THE NEW YORK PATENT LAW ASSOCIATION

BULLETIN

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TWO FEDERAL JUDGES TO SPEAK AT NYPLA JUDICIAL CONFERENCE

The Fourth Annual Judicial Conference will be held on February 26 in the Terrace Suite of the Hotel Roosevelt. William C. Conner, Vice-Chairman of the Committee on Meetings and Forums, has made arrangements to have two federal judges address the conference on matters of topical interest to the Patent Bar. One of the judges will be from the Southern District of New York and the other will be from the Eastern District.

Members and guests are urged to arrive promptly since the judges are scheduled to address the conference at 5:30 p.m. followed by cocktails at 6.30 and dinner at 7:00. It is expected that the program will conclude shortly after 8 o'clock.

For information and reservations, write or call Dr. Pauline Newman, FMC Corp., 633 Third Avenue, New York 17, N. Y., MU 7-7400.

NYPLA V.P. ADDRESSES ENGINEERS

Albert C. Johnston, 3rd vice-president of the NYPLA, gave a lecture on patents in Allentown, Pennsylvania, on November 20, 1962 to the Lehigh Valley Section of the American Institute of Chemical Engineers. The lecture was given at the request of the president of that Section and was attended by 35 members.

1963 INVENTORS EXPOSITION

The Stamford Chamber of Commerce in cooperation with the Inventors Marketing Council has announced the opening of the second annual Fairfield County Inventors Exposition for May 8 through May 11, 1963 in the state armory in Stamford, Connecticut.

This Exposition features new products, prototypes, research and development, production facilities, working models and inventions in a wide variety of fields. Attendance at this Exposition usually includes corporate officers, directors of research, development and new products, and merchandising and sales managers of industrial firms in Connecticut and the metropolitan New York area. In addition to direct mail invitations to key executives, there will be a continuous flow of press releases maintained to all media with particular emphasis on the technical trade presses and extensive saturation advertising throughout Southwestern Fairfield County.

Information on cost and space available from Edwin L. Neville, Exhibits Manager, 8 W. 40th St., N. Y. C. 18.

CALENDAR

February 26	Judicial Conference, Hotel Roosevelt, Meeting at 5:30 p.m., dinner at 7.
March 22	Annual Dinner in Honor of the Federal Judiciary, Hotel Waldorf-Astoria.

EUROPEAN PATENT LAW?

The NYPLA Subcommittee on Foreign Patents of the Committee on Foreign Patents and Trademarks held its second meeting on January 10, 1963 at which time the Draft Convention relating to a European Patent Law was discussed.

Eric H. Waters, the Chairman of the Committee, stated that it would be preferable to consider the Draft Convention in its entirety. However, since time would not permit this, he proposed that consideration should be given to the most important aspects: Article 5 which is concerned with who may file for a European patent, and the sections dealing with priority, novelty, the possible effect of the European patent in the courts, infringement, validity, and intervention procedure.

With respect to Article 5, there are two proposals. One proposal or variant provides that anyone, no matter what nationality, can file an application for a European patent. The other proposal or variant makes it possible only for a national of one of the present six Common Market countries to file an application in his home country and then to obtain a European patent. An application filed in the home country would be deemed to be the first application filed anywhere.

Accessibility is the Key Question. If filing is open to everybody under the first variant of Article 5, then there are a number of changes which the U. S. should try to obtain, particularly on the priority question. If application is filed first in a European Patent Office and that constitutes a first filing, how would it be possible to recognize the claim of priority in the U. S.? It does not come within the definition of the Paris Convention. There would be too much change required in U. S. law to permit such recognition.

The Subcommittee was of the opinion that there is no other position for it to take other than to seek open accessibility. This endorsement appears to fit the general pattern of comments throughout the U. S. It appears that there are arguments that can be put to the Commission in support of this view. The question of whether the NYPLA should go on record as seeking accessibility should be decided and, if in the affirmative, it should decide how best to go about it.

A. I. P. P. I. Consideration. At the meeting, it was pointed out that the A. I. P. P. I. has asked various associations to submit their comments and recommendations to them and has also requested that the names of members of various committees be made known to them for an exchange of views. The A. I. P. P. I. is one of the international organizations invited by the Commission to make comments and their recommendations will be received by the Commission. The A. I. P. P. I. group had its annual meeting in Washington on January 18, 1963, at which time it considered proposals for a set of resolutions to be forwarded through the A. I. P. P. I. to the Commission. The present feeling in the A. I. P. P. I.

