



NYPTC BULLETIN

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Number 3

PRESIDENT'S CORNER

I did not expect to be contemplating patent law while cruising the Nile over the Christmas holidays, but every major site served as a reminder of the benefits of our patent system.

At each pyramid and temple, one wondered: how were these monuments constructed? At each tomb, we gazed at the mummified human and animal remains and queried: how were these creatures preserved through the millennia?

The answers are not clear. The rulers who held these secrets limited access to them and as a result the secrets were lost.

Our founding fathers recognized the spread of knowledge as a benefit for all of society. They designed our patent system as a prime source for perpetuating this benefit. By providing incentives for the public disclosure of technological advances, our forefathers assured that these advances would not be lost to history.

The incentives and rewards provided by our patent law must not be taken for granted. They must be repeatedly recognized – not just in monetary terms, but in public esteem. This is why our association makes an annual presentation to the "Inventor of the Year."

This is why you should spend some time to consider and suggest candidates for this esteemed award. We are not simply recognizing an individual – as important as that is – we are recognizing and encouraging a system, a system that has permitted our past discoveries to serve as a living foundation for technological advance. Please send your Inventor of the Year nominations to Julian Fisher, Chairman, Committee on Public Information and Education, using the enclosed form. ■

David H.T. Kane, President

NEW TRADEMARK ACT CONTAINS MAJOR CHANGES TO LAW

By Albert Robin

The Trademark Law Revision Act of 1988 (S.1883) was signed into law on November 16, 1988 and will take effect one year after the date of enactment. S.1883 contains some major revisions to the Lanham Act which will result in fundamental changes in U.S. trademark law.

INTENT TO USE

The most significant change is the adoption of an "intent to use" filing system. Under present law, trademark rights can only be acquired on the basis of use and trademark applications can only be filed on the basis of use. S.1883 changes

CALENDAR OF EVENTS

- January 19, 1989** NYPTCLA and New Jersey Patent Law Association: Joint Dinner Meeting. ITC Commissioner David Rohr will speak on "Changes in § 337." 6:00 P.M. Cocktails, 7:00 P.M. Dinner. Ben Venuti Restaurant. (162 W. 36th Street, NYC)
- January 19-20, 1989** PLI: Technology Licensing (NYC, San Francisco 2/13-14/89)
- January 25-28, 1989** ABA-PTC Section Mid-Winter Meeting (Naples, Florida)
- January 25-28, 1989** AIPLA Mid-Winter Meeting (Marco Island, Florida)
- January 29-February 1, 1989** Association of Corporate Patent Counsel (Naples, Florida)
- February 9, 1989** WESFACCA: Luncheon Meeting (Greenwich Country Club)
- February 22, 1989** NYPTCLA Tentative Luncheon Meeting (Williams Club)
- March 16, 1989** NYPTCLA Tentative Luncheon Meeting (Williams Club)
- March 18-24, 1989** PLI: Patent Bar Review Course (NYC)
- March 31, 1989** Judges' Dinner at the Waldorf-Astoria Hotel
- April 4, 1989** Fifth Annual Joint Seminar Program (Penta Hotel, NYC)
- April 13, 1989** NYPTCLA Tentative Luncheon Meeting (Williams Club)
- April 30-May 3, 1989** USTA Annual Meeting (Orlando, Florida)

the present use-based system into a dual system in which trademark applications can be filed on the basis of a bona fide intent to use a mark in commerce as well as actual use of a mark in commerce.

S.1883 defines "use in commerce" as being "the bona fide use of a mark made in the ordinary course of trade and not made merely to reserve a right in a mark." Thus, S.1883 not only obviates the need for making "token use" as a means of meeting pre-application use requirements, but also makes "token use" insufficient to apply to register a mark, to maintain a mark on the register or to renew a registration of a mark.

Under S.1883, an application based on a bona fide intent to use will be examined and, if allowable, passed to publication. After the period for opposition has passed, the applicant will be given six months to file a statement of use supported by a specimen showing the mark as used. The specimen and the statement of use will be examined, and the registration will only issue for the goods or services covered by the statement. The initial six month period can be extended for an additional six months upon filing a request including a statement of a continued bona fide intent to use and accompanied by a fee. Additional extensions up to a maximum period of three years from notice of allowance can only be obtained for good cause.

An application based upon an intent to use can give rise to trademark rights. S.1883 provides that the filing of an application, whether based upon use in commerce or a bona fide intent to use, constitutes constructive use of a mark and confers a right of priority which is nationwide in effect, if the application matures to registration on the Principal Register.

It is important to note that the new intent to use system is not a trademark reservation system. A company having a bona fide intent to use a mark is permitted to file an application for registration in advance of making use. Moreover, the intent must be to use the mark on each of the goods or services included in the application.

