful claim of any third person by way of infringement or the like but a buyer who furnishes specifications to the seller must hold the seller harmless against any such claim which arises out of compliance with the specifications."

PATENT OFFICE PLANS NEW BUILDING

The Department of Commerce has made a survey of the projected space requirements of its various agencies to serve as a basis for a 10-year construction program. Prompted by the results of this survey, **Commissioner David L. Ladd is making a determined bid for a new Patent Office building in Langley, Virginia** (see map below) near the new site of the Central Intelligence Agency.

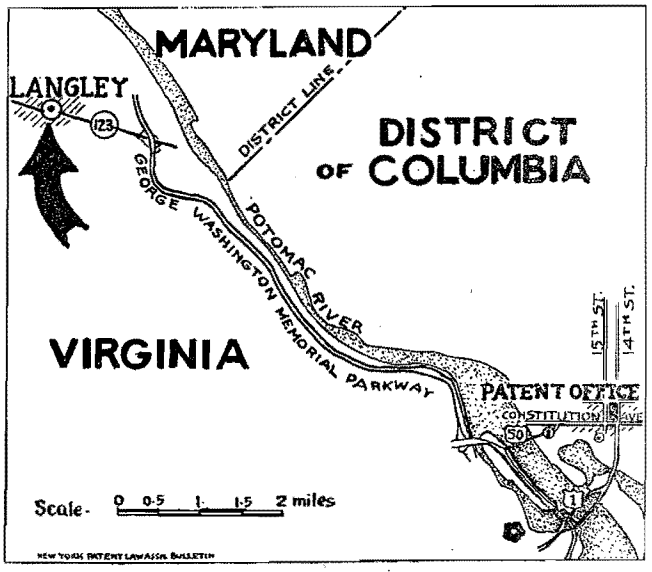
Site Still Open. In response to an inquiry, the Commerce Department reported that the question is "extremely undecided," and that the Langley site also is being considered for the Coast and Geodetic Survey or the Bureau of Public Roads in whose name the land presently is listed.

However, Commissioner Ladd stated that he knows of "no great competition" within the Commerce Department for the Langley location, or of any other agency that favors this particular Fairfax County location "as strongly as I do." He added that a study showed that the Langley site would require less travel time for most of the Patent Office personnel, and out-of-town patent attorneys using Dulles International Airport (at Chantilly, 27 miles west of Washington) would benefit also. Nevertheless, the Commissioner stressed the fact that he is more interested in promoting a new building for the Patent Office than putting it at any specific location.

New Building Planned. A new Patent Office building, without regard to location, has already been included in tentative plans, which are "well developed" but not ready for submission to the Secretary of Commerce, Luther H. Hodges. Final plans, of course, must be reviewed by a variety of government agencies, including the Budget Bureau and the National Capital Planning Commission, before going to Congress.

With the present 2400 employees, the Patent Office now has space in the Commerce Building plus locations scattered at 1412 G Street, NW and 1801 K Street, NW. A new building would permit consolidation in a single headquarters and would limit further dispersals.

It appears clear that a new building for the Patent Office has become a necessity, and Commissioner Ladd apparently is not going to let this opportunity slip by.



JUDGES ADDRESS CONFERENCE

Hon. Thomas F. Croake (S.D.N.Y.) and **Hon. John R. Bartels** (E.D.N.Y.) addressed the third Annual Judicial Conference of the NYPLA which was held on February 15, 1962, at the Terrace Suite of the Hotel Roosevelt in New York City. William C. Connor introduced the two Federal Judges who addressed the meeting on **"Matters of General Interest Relating to Federal Practice and Procedure."**

Judge Croake who was appointed to the District Court in 1961 surveyed the vast **specialized areas of law which come before his court.** He itemized the many types of cases of which a federal court has original as well as concurrent jurisdiction and concluded that no judge could be a specialist in all such cases. A judge, he said, was a specialist only in being unspecialized.

Judge Bartels who was appointed to the District Court in 1959, discussed **pre-trial conferences.** He mentioned that since Rule 16 of the Federal Rules relating to pre-trial procedure does not provide for a particular procedure, the procedure varies from one district court to another.

GOVERNMENT TITLE vs. LICENSE

The viewpoint of the **Department of Justice** on the license-title controversy over patents was presented to the House of Representatives subcommittee on Patents of the Committee on Science and Astronautics at recent hearings in Washington. The Deputy Attorney General and an Assistant Attorney General discussed the issue as it related to contracts of the National Aeronautics and Space Administration.

Represented by Mr. White and Mr. Loevinger, the Department of Justice opposed any change in the present requirement that the government receive full title to all patents arising out of research and development work paid for by the space agency.

The witnesses contended that it would slow development of space technology and tend to promote a monopoly if this requirement were relaxed to allow the government to acquire a license only.

DATE FOR HEARINGS ON FEE BILL SET

The NYPLA has been invited by Congressman Celler to testify or to submit a statement in hearings on H.R. 7731 (a bill to fix the fees payable to the Patent Office and for other purposes) set for Thursday, March 8th.

NYPLA BOARD OF GOVERNORS 1961-62

Reading left to right, **Rear Row:** Albert C. Johnston; Gordon A. Wilkins; David S. Kane; Frank W. Ford, Jr.; Harry R. Pugh, Jr.; Russell G. Pelton; John A. Reilly. **Front Row:** Harry R. Sage; Cyrus S. Hapgood; Mark N. Donohue; Albert C. Nolte; John N. Cooper. **Absent:** Lorimer P. Brooks; Wallace H. Martin.

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