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European Patent Law?

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American group is that they should deal only with the overall concept of accessibility rather than consider the various articles and be in the position of an American group advising Europeans how to set up their laws.

As to aspects of the other articles it might be desirable to forward recommendations to the German, Dutch and French Patent Attorney Organizations. Also, communicating ideas to individuals abroad might stimulate their thinking toward changes that the U. S. would welcome.

Burton P. Beatty, Chairman of the Subcommittee on Foreign Patents, inquired whether an official recommendation could be made to the U. S. Patent Office and whether anything could be done on the Government level. Mr. Waters indicated that Commissioner Ladd has been giving serious consideration to the problem and is most anxious to safeguard American interests. It has been reported that Commissioner Ladd is considering setting up an advisory group but nothing definite is known at this time.

There was a general discussion concerning some of the other Articles including the provisions for intervention under Articles 88, 91, 92 and 96; also in connection with the licensing provisions under Articles 136-144, particularly with reference to provisions permitting one who has filed on an "improvement" invention to apply for license under a "master" patent on the grounds that he cannot work the improvement patent without infringing the master patent.

Will Be Discussed in JPOS. It was stated for information that the March issue of the JPOS will have some commentary on key points of the Draft Convention.

There was some discussion on advantages and disadvantages that may result from the adoption of a European patent and the elimination of national patents.

It was agreed by the Committee members that *accessibility was a key issue,* and that it seemed desirable to have the option of applying for a European patent whether or not one exercised the option. It was recognized that presently there is a strong possibility that the U. S. may be excluded.

At the end of these discussions the following resolution was unanimously voted; "RESOLVED:

> It is the sense or view of the Foreign Patent Subcommittee of the Foreign Patent and Trademark Committee of The New York Patent Law Association that there be provided open accessibility to 'any person' and hence that it will support the principle of Variant Number 1 of Article 5 of the Draft Convention relating to a European Patent Law. It is also the hope of this Committee that Variant Number 1 of Article 5, as mentioned above, will not be invoked or carried out to adversely affect the principles and rights established by the International Convention as signed in Paris in 1883 as amended up through 1958."

Proposed As Forum Topic. Mr. Beatty reported that the vice chairman in charge of Forums of the NYPLA Committee on Meetings and Forums had proposed that a forum meeting be held at which the European patent would be the subject of discussion.

There was brief mention of other current activities in the foreign patent area such as the unification of Scandinavian patent laws; the study of unification undertaken by the South American group which is actually only in initial stages; the proposed European Trademark Convention; and the activity of the Brazzaville group regarding central registration of patents and trademarks. However, it was agreed that none of these activities had aroused as much interest as the European patent, which would be the most suitable topic for a forum meeting. It was decided that a panel of three or four members each taking a different aspect of the proposed European Patent would make an interesting presentation.

This Subcommittee is quite active, and it is expected that one or two additional meetings will be held to discuss and make proposals with respect to the proposed European Patent Law and other topics of current interest in foreign practice.

COPIES OF PROPOSED EUROPEAN PATENT LAW NOW AVAILABLE

The Draft Convention has been released by a committee of representatives of the six countries of the European Economic Community, and the secretariat of that committee has assisted the British Board of Trade in the preparation of an unofficial English translation of the official French and German texts of the *Draft Convention relating to a European Patent Law.*

The translation was printed by Her Majesty's Stationery Office in 1962 and may be purchased from York House, Kingsway, London, W. C. 2 or through any bookseller. The price is listed as five shillings net.

However, before the limited supply is exhausted, copies in English may be obtained by writing to the British Information Service, Sales Section, 45 Rockefeller Plaza, New York 20, New York, or by telephoning CIrcle 6-5100. The price here is one dollar per copy.

UNLAWFUL PATENT PRACTICE

A New York firm has been charged with unlawful practice before the Patent Office for advertising that it would help inventors obtain patents, according to an article in the New York Law Journal, January 8, 1963. A stipulation has been signed by the parties agreeing to cease and desist.