10 YEAR TERM

The revisions also attempt to eliminate many of the "deadwood" registrations currently cluttering the Register. The term of all registrations issued after the effective date of S.1883 and of all

renewals granted after that date will be reduced from twenty to ten years. As under present law, an affidavit of use will be due between the fifth and sixth anniversary date of registration. However, renewals and use affidavits will have to be based upon actual use in commerce and not "token use."

S.1883 also broadens Section 43(a) of the Lanham Act to provide relief against false statements made about another's products (disparagement) as well as false statements made about one's own product. S.1883 amends the Lanham Act to specify that the injunctive and monetary remedies available for registered trademark infringement are also available for violations of Section 43(a).

S.1883 also includes a number of other amendments to the Lanham Act. Many of these are in the nature of "house-keeping" amendments which are of lesser significance.

S.1883, as originally enacted by the Senate, included provisions creating a federal cause of action for dilution and designating the Patent and Trademark Office as the place for recording security interests in registered trademarks. These provisions were eliminated when they were not accepted by the House. Senator De Concini has stated that he will introduce legislation including these provisions next year.

SEMINAR PLANNED

The Patent and Trademark Office is in the process of formulating regulations relating to the Lanham Act amendments. Upon release of these regulations, the NYPTCA plans to hold a half day seminar on the Trademark Revision Act of 1988 under the joint auspices of the Committee on United States Trademark Law and Practice and the Committee on Continuing Legal Education. Further details will appear in a future issue of the *Bulletin*. ■

NOTICE

The dues envelopes were mailed the second week in January. If you have not received your envelope, please contact the treasurer.

PRIVATE SECTOR MEETING ON NEW "SPECIAL" SECTION 301 PROVISION ON INTELLECTUAL PROPERTY

U.S. AND INDIA AT ODDS

Prior to discussing the implementation of the new special Section 301 provisions of the Omnibus Trade and Competitiveness Act of 1988, C. Michael Hathaway, Senior Deputy General Counsel of the Office of the U.S. Trade Representative (USTR), reported on the recently concluded GATT discussion held in Montreal. The discussions ended in a stalemate, with the United States and India being the chief antagonists. Contrary to the United States, India does not want intellectual property matters included under the GATT. India does, however, favor the inclusion of services. Efforts to reach a compromise were not successful. Discussions of separate "tracks" for intellectual property and services were considered. However, Hathaway felt the separate track approach would result in procedural hurdles which would be used to compromise the protection of intellectual property rights. Mike Hathaway prefers that intellectual property should be covered under GATT, and, thus, the negotiations on services and intellectual property should remain linked.

Both India and Brazil seem to be more concerned with agricultural rather than intellectual property issues, and presently are not making any concessions in this regard. In January, an informal group of representatives of those countries favorably disposed toward the U.S. position will work on the substance of an agreement of at least several GATT articles. A target date of April 1, 1988, to decide how to proceed has been set.

India also has a problem with patents pertaining to pharmaceuticals. Mike Hathaway guesses that the U.S. will work with a small group of countries to reach consensus, and that more time will be spent in informal sessions. He also said he would not be surprised if India, and perhaps even Brazil, refuses to participate.

PRIORITY COUNTRIES

Under Section 301 of the Omnibus Trade and Competitiveness Act, USTR is to identify those countries that deny adequate and effective protection of intellectual property rights or deny fair and equitable market access to U.S. businesses that rely on intellectual property rights. These countries would be designated as "priority countries" which could be subjected to an accelerated Section 301 case under the Act. With this in mind, USTR is asking the private sector to submit data to that Office identifying countries and activities which may constitute grounds for being placed on a Section 301 list. The data should be as detailed as possible so that USTR can determine if a Section 301 case can be made. A notice in the Federal Register requesting such data is to be published within the next two weeks or so. Bruce Wilson, Assistant U.S. Trade Representative, has been designated to coordinate implementation provisions of Section 301.

The submitted data will be reviewed by USTR taking into account information it has on file and information from other government agencies, including the State Department. The State Department has already received information from our Embassies and will submit a report by the end of January. It is uncommon for our Embassies to be unaware of intellectual property rights problems in their respective countries. The data will be compiled and formed into a preliminary list.

Around the beginning of February, the USTR will begin preliminary, bilateral negotiations with those countries which are possible candidates to be listed under

Section 301. It is expected that the preliminary negotiations to discuss and eliminate trade problems will result in the removal of a number of the countries from the list.

A final Section 301 list will be prepared by May 30, 1989.

TRADEMARK AND COPYRIGHT REFORM

By David J. Lee
and Edward P. Kelly

In our last article, we discussed proposed and enacted legislative reforms in the patent area. This article is devoted to legislative reforms in the trademark and copyright areas.

TRADEMARK REFORM Prohibition on Importation of Gray Market Goods

The Lanham Act was extensively revised last November. A full report appears elsewhere in the *Bulletin*. One significant trademark bill is currently pending. This bill would prohibit the importation of gray market goods.

