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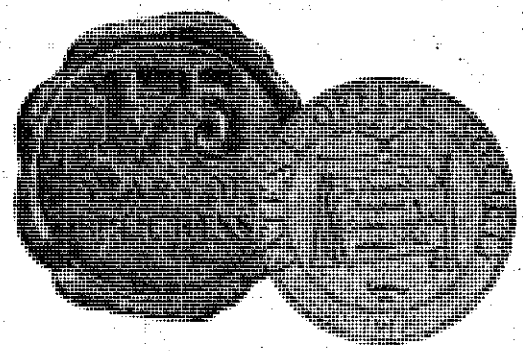

JOURNAL of the PATENT OFFICE SOCIETY

- The Status of Copending Patents for Precluding Patentability
- Utilization of Government-Owned Health and Welfare Inventions
- What the Businessman Expects from the Patent Attorney
- The New French Trademark Law
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104 Academy Ave., Federalsburg, Md. or Box 685, Washington 4, D. C.

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Irwin M. Aisenberg

THE STATUS OF COPENDING PATENTS FOR PRECLUDING PATENTABILITY

One of the most difficult concepts of patent law is the status of subject matter described, but not claimed, in a patent. It is clear from the landmark decision in *Alexander Milburn* v. *Davis-Bournonville,* 270 US 390, that the validity of a patent can be negatived by subject matter constructively reduced to practice in a copending patent, i.e. a patent filed prior to but issued subsequent to the filing date of the subject patent. The theory upon which patentability is precluded is that the patentee is not the *first inventor* [35 U. S. C. 102(e)] of the claimed invention because said invention was previously constructively reduced to practice by another prior to the patentee's earliest provable date.

Constructive Reduction to Practice

Constructive reduction to practice is accorded the same status as an actual reduction to practice for the purpose of negating first inventorship. Of the essence is that any subject matter relied upon in a copending patent must be constructively reduced to practice therein. Not all subject matter disclosed in a patent satisfies the requirements.

A description of an invention in a formal application for United States Letters Patent, which description is sufficient to support an allowable claim to the invention, renders the application a constructive reduction to practice (See "Walker on Patents", Deller's Edition, Baker Voorhis and Co., 1937, Vol. II, Sec. 204) of said invention, effective as of the filing date of said application. A copending continuing United States application containing a description of the said invention sufficient to support an allowable claim thereto is also a constructive reduction to practice of said invention; the effective date of the constructive reduction to practice, however, is the

filing date of the parent copending application, even though the parent application may have been either abandoned or patented *subsequent* to the filing date of the continuing application.

A constructive reduction to practice in the United States exists only a) while the application containing same or a continuation thereof is pending in the United State Patent Office, and/or b) after either has issued as a United States Patent. (But, see *James B. Clow and Sons, Inc.* v. *U. S. Pipe and Foundry Co.,* 136 USPQ 397, 146 USPQ 320, and *United Chromium, Inc.* v. *General Motors Corporation et al.,* 31 USPQ 105.) The effective date of a constructive reduction to practice of a claimed invention may be prior to the actual filing date in the United States if the requirements of 35 U. S. C. 119 are satisfied.

The test for sufficiency of compliance of an application with 35 U. S. C. 112 to constitute a constructive reduction to practice is what the application as a whole communicates to one skilled in the art. The application need not expressly set forth matters commonly understood by persons skilled in the art *(Carnegie Steel Co., Ltd.* v. *Cambria Iron Co.,* 1902 CD 592; *In re Johnson,* 48 CCPA 733, 282 F(2d) 370, 1960 CD 551, 760 OG 1041, 127 USPQ 216; *Lafon* v. *Zirm and Pongratz,* 141 USPQ 442; *Stauffer Chemical Co. et al.* v. *Watson,* 119 F. Supp. 312, 100 USPQ 209; *The Webster Loom Co. v. Higgins et al.,* 1882 CD 285, 21 OG 2031, 105 US 580).

Identity of Invention vs. Patentability Over

There are two further concepts of patent law which are inextricably "tangled" with and are much less developed than the issue at hand. What has been for years a "catch-all" phrase: "unpatentable over", includes both. (See *In re Sebek and Spero,* 146 USPQ 44, 46.)

The same invention can be expressed by a plurality of people in different terms and even with different limitations. (See *In re Siu,* 222 F(2d) 267, 105 USPQ 428.) No matter how an invention is claimed, one is

not entitled to a patent therefor if the *same* invention was constructively reduced to practice earlier by another because the claimant is not the first inventor of said invention. This is the concept of identity of invention upon which 35 U. S. C. 102(e) and the *Milburn* decision are based. In fact the entire section 102 is directed to the identity of the invention.

The other concept concerns a plurality of inventions, one of which is "not patentable over" the other(s). All new and distinct inventions are not patentable. The test for patentability for new and distinct inventions is provided by 35 U. S. C. 103. It is thus seen that section 103, directed to distinct inventions, is conceptually incompatible with section 102, directed to the same invention.

First Inventorship

The issue of first inventorship is the sole subject matter with which 35 U. S. C. 102(e) is concerned. Disclosures of other inventions in copending patents cannot negate first inventorship, and disclosures which are not constructively reduced to practice in copending patents cannot negate first inventorship because they do not constitute evidence that another was a prior inventor of the same invention. A disclosure of a mere concept does not constitute prior inventorship.

Prior Art

When a term of art is employed by many who are unskilled in the art and without assistance from the art-skilled, only confusion can develop. When the term has a generic as well as a specific meaning and is employed in the statute without definition in spite of the fact that it is variously defined in the very case law which is allegedly codified, the inevitable chaos can only be awaited.

Where the term was apparently employed for convenience in the *Detrola* Case, 313 U. S. 259, 61 S. Ct. 94, no record arguments could be found either in support or in derogation of the meaning accorded said term by the

Supreme Court. There is no reason to suspect that the particular usage, which was not critical to the issues presented in the *Detrola* Case, was any more in the legislative intent which went into the formulation and enactment of 35 U. S. C. 103 than the later usage by the Honorable Learned Hand (*Old Town Ribbon and Carbon Co., Inc.* v. *Columbia Ribbon and Carbon Mfg. Co., Inc. et al.,* 159 F(2d) 359, 72 USPQ 57; *Conmar Products Corp.* v. *Universal Slide Fastener Co., Inc. et al.,* 172 F(2d) 150, 80 USPQ 108). The Honorable Judge Hand, in his latest decisions concerned with the point in question, made it unequivocally clear that copending patents are not prior art. (See Aisenberg, Irwin M., "Copending Patents", 46JPOS 746, October 1964.)

The CCPA has maintained that a patent issued on an applicant's copending application is not "prior art" (*In re Heinle,* 145 USPQ 131). This conclusion is difficult to understand if the Statute equates a patent (as of its filing date) with a publication of the same date. If an applicant publishes, he must file his application within one year after the date of publication to avoid a statutory bar; Heinle waited seven years before filing his continuation-in-part. It is submitted that a copending patent either is or is not "prior art", irrespective of who is the applicant thereof. The legal fiction with respect to copending patents arises because an applicant's own copending patent cannot negate first inventorship in the applicant. Since this is the only statutory justification for the use of a copending patent, fictions had to be devised when copending patents (of others) were employed other than to negate first inventorship. The "first inventorship" construction of 102(e) is wholly consistent with the established practice concerning an applicant's own copending patent. The exclusion of copending patents from "prior art" under 103 and the limitation thereof to the issue of first inventorship is supported by the construction of the statute as a whole and avoids many of the fictions and complexities which are otherwise necessitated.

The Development of the 1952 Act

On January 10, 1950, Representative Joseph R. Bryson (M. C., Chairman, Subcommittee No. 4) presented a preliminary draft (Rep. Joseph R. Bryson, "Proposed Revision and Amendment of the PATENT LAWS," Preliminary Draft with Notes, Committee Print, U. S. Government Printing Office, Washington, D. C.) of a proposed bill for a general revision and codification of the patent laws. Section 22,[1] Section 23[2] and Section 24[3] are of particular interest to the discussion at hand. The reference of Section 23 (a predecessor of 35 U. S. C. 103) to section 22 clearly did not include copending patents, which were separately provided for in Section 24. The distinct treatment is evidence that copending patents were not considered available with respect to the issue of presence or absence of "patentable invention".

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[1] Conditions for patentability. Novelty and loss of right to patent
An invention shall not be considered new or capable of being patented if (a) the invention was known or used by others in this country, or patented or described in any printed publication in this or any foreign country, before the invention thereof by the applicant for patent, or if (b) the invention was patented or described in any printed publication in this or any foreign country or in public use or on public sale in this country, more than one year prior to the date of the application for patent in the United States, or if (c) the invention is proved to have been abandoned, or if (d) the invention was first patented or caused to be patented by the inventor or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country.

[2] Conditions for patentability, lack of invention.
A patent may not be obtained though the invention is not identically disclosed or described in the material specified in section 22 of this title, if the differences between the subject matter sought to be patented and said material are such that the subject matter as a whole would be obvious to an ordinary person skilled in the art.