The charge was made by Attorney-General Louis J. Lefkowitz and was the first ever undertaken by the New York Department of Law against persons who are not authorized to practice before a federal agency. According to the report, two individuals, only one of whom is registered as a patent agent, formed an Association which also is not registered.

HOLLAND TO CHAIR NAME COMMITTEE

Norman N. Holland has accepted the chairmanship of the committee which was appointed by President Hapgood to consider a change in the name of the Association, in accordance with the motion passed at the last annual meeting. The issue is whether the name should be amended to indicate that the Association is concerned with trademarks and copyrights, as well as patents.

Comments from Members

Editor, NYPLA BULLETIN:

While the recently released Draft Convention contains a number of alternative proposals, the general thinking and ultimate objectives can be observed. The proposed European Patent Law should be considered by all of the members of the New York Patent Law Association, and their views should be made known to the Board of Governors so that the Association can express its view separate and apart from the views expressed by any other group.

Article 5 contains two variants; one variant would grant the right to anyone to apply for the European Patent, whereas the other variant would restrict accessibility only to someone having the nationality of one of the Contracting States. At present, the Contracting States are considered to be Belgium, France, W. Germany, Italy, Luxembourg and the Netherlands.

If the second variant is adopted, accessibility will be denied to U. S. applicants who do not have a nationality in one of the Contracting States. However, even if the first variant is adopted, it is questionable whether U. S. applicants in fact desire accessibility. This matter is of great importance to U. S. applicants, and the matter merits discussion and an interchange of views.

In addition to the question of accessibility, many subsidiary questions arise which are of tremendous interest to the membership and their clients. It is important to consider which country or countries will dominate the European Patent and its effect on U. S. industry. If the National patents fall into disuse or are abolished, is a supra-national state being created merely for the purpose of granting patents?

Provision is made under Articles 211 and 212 of the proposed European Patent Law for Accession and Association, respectively. Article 211 (2) provides that the Agreement has to be made "between the Contracting States and the State requesting admission" with the necessity that the various Contracting States ratify the Agreement. In effect, the United States would have to negotiate with the European Patent Office on a State level. Association under Article 212 is more important for consideration than Accession under Article 211 as part of the study group has indicated that Accession should be limited to European countries. With respect to Association, application must be made to the Administrative Council whose decision will be unanimous. In effect, the United States would be contracting with the Administrative Council, which under Article 31 will have administrative and financial autonomy.

Does the United States propose to grant priority to the European patent application, even though a first filing of the patent application takes place in one of the Contracting States? Is the International Convention to be superseded and the filing of a patent application in the European Patent Office to be considered a first filing?

It is proposed that, at least for the time being and for an indefinite period, National patents coexist with the European patent. The only time that a European patent will take precedence over a National patent is if the European patent is filed prior to the National patent. In fact, under Article 19, if both the European patent and the National patent have the same priority date, the National patent is considered to be the first filed patent application.

Other problems with respect to the proposed European Patent are in connection with delays which can be forced upon the applicant. Intervention or a modified opposition can be made during various stages leading to grant of a European patent. After a provisional patent is granted, in addition to intervention provided for under Article 91, anyone may submit observations concerning the validity of the European patent under Article 92. There is no time limit within which such observations must be submitted, and it would therefore appear that this Section if used improperly can be used to harass applicants or to delay the grant of patents considerably; it is not unknown in the foreign practice for industry to file opposition using the same references cited during the prosecution of the application, and in some instances using the same grounds for opposition as were used by the Examiner during prosecution. Article 96 provides for additional third party intervention and opposition after the formal novelty examination of the provisional European patent has been made. Many other instances can be cited, but the above is believed to be sufficient to indicate the need for a careful analysis of the proposed European Patent.

After the European patent is granted, an anomalous situation arises.

Questions of infringement according to Article 74 are dealt with by the National or State Courts, whereas questions of validity are dealt with by the European Patent Court according to Articles 177 and 179 which provide that the proceedings for infringement shall be stayed or delayed pending resolution of the issues of validity and interpretation, and possibility of revocation of the European patent. Other questions, such as working, also must be considered.