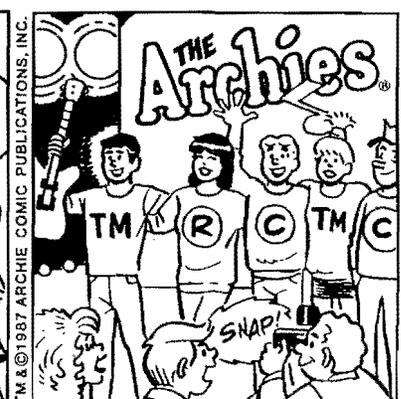
A gray market good is a product manufactured abroad. It bears a legitimate foreign trademark that is identical to a legitimate domestic trademark. The product is imported without the consent of the domestic trademark owner. It typically is sold at a lower price than that charged by the domestic company and without the warranties offered by the domestic company.

The Tariff Act of 1930 currently prohibits the importation of foreign goods bearing a trademark owned by a domestic company. Nevertheless, a regulation of the United States Customs Service provides that gray market goods may be imported if the domestic and foreign trademarks are owned by the same or affiliated companies or if the domestic trademark owner has authorized the foreign importer to use the mark. In *K-Mart Corp. v. Cartier, Inc.*, 56 U.S.L.W. 3737 (1988), the Supreme Court upheld the regulation insofar as it permits importation of goods purchased abroad from a company controlled by, or affiliated with, the domestic trademark owner.

Bills supporting the importation of gray market goods were introduced in the House and the Senate while the *K-Mart* case was pending (H.R. 4803, Rep. Chandler, R-Wash.; S.1097, Sen. Chafee, R-R.I.). These bills would have codified the Customs Service regulation.

Prior to the close of the 100th Congress, and subsequent to the Supreme Court's decision in *K-Mart*, Senator Hatch (R-Utah) proposed a bill to prevent the importation of gray market goods (S.2903). This bill reflected widespread dissatisfaction with the *K-Mart* decision. The avowed purpose of the bill was to eliminate confusion over the source of imported products and prevent importers from taking unfair advantage of the domestic company's financial investment in creating a market for the products. Senator Hatch stressed that his bill was not an attempt to embargo merchandise and that importers would retain the right to import non-counterfeit goods as long as the offending trademarks

Archie



were eliminated prior to sale. (Cong. Rec. 10/20/88 p. S17044).

The Hatch bill would prohibit importation of any product manufactured outside the United States if it bears a trademark owned by a domestic company, provided that the owner has registered the trademark and filed a copy of the registration with the Secretary of the Treasury. The prohibition would apply regardless of whether the foreign manufacturer is related to the domestic owner, regardless of whether the domestic owner has authorized the use of the trademark abroad, and regardless of whether the domestic owner also owns or has registered the trademark abroad. Customs would be authorized to stop the importation of gray market goods. A domestic trademark owner also would be authorized to commence an action in federal district court to enjoin the importation of gray market goods and to recover damages for any profits lost as a consequence of the importation.

This is a controversial topic. Gray market goods undoubtedly will be the subject of House and Senate debates in the 101st Congress.

COPYRIGHT REFORM The Berne Convention

The Berne Convention for the Protection of Literary and Artistic Works is an international copyright treaty. It has existed since 1886. Seventy-six nations are signatories, far more than are signatories to any other international copyright treaty.

Under the Convention, an author in a signatory country is accorded in other signatory countries the same rights he would be accorded in his own country. The Convention exists to promote several principles of copyright law. Formalities as prerequisites to copyright protection are not favored. Destruction or alteration of an author's work that would prejudice honor or reputation is not favored. And, copying of architectural works is not favored. The United States is not presently a signatory to the Berne Convention. The House and Senate have debated the importance of United States participation in the Berne Convention for the past year and a half.

Proponents of participation have urged that the United States will never play a major role in the future enforcement of international copyright protection (particularly in the video cassette industry) if it is not a signatory. Proponents also have urged that adoption of the Berne Conven-

tion will establish copyright relations where the United States currently has none (in some 24 countries). See Cong. Rec. 10/20/88 p. 516939 (Remarks of Senator Pell, D-R.I.)

Opponents of the Berne Convention have argued that the participation by the United States in the Universal Copyright Convention provides adequate international copyright protection. They also have pointed out that the countries where copyright piracy is most significant are not signatories to the Berne Convention.

Those in favor of the Berne Convention prevailed in the last Congress – the House and Senate decided that the United States should become a signatory to the Berne Convention. Once that bridge was crossed, the extent to which United States copyright laws needed amendment to comply with Berne Convention principles remained to be decided.

