THE NEW YORK PATENT LAW ASSOCIATION

BULLETIN

VOLUME 21 OCTOBER-NOVEMBER, 1981 NUMBER 2

Calendar of Events

Luncheon Meetings

November 19, 1981 Jerome Lee, Esq. will speak on "Impression of a Patent Lawyer in China".
December 17, 1981 Robert Barrigar will speak on "Canadian Patent and Trademark Litigation".
January 28, 1982 Speaker to be announced.
February 25, 1982 Speaker to be announced.
March 25, 1982 Speaker to be announced.
April 22, 1982 Speaker to be announced.
May 27, 1982 Speaker to be announced.

The NYPLA luncheon meetings commence at 12:15 p.m. at the Williams Club, 24 East 39th Street, New York, N.Y.

Evening Meetings

November 10, 1981 Curtis W. Carlson, Esq., Licensing Counsel for Bristol-Myers and George M. Gould, Assistant Patent Counsel for Hoffmann-LaRoche will speak on Contemporary Patent and Licensing Problems In Genetic Engineering: Getting A Good Deal On Designer Genes.
December 8, 1981 Speaker to be announced.
January 14, 1982 (Joint NYPLA-NJPLA meeting) — Speaker to be announced.
February 11, 1982 Speaker to be announced.
April 6, 1982 Speaker to be announced.

The NYPLA evening meetings commence at about 5:30 p.m., at the Harvard Club, 27 West 44th Street, New York, N.Y.

The annual meeting of the NYPLA will be held on May 20, 1982.

The President's Corner

Public Law 96-517 requires the Commissioner of Patents and Trademarks to establish fees starting October 1, 1982 at a level to recover 50% of the cost of processing patent applications, (half or 25% from filing and issue fees and half or 25% from maintenance fees), 50% of the cost of processing design patent applications and trademark applications and 100% of most other PTO costs.

I have heard that in line with the Administration policy of making the user of government services pay for the cost of such services, the Commerce Department is considering a bill which will raise the level of patent filing and issue fees to 35% (from 25%) and of recovery of trademark application costs to 100%. I have also heard that Commerce is assuming that costs will not be just that of providing services to users but rather that of operating the entire PTO, or, in the case of trademarks, The Trademark Operation's share.

Even under P.L. 96-517, substantial PTO fee increases will result (for example, an approximately four-fold increase in the $35 trademark application filing fee). If the new legislation is enacted, the increases will be staggering (for example, a twenty-fold increase in the $25 opposition and cancellation fees).

No one can quarrel with the concept of making the one who benefits from a service pay for the cost of that service. However, there seems no support for the assumption that the services rendered by the PTO benefit the users to the extent underlying the new legislation. If the fees required by the new legislation are set so high as to inhibit the full utilization of the patent system, it is the country's technological development which will be the loser. Moreover, insofar as the new legislation mandates 100% recovery of all trademark costs, it totally fails to recognize the important public interest served by a trademark registration system.

The single most important function played by our federal trademark registration system is to have a record of those trademarks already adopted which can be searched by those seeking new marks. While this informational function serves some interest of the trademark registrants, since it inhibits others from infringing, its basic purpose is to serve the interest of the public by preventing the adoption and use of conflicting marks which lead to economic waste, and when the matter ends in litigation, waste to the publicly financed judicial system as well.

It has been said that an increase in fees beyond those mandated by P.L. 96-517 is necessary to enable the PTO to obtain Commerce Department and OMB approval of an adequate budget. In view of the burden which these increased fees will impose upon those applicants who most need PTO services, any further increase in fees beyond those mandated by P.L. 96-517 appears inadvisible.

Albert Robin

From Minutes of the Board of Directors Meeting of the New York Patent Law Association, Inc. September 22, 1981

The minutes of the last Board meeting were accepted.

The Treasurer's report was distributed and discussed.

The Board discussed the procedure for handling objections to applicants for membership.

Mr. Robin announced that a major topic for discussion at the next Board meeting would be our activities as hosts at the Spring 1982 APLA meeting in New York and the necessary fund-raising.

Mr. Robin reported on the organizational meeting of the Committee in Admissions and its plans to seek new members for the Association.

The appointment of James L. Bikoff as chairman of the Committee on U.S. trademark Law and Practice was unanimously approved.

