

## U. S. Supreme Court Justice Goldberg to Speak at Annual Dinner

The Committee on Meetings announces that U. S. Supreme Court Justice Arthur Goldberg, former Secretary of Labor, will speak at the Annual Dinner of the New York Patent Law Association in honor of the Federal Judiciary at the Hotel Waldorf-Astoria on March 22, 1963.

The Committee advises that Justice Goldberg's speech will not be concerned principally with the subject of patents.

Dinner is scheduled for 7 p.m. and is to be preceded by a reception for the judges and other guests at 5:45 p.m.

## CONTROVERSY OVER PRIVILEGE

A group of recent decisions involving the attorney-client privilege is causing much discussion among members of the Patent Bar. The sudden concentration of legal opinion on this area of the law, which seems to have been taken pretty much for granted heretofore, may serve to make the legal profession more cautious of the pitfalls surrounding the exercise of the attorney-client privilege and to illuminate the need for definitive judicial or legislative action.

In the first of these decisions, *Radiant Burners v. A. G. A.*, 207 F. Supp. 771, 209 F. Supp. 321 (Aug. 13 and Oct. 11, 1962), the court concluded that the attorney-client privilege is not available to corporations. The decision was based on the fact that, historically, privilege was a personal matter, and no authority was found specifically extending the right to corporations. The court, however, stated its agreement with counsel that a corporation *should* have the privilege, but added that its granting was a matter for a higher court or the legislature. This case now is awaiting review by the 7th Circuit Court of Appeals.

In the civil anti-trust case of *U. S. v. Becton Dickinson & Co.*, 31 U. S. Law Week 2325 (Dec. 31, 1962), legislation of the type contemplated by the court in the *Radiant Burners* case was involved. The Federal District Court in New Jersey held that a section of the New Jersey Evidence Act, specifically granting the privilege to a corporation, is binding and denied the government access to certain documents sought under Rule 34, F. R. C. P. The government had cited the *Radiant Burners* case as support for its request.

In the patent case of *Philadelphia v. Westinghouse*, 31 U. S. Law Week 2202 (Oct. 19, 1962), the court acknowledged the corporation's right to invoke the privilege, but

Continued on page 6

## COMPACT PROSECUTION AND TRADEMARK PRACTICE CHANGES DISCUSSED AT NYPLA JANUARY FORUM

The first Forum dinner-meeting of 1963 was held on January 29th at the Hotel Piccadilly. The subjects treated by the two speakers were diversified and interesting, and the meeting was extremely well attended. A lively interchange during the question and answer period which followed the talks provided a stimulating climax to the evening.

Harold B. Whitmore, Superintendent of the Examining Corps, U. S. Patent Office, spoke first, on the subject of Compact Prosecution and What it Means. He was followed by Norman St. Landau, International Counsel for Johnson & Johnson, who reviewed the principal changes in trademark practice during the previous year.

## COMPACT PROSECUTION

To understand the significance of Compact Prosecution, it is necessary to understand the background out of which it arose. In substance, Commissioner Ladd together with the Speaker are attempting to overcome the Patent Office's problems of long delays, huge backlog of work and uneven quality of the patents which issue.

With over three hundred applications arriving each day, the problem arises as to how to improve the quality of the Patent Office examination and to obtain uniformity in the output quality and at the same time increase the output quantity. The solution as seen by the Patent Office is to cut down the total amount of time spent on each case and yet improve the quality of the Examining Corps.

**Three Steps Have Been Taken.** The first step is a better administration of quality control. The Examining Corps has been reorganized with the responsibility for high quality now delegated to a new group of supervisors. This group will be directly responsible for the work of a much smaller group of Examiners than in the past. However, so long as the Primary Examiner remains within a reasonable limit of discretion, he can be reversed only by appeal or petition. Nevertheless, where error can be shown or where it can be shown that the Primary Examiner has exceeded his limits of discretion, the Group Supervisors now are able to exercise the innate authority of the Commissioner to require conformity with uniform standards.

The second step taken by the Patent Office is in the form of a series of memoranda: "Guidelines of Patentability" which are intended to clarify existing areas of confusion and conflict in both administrative and legal matters. Copies of these guidelines will be available to the attorneys in addition to the Examiners and the Board of Appeals.