[3] Undisclosed prior knowldge or use.
Whenever it appears that an applicant for patent, at the time of making his application, believed himself to be the original and first inventor of the thing patented, the same shall not be refused, or if granted, held to be void, solely on account of the invention having been known or used by some other person, before his invention thereof (without having been patented or described in a printed publication or in public use or on sale, as specified in section 22a and b of this title), unless (a) it was disclosed or used in the United States by such other person in such manner that it had become available to the public, or described in a printed publication, before the date of the application for patent, or (b) it was described in a patent granted on an application filed in the United States before the invention thereof by the aforementioned applicant, or (c) it was patented in the United States.

The general part of the Committee Report (P. J. Federico, "Commentary on the New Patent Act", 35 U. S. C. A., Sec. 1-110, pp. 20 and 21) states with reference to section 103:

> . . . An invention which has been made, and is new in the sense that the same thing has not been made before, may still not be patentable if the difference between the new thing and what was *known* before is not considered sufficiently great to warrant a patent. . . . Section 103 . . . refers to the difference between the subject matter sought to be patented and the prior art, meaning what was *known* before as described in Section 102. . . . (Emphasis added.)

Mr. Federico continues to explain:

> . . . The newness, that is the difference over what was previously known, must be sufficient in character, or in quantity, or in quality, in order that the new thing may be patented. This requirement has commonly been referred to as the requirement for the presence of invention; when the requirement is not present, it is stated that the subject matter involved lacks invention. The comparison is between the subject matter claimed to be patentable and what is disclosed or described in the *available* statutory prior art material, and it is irrelevant whether the claimant knew or did not know this prior art material. The inventor may indeed have made an invention in the psychological sense, but it would nevertheless not he patentable if the quantum of novelty over the prior art material of which he may have been in total ignorance was not sufficient. This requirement for invention with which we are here concerned is more of a legal concept than a psychological one. . . . (Emphasis added.)

In *Stanley Works* v. *Rockwell Mfg. Co.*, (CA 3), 203 F(2d) 846, 97 USPQ 189, the Court states that Section 103, which provides in effect that an invention which has been made, and which is new in the sense that it has not been made before, may still not be patentable if the difference between the new thing and what was *known* before is not considered sufficiently great to warrant a patent, is merely a codification of decisional patent law. (See also *Joseph Bancroft & Sons Co.* v. *Brewster Finishing Co.*, 113 F. Supp. 714, 98 USPQ 187).

The interpretation of what was *known* before should be consistent with the definition of "known" arrived at

by the CCPA in *In re Schlittler et al.*, 43 CCPA 986, 234 (F2d) 882, 1956 CD 366, 709 OG 496, 110 USPQ 304. [This was modified on May 27, 1965, by the CCPA in *In re Borst*, 145 USPQ 554. (See also *In re Taub, Wendler and Slates*, 146 USPQ 384.)] It must be further appreciated that the issue of first inventorship (*James B. Clow and Sons, Inc.* v. *U. S. Pipe and Foundry Co.*, 136 USPQ 397, 146 USPQ 320) is entirely different from that of patentability over references. The two should not be either confused or combined. 35 U. S. C. 103 applies only to the latter.

Combining Disclosures of Copending Patents

Whether disclosures of copending patents can be combined with other such disclosures or with disclosures from prior art cannot be considered in a vacuum. It is this fact, perhaps more than any other, which has contributed most to the difficulties of those who insist upon convenient generalities. For any disclosure in a copending patent to be available as of the patent's effective U. S. filing date, it must be constructively reduced to practice in the copending patent and it must, in the proposed combination, preclude first inventorship in subject matter defined by the claims of another.

There is a ground for rejecting claims of an applicant for U. S. Letters Patent which provides a good basis for understanding the issue at hand. This rejection is founded on the fact that the claims define only an old or exhausted combination. The Examiner usually follows such a rejection by an indication of novelty in a particular subcombination which should be claimed specifically if it constitutes the applicant's invention.

If, for example, an applicant claims an automobile with a specific novel carburetor capable of delivering 75 miles per gallon of regular gasoline, the Examiner can reject the claimed automobile as an old combination and suggest that the applicant direct his claims to the novel carburetor, if such is his invention. If the carburetor per se also lacks novelty, the applicant is not the first

inventor of the claimed invention; he is neither the first inventor of the combination, i.e. the automobile, nor the first inventor of the subcombination, i.e. the carburetor. His first inventorship would be precluded whether said combination and/or said subcombination were constructively reduced to practice in one or a plurality of copending patents as long as any residue is either known or described in available publications.

It is this use of a copending patent, either by itself, in combination with another copending patent, or in combination with a publication which can preclude patentability. The preclusion is based solely on negating first inventorship. There is no real authority for using a copending patent for any other purpose.

Conclusion

Based on a review of every published decision since the *Milburn* Case and concerned with the status of copending patents for precluding patentability and invalidating issued patents and based on a study of the briefs and records before the courts in presumably landmark cases which led to some of said decisions, copending patents are available to preclude patentability to a subsequent inventor of subject matter constructively reduced to practice therein. Copending patent disclosures cannot be combined with other disclosures except for the very limited purpose of precluding first inventorship of the invention claimed by another.

Copending patents are not "prior art" within the meaning of that expression in 35 U. S. C. 103. Section 103 defines the quantum of novelty of a new and distinct invention to warrant patentability thereof. First inventorship in a new and distinct invention cannot be negated by a copending patent which discloses only other inventions, no matter how closely related such other inventions may be. No logically consistent rationale to the contrary is found in any of the reviewed case law. The Statute, which is merely a codification of the case law, certainly does not alter these conclusions.

The instant rationale and preceding interpretation of the totality of case law and statute is wholly consistent with the virtually uncontroverted position that copending patents of the same inventor are *not* "prior art", with *reasoned* decisions and developments throughout the years since *Milburn,* with the latest holdings on the subject by the Honorable Learned Hand, the Circuit Court of Appeals judge who had by far the greatest understanding, appreciation and experience with respect to the issue, with the words of the Statute and the development thereof, and with the intent clearly expressed by the Honorable United States Supreme Court in its *Detrola* decision.

Norman J. Latker *
and
Ronald J. Wylie †

UTILIZATION OF GOVERNMENT-OWNED HEALTH AND WELFARE INVENTIONS +

Government Involvement in Research and Development

It may well be, as stated by a former U. S. Attorney General, that the use and enjoyment of a large segment of our annual crop of inventions by the Government and by the people of the United States may depend upon the control of patent rights arising from Government-sponsored research.[1]

Over the years the Government has acquired all right, title and interest in and to a considerable number of inventions which have originated from the research and development activities of Government employees, grantees, and contractors. Today the Government appears to be, or is certain to become, the largest single owner of patents in the country. In June 1953 the Government owned outright a total of 4,061 inventions covered by unexpired patents, which were under the administrative control of the various governmental agencies. Two years later the total had increased to 5,203. It is estimated that by September 1960 the Government owned approximately 12,000 inventions covered by active patents. At the rate such inventions are being acquired, it is conservatively estimated that within the next six years the total number of patented inventions wholly owned by the Government will exceed 15,000 and may even approach 20,000. By that time, the number of new acquisitions will be offset by the number of patents expiring, and the portfolio will be substantially in balance.

+ From an address given by Mr. Latker before the Washington Chapter of the Instrument Society of America, February 1, 1965.

* Patent Advisor, Office of the Director, National Institutes of Health.
† Contract Operations Officer, Division of Biologics Standards, National Institutes of Health.

[1] *Rep. Atty. Gen.*, Investigations of Government Patent Practices and Policies, Vol. 1, 2 (1947).

Government Use of Patents

Some years ago a Science Advisory Board, formed at the request of the Secretary of the Department of Commerce and comprised of a representative group of our country's foremost leaders, issued a report to the Secretary wherein it was stated:

> The patent system of the United States was set up originally to benefit the public by advancing the useful arts. It does this by creating a temporary monopoly, *thereby rendering possible the hazardous development of untried inventions,* which would otherwise not come to fruition to add to the general well-being and increase the standard of living of the people. By its substantial rewards it stimulates invention, and the assiduous study and persistent effort on which invention is based. That it has been successful needs no demonstration for its results are all about us [2] (emphasis added).

We believe that the above statement represents the crux of the argument of those in Congress who champion a policy of leaving invention rights with Government contractors rather than with the Government. Thus, Representative Daddario of Connecticut recently stated,

> Without some form of protection, it is a business axiom that there is little incentive to develop an invention. It may be argued that if there is a demand for a product, business will invest, produce and market it. But in the complexities of modern business, this is *not* the case. Risk capital requires some assurances of its own recovery and a fair margin of profit. The lengthy and costly procedure of developing and marketing a new item demands too much capital investment for it to be risked without some semblance of protection. Today, of every twenty-six new products offered to the public, only one survives as a successful venture. Many companies have gone broke bringing out products which either did not touch the public's fancy or appeared at the wrong time. In addition, new products remain new for a very short time. They are quickly succeeded by products of better design and lower price [3] (emphasis added).

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[2] 18 *Journal of Patent Office Society, Report of the Committee on the* Relation of the Patent System to the Stimulation of New Industries (1936), 94, 95.