Both the House and Senate agreed that only amendments essential to compliance would be made. Amendments ultimately agreed upon provide for the elimination of copyright registration as a prerequisite to the filing of an infringement suit by a foreign author (registration requirements still apply to suits by domestic authors) and the elimination of the requirement to notice as a prerequisite to infringement liability. Provisions considered but not adopted would have created moral rights in authors and created laws against copying of architectural works.

The amendments became the Berne Convention Implementation Act of 1988 (S. 1301 and H.R. 4326), which was signed into law on October 31, 1988. This legislation will be forwarded for approval to the World Intellectual Property Organization in Geneva, Switzerland. The United States is expected to be accepted as a signatory nation.

The Satellite Home Viewer Act of 1988

Cable television is unavailable in many areas of the country. Backyard satellite dishes have become commonplace in these areas. The population of backyard dishes has grown rapidly in the past eight years, rising from approximately 5000 in 1980 to over 2 million at present.

Dish owners have long lobbied for the right to receive the same programming that cable customers receive from stations that transmit their signals through satellite car-

riers. The satellite carriers were willing to transmit to the dish owners, but ran into opposition from station owners, who relied on the copyright laws to prevent retransmission.

The Satellite Home Viewer Act of 1988 (H.R. 2848) attempts to resolve this conflict. The act creates a new section (Section 119) of the Copyright Act granting satellite carriers a compulsory license to service dish owners. The law also sets forth a formula for calculating royalties to the station owners. The compulsory license, which expires in six years, is intended to create and control a market for retransmission to dish owners until the satellite carriers and station owners can negotiate their own license arrangements.

Visual Artists Rights Act of 1988

An artist relinquishes all control over his works upon sale. He retains no right to prevent unauthorized alteration, destruction or mutilation of his work and no right to be recognized as the creator of his work. An artist is not protected by copyright infringement laws unless his works bear a copyright notice (and many artists are reluctant to put copyright notices on their work because the notice interferes with the aesthetic value of the work). Artists also have no right to share in economic exploitation of their work subsequent to its first sale.

Proponents of aesthetic and economic rights for artists have lobbied for amendments to the Copyright Act to afford artists control over their work after it is sold. Bills pending in the House and Senate would afford artists post-sale rights in their works where those works rise to the level of "fine art."

The House bill (H.R. 3221, Rep. Markey, D-Mass.) and the Senate bill (S.1619, Sen. Kennedy, D-Mass.) are similar. Both bills would:

- Prohibit the intentional alteration, destruction or mutilation of works of fine art.

- Delete notice requirements for works of fine art.

- Afford an artist the rights of paternity and integrity in their work, rights that may not be transferred except to the artist's estate.

AN OPEN LETTER TO ASSOCIATION MEMBERS

The presentation of the Inventor of the Year award affords the Association an excellent opportunity to extend recognition to an individual who, because of his or her creative talents, has made a worthwhile contribution to society. The person selected should have received patents for his/her invention(s), and by such invention(s), have benefited the patent system.

This year the award will be presented at the Association's annual meeting and dinner to be held in May, 1989, in New York City.

There is hardly a member of the Association who could not think of a person worthy of this award. I ask each practitioner and each firm to poll its members and present to our committee one or more candidates for consideration.

It is important for all members of the Association to support this important program. Not only does the award enable our Association to extend recognition to a deserving individual, but it also fosters good publicity for the nominating attorneys, the Association and the patent system generally.

A nomination form for submitting recommended candidates is on the back of this letter. Additional copies can be obtained by contacting the undersigned. Please submit your candidates no later than March 15, 1989.

Thank you for your cooperation.

Cordially,

Julius Fisher, Chairman
Committee on Public Information and Education
McAulay, Fields, Fisher, Goldstein and Nissen
405 Lexington Ave.
New York, NY 10174

NOMINATION FORM FOR INVENTOR OF THE YEAR – 1989

Instructions: You may nominate as many individuals as you wish. Please provide one form for each nominee (joint nominations are acceptable). Please submit three (3) copies of all papers, including this form, that you wish to be considered by the Awards Panel. A nominee, to be acceptable, must have had one or more issued patents; must be able to attend the awards presentation at the NYPTCA annual meeting and dinner in May, 1989; must be favorably disposed to the patent system; and must be respected by the nominee's professional peers. The award is made in recognition of an inventor's lifetime contributions.

1. Nominee _____

2. Address of Nominee _____
Telephone Number _____

3. Identify the invention or inventions forming the basis of the nomination:

4. List, by number and inventor, the United States Patent(s) with respect to the above invention(s):

5. Set forth any known litigation, interference, or other proceeding that involved the foregoing inventions, and the result:

6. Nominator(s): _____

7. Nominator's Address: _____
Telephone Number: _____

8. Nominator's Signature: _____ 9. Date: _____

N.B. Attach, or in the space below, please set forth a typed, single spaced statement, suitable for reproduction, covering the significance of the nominee's contributions which form the basis of this nomination.

