

COMMISSIONER DAVID L. LADD RESIGNS—WILL RETURN TO PRIVATE PRACTICE IN CHICAGO

MEET OUR NEW PRESIDENT

Ralph L. Chappell was born in Kalamazoo, Michigan on January 15, 1904. He graduated from Cornell University in 1925 and from Harvard Law School in 1928.



Ralph L. Chappell

He was admitted to the New York Bar the following year and to the Michigan Bar some years later, and is now a partner in the firm of Kenyon & Kenyon.

During World War II, Mr. Chappell served in the Navy as Director of the Patents Division of the Office of Research and Inventions.

He has served in various capacities in the NYPLA, and is also a member of the American Bar Association and the American Patent Law Association.

PRESIDENT'S COMMENTS

Since its inception, the BULLETIN has been an important communication medium in the Association by keeping the members posted on matters of general interest and on Association activities.

The editors of the BULLETIN have continued to assign special liaison men to each of the various committees of the Association so that the task of reporting these activities has been simplified. I am sure that this will enhance the BULLETIN'S value to the members of the Association.

I do not need to stress to all members of the Association that the BULLETIN is available for any expression of views on subjects of interest to the Association.

I am sure you will all cooperate with the Publications Committee and the editorial staff of the BULLETIN in making it, if possible, even more worthwhile than it has been.

—RALPH L. CHAPPELL

NEW MEMBERS ELECTED

At meetings of the Board of Governors of the NYPLA held on June 27 and August 5, 1963, the following persons were admitted to active membership in the Association: Joseph Hirshfeld, Isidore Match, Louis Weinstein, Arthur E. Wilfond, R. Bradlee Boal, Michael Dufinez, Paul Fields and Moonray Kojima.

CALENDAR

Nov.— Forum Meeting

Dec. 6 Dinner Dance—Hotel Pierre

PRESIDENT KENNEDY NOTES OFFICE IMPROVEMENTS

On July 18, 1963, David L. Ladd resigned as Commissioner of Patents to return to private practice with Schneider, Dressler, Goldsmith and Clement, a Chicago firm. The announcement of Ladd's resignation ended a period of uncertainty and some confusion in the Patent Office.

At 35, David L. Ladd, who had resigned from the Chicago firm of Ooms, McDougall and Hersh, was sworn as the second youngest Commissioner in the history of the Patent Office on April 17, 1961. His resignation was effective October 1, 1963.

In a letter dated August 15, 1963, accepting the resignation, President Kennedy wrote:

"Dear Mr. Ladd:

It is with a great deal of regret that I accept your resignation as Commissioner of Patents effective October 1, 1963.

You have, by your public service, earned the respect and confidence not only of those of us within the Government but also the Congress, the Bar, and the business community. Your leadership in instituting improved practices in the Patent Office has laid a solid foundation on which to build in the future. You have brought to the office a spirit of effective and efficient service and have established sound guidelines for the future.

I want to take this opportunity to wish you the very best of success in your future undertakings."

ACCOMPLISHMENTS DURING TENURE CITED

In an address presented before the Patent, Trademark and Copyright Section of the American Bar Association in Chicago on August 14, 1963, the Honorable David L. Ladd, past Commissioner of Patents, reviewed the highlights of the developments in the Patent Office during the past several years.

A management survey of the Patent Office was conducted under the direction of Mr. Earl W. Kintner, to provide the Commissioner with a master blueprint for reform and modernization. The resulting survey report was commended and published by the Senate Subcommittee on Patents, Trademarks and Copyrights. To implement the appropriate recommendations of the Report, an Office of Planning and Program Evaluation was then established, which reports directly to the Commissioner.

To improve physical facilities, Senate authorization has been obtained for a new Patent Office building in an area close to Washington and readily accessible by air, rail and automobile. House authorization and supporting appropriations are still needed.

Continued on page 2

Editorial

During the BULLETIN's two years of existence significant changes in the fields of law of interest to NYPLA members have been made. Other changes of varying importance are either in the proposal or study stage.

In these pages, we have reported on a Common Market patent, proposed copyright law revision, maintenance fee legislation, Common Market cartel controls, the warranty against infringement in the U. C. C., the Patent Office Survey, the Patent Office Training Academy, the legal problems posed by satellite communications, the "Statement of Principles" with reference to the title vs. license controversy, the challenge of the government obtaining copyright, the passage of the Design Patent Act by the Senate, important changes in Patent Office procedure, specifically, "Compact Prosecution" and the proposed federal Unfair Commercial Activities law.

Lively issues of privilege, unauthorized practice of patent law, and the constitutional status of the CCPA were also of concern. Many other cases have been discussed in our "Recent Cases of Special Interest" column. In this issue, there are noted a proposed Common Market Trademark Act, changes in foreign laws and important changes in Patent Office prosecution with respect to the applicability of Rule 131 affidavits against "old" art.