The third step is to provide uniform procedures in an effort to eliminate time wastage and to conclude or dispose of cases with greater rapidity.

**Other Steps Considered.** Steps also have been taken to increase the morale of the Patent Office Examiner, and

Continued on page 2

## CALENDAR

- |         |  |
|---------|--|
| Mar. 22 | 41st Annual Dinner in Honor of the Federal Judiciary, Hotel Waldorf-Astoria. Reception for judges and guests at 5:45 p.m. and dinner at 7. |
| Apr. —  | Antitrust Meeting.   |

Continued from page 1

the former yardstick of measuring the work of an Examiner called "actions per week" is being replaced now by a new yardstick which, it is expected, will be more compatible with the quality of the work.

One can gather the impression from Mr. Whitmore's talk that both he and the Commissioner believe the Patent Office has one last opportunity to place itself in a position where it can handle the heavy load of applications with the obtainable manpower and within the obtainable budget. It is for this reason that the Patent Office is making every effort to have the compact prosecution program work effectively. It is believed that if more forethought is given to each application both by the Examiner and the attorney, better work and better patents will result.



Harold B. Whitmore

Mr. Whitmore has primary responsibility for the program. A preliminary test of the program in one division was carried out under his supervision, and it has proved to be very successful. Now that it is being applied to the whole Patent Office, he admits that he is having and will have a real problem in getting his Examiners to adjust themselves to the program.

Since the program is still in a test period, it will be some time before the Patent Office can evaluate results to see if the program is running the way it should run. In the meantime, everything possible is being done to educate the Examiners as to what is expected of them and to insist that they conform with the program. A strong plea was made to the Patent Bar for both patience and full cooperation so that the program can have a full and fair test.

**Attorney's Role Appreciated.** Mr. Whitmore is very sensitive to the attorney's point of view and, apparently, is very sympathetic with it. He has made a particular point of urging the Examiners to place themselves in the shoes of the attorney, and he used the word "empathy" to emphasize this in considering Office Actions, particularly where a final action is concerned.

Notwithstanding the above, considerable emphasis was given to the view that the Patent Office is not to be used as a hunting and fishing preserve. Reference was made to Section 112 of Title 35 requiring the inventor to define what he regards as his invention and Section 131 as requiring the Commissioner to cause an examination to be made of the alleged invention. In effect, compact prosecution contemplates the enforcement of Section 112 in a way in which it has not been enforced heretofore.

It is the intent of the Patent Office to adhere firmly to Sections 112 and 131 of the Statutes and to apply Rule 112 to do away with the time consuming hunting and fishing concept of the past. The Examiner's consideration is going to be limited mainly to what the applicant regarded as his invention *when he filed the application*.

Mr. Whitmore did not go into compact prosecution in detail as reference was made to his article on "*The Significance of Compact Prosecution*" which appears in 44 *JPOS* 719. Approximately half of the article is concerned with the basic nature of compact prosecution while the other half is directed to providing answers to the questions most frequently asked. In this respect, the second half of the article is required reading for all Examiners.

**Specific Questions Presented.** During the question and answer period, one of the questions raised was whether an Examiner could give a final rejection on the second action on new references. Mr. Whitmore said that an Examiner was entitled to reject on the second action on new references under the present Patent Office rules, but that if the action was unfair to the applicant, there should be an opportunity to work it out. He added that the applicant must act promptly.

In this connection, he mentioned that the Examiners under such circumstances were expected to consider whether a reasonable attorney would feel that he had been treated unfairly by such an action. A final rejection, therefore, may be given on the second or any subsequent Official Action, and such final rejection does not have to be on the same grounds relied upon in a previous Official Action. In order to avoid a final rejection, Mr. Whitmore pointed out that there must be a significant unclarified issue.

Another question related to a case on which an action had been received within forty-eight hours. The query being, "How come?" Mr. Whitmore pointed out that this might have been made special, adding that all third action cases were being made special and that, in certain cases where very prompt action could be had, the cases were being acted on immediately.

A further question was raised as to whether there was any recourse, without going to the Commissioner, if a final rejection was premature. Mr. Whitmore said there *was*. He referred the questioner to the compact prosecution rules and said, if that did not convince the Examiner, to use Mr. Whitmore's name.