[3] Daddario, Government Patent Policy Legislation, *American Bar Association Journal,* July 1961, p. 671.

When the Government retains title in inventions, does it capitalize in any way on the monopoly that has been granted to it? Based on past experience, the answer would have to be "no." The role of the Government in promoting technological advances it owns and in encouraging their exploitation has long been neglected. The Government has, traditionally, limited its efforts in the encouragement of exploitation to merely calling public attention to the existence of patents and inviting any interested person to exploit the disclosed invention without charge.

The Government generally offers a non-exclusive, royalty-free license under its patents to anyone, including foreigners. Historically, moreover, it has not brought suit against anyone for infringment, and thus many of its inventions, when they are put to use, are used by non-licensed manufacturers because they know they will not be sued by the Government-owner.

When a patent is not put to the use intended, as when it is held by the Government and the invention covered thereby is made available to all, the patent has but little greater value than any other printed disclosure of the invention [4] (emphasis added). It is not difficult to understand that the public benefits much more when it can receive the hardware described by the patent than it does when it is merely given an opportunity to read about the invention.

Utilization

The primary purpose of the patent system of this country is to stimulate new industries and the expansion of existing ones. This has always been an important matter, but it becomes particularly important as the

[4] Watson, Management of Government-owned Inventions, *21 Federal Bar Journal*, Winter 1961, 121 at p. 123.

country concerns itself with economic growth in an effort to create new job opportunities for an expanding labor force. Along this line there is growing evidence of interest within the Government in the more effective utilzation of Government owned patents. President Kennedy's October 10, 1963 statement on Government Patent Policy [5] focused on this issue by stating: ". . . . the Government has a responsibility to foster the fullest exploitation of the inventions for the public benefit." More specifically, he stated that the public interest might best be served in particular situations by according exclusive rights to the inventions to those who might thus be induced to work the invention and put it into civilian use.

Of course, it is understood that not all Government-owned inventions are alike, and not all exploitation requires that the potential exploiter be assured of some exclusive rights. The degree of development necessary to bring the invention to the commercial market undoubtedly dictates the need for exclusivity. Where an agency is stressing applied research, perhaps little development is needed. An agency, such as the Department of Health, Education, and Welfare, in the great part oriented toward basic research may have potentially good inventions undeveloped because they are not directly related to the research goals. Adapting the new idea for commercial sale at competitive prices, tooling for production, and the creating and sampling of markets may be of no concern to the Government, but the activities are vital to commercial exploitation, and they require vast expenditures of capital and energy. Almost invariably, the cost of transforming a completed invention into a salable product greatly exceeds the cost of making the invention itself.[6] The prospect of having the article

[5] *Federal Register,* Statement on Government Patent Policy, October 10, 1963, p. 10943.

[6] Gore, Toward A Sound National Policy for Disposition of Patent Rights Under Government Contracts, *21 Federal Bar Journal,* Winter 1961, 105 at p. 115.

copied soon after being introduced into the market by others who have borne no such financial burden of development and therefore can sell at a lower price is not one calculated to encourage exploitation of many inventions. It is safe to say that industry would rather invest their capital exploiting their own inventions than develop an invention for which they will have no patent protection.

That industry requires some protection as an incentive to the further development of certain areas of technology may be illustrated by the fact that after the 1954 Atomic Energy Act removed many of the bars to patent protection which had been present under the 1946 Act, the interest of private enterprise in the proprietary development of all areas of nuclear technology substantially increased. Thus, even though the incentive is somewhat limited (because Congress was concerned lest "insiders" might secure a monopoly position), it is clear that the patent incentive has been an important factor in the development of nuclear technology.[7]

For inventions in which exclusivity appears essential to commercial exploitation, several approaches are available. Two of the most obvious are (1) to leave title to inventions in the employee, grantee, or contractor who generated them; (2) to place title in the Government and later permit sale of full title to some party thought best suited to develop the invention. But these approaches are in conflict with the increasing tendency in Congress to require that title in inventions generated by research be vested in the Government for later dedication to the public. A less obvious approach, which will be discussed later in greater detail, is exclusive licensing which would permit reconciliation of the need to grant some exclusivity with the need to retain control of title by the Government.

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[7] Hamman, An Appraisal of the Atomic Energy Field After 20 Years of the Patent Title Policy, *The Patent, Trademark, and Copyright Journal of Research and Education*, Vol. 6, Fall 1962, 377 at p. 407.

The President's Memorandum

The introductory section of the Presidential Memorandum of October 10, 1963, speaks to, as noted above, the Government's responsibility to fully exploit its inventions and the way in which the public interest might best be served by according exclusive rights to those who might be induced to work them. When going from the general to the specific, i.e., when one attempts to apply this policy to health and welfare inventions, these thoughts seem to lose much of their impact. The implementing section or policy section, as it is referred to in the memorandum, sets forth, in essence, the rules under which an Agency or Department should leave title to an invention financed with Government funds to the generating contractor as against taking title to the invention by the Government.

Section 1(a) of the memorandum sets forth four categories of research and development contracts under which the contracting agency is directed to acquire, or reserve the right to acquire, title in and to any inventions made in the course of or under such contracts. One of the four categories of contracts outlined in Section 1(a) deals with contracts for exploitation into fields which directly concern the public health or public welfare. It is clear that all contracts or grants entered into by the Department of Health, Education, and Welfare can be construed as falling within this category. Section 1(a) continues by providing an exception to its general rule of obtaining title for the Government. This exception states that the contractor may obtain title after the invention has been identified, where the invention is *not* a primary object of the contract, provided the acquisition of title is a necessary incentive to call forth private risk capital to bring the invention to the point of practical application.

A careful look at DHEW inventions shows that nearly all would have to be considered the primary purpose of the contract or grant under which they are generated.

Under these circumstances, Section 1(a) offers no means of providing exclusivity, when additional development of the invention is shown to be necessary.

Section 1(b) of the memorandum defines a category of contracts under which title to inventions generated therefrom may be left to the generating contractor or grantee. This section indicates that when the purpose of the contract is to build upon existing knowledge or technology to develop information, products, processes, or methods for use by the Government, and the work called for by the contract is in a field in which the contractor has acquired technical competence for his own commercial purposes, the contractor shall normally acquire title.

It would seem reasonable to conclude that some of DHEW contracts and grants would fall within this category. But recently the President's Patent Advisory Panel has indicated that if a contract is defined as falling within one of the four categories of Section 1(a)—the title section—it cannot fall within the category of Section 1(b)—the license section. This is true, even if the contract meet the criteria of both 1(a) and 1(b). In other words, the sections are to be applied consecutively, and where a contract falls within a section, subsequent sections will not apply.

Where does this bring us? It appears that the memorandum determines whether title to an invention should or should not be maintained by the Government on the basis of the purpose of the contract or grant from which the invention sprang. Moreover, it makes no distinction as to the stage of development the invention has reached. For example, if an invention was generated under a contract falling into the category of Section 1(b), title would reside in the contractor *even if the Government had completely financed its research and development, and the invention was ready for the marketplace.* On the other hand, if an invention were generated under a contract falling into one of the categories of Section 1(a), title would reside in the Government even if it

were shown that the invention needed further development, if the Government were unwilling to finance this development, and if an incentive were necessary to encourage the contractor to furnish the risk capital necessary to bring the invention to fruition.

The Department of Health, Education, and Welfare has a number of inventions which fall within Section 1(a) and which can be shown to need further development. For example, when compounds are synthesized by Public Health Service grantees, and the grantee's suggested therapeutic utility is confirmed by a screen, title to the resulting invention is vested in DHEW. It is clear that this type of invention is not ready for the marketplace until it has been licensed by the Food and Drug Administration. The acquisition of such a license requires the accumulation of an extensive amount of clinical data necessary for inclusion in a new drug application. A new drug application requires (1) extensive clinical data along with (2) toxicity data and (3) any data showing adverse side effects that develop in the course of clinical use. The Public Health Services does, under some circumstances, aid its organic chemists in bringing a potentially therapeutic compound to the point of commercial use by financing the acquisition of clinical data needed to support a new drug application. But in most situations, PHS's ability to aid its organic chemists is limited to the funding of the actual synthesis of the compound, providing or aiding in obtaining screens designed to distinguish possible useful from non-useful drugs, and possibly providing a small portion for the clinical data. The PHS-supported scientist who possesses a compound with a potential utility, and who would like to have it brought to the point of commercial use, finds, in most cases, that only the drug industry is able to accumulate all the data necessary for licensure.

But the drug industry has refused, through the Pharmaceutical Manufacturer's Association, and, in some instances, individually to collaborate with our scientists

in bringing their drugs to the point of practical application without some guarantee of exclusive patent rights to compensate and protect their investment. This investment ultimately may amount, on the average, to between $200,000 and $500,000. Under present departmental policy, the President's Memorandum, and a 1924 Attorney General's decision,[8] the above guarantee cannot be given. This situation results in a serious loss of incentive to invest in the perfection and marketing of inventions supported by the Public Health Service.

Exclusive Licensing

If the Government is to require that title to health and welfare inventions reside in the Government no matter what stage of development the invention has reached, then the Departments and Agencies should be permitted to grant exclusive licenses as an incentive to draw forth the private risk capital needed to obtain public promotion and utilization of these inventions.