It therefore appears that if we do want accessibility to the European Patent, we should attempt at this time to have the European Patent Law written with provisions which will be more palatable to United States applicants.

While the initial reaction to the proposed European Patent is one of tremendous advantage, more thoughtful consideration indicates that the disadvantages outweigh the advantages, and it may be preferable for United States applicants to apply for and obtain National patents.

—J. HAROLD NISSEN and ERIC H. WATERS

GEORGE H. PALMER

George H. Palmer, a member of the NYPLA since 1952, died on December 12, 1962 after a long illness. At the time of his death, Mr. Palmer was the General Patent Counsel to the M. W. Kellogg Company, a position he held since 1960. He has been associated with this company since 1940 in varying patent positions.

Mr. Palmer was born in 1905 in West Virginia. He graduated from Pennsylvania State University in 1927 and began work in the patent field while studying law privately. He was admitted to the Bar in 1932.

Surviving are his wife, Mary, one daughter, one son and one grandson.

BRIEFS FROM WASHINGTON

The following House bills have been introduced:

Two identical bills, **H. R. 323** (Ford) and **H. R. 769** (Flint), relating to ornamental design. These correspond to two identical bills of the 87th Congress, **H. R. 6776** and **H. R. 6777.**

Trademark "intent to use" bill, **H. R. 1137** (St. George), corresponds to **H. R. 12009** of the last Congress.

The juke box exemption is back in the form of two identical bills, **H. R. 1045** and **H. R. 1046,** which correspond to **H. R. 70** in the 87th Congress.

H. R. 701 (Multer) is lengthy and includes provisions relating to government policy on title to inventions of government employees and government contractors.

PAUL M. PHILLIPS

Paul M. Phillips died in Summit, New Jersey on January 11, 1963. Mr. Phillips graduated from Massachusetts Institute of Technology with a bachelor's degree in 1922 and from Fordham University Law School in 1948. He was associated with the firm of Cooper, Dunham, Dearborn and Henninger at the time of his death.

Mr. Phillips has been a member of the NYPLA since 1944. Surviving are his wife, Dorothy, a married daughter, a son, and two grandchildren.

PATENT OFFICE STARTS MECHANIZED SEARCHING

A mechanized search system has been placed in operation in Division 63 of the Patent Office by the Office of Research and Development. The art covered by the system is the organometals encompassed by Class 260, Subclasses 429 to 448. The total number of documents in the initial file is approximately 3,300.

The search system is based on a classification that makes use of the standard punch card with descriptors for both chemical fragments and their relationships in a given compound. Previous search systems of the same general construction include the organo-phosphorus and steroid search systems currently in operation in Mechanized Examining Division "A".

The initial experience with the organometal search system indicates that it is effective. Plans are underway to include the pertinent literature references in the file and the possibility of expanding the file into closely related areas is under study.

NEW ANTITRUST INTERPRETATIONS ISSUED BY EUROPEAN COMMON MARKET COMMISSION

Two communications interpreting the EEC regulations as they apply to patent license agreements and to sole agency agreements were published by the EEC under date of December 24, 1962, in the Official Journal of the European Communities. A new Regulation No. 153 dealing with exclusive distributor agreements was published at the same time and became effective December 25th.

The Commission stated that in its "opinion" certain *patent licensing clauses* imposing obligations upon the license are not subject to the prohibitions of Article 85, Paragraph 1, of the Treaty of Rome and the Commission need not be notified. It mentioned, among other items, certain limitations covering manufacture, use, or sale; limitations on the quantity and quality of the product; limitations of time, territory and assignment; the grant-back of improvements by the licensee; and exclusive undertakings by the licensor.

A future communication from the Commission is indicated which would deal with other situations including patent pools, the granting of reciprocal or multiple parallel licenses, and the exploitation of other industrial property rights.

The communication on *sole agency agreements* is also in the form of an opinion to the effect that stated types of contracts with true commercial representatives (as opposed to independent dealers) do not come under Article 85, Paragraph 1, and notification is therefore not required.

Regulation No. 153 provides that certain classes of exclusive distributor agreements may be notified on a simplified new Form B(1), of which only one copy need be filed and that copy need not be accompanied by the actual agreement itself. It is understood that the Commission does not now anticipate any postponement of the deadline for notification of such agreements.

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