Please add any additional information you believe the Awards Panel will find useful (three copies each). Material submitted will not be returned. Please forward the Nomination by March 15, 1989, to Julius Fisher.

•Provide copyright infringement remedies for destruction of works of fine art.

As originally introduced, the bills would have required a royalty payment to the artist upon resale of his work. As recently reported out by the House Subcommittee on Courts, Civil Liberties, and the Administration of Justice, and the Senate Judiciary Committee, the bills do not address artists' economic interests. The House bill, however, provides that a study be conducted to determine whether artists should be afforded a continuing financial interest in their work.

Cable Subscribers Protection Act of 1989

Cable companies currently enjoy a free compulsory license to transmit the signals of any television station. Since 1985, however, cable companies have had no obligation to provide local broadcasts to subscribers. In 1985, an Appeals Court ruled that an FCC Regulation requiring cable companies to carry local broadcasts violated the First Amendment. Supporters of the FCC regulation have stressed the importance of local broadcasts for several reasons. The local broadcasts serve a significant community interest by providing local public information. Since a large number of viewers depend upon cable for reception, eliminating cable from the basic cable package would mean many viewers would have no access to these programs. The failure to broadcast local stations also puts the local stations at a competitive disadvantage and their demise would effectively eliminate free television to viewers who cannot afford cable.

Representative Bryant (D-Texas) recently introduced the Cable Subscribers Protection Act of 1989 (H.R. 109) to rectify this situation. The bill would amend the Copyright Act and Communications Act of 1934 by eliminating the compulsory license to cable operators who do not comply with reasonable "must carry" requirements with respect to local broadcasts. He added that "local broadcasts...are the most democratic of all means of mass communications." See Cong. Rec. 1/3/89 p. E58. The bill has been referred to the House Energy and Commerce Committee and the Judiciary Committee. ■

COMMITTEE REPORTS

Committee on the Annual Dinner in Honor of the Federal Judiciary (F.F. Scheck, Chairman)

The announcement of the annual dinner has been prepared and mailed. Arrangements for the dinner are in progress.

Committee on the Annual Meeting of the Association (P.Saxon, Chairman)

The Committee has scheduled the annual meeting for May 18th at the Grand Hyatt Hotel in Manhattan. The Inventor of the Year Award will be presented at the meeting. The Committee promises a prominent and entertaining speaker.

Committee on Economic Matters Affecting the Profession (E.C. Woglom, Chairman)

The Committee will be investigating alternative and less expensive sources of lawyers' professional liability insurance.

Committee on Foreign Trademark Law & Practice (V.R. Richard, Chairman)

The Committee last met in November. They are engaged in a study of the effect of EEC 1992 directives on trademark law in the EEC countries. The Committee plans to meet again next February. They plan to publish a report in the near future.

Special Committee On Incentives for Innovation (C.W. Carlson, Chairman)

The Committee last met in November. They reviewed the current status of legislation relating to incentives to innovate, particularly legislation in the international context. The Committee concluded that the field is quiescent at the moment. They are watching for further developments.

Committee on Legal Aid (S.J. Baron; Chairman)

The Committee receives indigent clients with patent, trademark or copyright problems and provides them with *pro bono* legal services.

Committee on License to Practice Requirements (T.M. Gibson, Chairman)

The Committee met on January 20. The Committee is deciding whether or not to recommend to the Association that the position of the Association continue to be opposition to certification of specialties in the law. The factors being considered are: the expense involved in administering a specialist certification procedure, the bur-

den on qualification as a specialist (particularly in continuing formal education where required), the difficulty in defining the standard for qualification as a patent, trademark or copyright specialist, the benefits of mandated continuing education, and the qualitative absence of a present problem that would be cured by certification. The Committee will continue to investigate the development of specialist laws and regulations in other states and the status of the matter in New York.

Committee on Meetings and Forums (W.E. Bailey, Chairman)

Luncheon meetings have been scheduled for February 24, March 16, April 13 and May 11. These meetings will be held at Williams Club. The speaker on February 24 will be Robert Sorenson, Professor of Marketing at Rider College. Mr. Sorenson is a survey expert. He has testified in over thirty lawsuits. His luncheon address will relate to the uses and misuses of survey research evidence in trademark and unfair competition cases.

Committee on Past Presidents (K.F. Jorda, Chairman)

The Committee will be meeting in February to discuss the Judges' Dinner and the business of the Association in general. Comments, suggestions and recommendations will be forwarded to the Board.

Committee on Professional Ethics and Grievances (A.S. Tenser, Chairman)

The Committee is pleased to report that there are no pending grievances for resolution.

Publications Committee (G.J. Battersby, Chairman)

The Committee is working to make the Bulletin and Greenbook bigger and better than ever. This Committee Report section is one product of that effort.