In any situation where it appears that non-exclusive licensing is ineffective to bring a Government-owned invention to the point of practical application and commercial use and where the Agency determines that such action is necessary in the furtherance of its mission, a Department or Agency should be able to grant exclusive licenses. Naturally, any such licenses would contain appropriate terms to safeguard the interest of the general public, such as march-in rights when it is determined the licensee is not fulfilling the public needs, and a provision insuring some period of unrestricted availability to the general public after the exclusive licensing period and before the patent expires. On the other hand, the purpose of such licenses is to obtain utilization of inventions which might not otherwise be used and therefore they should be designed to hold forth sufficient incentives to encourage prompt development and utilization of the invention in the civilian economy. For this reason, the licenses need not include a requirement for the payment of roy-

[8] *34 Op. Attorney General,* 320, 328 (1924).

alties to the Government, nor the requirement for the "grant-back" of a license for inventions made by the licensee in the course of his developmental work.

In DHEW, a policy enabling the granting of exclusive licenses in order to better fulfill its mission has been discussed with interest. In appears the initiation of such a policy is impeded by certain statements in the above mentioned 1924 opinion of the Attorney General's; those statements have generally been interpreted as holding that agencies may not grant exclusive licenses under Government-owned patents without specific statutory authority.[9]

In order to resolve this problem, it has been suggested that the Department of Justice be approached for a re-evaluation of the 1924 decision. It would be argued, at that time, that to stand by the interpretation of the decision is damaging to DHEW's mission. If this fails, the Department alternatively could approach Congress for statutory authority to grant exclusive licenses. This authority now exists in NASA and TVA, and such authority may be of greater importance to DHEW than to either of these two agencies due to the public health and welfare aspects of its inventions.[10]

If an active exclusive licensing program is to be undertaken, it should be conducted on a sound business-like basis and the various functions should be performed by qualified personnel. This would require the expenditure

[9] *Ibid,* also see 38 *Op. Attorney General,* 534 (1936).

[10] The possible need for exclusive licensing authority in the various agencies has been brought to Congress's attention. Thus, in a 1959 preliminary report the Senate Subcommittee on Patents, Trademarks, and Copyrights stated:

> "In prior sessions, Congress has considered the question of licensing Government-owned patents, but no comprehensive legislation has heretofore been enacted on the subject. There is a growing need within the Government for authority to grant exclusive licenses in appropriate cases. For this reason the subject should receive serious consideration at this time." Patent Practices of the Government Patents Board, *"Preliminary Report on the Subcommittee on Patents, Trademarks, and Copyrights,* United States Senate, 86th Congress, 1st Session, 1959, p. 35.

of public funds both initially and annually, with returns being only of an intangible "public interest" nature unless royalties were collected.

Such a program would certainly increase the number of Government-owned patents, for unless the Government held patent rights it would have nothing to grant. Fewer waivers could be expected (where the agency has the authority to waive its rights to title in the invention upon certain findings), and more patent applications would be filed to support this program. One would be hesitant to let an invention go by unpatented and thus perhaps remain undeveloped, when, by patenting, the invention might become an important part of a licensing program which would result in commercial utilization of the invention. This all adds up to greater Federal expenditures of money, time, and more personnel.

Each individual patent would be assessed and evaluated to determine the commercial utilization potential of the patented invention.

An adequate publicity and promotional program would have to be developed, utilizing Government publications, scientific and professional journals, direct mailing, and personal contacts.

The selection of licensees would require close attention and information would need to be assembled on qualified prospects in various industries.

The negotiation of exclusive licenses would have to be conducted carefully. In the preparation of licensing agreements consideration should be given to cross-licensing and patent pool practices prevalent in certain industries.

Provision would have to be made for the policing and prosecution of infringers, and also for the avoidance of infringement suits against the Government. In connection with the latter, an advantage of having authority to grant exclusive licenses is that the agencies would be able in certain cases to avoid or settle suits for infringement against the Government by entering into cross-licensing agreements.

The Public Health Service Act of 1944 contains many references to making available to the public the results of research. The mission of the PHS is to increase the amount of biomedical knowledge available upon which the practical betterment of human health can be based —the aims of the research are not achieved unless the benefits of Federal spending is available to the public.

Conclusion

Because the emphasis of DHEW is on basic research as opposed to developmental work, because great expenditures of effort and finances characterize the development of new drugs and medical instrumentation, and because no other field presents more urgent needs for all products to be brought to a point of utilization, study should be given to any possible mechanism offering promise as an inducement for the development of the products of research. Exclusive licensing of patents is one mechanism for achieving the highest possible rate of utilization for PHS technology.

The public Health Service is spending approximately $1 billion yearly on research and development. The majority of the knowledge and inventions produced by this program are disclosed to the public through publication in the hope that it will be exploited for practical applications. It is our hope that greater incentives can be developed to insure the use of all valuable discoveries.

By
Oliver H. Peterson,
Ph.D

WHAT THE BUSINESSMAN EXPECTS FROM THE PATENT ATTORNEY

It may be presumptuous of me to appear before you, a group of experts in the patent field, to discuss the subject "What the Businessman Expects From the Patent Attorney." Rather, I should be the recipient of a lecture on "What the Patent Attorney can do for the Businessman" or "How a Businessman should react when involved in a Discussion with his Patent Attorney."

What does the businessman expect from his patent attorney? Many things. Above all, loyalty. We do not mean loyalty in terms of exclusivity or pre-emption, but rather expressing what Webster so aptly defines as "the quality, state, or instance of being loyal; fidelity or tenacious adherence (as to a government, principle, practice, or custom), or as Webster's new collegiate dictionary puts it: "faithful to a cause, ideal, or custom." This, gentlemen, is what I expect above all of my patent attorney. I do not want him to be a "yes man." I do not want him to tell me that he can secure claims which he knows are absolutely unobtainable. I *do* want him to honestly evaluate the facts laid before him, and I want an honest opinion of his evaluation as to the prospects of his diligent efforts.

Generally speaking, in patent matters, we, as management, are working in an unknown and a highly specialized field. This often creates an area of apprehension or fear, or perhaps I should say misapprehension and skepticism.

Patent problems to us are not everyday problems, so we enter into this field with a certain amount of misgiving. We therefore, as laymen, need your patient indulgence, particularly in the early stages of patent prosecution. Patent law to most of us is a terrific maze of bewildering complexities, in which we need your guidance.

I believe that the businessman, and more particularly the research director, should have a basic knowledge and understanding of patent laws and patent procedures so that he may work in efficient cooperation with his patent attorney. If we have this interchange of knowledge and understanding, we are in a position to operate with a maximum degree of efficiency. This basic understanding can best be given to me by the patent attorney showing sensitive appreciation and forbearance in his contact with the research people with whom he works. I prefer to see a good and constant line of communication between the patent attorney and the senior members of the research staff and, if possible, with practically all members of the research and development organization of a corporation so that all patent aspects may be exploited to the fullest degree.

In order to understand the complexities of patent law, I need a vivid insight into the patent system. I need to have the complexities explained to me in such a way that I can see particular applications in my particular field of endeavor, which serve the protection of the results of our research efforts. As a result of such instruction, I do not intend to handle my own case, as he who is his own lawyer has a fool for a client; but I must know and I must understand the more common and current procedures governing the prosecution and enforcement of a patent. On the basis of such information, I can discuss more intelligently the problems involved in assembling the technical data which are required for the prosecution of a patent application. I can appreciate the efforts which are expended in my behalf by the patent attorney.

I like to see my patent counsel discuss pertinent statutes and patent procedures with the research, engineering, and development staff to the greatest possible extent. We find that if the scientist has a good understanding of patent law and patent procedures, he is in a much better position to record his findings in his laboratory notebook in such a manner as will be of

greatest assistance to the patent attorney in correlating the information for the patent application and further defending the same or the later issuing patent against any challenge of priority or validity.

More often than not, we find that the recent college graduate employed in a research or development organization shows considerable resistance to the keeping of proper research records which the patent attorney feels are of considerable importance to the protection of industrial property. If the scientist understands the reasons for the need of accuracy in keeping records, he will be more than willing to cooperate. On the other hand, if he feels the patent attorney or the patent department are dictatorial and unreasonable in these demands or if he feels the records requested by the patent department only serve to ease the work of the patent department and to burden the role of the scientist, then cooperation between the scientist and the patent deparment is not the best and often times considerable antagonism may develop between the two sections in a corporate structure.

In every patent situation, I like the patent attorney to discuss with me the following five aspects: *who, what, where, how,* and *when.*

Whos.- Who are the inventors? Can we substantiate the fact that all of the individuals involved in a given development are inventors? Are there people listed as inventors who, in a strictly legal sense, should not be included? Are there individuals who have contributed immeasurably to the invention and who have not been included?

What. What is the subject of the invention? What does it cover? What is the scope of the inventive concept? Have we covered everything that can be covered? Have we, perhaps, included material that might better be deleted? What is the prior art? Has it been adequately determined, presented, and evaluated?