One of the attorneys asked if one felt that the Primary Examiner was being arbitrary, whether or not he could have an interview in the presence of the Supervisor. Mr. Whitmore recommended against such a request and pointed out that the Office was hesitant to disturb normal procedure. There must be a clear departure from the norm in order to take a case to the Supervisor since, to invoke his supervisory jurisdiction, it is necessary that there be an abuse of discretion.

The next question asked the position of the Office concerning interviews after final rejection. Mr. Whitmore said that such interviews would be hard to get after the compact prosecution procedures have "jelled." He said that an amendment normally cannot be made after final rejection, but it is not blocked absolutely. Such an interview may be possible if the applicant can show unreasonable surprise.

Mr. Whitmore stressed the importance of securing interviews before final rejection. He went on to point out that if the attorneys could write clear letters, there would be less need for interviews. However, much could be gained by coming in after the first response if the case is substantially ready for issue then. The Office, he said, will do everything it can to insist that the Examiner be ready to discuss the issues in the case under these circumstances.

Following up on the previous question, an attorney asked about amendments after final rejection in cases which have been filed before compact prosecution was inaugurated. Mr. Whitmore indicated that some concessions might have to be made over the period of adjustment since a tight application of the rules might result in unfairness to the applicant during the interim period.

Continued on page 4

The fact that the resolution on specialization was scheduled to come up on the agenda at the ABA mid-year meeting in New Orleans in February seems to have spurred discussion of the subject recently. *Arch M. Cantrall* spoke for the ABA committee on specialization in the December issue of the ABA Journal. In the January issue of the Journal, *Prof. Richard S. Harnesberger* of the University of Nebraska College of Law analyzed the issue in relation to the current use of law lists to indicate specialties, and *Dean Russel D. Niles* of the New York University School of Law registered his vote against a specialization program at this time on the ground that the Bar is not ready for it yet.

Relatively little comment has emanated from the Patent Bar, but specialization was an issue at last summer's San Francisco meeting of the ABA where the Section of Patent, Trademark and Copyright Law passed an amended resolution in favor of "... continued study of the concept of specialization, including the proposal for issuance of certificates of proficiency by the ABA. . . ."

It was planned originally to have the ABA Patent Section do the pioneering in the field, but much of the pioneering spirit undoubtedly was dampened by the planned vagueness of the resolution as passed. Prominent patent attorneys spoke on both sides of the issue, and some of them who were in sympathy with the concept of specialization went on record as opposed to its administration and control by the ABA.

**Increased Competence the Goal.** Mr. Cantrall takes the position that the specialization proposal is just another step in the long history of legal education designed "to give the level of competence another small push upwards." He adds, "I see no way to do it except by promotion of specialization in the proper sense."

In reviewing the proposed plan that was presented at the San Francisco meeting, Mr. Cantrall emphasizes that:

- the plan does not limit the scope or breadth of a lawyer's practice;
- the plan is concerned only with the recognition and certification of special proficiency based upon competence, education and experience in particular fields of the law;
- the plan will be voluntary; and
- the lawyer may qualify for certification in more than one field.

It will, he says, in no way disturb the existing relationship between the Patent Office and the patent lawyer.

Mr. Cantrall points out that the next step now is the creation of a permanent Council on Certification within the ABA to work out the details of certification with those Sections and Standing Committees which desire to participate and to submit the details to the ABA House of Delegates for final approval.

**Law Lists and Specialization.** Prof. Harnesberger takes the position that since specialization is already widespread the trend should be directed rather than reversed.

He points out that solicitation of business by lawyers is professional misconduct, but that Canon 27 sanctions advertising and solicitation of professional employment in a law list publication if the publisher has secured a Certificate of Compliance from the ABA Committee on Law Lists. He distinguishes the approved use by admiralty lawyers and patent lawyers of designations on their letterheads and shingles as announcements of status rather than proficiency.

He found no uniform practice among the publishers of existing law lists on the methods by which lawyers were included or excluded. Only one list attempted to rate professional competence, and that publisher does not under-

take to publish complete ratings of all lawyers.

Several interesting questions are raised by Prof. Harnesberger. "If such ratings are desirable and do not tend to degrade the standards of the profession, should the method of rating legal ability be delegated by the organized Bar to private corporations? Is it misleading when lawyers state in the biographical sections of law list publications that they practice particular 'branches of the profession' or that they belong to 'specialty' groups? Clearly such claims to specialized skill could be unethical if contained on letterheads, but they are allowable under Canon 27."