Committee on Public Information Education (J. Fisher, Chairman)

The Committee will shortly be soliciting nominations for Inventor of the Year. The Committee will collect the nominations and forward them to the Board for action.

Committee on United States Trademark Law and Practice (S.J. Silverberg, Chairman.)

The Committee is preparing a summary of the new trademark laws that were signed by the President last November and will go into effect this coming November. The Committee also is preparing to hold a

workshop for Association members to assist them in their everyday trademark practice as it is affected by the new law. Lastly, the Committee is awaiting publication by the Patent and Trademark Office of proposed new trademark rules of practice, which the Committee intends to study and critique.

Special Committee on Harmonization of Patent Laws (W.J. Brunet, Chairman)

The Committee sent a representative to the WIPO meeting in Geneva in December. A report on the meeting appears elsewhere in this *Bulletin*. The Committee is now waiting for publication by WIPO of a revised draft of the Patent Harmonization Treaty. This is expected in February or March. The Committee plans to review the draft, formulate comments and criticisms for approval by the Board, and present these comments and criticisms at the April meeting of WIPO in Geneva. ■

NATIONAL CONFERENCE ON INDUSTRIAL DESIGN LAW AND PRACTICE, MARCH 10 & 11

A national conference on Industrial Design Law and Practice will be held at the University of Baltimore School of Law in Baltimore, Maryland. Speakers will include nationally prominent attorneys, designers, academicians, and foreign experts from Geneva, London and Tokyo. There will be seminars on a wide variety of topics. Highlights will include: Protection of Designs in Other Countries, U.S. Industrial Design Protection, Critical Issues Today, Discussions of Practice and Procedure, and a Special Introductory Session for designers, business managers, and novice legal practitioners. Members of the U.S. Patent and Trademark Office and the U.S. Copyright Office will be present, to mention just a few of the highly qualified speakers. Registration for the conference costs \$125.00, and should be sent to William T. Fryer III, Conference Coordinator, University of Baltimore School of Law, 1420 N. Charles St., Baltimore, MD, 21201-5779, USA. The deadline for registration is February 27, 1989. The special Symposium *Law Review* publication is available for \$10.00 at the same address. ■

JUDGES' DINNER PLANNED FOR MARCH 31

The New York Patent, Trademark and Copyright Law Association, Inc. will hold its Sixty-Seventh Annual Dinner in honor of the Federal Judiciary on Friday, March 31, 1989, in the Grand Ballroom of the Waldorf-Astoria Hotel, New York City.

We are privileged to have as our guest speaker Judge of the United States Court of Appeals for the Second Circuit, Hon. Wilfred Feinberg. Black tie is preferred.

The schedule for the proceedings is as follows:

6:30 p.m. Reception for Guests of Honor and all members in the East Foyer (on the Ballroom floor). Beverages will be served.

8:00 p.m. Dinner in the Grand Ballroom.

10:00 p.m. Immediately after dinner there will be a social gathering with dancing for all members and guests in the Basildon Room (Ballroom floor). Beverages and after dinner drinks will be served.

Tables will only be reserved upon receipt of contemplated reservation forms with payment in full. Tables on the main floor of the Grand Ballroom have eight places with two additional places reserved for a Guest of Honor invited by our Association and companion. Because there always is a demand for more of these tables than comfortably fit on the ballroom floor, they are subject to allocation. Tables located elsewhere vary in size and have 4, 6, 10 and 14 places.

The charge will be \$80.00 for members and \$90.00 for non-members, and includes the reception, dinner, social gathering, coat check-room and gratuities. Non-members who go to the dinner and pay the \$90.00 fee will receive a \$25.00 reduction in this year's dues if their membership applications are received by the Admissions Committee before April 30, 1989.

A printed seating list will show the names of those persons whose reservations and paid admissions have been received prior to 12:00 noon on Thursday, March 16, 1989. There will be a Committee table

in the Silver Corridor, (adjacent the Ballroom elevators and the Reception Room) at which the printed seating lists may be obtained. Requests for refunds received later than Thursday, March 23, 1989 cannot be honored.

Please send in your dinner reservation form as soon as possible to me at Pennie & Edmonds, 1155 Avenue of the Americas, New York, New York, 10036. Questions may be directed to Ms. Patricia Stacey at (212) 790-6224. ■

Frank F. Scheck
Chairman
Judges Dinner Committee
(212)790-6536

NEWS FROM THE USTA

Unique Marketing Program To Be Presented by USTA

A one-of-a-kind marketing program is being offered by The United States Trademark Association.

The program, "A Package Deal: Naming, Marketing and Protecting Your Product," will offer topics on marketing, design and law together in a single program. Protecting marketing ideas, deciding on the right name for your product or service, how typography affects your trademarks, the battle to build a brand name, and how copyright law can help protect your brand will be some of the aspects considered. The program will also explore whether package design is really art or science — or a bit of both.