Where. Where, i.e. in what countries, should patent applications be filed? Should applications be filed in

foreign countries? If so, which ones? In what parts of the world do we expect a promising market, and what is the enforcement value in any given country?

How. How is the patent application to be prosecuted? How are the data to be assembled? How are they to be presented? How do we formulate claims? How do we arrive at the scope of the invention?

When. Finally, when should the patent be filed? When may we expect Patent Office action? And, finally, when will the patent be issued?

In the case of patents that are involved in litigation, we might have a different approach to the who, what, where, how, and when, such as—Who is the opposition? What are the issues in the case? Where will the action be tried? What are the causes of action? When do we file and when may we expect a decision?

In industry, the initial patent application may be handled either by exclusive counsel or by independent attorneys serving more than one client. Exclusive counsel may involve a salaried patent department consisting of one or more qualified patent attorneys, or the functions may be discharged by full-time, independent consultants who may be a group of attorneys operating a group practice or it may be a single individual. Under certain circumstances, routine matters may be handled by exclusive counsel and, in special cases, they may be assisted by outside attorneys.

As far as all counsel are concerned, we expect loyalty and honesty. Honesty, not only in the rendering of candid accounts, but even more significantly, in giving advice. The attorney should explain to the best of his ability both the negative and the positive aspects of the case. All too often counsel may paint a rosy picture of the client's chances in the early stages of a lawsuit and later, as the case evolves, some clouds appear in the sky. This perhaps is natural. But one should be aware of such contingencies early in the game and evaluate them honestly. While no counsel can positively guarantee that a client will prevail, the attorney should be com-

pletely candid and help the client in his own appraisal of the risk involved and aid him in making the decision in an intelligent manner. Likewise, the client must be frank and honest with his attorney, discussing such things as prior art, inventorship, and the like if he has such information.

If there is one thing that irks me more than anything in dealing with some attorneys, it is that overconfidence in the early phases of the litigation followed, after the suit is filed and the case is in preparation, by the discovery of adverse evidence and an all too hasty retreat. Remember, in the business world when patent litigation is involved, you may be taking action against an organization which at the same time is a competitor and possibly a customer. Even if he is a vile and vicious competitor, it is not in the interest of the client's business and does not promote good public relations to institute a legal action and after the threat has been flung to withdraw. In the complexity of business today, a competitor is competing in only one area of the business. He is also a customer. If he is antagonized as a competitor, you have almost always alienated him as a customer. This alienation may spread and you develop a reputation of being litigation-prone. Other organizations look at you askance and wonder if they should engage in exploratory dealings with you because of the great possibility that you may file suit against them at the slightest pretense.

We expect the attorney to be loyal in looking out for the interests of the client, paying particular attention to details involved in his assignments. I expect our attorney to take interest in our organization and to further our interests in every direction. In the preparation of a patent application, I expect him to work diligently and conscientiously with the inventors, with the scientists, with the engineers in the organization and aid them in presenting all of the pertinent technical information available to them. He should point out additional experimental work that needs to be done in order to obtain

a patent of the widest possible scope and strongest validity. For example, if the inventor states that he believes his invention is of limited scope, it is the duty of the patent attorney to work with him to determine a possible larger area of coverage. Perhaps the inventor has additional information available that will enable a patent of much broader scope to be issued. The attorney has an obligation to his client to avoid the issuance of a patent that is so vague and is of such doubtful validity that it cannot be enforced if it becomes involved in litigation. If the patent is weak on its face, the attorney should so tell the client and explain the reasons therefor. In some instances the client should be informed that the proposed patent is of such doubtful scope or validity that its enforcement value is nil and perhaps the invention had better be kept in the files as a trade secret.

There should also be honesty in the conscientious evaluation of possible conflicts of interest, particularly concerning possible interferences and threatening litigation. Conflict of interest is a subject all its own and cannot be discussed here in detail, partly due to my lack of knowledge in this field, but also because of lack of space. The attorney should know his clients. He should know something about the prospective client who is enlisting his help if he represents more than one individual. He should not permit himself to become involved in a situation where an out and out conflict of interest might develop at a later date. I realize that this is something that is extremely difficult to foresee, but it is a matter that should be of concern to each and every practicing attorney. I believe that if an attorney has a doubt regarding the likelihood of a conflict of interest, he should either decline a given assignment or at least discuss the possibility of a conflict with the parties involved if such is within the bounds of propriety and professional ethics.

When we have full-time counsel in a business organization, we expect all of the requirements that I have

talked about heretofore to be rigidly adhered to. In addition, we expect the assumption of certain other responsibilities, such as (1) a closer, more active and continuous contact between the counsel and the research and development departments. I like to see our patent counsel in frequent contact with all the scientists in the research division. Counsel is then in the position to monitor patentable developments in gestation and he can, and should, confer with the research director at frequent intervals on the prosecution of the patent application prior to issuance and the enforcement of the patent should it be challenged in the courts at a later date. I believe the full time patent counsel should be diligent in his relationship with those people who are responsible for keeping records in the research division so that their value and competence will be assured in later litigation. (2) I expect him to keep abreast of new patents pertinent to our field of endeavor and the Official Gazette is most certainly the Bible in checking those patents which are issued in the United States. I believe it to be imperative that the Patent Department search diligently each Official Gazette immediately on its receipt, both in respect of technical information of interest to the company and of trade-marks published for opposition. Do not forget Chemical Abstracts in the field of chemistry. In our own organization, the Official Gazette is first routed to the Patent Department, which notices the material relevant to our field of research. These notations are then sent to the Research Librarian who disseminates them to the various scientists for their information and possible evaluation. (3) Patent counsel should study the prosecutional histories of all patents which are issued to competitors. This will serve a dual purpose: one is a routine searching of the patent files of issued patents for and advising the research division on technical and scientific information submitted in the course of the prosecution and, second, in appraising the scope of the claims on the basis of possible file wrapper

estoppels. On request, the Patent Department may be asked to search a file with other particular points in mind. The continuous study of the patent files should also enable the patent attorney to gain knowledge of current thoughts and trends of the patent examiners and to determine the ground rules under which they operate in a certain area. It is extremely important to have an insight into the thinking of the examiner, so as to be able to anticipate and avoid certain objections when preparing the cases. A firm offense is the best defense. If we know we are dealing with legal problems in the Patent Office that have not been, at least to our satisfaction, adjudicated by a court of competent jurisdiction, we should be in the position of meeting them in advance, if we possibly can. This is important not only in dealing with the Patent Office, but also in dealing with other agencies of government. (4) Patent counsel should follow the trend of the law of patents by studying the decisions listed in the United States Patents Quarterly and also keep abreast of pending patent legislation. There is no one in a better position to learn about pending patent legislation than the patent counsel. He should advise the executives in the corporation on prospective enactments so that they, through their legislative channels, may either support or object to legislation through their legislative representatives. (5) The patent attorney should maintain a firm and extensive control over the prosecution of foreign cases and insofar as possible keep abreast of the patent law in the countries in which his company may have a major interest at this or future times.

Finally, the patent attorney should have no qualms whatsoever about requesting additional help when necessary. We are aware that cases can and do become tremendously complex at times; and when the stakes are big and litigation becomes intricate, outside experience may add a great deal to clarification. There should be no reluctance at all on the part of the patent department or the patent attorney to ask for outside consultation

when he deems it necessary. Neither should the employer object to securing outside consultation when necessary. When the patent attorney asks for outside consultation, this, to me, does not evince a sign of weakness but, on the contrary, is an indication of strength.

This brings us then to the area of specialists. Specialists are desired (1) in a general field of technology where a thorough and penetrating understanding of the subject matter is required, and (2) we desire specialists to work with us in particular fields of law, such as in interferences and similar proceedings. The attorney who represents the client in the routine prosecution of patent cases may be most qualified in the area of his particular job; but when he is confronted with procedural problems of far reaching implications, I believe a specialist should be called in for competent guidance.

When patents are attacked in courts, it is necessary to engage attorneys specializing in the field of court procedure and practice.

Specialists are also needed in the prosecution of foreign patent applications because of the complexities of the patent systems encountered in the various countries.

There are some classical types of attorneys that I generally abhor: (1) One who guarantees results and tells me that if I only file the application a patent will be issued, and the grant can be defended in any court of the land, (2) the attorney who charges contingency fees, (3) the attorney who makes a uniform charge regardless of the amount of work involved, and (4) the attorney who offers free incidental services. A law office, for me, is no bargain counter.

In summary, the business executive should have a good understanding of the basic concepts of patent law, so as to maintain permanent control over patent matters. The attorney should impart to the executive the basic fundamentals of patent law and so much of its provisions as relate to the particular field of his endeavors so as to enable the executive to make informed and intelligent decisions. The attorney should not sit in an academic

ivory tower, but he should be practical and give full cooperation in the handling of all problems at hand. Remember, it is the businessman who invests the risk capital and is responsible for the development and protection of industrial property. The patent attorney is one of his right hand men. The patent attorney must be loyal to him and give him the best possible advice.

Examiner's Answer

The current practice of writing complete and thorough final rejections makes it possible for the examiner to facilitate the preparation of the Examiner's Answer required by Rule 193. If all the issues have been considered and the grounds of rejection have been clearly stated in the final rejection, no repetition or elaboration of the grounds of rejection should ordinarily be necessary in the Answer.