Referring to what he calls the "splinter groups" and particularly to the American College of Trial Lawyers, he says, "Unquestionably the Society is composed of the most eminent members of the trial Bar in this country and Canada, but nevertheless the question inevitably arises whether any group of lawyers should be permitted to associate together, adopt a name indicating expertness and specialization in the field of their general interest, restrict their membership and then publish the fact of their membership."

Prof. Harnesberger suggests that "after Certificates of Proficiency become meaningful and well-established, then the following might well be prohibited in law lists: (1) a holding out by a lawyer that he is a specialist in an area covered by the program unless he has a Certificate of Proficiency; (2) rating legal ability; and (3) publication of membership in a so-called 'splinter' group organized after commencement of the program."

**Ethical Prerequisite to Certification.** The one dissenter, Dean Niles, places his opposition to the ABA proposal on a single ground. "The ABA should not now, and should not for an indefinite period in the future, attempt to formalize specialties or to certify proficiency in special fields. There is much work yet to be done in delimiting specialties, in setting standards of proficiency, and in learning how to train and test candidates for certification. It is not these problems, however, difficult as they are, that are of primary importance. The most basic problems are ethical. . . ." It is his thesis that "the solution of the ethical problems of specialization should precede and not follow any plan by the ABA to certify special proficiency."

He cites three rules bearing on the ethics of the situation which he feels the American Bar (described by him as "very large, stubbornly democratic, only partially organized, and in some areas, laxly disciplined") may not be altogether willing to accept: (1) the client's lawyer should seek out a specialist for work that is beyond his competence or that he cannot do without unreasonable risk or expense to his client; (2) the specialist must never accept a referred client as his own; (3) the specialist must not inform the public of his claimed or certified proficiency as a means of attracting clients directly.

Dean Niles believes that before specialization can be supported, the Bar must eliminate sub-standard law schools and provide a period of internship for lawyers and that the Bar must be better organized and more rigorously disciplined than at present. He points to both the American medical profession and the British Bar as examples of groups that are more adequately conditioned for specialization.

**Editor's Note**—The ABA advises that its Special Committee on Recognition and Regulation of Specialization in Law Practice failed to submit a report at the New Orleans meeting, so the House of Delegates did not have an opportunity to act on the question as expected.

## Comments from Members

Editor, NYPLA BULLETIN:

Mr. Ebert's letter on compact prosecution in the January Bulletin prompts me to comment that the remedy of quick disposal to reduce backlog may be worse than the evils of delayed and possibly invalid patents it is supposed to cure.

Some examiners appear torn between quick disposals, on the one hand, and the strenuous efforts of attorneys to obtain allowance of applications, on the other hand.

Nebulous, shadowy, highly-technical rejections of the shot-gun type in first actions are often followed by a shot-gun final rejection, frequently without citation of any prior art or of irrelevant art. Obviously, the pressures on the examiner force him to reduce his backlog by whatever means, plausible on its face, is at hand.

Adequate searching and adequate consideration of the only permissible amendment become impossible in many cases, and are neglected in others, especially where no contest by the applicant is expected. I agree with Mr. Ebert that the lone inventor and his backers are easily discouraged. The sought for quick disposal is thereby attained. Where an application is assigned and a contest anticipated, whether consciously or not, an examiner may be inclined to give better consideration to his first action and to a responsive amendment.

Faced with what the applicant and attorney consider an unjust final rejection, those applicants who are financially able, must go the expense of interviews, telephone calls to the examiner and a series of proposed amendments (frequently not entered) to avoid the long delays incident to appeals.

Compact prosecution, ideal in theory, has not, at least in my cases, lived up to its expectations. The expense of prosecution has increased greatly. More appeals and more proposed amendments result in cases where the cost can be borne, but the inventor with limited means is promptly shut out.

If my unfortunate experience with compact prosecution continues, I shall have to advise prospective applicants that they must expect to pay for at least one interview at Washington, two or more long distance calls, two or more amendments and quite possibly an appeal to the Board in all but the most unusual cases.