We recognize that these changes affect our day-by-day practice. These changes also attest to the vigor and interest of our chosen legal specialties. Yet change, in and for itself, has no special merit. We seek only change which is carefully considered.

The committees of the NYPLA try to consider each proposed change and the BULLETIN has endeavored to report official positions of the NYPLA. To the individual attorney who wishes to express his view, to the committee chairman who wishes to solicit the opinions of many members of the NYPLA, the BULLETIN is available as a choice forum. Through closer liaison with committee chairmen as reflected in organizational changes in the BULLETIN discussed in this issue, we hope that our value as a forum will be elevated. The cooperation of all concerned is earnestly requested.

COMMON MARKET TRADEMARK TREATY

During the past year some important developments relating to the international protection of trademarks are of considerable interest.

The most important development has been the formulation of The Common Market Trademark Treaty, which is deemed to be "secret." Nevertheless certain conclusions can be drawn from discussions with officials responsible for the drafting of the Convention.

Under the Treaty, trademark rights will be derived or acquired primarily by registration and not by use. The procedure for the prosecution of applications will follow a system very similar to the German examination procedure. The best means presently available to determine the provisions which are likely to be adopted comes from the Benelux Treaty. The latter Treaty, which will come into force eighteen months after ratification by the Parliament of the last of the three countries to ratify the Benelux Treaty, is not expected to become law until 1965.

Accomplishments During Tenure Cited

Continued from page 1

For a newly-created position of Patent Aids, high school graduates have been hired, on a highly selective basis, to assist the examiners. Over the past year, the Patent Office has made several advancements in the area of equal opportunity policies and practices. A promotion plan for administrative and clerical help has been commended in articles written by the White House staff assistants.

The backlog of cases on appeal has been reduced and the Commissioner expects the Board docket to be substantially current by the end of another year.

The compact prosecution program has generally met with cooperation of attorneys and agents, and the Office looks forward to the beginning of a payoff from this program in terms of backlog reduction.

An Office of Examining Control has been established as an adjunct to the Superintendent. This Office has as its basic mission, in addition to the aforementioned indoctrination and training of new examiners, the development of quality and quantity guidelines and standards, the systematic checking and inspection of Examining Corps output, the dissemination of information regarding precedent Board and Court decisions as well as Patent Office policies and instructions. The Commissioner felt that the functions of this Office probably constitute the foundation upon which the Patent Office reorganization is predicated.

Attempts have been made to improve the status of Patent Office employees. Final signatory authority has been delegated to capable examiners. New selection procedures for both professional and non-professional employees have been established, based on merit rather than on a strict seniority system of advancement.

A training program was established last year permitting employees to take job-related advanced technical courses at universities at Patent Office expense. A Patent Office Training Academy, recently established, has graduated its first two classes of examiners. In its report on this Academy, the Civil Service Commission commented on the excellence of the training concept and the efficiency with which it was organized and put into operation.

Recent pay reform legislation provides for granting or withholding step increases on the basis of "acceptable level of competence as determined by the Head of the Department." Specific guides are being established as reasonable standards to eliminate the possibility of arbitrary or inconsistent actions.

A program has been initiated to improve the examiners' knowledge of assigned arts by encouraging them to attend professional conferences and to visit manufacturing concerns.

In summary, the Commissioner pointed out that efforts to modernize the Patent Office are well under way. The bulk of the efforts have been designed, he said, to make the existing system work better, and he thinks that considerable progress has been made. However, he invited the prodding and scrutiny of the Patent Bar to insure that the momentum would not be lost.

RUSSIAN PATENTS

On October 17, 1963 Harold L. Roditi will discuss Russian patents at a meeting of the New Jersey Patent Law Association at the Military Park Hotel, 16 Park Place, Newark 1, N. J.

NEW EDITORS FOR BULLETIN

The BULLETIN starts its third year with a new editorial staff. Douglas M. Clarkson who has been the Editor since January 1, 1963, has been named Editor-in-Chief and Paul H. Blaustein becomes the new Editor. Henry E. Sharpe, who was Editor-in-Chief last year, will continue to be associated with the paper in his capacity as Chairman of the Committee on Publications.

A new post of Managing Editor has been created and J. Harold Nissen will handle many of the operational details under this title. Joseph Bercovitz will continue to supervise the production of the BULLETIN with the assistance of George Gottlieb who is now Assistant Production Editor. Cameron K. Wehringer will be Senior Editor and is continuing as Editor of the YEARBOOK.