Effective immediately, examiners may incorporate in the Answer their statement of the grounds of rejection merely by reference to the final rejection. Such reference should identify by page and paragraphs the portions of the rejection which it is desired to incorporate. If the examiner feels that some further explanation of his rejection is necessary, he should include it in the Answer. The Answer should also include any necessary rebuttal of arguments presented in the Appellant's Brief if the final rejection action does not adequately meet the arguments.

The format of the Answer should remain unchanged. However, if the Appellant fails to describe the invention, as Rule 192 requires him to do, or if the Appellant fails to describe the references, the examiner is no longer required to supply the description. The examiner should, however, include a description in the Answer if he deems it necessary in order to properly present his case to the Board of Appeals.

Section 1208 of the M. P. E. P. will be rewritten in a revision following Revision No. 6. In the meantime any portion of the Manual which is inconsistent with this notice should be disregarded.

RICHARD A. WAHL
Assistant Commissioner

By Pierre Louis Chereau *

THE NEW FRENCH TRADEMARK LAW

In France, a new Trademark Law was published on January 1, 1965 repealing in its entirety the previous Trademark Law of June 23, 1857 which has been effective over more than one century. This new Trademark Law is referred to as Law No. 64-1360 of December 31, 1964 and will be effective from August 1, 1965. This is quite an important event in French and International business and trade not so much as this law codifies many practices and customs but overall as it brings forward major changes in the situation of trademarks in France.

Definition of the Trademarks

The definition of the trademarks has been quite modified according to Article 1 and is set forth:

a) under general terms as any material sign aiming at distinguishing the products, the goods or the services of any business. This general definition calls for two remarks:

1. —the new law includes under its protection the service trademarks which were already formally protected under the International Convention (Lishon revised text) and
2.—provides for a further condition according to which the signs intended for distinguishing the products, the goods or the services have to be material. The meaning of the term "material" is of course ratber indefinite. It would certainly cover a trademark consisting in the blue color of a gasoline (French trademark registration AZUR has been held registrable by the Court of Limoges, April 28, 1953). Are sounds, when they can be translated into writing, capable of constituting trademarks? Especially, are musical melodies identifying a radio or a T. V. program allowed to be registered as trademarks? It appears reasonable to consider that such a "sound-trademark" may be filed when same is supported by writing

* Partner in the firm of CHEREAU & CHEREAU (Cabinet Chereau), Paris, France.

or, in other words, can be exactly defined for instance by musical notes.

b) as an enumeration of the types of signs capable of constituting trademarks. This enumeration has been improved and enlarged with respect to the previous law. This is mostly the result of a number of court decisions made under the law of 1857.

As a matter of fact, none of the types of signs listed in the previous law of June 23, 1857, has been cancelled but some thereof are included in the law in a different manner. In the previous law, the names under a distinctive form were considered as trademarks. Now, only the surnames, pseudonyms and geographical names can constitute trademarks. In the previous law, denominations, generally speaking, could be regarded as trademarks. Now, under the new law, such denominations have to be, strictly speaking, arbitrary or fanciful.

Moreover, new types of signs are listed in the new law as being capable of being trademarks. These are the following: labels, selvedges, edgings, the combinations or arrangements of colors, patterns, mottoes. There are other signs which are not mentioned explicitly for most of them in the law but are capable to constitute valid trademarks, such as packages (especially important for pharmaceuticals, perfumes, cosmetics), envelopes, emblems, prints, stamps, reliefs, seals, vignettes, letters, figures, advertising slogans.

Compulsory Trademarks

There are provisions also in the above cited article 1 according to which the trademark is optional, except in the cases provided for by special decrees of the Council of State. Implicitly the existence of compulsory trademarks is acknowledged in special cases.

Surnames as Trademarks

The article 2 of the law regulates the user of surnames as trademarks. If a trademark consist of a surname or patronymic name, an homonym can:

—either use freely his name,
—or can be subject to a prohibition or a control of the use of his name if said use is detrimental to the owner of the registered trademark.

PROHIBITED MARKS: *What is not registrable*:

The signs which cannot be validly regarded as trademarks constitute the subject matter of article 3. Such signs cannot constitute a trademark or even be a part thereof. They are as follows:

—signs the user of which would be contrary to public policy and to morality;
—signs excluded from protection according to article 6ter of the revised International Convention of Paris of 1883.[1]
3.—signs consisting exclusively of the necessary and generic designation of the products or of the services and signs which include indications likely to deceive the customers;
4.—signs consisting exclusively of the indication of the main quality of the product or of the service or of the composition of the product.

ACQUISITION OF THE OWNERSHIP OF TRADEMARKS:

Registration

There has been a very important change brought by article 4 with respect to the previous law under which the ownership of a trademark could be acquired either by filing and registration, or by user. Now, under the present law, the ownership of a trademark can be acquired only by the first filing and registration provided this filing and registration be of course validly effected.

[1] It is recalled here that this applies to (a) coats of arms, flags and other emblems of the states of the countries of the Unions, also to (b) the official signs and stampings of inspection and verification adopted by such countries (only in case of similar or analogous goods) and to (c) any limitation from the heraldic point of view. Under certain conditions, this applies not only to the states of the countries of the Union but also to the intergovernmental international organizations of which at least one country of the Union is a member.

As a consequence, the sole use of the trademark confers no longer any right to the user. This is of course without prejudice to the transitory provisions which will be discussed hereinafter.

A single exception to the acquisition of the trademark by the first filing has been provided for: the owner of a notoriously known trademark (according to the definition of article 6 bis of the International Convention) can request the cancellation of the registration of the trademark likely to be confused with his own trademark. Such an action cannot be instituted after five years from the filing of the conflicting trademark if said filing has been effected bona fide.

Filing of the Application

Another change made in previous law will improve and facilitate the registration of trademarks. Previously, the trademark had to be registered with the record-office of the Commercial Court from which the registrant was depending along with his address and with the record-office of the Paris Commercial Court in the case of foreigners. All trademark papers were transmitted only afterwards to the French Patent Office. Now under the new law, as provided in articles 5 and 6, the French registrants can file a trademark either as previously with the record-office of the Commercial Court from which they are depending or directly with the French Patent Office. The registrants residing abroad necessarily have to file their trademarks with the French Patent Office and moreover they have to elect domicile somewhere in France.[2]

The priority right, if any, has to be claimed upon filing or within the six months subsequent to said filing, in which latter case a fee has to be paid.

According to article 7, the registration of a trademark is accepted by the Patent Office with the payment of a

[2] Without prejudice to the International Convention, the foreigners residing abroad will have the benefit of the present law for the trademarks filed or registered in their home country on the condition that the French trademarks enjoy in this country reciprocity of protection (article 15.)

fee. Apparently, there is a further modernization since a single fee paid to the Patent Office will be substituted for the several and very complicated taxes which were previously required.

Distinction Between Filing and Registration

For the first time, a distinction in the new law is made between "filing" and "registration," implying that a certain examination of the trademarks is made. As a matter of fact, once the trademark has been filed, said filing can be rejected on three different grounds:

—non-compliance with provision of article 3 (said provisions are analyzed hereinbefore);
—formal irregularities;
—non-payment of the taxes.

Once the trademark has been acknowledged as validly filed, it is registered and then published, the protection starting from the filing date. It is unknown as yet to what extent this examination will be made.[3]

Duration

An important change also is that the duration of the trademark registration has been shortened from fifteen years to ten years under the new law (article 9). The trademark can be renewed indefinitely through new filings and registrations, provided the renewal takes place before the expiration of the prior period of protection.

Requirement For Use

Another major change concerns the use of the trademark. It should be recalled that, under the previous law, no use at all was required in any case and a trademark merely filed was enforceable.

Under the new law (article 11), the use of a trademark is not, strictly speaking, compulsory but the non-use of

[3] As previously, the owner of a trademark registration is open to withdraw his trademark registration either for the whole or only for a part of the products or services for which said trademark had been registered (article 10).

the trademark leaves its owner liable to have his rights forfeited. In other words, any interested party can request and obtain from the Courts the forfeiture of a trademark which would have not been used, without valid excuse, for a period of five years prior to the request for forfeiture. It results therefrom that no request for forfeiture could be formulated for the first five years after filing.

The new law defines what should be understood under the term "use". The trademark should be exploited publicly and unambiguously either by the owner or by his assignee. When a trademark is involved in a request for forfeiture, the proofs of its exploitation have to be set forth to the Court by its owner by all means. Another precision is given by the law according to which the use for the products of one class (reference being made to the international classification which is valid in France as from October 1, 1952) will be sufficient to consider the trademark validly used even if the registration of the trademark covers several classes. However, in this latter case, a condition has to be fulfilled which is that no confusion should exist prejudicial to the trademark which is filed and used. There is thus maintained the so-called French rule of the specialty of the trademark according to which conflicts of trademarks are considered with regard to the products connected therewith.