Continued on Page 2

Minutes of the Board—Continued from Page 1

Mr. Robin announced that he had named Thomas P. Dowd as NYPLA representative to the PTO Ad Hoc Committee, as he will be the chairman of the Subcommittee on Patent and Trademark Office Affairs and Practice.

The upcoming Paris Convention Conference at Nairobi was discussed. Mr. Jorda stated that he would be attending the first week on behalf of another organization. The Committee on Foreign Patent Law and Practice has been asked to follow the results of the conference.

The WIPO Computer Software Questionnaire, which had previously been referred to several committees, was briefly discussed. Comments had been received from the Committee on Foreign Patent Law and Practice.

The Association's co-sponsorship with USTA of a luncheon on September 30, 1981 was noted. Mr. Robin stated that he favored co-sponsorship of such events.

The Inventor of the Year award luncheon program scheduled for October 21, 1981 was discussed. The nature of this project in future years will be reviewed at the next Board meeting.

Mr. Wyatt reported on preparations for the CLE program at the Concord Hotel. The program is set and reservations are being received. The hotel has agreed to proceed without a guaranteed attendance.

Mr. Robin reported on arrangements for the NYPLA/NJPLA Joint Dinner, to be held on January 21, 1982 with Commissioner Mossinghoff as speaker.

The adoption of a New York State University patent policy law was noted and the subject was referred to the Committees on Incentives to Innovation and Patent Law.

The Employed Inventors' Rights Bill proposed by the IEEE was noted. The IEEE is reportedly seeking a sponsor in Congress. It was agreed that consideration should be postponed until a bill is actually introduced. It was noted that California, Minnesota, North Carolina and Washington have enacted laws on this subject.

The informally circulated Patent and Trademark Office proposals for increased trademark fees were discussed. The Board was concerned by the private nature of the discussions on this and other Patent and Trademark Office matters.

The Board unanimously approved the proposal that the existing project to index Rule 287 interference discovery decisions be made a joint project with the APLA.

Norman Torchin Speaks at the NYPLA Luncheon Meeting on October 22, 1981

Norman Torchin, Esq. a member of the Board of Patent Interferences, spoke at our first luncheon meeting of the year on "Interference Practice Made Simple". More than 100 attended this meeting and heard Mr. Torchin give a brief outline of interference practice.

Although those who attended the meeting received an outline of Mr. Torchin's speech, for the benefit of our readers and those who could not attend the meeting, we will print Mr. Torchin's outline in its entirety. This outline is as follows:

Interference Practice Prior to Final Hearing

I. An interference is...

"a proceeding instituted for the purpose of determining the question of priority of invention between two or more parties claiming *the same or substantially the same invention*... [It does] not arise unless the parties [claim] the same, or substantially the same invention." Rich, concurring, In re Bass, 177 USPQ 178 at 195.

"The United States patent system is a first-to-invent system, wherefore we have interferences to determine, in case of conflict, who the first inventor is." Rich, concurring, Young v. Dworkin, 180 USPQ 388 at 393.

"Section 102, 103, and 135 of 35 USC clearly contemplate — where different inventive entities are concerned — that only one patent should issue for inventions which are either identical to or not patentably distinct from each other." Aeloni v. Arni, 192 USPQ 486 at 489. Cf. Miller v. Eagle Mfg. Co., 151 U.S. 186 (1894).

II. Information sources
- A. Statute: 35 USC 102(g) and 135
- B. Rules of Practice: 37 CFR. 1.201-1.292 (Forms: 3.44-3.49). See also proposed Rule Changes, 45 Fed. Reg. 78172
- C. M.P.E.P. Chapter 1100
- D. Rivise and Caesar ("R & C"), *Interference Law and Practice*, Vols. I-IV, Michie Co., Charlottesville, Va. (1948)
- E. Read all correspondence from PTO
- F. Interlocutories (Phone 703-557-3574, -3397, or -3550) — Mssrs. Robert Webster and Michael Sofocleous
- G. Articles, infra.