The editorial assignments have also been shifted with the objective of placing each of the Association's fields of interest in the hands of a named editor so that everyone will know who to contact on a particular subject. Each editor has at least one other man ready to act in his place if he is not available. These editorial assignments are listed below and it is suggested that the listing be preserved for future reference:

EDITORIAL ASSIGNMENTS

Meetings and Programs	... Wehringer (Sanders)
Patent Office	..... Blaustein (Clarkson-Sanders)
Patents (Domestic)	..... Tenser (Briskin)
Trademarks (Domestic)	... Offner (Briskin)
Copyrights and Designs (Domestic)	..... Wehringer (Marmorek)
Foreign Patents, Trade- marks and Copyrights	... Nissen-Offner (Schneider)
Antitrust	..... Briskin (Clarkson)
Legislation	..... Clarkson (Sanders)
Government Contracts	.... Sanders (Henderson)
Public Information and Education	..... Marmorek (Sanders)
Library and Employment	.. Henderson (Schneider)
Attorney—Client	..... Schneider (Wehringer)
Courts	..... Gottlieb (Bercovitz)
Other NYPLA Committee Contacts	..... Clarkson (Blaustein-Nissen)
Contacts with Officers and Board of Governors	.... Sharpe (Clarkson)

The BULLETIN is still looking for a photography editor who will take over full responsibility for that end of its activities. This should be an intriguing opportunity for one of our younger members who is a photographic hobbyist.

SOUTH AFRICAN TRADEMARK STATUTE TO ESTABLISH NEW OPPOSITION PROCEDURE

It is expected that Act No. 62 of 1963 to consolidate and amend the law relating to trademarks in the Republic of South Africa will come into force in 1964. *One of the most significant developments introduced by this legislation is the first informal opposition procedure in a British practice country.* This practice is only applicable if both parties consent thereto. Under this procedure, there is no opportunity for submission of evidence, no hearing takes place and no appeal may be taken from the decision rendered. At the election of either party, however, the normal opposition proceedings are available.

BRIEFS FROM WASHINGTON

H. R. 7370—Willis. This is the Patent Office Fee bill and is believed to stand a better than good chance of being passed before the end of the present Congressional session. This bill provides for substantial increases in most of the Patent Office fees, such as:

- a \$50 filing fee plus \$10 for each independent claim over one and \$2 more for each and every claim over ten;
- a \$20 recording fee;
- a \$75 final fee plus \$10 for each printed page plus \$2 for each sheet of drawings; and
- a maintenance fee of \$50 at the end of five years, \$100 at the end of nine years, and \$150 at the end of thirteen years.

H. R. 7194—Celler. This is the "jukebox" bill which was submitted to replace H. R. 5174. This bill has been reported favorably by the Judiciary Committee.

H. R. 7446—Mahon. This bill provides for removal of the Trademark Branch from the Patent Office. The separate Trademark Office would report to the Secretary of Commerce. The bill proposes to change the trademark registration notice from the present capital R within a circle to "Registered U. S. A." or "Reg. U. S. A." and would provide for a Trademark Journal to be published separately from the O. G.

S. 1940—McClellan. This bill sets forth a procedure to be followed in patent and trademark appeals to the CCPA and deletes the presently required "reasons for appeal." This bill further would require a CCPA decision to be confined to questions decided by the Patent Office.

ACTION TAKEN ON LONG AND McCLELLAN BILLS

During the summer the Board of Governors of the NYPLA, after considering the recommendations of the Committee On Government Relations To Patents, authorized the President to advise Senator McClellan, Chairman of the Sub-Committee on Patents, Trademarks and Copyrights that the Association is opposed to the passage of S. 1432 sponsored by Senator Long. The President's letter made the statement that "It is the considered opinion of this Association that this bill embodies a viewpoint that is seriously detrimental to public interest."

The President also advised Senator McClellan with respect to the McClellan bill S. 1290 that:

"This Association is in full accord with the statements you made in introducing this bill as reported in the Congressional Record for April 9, 1963 relative to balancing the respective equities of the parties concerned in Government contracting, and we believe that your bill goes a long way toward accomplishing this objective.

"We urge that hearings be held with respect to this bill.

"We have a number of specific suggestions which we believe will make the bill fully effective to carry out the objectives stated by you and will be happy to present them either at a hearing, or at a meeting with your staff if this is deemed desirable, or any other way you suggest."

RECENT CASES OF SPECIAL INTEREST

Trademark. The well-known mark *Thermos* has, at present, lost much of its significance, since its primary significance to the public may be an indication of the nature and class of an article rather than an indication of source, **King-Seeley Thermos Co. v. Aladdin Industries, Inc.**, 138 USPQ 349 (2d Cir. 1963). The Court rejected the theory that a mark can become generic only where there is no other suitable descriptive name for the product to which it is applied, as was the situation in the *Aspirin* and *Cellophane* cases. A decree was framed confining the alleged infringer's use to "thermos" with a lower-case "t", and preceded by its corporate name, primarily because of the limited trademark recognition accorded to *Thermos* by the trade.