Assignments and Licenses

Any act affecting the ownership of trademarks (assignments, licenses, mortgages) should be set down in writing. They are valid independently of any agreement with respect to the organization exploiting the trademark. In other words, there is no necessity to sell or assign the business and the goodwill at the same time as the trademark is sold or assigned. These assignments, licenses and mortgages can be total or partial. However, licenses can be registered with restriction as to the territory. All these problems form the substance of article 13.

Article 14 adds that any change to the right of a trademark can be opposed by third parties only after recordal with the French Patent Office.

Collective Trademarks

An important innovation in the new law is the protection of collective trademarks as such. It is stipulated in article 16 that collective groups with juridical capacity, the State, the district authorities, the cities, the governmental organizations, the cooperatives, the syndicates, unions, associations, groups of manufacturers, producers and tradesmen can be owners of trademarks or service marks for the purpose of general interest, for industrial, commerical or agricultural purposes or also for promoting the development of the trade or of the business of their members, Such collective trademarks can be affixed in two manners on the products of the collective groups or on those of their members:

—they can be affixed by the collective group owner of the trademark as a control on specific products;
—or they can be affixed directly by the member of the collective groups under the control of same and under determined conditions (article 17).[4]

In addition to the other papers required for filing, should be added, in the case of a collective trademark, the rules determining the conditions to which the use of said collective trademark is subject. It has been provisionally added in article 19 that the filing of a collective trademark will be rejected according to article 8 of the present law if said rules have provisions contrary to public policy or morality or if amendments are brought to the rules which are contrary to public policy or morality. A special provision for collective trademarks makes

[4] It has been provided in article 18 that the provisions of the present law are without prejudice to the two following regulations (1) Law No. 60-608 of August 5, 1960 relating to agricultural labels (2) Law No. 63-628 of July 2, 1963 (art. 7 and 8) relating to the quality certificates.

it impossible for them to be assigned, mortgaged or subject to a measure of enforcement according to article 20.

The cases in which the nullity of the filing of the collective trademark or the cancellation of the rights of the registrant of such collective trademark may be declared, are listed below:

1. when the collective group does not exist any longer;
2. when the trademark does not comply with the provisions of the present law;
3. when the collective group has used or has let knowingly its trademark used under conditions other than those stated in the regulations;
4. when the regulations contain provisions contrary to public policy or to morality.

Still in article 21, it is stipulated that, in case of nullity or cancellation, the collective trademark cannot be appropriated for same products or services through a fresh filing: the trademark in such a situation cannot be used in any way. However, after a term of ten years has elapsed, the collective trademark can be filed again as such by a collective group of the same country.

Other provisions of this law (article 22) state that the persons having the right to use the collective trademarks can exercise the other rights attached thereto only in case of default of the collective group bearer of the collective trademark and on condition of implicating said collective group.[5]

JURISDICTIONS

The civil actions relating to trademarks are brought before the Civil Courts according to article 24; this statement has already been set forth in article 12 accord-

[5] Without prejudice to the International Convention (articles 2 and 3), the foreign collective groups capable to appear before the Courts in their own country and falling within one of the types of collective groups mentioned in article 16 benefit of the present law for the collective trademarks validly filed or registered in their home country if the French collective trademarks benefit in this country of the reciprocity of protection (article 23.)

ing to which nullity and forfeiture of a trademark registration are only declared by the Civil Courts.[6]

The present law indicates in detail the procedure to be followed for instituting proceedings against infringers. It is stated in article 25 that the owner of a trademark is authorized to proceed by any procedure he elects to the detailed description with or without real seizure, of the products he asserts to be manufactured or sold to his prejudice in violation of the present law. If the plaintiff has not petitioned the Court, either by the Civil channel or by the penal channel, within a term of 15 days besides the special terms provided for in article 552 of the Code of Penal Procedure,[7] the description or the seizure is *nil ipso jure* without prejudice to the damages which can be claimed eventually.

It is stated moreover in article 26 that the proceedings involving at the same time the matter of register trademarks and the matter of unfair competition connected thereto should be brought before Civil Courts as provided for in article 25.

PENALTIES

Three categories of penalties have been provided for in the present law which classifies the offenses into three classes:

1.—Offenses punished by a fine from F.500 to F.1500 ($100 to $3000) and by imprisonment from three months to three years or one of those punishments only (accord-

[6] Without prejudice to the provisions of Article 384 of the Code of Penal Procedure (according to which the Court to which Prosecution has been referred entertains jurisdiction for deciding on any plea submitted by the accused for his defense, unless provided otherwise by the law, or the accused presents a right of real property).

[7] The term set between the day on which the summons are served and the day fixed for the appearance before the Penal Court is different, depending from the place of residence of the defender. If the defender resides in France, this term varies along with the district of the defender, from five days to fifteen days. This term is extended further when the defender resides abroad; it is two months for instance in the case of United States of America.

ing to article 27 of the present law and to article 422 of the Penal Code):

a) *infringement of a trademark* or *any use of a trademark without authorization* of the owner or of the assignee. This constitutes an offense even if the infringed trademark is accompanied with the words (''formula'', ''manner'', ''system'', ''imitation'', ''type'' or with any other indication);
b) *fraudulent affixation of the trademark* belonging to somebody else on products or goods;
c) *sale* or *offer for sale* knowingly of one or several products under a trademark infringing or fraudulently affixed;
d) *delivery* knowingly of the product other than the product ordered under a registered trademark;

2.—Offenses punished by a fine from F.500 to F.10.000 ($100 to $1000) and by imprisonment of one month to one year or of one of these punishments only (according to article 28 of the present law and to article 422-1 of the Penal Code):

a) *the fraudulent imitation* such as to deceive the customer or any use of a fraudulently limited trademark;
b) *any use knowingly of a registered trademark* comprising indications likely to deceive the purchaser on the nature of substantial qualities, the composition or the percentage of active principles, the species of the origin of the product;
c) *the concealment* without lawful reasons, the sale or offer for sale of one or several products knowingly marked with a fraudulently limited trademark.

3.—Offenses punished by a fine from F.500 to F.5.000 ($100 to $1000) and by imprisonment of fifteen days to six months or of one of these punishments only (accord-

ing to article 29 of the present law and to article 422-2 of the Penal Code):

a) *the non-marking* of a compulsory trademark on the products;
b) *the sale or offer for sale* of one or several products which do not bear the compulsory trademark for this type of products;
c) *the non-compliance* with the provisions of the decree declaring a trademark compulsory;
d) *placing on trademarks* signs the use which is prohibited by the trademark law.

Some other additional provisions are stated in this law with respect to penalties and may be analysed briefly as follows:

1. All the above-mentioned penalties can be doubled in case of repetition of an offense. This is article 30 of the present law and article 423 of the Penal Code.

2. The offenders are moreover subject to be deprived of their right to participate in the votes for the tribunals and the chambers of commerce and industry, for the Chamber of Agriculture and for the concillation board of employers and wages earners during a period which will not exceed ten years. Additionally, the law states expressly that the Court will be allowed to make an injunction in every case for having the condemnation judgment published integrally or partly in all the newspapers which the Court will designate or posted according to the provisions of article 50-1 of the Penal Code. This is article 31 of the present law and article 423-1 of the Penal Code.

3. The confiscation of the products, the trademark of which would be an offense according to article 422 and 422-1, can be ordered by the Court also the confiscation of the instruments and tools which have been used for perpetrating same. In case of discharge, the Court can order the maintenance of the confiscation of the products referred to hereinabove. The court is also empowered

to order the seized products to be remitted to the owner of the trademark which has been infringed or which has been fraudulently affixed or imitated, without prejudice to the damages eventually. The Court is moreover allowed to order the destruction of the trademarks constituting an offense according to article 422, 422-1 and according to paragraph d) of article 422-2. This is the subject matter of Article 32 of the present law and of article 423-2 of the Penal Code.

4. In the cases mentioned in paragraph a) and b) of article 422-2, the Court will order always that the compulsory trademarks be affixed on the products which are subject thereto. The court will be allowed to order the confiscation of the products if the accused has suffered during the five prior years a condemnation for one of the offenses provided for in paragraphs a) and b) of Article 422-2.

5. The penalties provided for by articles 422 to 423-3 are applicable with respect to collective trademarks. Besides, the law edicts the penalties provided for by article 422 for punishing the following offenses:

a) any use knowingly of a collective trademark under conditions different from those prescribed in the regulations for using same which accompany the registration provided for by the regulations on collective trademarks;
b) the sale or offer for sale knowingly of one or several products bearing a collective trademark irregularly used with respect to the regulations of trademarks;
c) any use knowingly, within a term of ten years as from the cancellation date of a collective trademark, of a trademark reproducing or imitating said collective trademark;
d) the sale or offer for sale knowingly of any product bearing a trademark reproducing or imitating a collective trademark within a term of ten years as from the date of its cancellation.

The provisions mentioned under paragraph 5) are applicable also to the trademarks or the labels provided for by Chapter II of Title I of part 3 of the Labor Laws. This is the substance of article 34 of the present law and of article 423-4 of the Penal Code.