The unique, one-day session is intended for business executives and lawyers involved in the brand management process. It is designed to give valuable insight into the essential elements of marketing a product, service, or idea, and its protection.

All bases will be covered in this program created to maximize marketing opportunities and to wrap up a package deal designed to strategically market your product.

"A Package Deal" will be presented at the Marriott Marquis in New York City on March 14 from 9:00 a.m. to 5:00 p.m. To register, please contact the Meetings Department at USTA, (212) 986-5880. ■

Prof. Thomas McCarthy to Deliver Second Boal Memorial Lecture

J. Thomas McCarthy, Professor of Law at the University of San Francisco, will deliver the Second Annual Boal Memorial Lecture at Northwestern University, Chicago, IL on February 27, 1989.

Prof. McCarthy's presentation, "Public Persona and Private Property: The Commercialization of Human Identity," will take place in Lincoln Hall beginning at 4:30 p.m.

Prof. McCarthy is the noted author of *Trademarks and Unfair Competition*, the definitive four-volume textbook on the subject and a widely referred-to authoritative text in over 400 judicial opinions. He has also written many articles and has served in several editorships, as well as serving as an expert witness in numerous intellectual property cases.

Prof. McCarthy has a distinguished law career that includes visiting professorships at University College in Dublin, Ireland; Monash University in Melbourne, Australia; and the University of California, Berkeley and Davis campuses.

In addition, he has served on the Editorial Board of *The Trademark Reporter* (the bi-monthly law journal of The United States Trademark Association) and on the Trademark Review Commission, which drafted the report and recommendations on which the Trademark Law Revision Act of 1988 was based. He has also served with many other organizations, including the California Attorney General's Consumer Protection Task Force.

A reception in Lowden Hall will follow the lecture. Admission to the lecture is free; admission to the reception is \$15.00. (Members of the media are admitted free of charge.)

The Boal Memorial Lecture is sponsored by the Brand Names Education Foundation (formerly The USTA Foundation), in memory of R. Bradlee Boal, a well-known trademark attorney and partner in the law firm Cooper & Dunham until his passing on October 3, 1986, at the age of 52.

Legislative History, Comprehensive Seminars Explain New Trademark Law

An all-encompassing, 450-page

volume explaining the new federal trademark law is now available from The United States Trademark Association. *The Legislative History of The Trademark Law Revision Act of 1988* is available directly from USTA at a cost of \$39.95 each. It contains comprehensive material tracking the chronology and development of the legislation (including congressional reports), plus an interlineated text of the Lanham Act, as amended by the Trademark Law Revision Act of 1988, together with a section-by-section commentary.

The Legislative History also will serve as the course book for the seminars on the Trademark Law Revision Act which will be sponsored by USTA in four different cities in 1989: Washington, D.C. on February 28 at the Mayflower Hotel; New York City on March 13 at the Marriott Marquis; Chicago on March 28 at the Marriott Downtown; and Los Angeles on June 8 at the Stouffer Concourse Hotel.

The seminars will focus on the background of the bill, from the November, 1987 introduction to the Senate to enactment on November 16, 1988 as well as specifics about the new law, including intent-to-use; use in commerce; the law as it concerns adopting new trademarks; and false and comparative advertising. The Patent and Trademark Office Rules of Practice, and a section-by-section review of the Lanham Act also will be detailed.

Speakers will be the foremost authorities on their topics, and will include Dolores Hanna, a trademark attorney at Kraft, Inc. and chairperson of the USTA Trademark Review Commission; Jerome Gilson, reporter for the Commission; many other distinguished members of the Trademark Review Commission; and Jeffrey Samuels, Assistant Commissioner of Trademarks at the U.S. Patent and Trademark Office.

The Washington seminar will be followed by a gala celebration in Dirksen Senate Office Building that evening, from approximately 5:30 p.m. to 7:30 p.m. Life-size, personified trademarks will be present to greet attendees.

Admission to the seminars is by registration; admission to the reception is by invitation only.

For more information on any of the above announcements, please contact Shelley Wilkinson or the USTA Meetings Department at (212) 986-5880. ■

RECENT DECISIONS OF INTEREST

By Thomas A. O'Rourke

Patents-Best Mode

A patentee is not permitted to defend a claim of failing to disclose the best mode of his invention by relying on what was known by the prior art at the time of his invention. In *Dana Corp. v. IPC Limited Limited Partnership*, 37 BNA PTCJ 4 (Fed. Cir. 1988), the Federal Circuit reversed the district court's denial of a motion for judgment notwithstanding the verdict. The Federal Court held that the patent was invalid for failing to disclose the best mode.

In determining whether the best mode has been disclosed, the court compares the disclosure with the inventor's factual knowledge about the invention at the time the application was filed. Where there is no objective standard to test the adequacy of the disclosure, the Federal Circuit stated that only evidence of concealment is to be considered.