III. How to Get Into an Interference: 37 CFR 1.201-1.207; Weinberger, *The Initial Phases of an Interference: The Counts*, 62 JPOS 309 (1980)

IV. How to Get Out: 37 CFR 1.262 and (for patentees only) 1.263 and 1.264

V. Modified and Phantom Count Practice
- A. 37 CFR 1.201(a) and 1.205(a)
- B. Weinberger, op. cit.; Moore v. McGrew, 170 USPQ 149 (Bd. Pat. Int. 1971)
- C. CCPA: Squires v. Corbett, 194 USPQ 513 (1977)
  Aelony v. Arni, supra.
  Tolle v. Starkey, 118 USPQ 292 at 294 (1958)

VI. "204(c)" Practice (37 CFR 1.204(c))
- A. M.P.E.P. 1101.02
- B. Calvert, *An Overview of Interference Practice*, 62 JPOS 290 at 291-298 (1980)
- C. Wetmore v. Quick, 190 USPQ 223
- D. Kahl v. Scouville, 203 USPQ 652

VII. Preliminary Statement
- A. 37 CFR 1.215-1.228
- B. Form: 37 CFR 3.44 and 3.45
- C. Calvert, op. cit., pp. 299-302
- D. Reddy v. Davis, 187 USPQ 386 (Comm'r. Pat. 1975); Mandamus Denied, 188 USPQ 644.

VIII. Motion Period (37 CFR 1.231) (R & C, Chapt. XVI) (Torchin, *The Pitfall of Interference Practice: 37 CFR 1.231*, 60 JPOS 579 (1978))
- A. To Dissolve (37 CFR 1.231(a)(1))
  1. Unpatentability Over Prior Art — Reexamination
  2. Lack of adequate support in party's disclosure for limitations in that party's *claim* which corresponds to the *count*. ("right to make"); Snitzer v. Etzel, 189 USPQ 415; Segall v. Sims, 125 USPQ 394; Sze v. Bloch, 173 USPQ 498, Fontijn v. Okamoto, 180 USPQ 193; Squires v. Corbett, supra; Tomacek v. Stimpson, 185 USPQ 235.

Continued on Page 3

Mr. Torchin—Continued from Page 2

3. Inoperability (ordinarily requires proof); Field v. Knowles, 86 USPQ 373; Nicolau v. Copperman, 168 USPQ 717, Garrett v. Cox, 110 USPQ 52; MPEP 1105.01.
4. No Interference in Fact (Careful); Aelony v. Arni, supra; Nitz v. Ehrenreich, 190 USPQ 413, Brailsford v. Lavet, 138 USPQ 28; Urbanek v. Tanaka, 195 USPQ 458 (Comm'r. Pat.).
5. Res judicata or estoppel; Stoudt v. Guggenheim, 210 USPQ 359; In re Baxter, 210 USPQ 795; Meitzner v. Mindick, 193 USPQ 17; Fraze v. Siemonsen, 186 USPQ 480 (Bd. Pat. Int. 1974); Honda v. Bohanon, 167 USPQ 571 (Bd. Pat. Int. 1970).
6. Etc.; see particularly 37 CFR 1.231(d) ("of a similar character") and Strashum v. Dorsey, 145 USPQ 475.

B. To amend — by *addition* or *substitution* (37 CFR 1.231(a) (2) and 1.231(b)). (Caveat; most opportune time to look at proofs and consider "modified" practice, supra); Becker v. Patrick, 47 USPQ 314 (Comm'r. Pat.); Milton v. Love, 190 USPQ 319 (Comm'r. Pat.); Squires v. Corbett, supra; MPEP 1105.03.

C. To substitute another application owned by movant. (37 CFR 1.231(a)(3)). (Note: this includes adding a reissue); Jacobsen v. Carlson, 1923 CD 32 (Comm'r. Pat.); R&C, Vol. 1, Sec. 228.

D. To be accorded, or attack, benefit (37 CFR 1.231 (a)(4))
1. Similar to issue of "right to make"; Noyce v. Kilby, 163 USPQ 550; Martin v. Johnson, 172 USPQ 391.
2. 35 USC 112 applies to both 119 and 120; Kawai v. Metlesics, 178 USPQ 158; Weil v. Fritz, 196 USPQ 600.
3. Be sure to move for benefit of all applications applicable. (Also consider with motion to amend 1.231(c)).

E. To convert inventorship (37 CFR 1.231 (a)(5)); Weil v. Fritz, supra, Cf. Preliminary Statement.

IX. Motions for Permission to Take Testimony other than Ordinarily Assigned as per 37 CFR 1.251 et seq. and 37 CFR 1.287
A. 37 CFR 1.225 for junior and 1.251(b) for senior (e.g. inter partes tests)
B. *Practice Under 37 CFR 1.225*, Commissioner's Notice of June 15, 1981, 1008 O.C. 9.
C. Calvert, op. cit. pp. 302-308.