Copyright. The publication of "satirizing" lyrics in the humorous magazine "Mad", which were set to the same meter as the meter of a well-known copyrighted song, and which were directed to be sung to the music of the song, was not a copyright infringement, **Berlin v. E. C. Publications, Inc.**, 138 USPQ 298 (S. D. N. Y. 1963). Since the subject matter of the copyrighted song was completely dissimilar from the subject of the accused lyrics, the case was not a parody-type copyright infringement, in which the language and style of an author are imitated and mimicked. The intention that the lyrics be sung to the copyrighted tune, without the actual reproduction of the music of the tune, was not the equivalent of an infringement.

Patent. In an appeal to the Court of Customs and Patent Appeals, the requirement of 35 USC § 142 that the appellant "shall file . . . his reasons for appeal, specifically set forth in writing" is not met by broad allegations that the Patent Office Board of Appeals erred, **In re Gruschwitz and Fritz**, 138 USPQ 451 (CCPA 1963). A split Court found the presented assigned reasons that it was error "to affirm the decision of the examiner in his rejection . . ." and that it was error "to refuse to allow the rejected claims" legally insufficient to comply with Congress' intent that the errors be stated specifically. Judge Rich, dissenting with Judge Smith, characterized the majority opinion as a retreat "into the barren world of useless legal technicalities from which [the Court was] so hopefully emerging."

Trademark. A collective membership mark is registrable only where there is evidence that the members of the organization, as distinguished from the organization itself, have used the mark, **In re Triangle Club of Princeton University**, 138 USPQ 332 (P. O. Tm. Trial of App. Bd. 1963). Letterheads, programs and directories published by applicant-organization for its use are not intended to be used by members to indicate membership in the organization, and therefore, do not constitute a qualifying use.

Patent. A Rule 131 affidavit can be used to overcome a reference published more than a year prior to a patent applicant's filing date if the reference was secondary (35 U. S. C. § 103) rather than anticipatory (35 U. S. C. § 102b), **In re Palmquist and Erwin**, 319 F. 2d 547 (CCPA 1963), 138 USPQ 234. Rejection on the grounds of obviousness must be based on the state of the art at the time of invention, rather than at the time of filing.

CORPORATE ATTORNEY-CLIENT PRIVILEGE UPHELD

In an opinion handed down this past summer and reported at 32 LW 2017, the Seventh Circuit Court of Appeals, en banc, reversed the decision of the Illinois District Court in **Radiant Burners, Inc. v. American Gas Associations**, 207 F. Supp. 771, 209 F. Supp. 321, (NYPLA Bulletin, Vol. 2, No. 6—March 1963) and held that the attorney-client privilege to bar discovery of documents may be claimed by a corporation.

The Court of Appeals noted that no litigant had heretofore challenged the corporation's right to claim the attorney-client privilege and pointed to the fact that such privilege has been generally recognized for more than a century. The privilege against self-incrimination, which is denied to corporations, was distinguished on the basis that it is essentially personal in nature and applicable only to "natural individuals", whereas the attorney-client privilege "derives from a regard for the rights of a client, personal or impersonal in character, fostering a social policy concerned with facilitating the workings of justice."

The Court went on to state: "It is our considered judgment that based on history, principle, precedent and public policy the attorney-client privilege in its broad sense is available to corporations, and so we hold." The only existing judicial ruling against the corporation's right to the privilege has thus been overturned.

BULLETIN

of The New York Patent Law Association

90 Broad Street, New York 4, New York

Volume 3.

October 1963

Number 1.

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, Room 4004, 60 East 42nd Street, New York 17, N. Y.

OFFICERS OF THE ASSOCIATION FOR 1963-64

PRESIDENT, Ralph L. Chappell. 1ST VICE PRESIDENT, Harry R. Pugh, Jr. 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, Douglas M. Clarkson. EDITOR, Paul H. Blaustein. MANAGING EDITOR, J. Harold Nissen. PRODUCTION EDITOR, Joseph Barcovitz. ASS'T. PROD. EDITOR, George Gottlieb. SENIOR EDITOR (and EDITOR OF THE YEARBOOK) Cameron K. Wehringer. ASSOCIATE EDITORS: Nathan M. Briskin, Robert H. Henderson, Ernest F. Marmorek, Eric D. Offner, Robert J. Sanders, Jr., Rolf E. Schneider, Arthur S. Tenser. ART CONSULTANT, Harry Jacobson. COPY EDITOR, this issue, Eric D. Offner.