Human nature being what it is, I suggest that the examiners be required to cite in the first action the nearest art found after an adequate search, if none is found to so state, to make the action as clear and complete as the application and amendments are expected to be, to avoid rejections on technical grounds where clearly anticipating art is found, and to thoroughly digest amendments and references regardless of the time needed before giving a final rejection.

Instead of being required by the Quality Control Board to justify an allowance, the examiner should be required to justify shot-gun final rejections, especially since experience has shown that many minor inventions are of great commercial importance and create employment.

—HARRY JACOBSON

### PATENT AID POSITIONS NOW OPEN

On January 29, 1963, the Civil Service Commission issued an announcement that applications for Patent Aid positions in the Patent Office are being received. The Patent Aid will assist the Examiner in collecting and analyzing technical matters and may advance through suitable on-the-job training and performance to the higher paid Patent Technician position.

## COMPACT PROSECUTION AT FORUM

Continued from page 2

The final question was whether Examiners could be requested to call collect to clarify cases. Mr. Whitmore said that some divisions do not permit this at the present time, and some do permit it. The Office is trying to clarify this issue and is encouraging the use of collect telephone calls. A new rule will be forthcoming shortly on this point. In the meantime, if an attorney wants the Examiner to call him collect and difficulty arises, Mr. Whitmore authorized the use of his name to indicate to the Examiner that this procedure is entirely in order.

**Commissioner's Policy.** What does compact prosecution really mean? In effect, it is the implementation of the Commissioner's notice on the new examining procedure 781 O. G. 1 implementing a policy of requiring both the attorney and the Examiner to do everything in a case at the earliest possible moment.

It was pointed out that the Commissioner's Memorandum of August 1962, permits flexibility with respect to the requirement that applicants must consolidate the planning and prosecution of all claims of any desired wording and scope, preferably with the filing of the original application, but not later than the response to the first Action under the new procedure. By the same token, the Patent Office will require the Examiner to do as thorough an examination as possible on his first Action.

It is to be appreciated by all that compact prosecution requires more forethought and better work by both the attorney and the Examiner. With time, patience and mutual understanding both on the part of the Examiner and on the part of the attorney, success of the new procedure will be assured in addition to saving everyone's time and improving the quality of the patents which issue.

Mr. Whitmore concluded with the statement that it was his belief that the combination of compact prosecution, when thoroughly understood and accepted with reorganization, better quality control, higher morale, and a more stable Examining Corps, will show strong promise of accomplishing the long-sought, more uniform quality and prompt examination which all of us have wanted so long.

### CHANGES IN TRADEMARK PRACTICE

The second speaker, reviewing the principal changes in the United States trademark practice during the last year, characterized these changes as involving a struggle between the system that requires no registration of trademarks and those systems that either require, or make advisable, registration of trademarks. In 1963, several substantial changes in U. S. Trademark Law took place.

**Public Law 87-354.** The new gold and silver marking law (15 USC 297) makes compulsory the registration of trademarks for articles made of gold and silver. The new law exemplifies the struggle between conflicting theories of acquiring rights by "use" as distinguished from acquiring rights by "registration."

The speaker considered the statute unique in United States trademark legislation in that it is the first law which provides for a fine of up to \$500.00 or imprisonment for not more than three months, or both, for failure to register a trademark. The type of lettering of the trademark under this statute must be at least as large as the quality mark or stamp. The speaker stated that there is an increasing and dangerous trend in the direction of this requirement in the practice in countries all over the world.

Continued on page 5

## COMPACT PROSECUTION AT FORUM

Continued from page 4

**The Drug Law.** The recently revised Food and Drug Law requires that the "official" names of prescription pharmaceuticals be at least half the size of the trademark used. This law also requires the setting of "official" non-proprietary terms which, of course, should not be trademarks, but which the authorities can reject if these "official" names should prove unduly complex, "not useful," or conflict with other "official names." The new Trademark Rules are published in 136 USPQ (No. 6).

The speaker considered this legislation as posing difficult problems since, in his opinion, "there are not enough letters in the alphabet to meet the new requirements." The World Health Organization, said the speaker, has had difficulties in satisfying the public that the generic terms which they have invented are sufficiently removed from the proprietary rights in trademarks acquired by registrants.