X. Discovery
A. McKelvey, "Discovery Before the Board of Patent Interferences," 58 JPOS 186-201 (March 1976).
B. *Accessibility of Non-Final Discovery Opinions* . . . 944 OG 2098
C. Goodbar v. Banner, 202 USPQ 106.
D. Proposed Rule, 37 CFR 1.288
E. Petition — 994 O.G. 28

Amplifying on his outline during his speech, Mr. Torchin encouraged practitioners to call the interlocutory examiners regarding any questions *before* making any motions, particularly if there is any doubt regarding the interpretation of the Rules of Practice. He said, in somewhat of a humorous fashion, that you can "tell us what the rule says and we will tell you what it means".

Mr. Torchin emphasized the importance of the "count" in interference practice. He suggested that the best time for practitioners to use their imaginations is during the motion period to "get the right count".

With respect to motions, Mr. Torchin urged practitioners to tell the board what they are looking for and not to presume that the Board is already aware of what is sought by the motion. Tell the Board what you specifically want them to decide.

Mr. Torchin also briefly discussed interference in fact. He said that the only issue in interference in fact is whether the claim of one party to the interference is patentably distinguishable from the other party's claim in interference. Ex parte affidavit(s) may be filed to prove such patentable distinction.

The most important document filed during an interference proceeding is the brief at final hearing. Again, Mr. Torchin emphasized the necessity to be clear and specific in this brief. He urged that the important parts of the testimony must be referred to in the brief. He said that the Board is frequently faced with a dilemma when it considers some of the testimony to be significant, yet that is not emphasized in the brief. The Board, in such instances, is not always certain whether omission of such testimony was inadvertent or whether the party did not regard it to be relevant.

Mr. Torchin suggested that practitioners are well advised to follow the "trend" of the decisions concerning interference practice. As a matter of information and interest to practitioners in interference proceedings, Mr. Torchin said that the Court of Customs and Patent Appeals frequently reverses the decisions of the Board on corroboration, however, the District Court for the District of Columbia usually follows the Board and affirms its decisions. There are certain issues, however, on which the Court of Customs and Patent Appeals almost always affirms the Board. These issues are the right to make and suppression and concealment.

NYPLA Inventor of the Year Luncheon

The third annual presentation of the Inventor of the Year Award was made by Albert Robin, president of NYPLA, to Dr. Waldo E. Semon in honor of Dr. Semon's basic patented work in polyvinyl chloride (PVC). His work has resulted in an industry which grosses from 65 to 90 billion dollars in total annual production and employs from 1.7 to 2.2 million people. The luncheon, held on October 21st at the Waldorf Astoria, had keynote addresses on the theme of our nation's vast potential benefits to be derived from outer space exploration. The speakers were the Hon. James M. Beggs, Administrator, National Aeronautics and Space Administration and Dr. Henry H. Kolm, Senior Scientist and founder of the M.I.T. Francis Bitter National Magnet Laboratory.

The luncheon, which was well attended by members of the Association and members of the press, began with introductory remarks by Philip Furgang, Chairman of the Committee on Public Education and Information. Mr. Furgang highlighted the significance of the patent system and the threat to it by the forthcoming increase in fees and the imposition of annuities. He suggested that the Award was intended to increase public awareness of the benefits to our society derived from a patent system which encourages communication. Mr. Furgang then turned the meeting over to President Robin.

Mr. Robin, in presenting the Inventor of the Year Award — 1981, described how Dr. Semon had made his discovery of PVC. Quoting from the letter of nomination by Edward Fiorito, General Patent Counsel of BF

Continued on Page 4

Inventor of the Year—Continued from Page 3

Goodrich, President Robin stated:

Bauman in 1872 described how liquid vinyl chloride, when exposed to sunlight, was converted to an insoluble amorphous material. Semon prepared some of this and confirmed its insolubility in common solvents. He then attempted to remove hydrogen chloride and in this manner convert the polymer to an adhesive. When he heated it with a high boiling solvent, the desired reaction did not occur. Imagine his surprise when he obtained a flexible, elastic product. For a time he forgot about the main problem and investigated the properties of this most interesting product, plasticized polyvinyl chloride. The first object produced was a molded golf ball because a small golf ball mold happened to be available in the laboratory. Next a heel was molded. Then by using a dipping process with plasticized PVC dissolved in boiling chlorobenzene, he coated the handless of pliers and also made vinyl insulated wire. Since his main research problem dealt with lining tanks, he mixed powdered PVC with plasticizer and attempted to use this paste for making an acid resisting lining for a small steel vessel. The adhesion was inadequate so he spot-welded a screen onto the metal, spreak the paste and then heat-treated to obtain a fused vinyl lining which was mechanically bonded to the metal. These initial early experiments were the birth of plasticized PVC (Semon, U.S. Patent 1,929,453) and of the plastisol process (Semon, U.S. Patent 2,188,396).

It was these discoveries that opened the door to commercialization of the highly versatile thermoplastic. In examining the significance of these achievements, one only need consider the economic impact of PVC in the United States. The entire PVC industry represents $65-90 billion in total annual production, and 1.7-2.2 million jobs. PVC production topped 6 billion pounds in 1979, and along with its associated raw materials, machinery, and end products, accounts for more than 10% of the United States' gross national product. Dr. Semon's work on PVC and other worthwhile discoveries has earned him several scientific and engineering awards.

Dr. Semon has been credited with 116 patents, nearly a hundred foreign patents, and has published 33 original articles and reviews. The patents include chemical compounds manufacturing processes and design of equipment. The chief fields covered are vinyl plastics, age resistors for rubber, accelerators for rubber, synthetic rubbers, methods of polymerization and equipment for commercial high vacuum distillation. Publications are in the fields of hydroxylamine, oximes, coordination compounds, vinyl plastics, age resistors for rubber, synthetic rubber, nitrile rubber, deuterio rubber, and upgrading agricultural products.

Following presentation of the Award, Mr. Robin introduced the Hon. James M. Beggs who is our nation's top federal space official, appointed by President Reagan. Mr. Beggs spoke about the many accomplishments of the NASA space programs, including those presently in progress and on the drawing board.

Administrator Beggs sounded a note of concern at the possible cutting back of the space program. He pointed out that already other nations have become adept at copying and then surpassing our early space achievements. Our nation is no longer alone nor so far ahead that a cut back might not result in our being placed technologically behind in world competition to the detriment to our industry and society. Among those nations most active in copying and then surpassing our space programs is the Japanese.

Administrator Beggs was highly complimentary of the role played by patent lawyers as those who assist in the inventing and developing of new technologies such as those of the next speaker, Dr. Henry Kolm. Mr. Beggs pointed out Dr. Kolms' inventions were very significant and would be an important part of future space work, including the industrialization of space.

Mr. Robin then introduced Dr. Kolm. Dr. Kolm presented a slide show of his mass driver for propelling materials from the surface of the moon to future space colonies. The system also has applicability for propelling vehicles from the earth. The mass driver system employs a little known phenomenon of repulsion which occurs when aluminum is caused to pass through a magnetic field. By applying a varying magnetic field to an aluminum carrier (such as a rocket) a practical vehicle is derived.

Dr. Kolm noted that by using large amounts of electrical power for very short intervals, a rocket could easily be propelled from the surface of earth. The actual cost of such a launching system would be far less than fueled rockets in use today. The major drawback is the availability of a source of power. For this reason, the most practical use of this propulsion system is in space where the required power can be provided for such storage sources as batteries.

As a result of experimental work performed at M.I.T., Dr. Kolm has been able to demonstrate that his propulsion system provides a relatively inexpensive and efficient means for transporting raw materials from the surface of the moon to space manufacturing colonies. It makes manufacturing in space economically feasible.

Dr. Kolm concluded his remarks by commenting generally on the importance of encouraging inventors and overcoming the inherent resistance to new ideas found in most enterprises.

The New York Patent Law Association, Inc.
BULLETIN
261 Madison Avenue, New York, New York 10016

Volume 21 **1981-82** **Number 2**

The BULLETIN is published periodically for the members of the New York Patent Law Association. Annual Non-Member Subscription is $15.00/year. Single copies $2.00. Correspondence may be directed to the Chairman - Subcommittee - Bulletins, James W. Badie, 261 Madison Avenue, New York NY 10016. Telephone (212) 687-0911.

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