IPC, the alleged infringer, relied on a report on tests made to ascertain the most effective design for controlling leakage in the patented seals. These tests concluded that surface treatment with fluoride was necessary for satisfactory performance of the patented seals. IPC also relied on the fact that the inventor, after receiving the application, notified Dana's patent counsel that there was no reference to the test report in the application as drafted.

Plaintiff Dana relied on the fact that fluoride treatment for seal applications was known to the public years before the application was filed. The Federal Circuit rejected Dana's argument that the prior art knowledge of treatment with fluoride was sufficient to overcome the best mode of defense, stating:

Indeed in expressing this requirement 35 USC §112 states explicitly that disclosure must be made of the best mode contemplated by the inventors. Accordingly, Dana's argument that the best mode requirement may be met solely by reference to what was known in the prior art is incorrect.

Trademarks-Jurisdiction

A U.S. company, Mid West Tobacco,

Inc., was preliminarily enjoined under the Lanham Act from selling cigarettes overseas in a trade dress that was confusingly similar to plaintiff's famous Marlboro trade dress. In *Phillip Morris Inc. v. Mid West Tobacco*, 37 BNA PTCJ 90 (ED Va. 1988), Defendant sold its cigarettes primarily in Lebanon. Although some sales were made at duty free markets in Singapore, the only U.S. sales were also at duty free markets in Guam.

The basis for subject matter jurisdiction over the cause of action under the Lanham Act was an allegation of use in commerce by Mid West mark in the PTO. In addition, the court noted that the Lanham Act also applies to commerce with foreign nations. The Court, in enjoining the defendant, held that the Lanham Act extended to foreign conduct that appreciably affected U.S. domestic or export commerce.

Patents-Experimental Use

Design patents were held not to be entitled to the experimental use exception of § 102 (b). In *re Mann*, 73 BNA PTCJ 123 (Fed Cir. 1988). Applicant Mann filed a design application covering a wrought iron table which was rejected on the grounds that the design was publically shown at a trade show more than one year prior to the filing date.

Mann argued that the design was not in public use because the showing of the design was experimental. In rejecting the experimental use argument, the Federal Circuit stated:

We see no way in which an ornamental design for an article of manufacture can be the subject to the 'experimental use exception' applicable in the case of functioning machines, manufacturers, or processes.

Copyrights-Assignments of Rights to Renewal Term

In *Abend v. MCA Inc.*, 37 BNA PTCJ 237 (9th Cir. 1988), the Ninth Circuit held that the assignment of rights by the author in the renewal term of a copyright has no effect if the renewal was made before the statutory period for renewal and the author is not alive at the time of renewal.

The court in *Abend* rejected the Second Circuit's decision in *Rohauer v. Kilian Shows, Inc.*, 551 F.2d 484 (2d Cir. 1977), which held that the broadcast of a movie did not infringe the renewal copy-

right in the underlying story. The Ninth Circuit rejected *Rohauer* on the ground that the Supreme Court's decision in *Miller Music Corp. v. Charles N. Daniels*, 362 US 373 (1960), was controlling. The Ninth Circuit stated:

If Miller Music makes assignment of the full renewal rights in the underlying copyright unenforceable when the author dies before affecting renewal of the copyright, then, *a fortiori*, an assignment of part of the right in the underlying work, the right to produce a movie version, must also be unenforceable if the author dies before affecting renewal of the underlying copyright. ■

ANNOUNCEMENTS

The Office of Enrollment and Discipline at the U.S. Patent and Trademark Office is presently updating the roster of attorneys and agents registered to practice before the Office. Mailings have been sent out to one fifth of the roster, including registered practitioners who have surnames beginning with one of the letters K-O of the alphabet. Individuals who receive this mailing are being requested to complete and return an enclosed data sheet (Form PTO-107A), including notification of any address change. Compliance has been required by January 2, 1989, with failure to comply requesting in *removal* of the practitioner's name from the roster. Registered practitioners having surnames beginning with one of the letters K-O and who have *not* received such a mailing, should immediately contact the Office of Enrollment and Discipline, at telephone no.: 703-557-1728.

Fish & Neave has announced that Norman H. Beamer, Kevin J. Culligan, and Glenn A. Ousterhout have become members of their firm, effective January 1, 1989.

Grimes & Battersby has announced that David L. Sigalow and Geoffrey Kransdorf have joined their firm as associates, effective January 1, 1989.

Morgan & Finnegan has announced that Bartholomew Verdirame has become a member of their firm, effective January 1, 1989.

THE EMPLOYMENT COMMITTEE HAS A NUMBER OF POSITIONS AVAILABLE

INTERESTED CANDIDATES SHOULD CONTACT:

Patrick J. Walsh, Chairman
NYPTCLA Employment Committee
45 Church St
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