**A New Rule on Use.** The Patent Office will no longer register a trademark in the United States by foreigners unless there has been use of the trademark "somewhere." This revision of the rules was characterized by the speaker as being a "middle ground." In other words, prior to this change, it was possible for foreign applicants to base their applications in the United States on their home registration which requires no allegation of use whatsoever. The new requirement does not impose use of the mark in commerce in the United States but merely use "somewhere."

## LAWYERS GROUP STARTS CLIENTS SECURITY FUND

In accordance with a philosophy sanctioned by the American Bar Association, the New York County Lawyers Association has spearheaded the setting up of a security fund to protect clients of all New York lawyers. Such funds have been in existence in England, in Canada and in New Zealand for over 25 years. They have been established in 19 states and in the cities of Philadelphia and Baltimore; even the New York Stock Exchange has such a fund.

The purpose of the Client's Security Fund is to provide some measure of indemnification and reimbursement to a client in instances when a loss results from defalcation. It is believed that no patent lawyer has ever been involved in misappropriation of entrusted funds. However, in the event patent lawyers wish to demonstrate an interest in general bar problems by making contributions to this fund, checks made payable to Client's Security Fund may be forwarded to John A. Reilly, Esq., Room 1925, 165 Broadway, New York 6, N. Y.

## SPECIALIZED NATURE OF CCPA AND COURT OF CLAIMS HELD NO BAR TO THEIR CONSTITUTIONAL STATUS

In companion cases, *Glidden Co. v. Zdanok*, *Lurk v. U. S.*, — U. S. —, 8 L. Ed. 2d 671 (1962) the Supreme Court held that both the Court of Claims and the CCPA are constitutional courts created by Congress pursuant to Article 3 of the Constitution and not legislative courts created under Article 1. The question as to the status of the CCPA arose when Judge Joseph R. Jackson, a retired judge of the CCPA, presided over a criminal trial in the District Court, District of Columbia, by designation of the Chief Justice, 28 USC § 293(a). The appeal raised the issue of the validity of the designation and whether the judgment of conviction was vitiated by Judge Jackson's participation at trial. The issue turned on the status of the court to which Judge Jackson was appointed.

### OPINION

Mr. Justice Harlan in an opinion joined by Justices Brennan and Stewart said:

"To deny that Congress may create tribunals under Article 3 for the sole purpose of adjudicating matters that it might have reserved for legislative or executive decision would be to deprive it of the very choice that Mr. Justice Curtis insisted it enjoys." 8 L. Ed. 2d 671, 687.

Mr. Justice Clark, in a concurring opinion joined by Mr. Justice Warren, said that:

"\* \* \* I believe the court [CCPA] became an Article 3 court upon the clear manifestation of congressional intent. Act of Aug. 25, 1958, § 1, 72 Stat. 848." 8 L. Ed. 2d 671, 709.

### DISSENTING OPINION

Dissenting were Justices Douglas and Black. Mr. Justice Douglas stated:

"\* \* \* Men eminently qualified to sit on Article 1 tribunals or agencies are not picked or confirmed in light of their qualifications to preside at jury trials or to process on appeal the myriad of constitutional and procedural problems involved in Article 3 'cases' or 'controversies'."

"\* \* \* Judges who might be confirmed for an Article 1 court, might never pass muster for the onerous and life-or-death duties of Article 3 judges."

On this point, Mr. Justice Harlan wrote:

"\* \* \* To be sure, a judge of specialized experience may at first need to devote extra time and energy to familiarize himself with criminal, labor relations, or other cases beyond his accustomed ken. But to elevate this temporary disadvantage into a constitutional disability would be tantamount to suggesting that the President may never appoint to the bench a lawyer whose life's practice may have been devoted to patent, tax, antitrust, or any other specialized field of law in which many eminently well-qualified lawyers are wont to engage. The proposition will not, of course, survive its statement." 8 L. Ed. 2d 671, 707.

---

## CASE NOTE ON PRIVILEGE

---

### *Submitted by NYPLA Subcommittee on Practice and Procedure in the Courts*

The recent ruling in *American Cyanamid v. Hercules Powder Company*, 135 USPQ 235, by Chief Judge Wright of the United States District Court, Delaware, as to attorney-client privilege with respect to two infringement opinions by outside counsel, may be more fully understood in the light of certain background information not emphasized in the reported opinion, which was obtained by the subcommittee from counsel for both parties:

1. The infringement opinions by outside counsel involved solely a construction of claims in the issued patent of American Cyanamid in view of the disclosure in an

issued Hercules Powder patent as to the question of possible infringement.

2. Portions of the written opinions, which had been inspected by the court but not seen by the opposing parties, had been read by representatives of the client to representatives of the party bringing the Motion to Produce.

3. The basis for the Rule 34 Motion to Produce these particular opinions of outside counsel was twofold: "waiver of privilege" or lack of privilege by reason of having been prepared for use in a business negotiation; these positions were opposed by the other party.





Left to right; **Standing**: Albert C. Nolte; Robert E. Isner; John A. Reilly; Frank W. Ford, Jr.; Mark N. Donohue; Lorimer P. Brooks; Russell G. Pelton; John N. Cooper; Henry W. Koster; Gordon A. Wilkins. **Front Row**: Cyrus S. Hapgood; Harry R. Sage; Albert C. Johnston. **Absent**: Ralph L. Chappell; Sylvester J. Liddy.

### Controversy Over Privilege

Continued from page 1

confined it to situations where the confidential disclosure to outside counsel was made by a member or employee of the corporation having actual authority to do so.

The court, in *American Cyanamid v. Hercules*, 135 U.S.P.Q. 235 (Nov. 2, 1962), also recognized the corporation's right to invoke the privilege, but imposed limitations on its application where house counsel is involved. Each document, the court held, should be considered individually to determine whether the member of the patent department receiving the information was acting in the capacity of a lawyer or as a businessman. In carrying out the usual patent department activities of patent soliciting, interference practice, patentability determinations, etc., the court continued, house patent counsel are not considered to be acting as lawyers, but as businessmen, and therefore, the privilege does not attach. The preparation of cases for suit in the courts does constitute such activity as would qualify house counsel as a lawyer, for purposes of the privilege, according to the court.

In the most recent decision, *Garrison et al. v. General Motors Corporation*, 136 USPQ 343 (January 22, 1963), the California District Court expressed its disagreement with the holding of the *Radiant Burners* case and adopted what it termed the "control group" theory of the *Philadelphia* case for determining the availability of the privilege to corporations. The California Court also differed from the Delaware Court in the *American Cyanamid* case in defining more broadly the range of house patent counsel activities that qualify as legal activities for purposes of the privilege. It further stated that it would not go as far as the Delaware court holding that communications from outside counsel were not privileged because they were opinions on facts gleaned from public documents.

The *Radiant Burners* and the *American Cyanamid* decisions indicate a tug-of-war between the "full disclosure to counsel" principle which is the basis for the attorney-client privilege and a liberal interpretation of the discovery provisions of the Federal Rules of Civil Procedure. The cases make it clear, however, that the "work product" rule, which protects memoranda, papers, etc. prepared by an attorney in connection with an action or suit, was not intended to be affected in any way.

### BULLETIN

of The New York Patent Law Association

90 Broad Street, New York 4, New York

Volume 2.

March 1963

Number 6.

The BULLETIN is published monthly (except in July, August, and September) for the members of The New York Patent Law Association. Correspondence may be directed to The Editor-in-Chief, Room 1711, 135 East 42nd Street, New York 17, N. Y.

#### OFFICERS OF THE ASSOCIATION FOR 1962-63

PRESIDENT, Cyrus S. Hapgood. 1ST VICE PRESIDENT, Ralph L. Chappell. 2ND VICE PRESIDENT, John N. Cooper. 3RD VICE PRESIDENT, Albert C. Johnston. TREASURER, Albert C. Nolte. SECRETARY, Frank W. Ford, Jr.

#### EDITORIAL STAFF

EDITOR-IN-CHIEF, Henry E. Sharpe. EDITOR, Douglas M. Clarkson. EXECUTIVE EDITOR, Cameron K. Wehringer. PRODUCTION EDITOR, Joseph Bercovitz. ASSOCIATE EDITORS: Paul H. Blaustein, Nathan M. Briskin, George Gottlieb, Robert H. Henderson, Ernest F. Marmorek, J. Harold Nissen, Eric D. Offner, Robert J. Sanders, Jr., Arthur S. Tenser. ART CONSULTANT, Harry Jacobson. COPY EDITOR, this issue, Nathan M. Briskin.