TRANSITORY PROVISIONS

It is stated in Article 35 that the rights acquired prior to the effective date of the present law (August 1, 1965) will be maintained. The duration of the trademark registrations made up to August 1, 1965, will be still fifteen years but these trademark registrations effected according to the law of June 23, 1857, will be subject to the present law as from August 1, 1965, this meaning especially that even the trademarks filed prior to August 1, 1965, will be open after 1970 to a request for forfeiture if the trademark has not been satisfactorily exploited within the term 1965-1970. Registrants should therefore pay a special attention to their trademarks of value which, for one reason or another, would not be satisfactorily exploited in France before 1970.

Another consequence of the present law is that the owners of trademarks acquired by user will have to register their trademarks. They can proceed with this registration before the coming into effect of the present law, that is to say before August 1, 1965, and, in this connection, there is no problem since they will fall within the case indicated in the above paragraph. However, owners of trademarks acquired by user can face also the situation according to which their trademarks have not been registered in France before August 1, 1965. The law, still in article 35, has made provisions to this effect. The owners of such trademarks acquired by user who have not obtained the registration before August 1, 1965, have been granted a term of three years [8] expir-

[8] In article 36, a similar term of three years expiring on August 1, 1968, has been granted to the collective groups which would have filed according to the previous law or which would use a trademark without it being registered as a collective trademark for proceeding with the registration of their collective trademarks according to the new law and benefiting of same.

ing on August 1, 1968, for validly registering their trademarks. The law provides for their rights to be forfeited if their trademarks are not registered by that date. To be valid, such registrations will have to mention the existence of the use of the trademarks prior to filing. However, this indication can be given to the Patent Office by a subsequent declaration, in which case a fee has to be paid.

Application Clauses and Taxes

The clauses for the application of the present law have not yet been fixed. They will constitute the subject matter of decrees taken by the Council of State. On the other hand, the fees which are provided for in the present law have not yet been established since they are customarily fixed by a special decree. An increase of the present fees can be expected but it is not yet known to what extent.

Validity of the New Law In Time and Space

Finally, it is provided for in article 39 that the present law will come into effect August 1, 1965. The new situation arising from this law has to be considered with great care and promptly, due to this term which is rather short. In said article 39, it is provided also that the law is enforceable in the following French overseas territories:

—Saint-Pierre et Miquelon,
—Guadeloupe Islands,
—Martinique Island,
—French Guiana,
—Kerguelen Islands,
—Reunion Island and associated territories;
—The Comoro Islands,
—Somaliland,
—New Caledonia,
—The New Hebrides,
—Antarctic Adelie Land.

CONSEQUENCES FOR THOSE WHO DO BUSINESS IN FRANCE

From these major changes in the French Trademark Law, the following consequences result:

(1) All trademarks must be registered to be enforceable. After August 1, 1968, the user of a non-registered trademark will have practically no right at all on his trademark. Previously, article 1382 of the Civil Code protected the trademark acquired by user. Now, the present law withdraws the trademark "as such" from the field of application of article 1382. As a consequence, this article will remain strictly restricted to repressing unfair competition. It should be noted that in unfair competition cases, under the new law, trademarks could be in certain instances involved but only accessorily and the trademark will no longer be considered as the substance of the case and will be appraised with different criteria.

(2) Unregistered trademarks which are no longer protected under general law covering user have to be registered. Attention should be paid to the term granted up to August 1, 1968 for registering validly trademarks consisting only of a prior user.

(3) As a result of the extension of the field of trademark protection, trademarks should be registered:

a) for the new signs capable of constituting trademarks according to the law, especially patterns, mottoes and more generally any material sign distinguishing goods or services;
b) for services (used in the sale or advertisement of services, such as for instance hotels, restaurants, polyclinics, hospitals, massages, radio or television maintenance services, etc.;
c) as collective trademarks for identifying the products of a group or the membership in an organization.

4) As a difference is made between filing and registration, attention should be drawn to the resulting exami-

nation which will take place. This examination will not bear on novelty but can raise tricky problems in specific cases. Decisions of the Patent Office are open to appeal before the Council of State.

(5) Those who do business or trade or render services in France will have to survey and watch carefully the trademarks registered by their competitors in order to assert their rights in the case where confusingly similar trademarks would be registered by others, especially under the new law because trademarks are still not submitted to examination as to novelty.

(6) The trademarks registered under the new law will have to be renewed every ten years before the expiration of the former period of protection. (In this connection, a problem will be raised by the Agreement between French and Italian Governments permitting to French trademarks to have their protection extended to Italy and vice versa to Italian trademarks to have their protection extended to France through a single registration in one or the other of these countries. As a matter of fact, the duration of Italian trademarks is twenty years whereas the duration of French trademarks will be ten years).

(7) Trademarks should be prevented from being declared forfeited on the ground they are not satisfactorily exploited. Special attention should be given to the fact that even trademarks registered under the previous law will be open to a declaration of forfeiture if they are not exploited after August 1, 1970.

(8) The penalties punishing the various offenses against trademark protection have been increased. We may therefore conclude that registered trademarks will be better protected hereafter in France.

The present law can certainly be considered as an improvement over the previous one. Certainly, some uncertainties are remaining but besides major changes, this law has the merit of having codified existing practices and customs.

By Robert A. Choate *

"ON SALE" - REVIEW AND CIRCUMSPECTION

The Patent Act of 1836 provided that a device could not be patented if it "had been in public use or on sale with the applicant's consent and allowance prior to the application" for patent. In 1839, the Act was altered to insert the now well-known two-year period of permissive public use or sale; but the revised Act left out the provision regarding the applicant's consent and allowance. Some early cases indicated that the use derived from the inventor without consent, i.e., piratical or surreptitious use by others, would not invalidate, but this has now been resolved such that any public use, whether or not derived and whether or not with the inventor's consent, can invalidate if it occurs prior to the permissive period, now one year.[1] There are, of course, many cases on what constitutes "public use" but the present discussion will be primarily directed to decisions interpreting the "on sale" phrase of the statute.

The "on sale" defense has been relied upon many times since 1836 and the numerous decisions attempting to define the expression, now contained in Sec. 102(b) of the present statute, are indicative of the difficulties which courts and attorneys have had with it.

In the first place, the complete expression "in public use or on sale" has led some courts, perhaps in care-

* Patent Attorney, Detroit, Michigan; Lecturer - Patent Law - University of Michigan; Member of Michigan Bar.

1 Electric Storage Battery Co. v. Shimadzu 307 U. S. 5; 41 USPQ 155, 161 (1939); Eastman v. Mayor of City of New York 134 Fed. 844 (2nd Cir. 1904); In re Martin 74 F. 2d 951 (CCPA 1935); Lorenz v. Colgate-Palmolive-Peet 167 F. 2d 423, 429; 77 USPQ 138, 144 (3rd Cir. 1948) -

"We think that Congress intended that if an inventor does not protect his discovery by an application for a patent within the period prescribed by the Act, and an intervening public use arises from any source whatsoever, the inventor must be barred from a patent or from the fruits of his monoply, if a patent has issued to him. There is not a single word in the statute which would tend to put an inventor, whose disclosures have been pirated, in any different position from one who has permitted the use of his process."

lessness, to indicate that the word "public" modifies "sale" as well as "use" and that a possible "secret" sale might not invalidate.[2] It would seem clear that if the word "public" does not modify "sale," then a sale, once established, whether secret or not, will invalidate if it has occurred more than one year (by the new statute) before the application date.[3]

But when is a device "on sale"? Some patent attorneys are not prone to cross-examine their clients extensively on sales activities when called upon to prepare a patent application. Sometimes they may be inclined to avoid too close questioning on this point. However, since many of the swift moving months of that all too short "year" may be consumed in the attorney's office in the preparation of drawings and in the draft and redraft of an application, it may be worthwhile to take a careful look at the cases and the law as it seems to be shaping up.

For example, is a conditional sale a "sale" under the statute? Does a sale "on trial" or "on consignment" or for "experimental purposes" meet the statute? Is a mere advertising or an offer of sale enough? Does delivery have to be made before the critical date[4] to complete a sale? Does a demonstration of a prototype to prospective purchasers place a device "on sale"? Does the device have to be ready for shipment before it can be said to be "on sale"?

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[2] Piet v. United States 176 F. Supp. 576 123 USPQ 21, 27 (S. D. Cal. 1959) - "So we cannot commingle these categories and apply to some, conditions which relate to others without arriving at a strained or unnatural interpretation of this Section, contrary to the historical judicial interpretation given to it. The adjective 'public' modifying the word 'use' cannot, therefore, be carried over to the subsequent word 'sale' without doing violence to the clear intent of the Congress to treat each category separately."—W. Nicholson v. Carl W. Mullis Engineering & Mfg. Co., Inc. 200 F. Supp. 396 ;132 USPQ 590, 597 (W. D. S. Carolina 1962) ; In re Bertram 88 F. 2d 834, 836; 33 USPQ 152 (CCPA 1937); Midland Flour Milling Co. v. Bobbitt 21 USPQ 60, 64 (8th Cir. 1934).

[3] This is not to be confused with secret knowledge which may not invalidate under Sec. 102(a) of the present statute containing the words "known or used": (Gillman v. Stern 114 F. 2d 28, 31; 46 USPQ 430 (2nd Cir. 1940).

[4] "Critical date" used herein means date one year prior to the application date.

Compare the following statements as recent examples of judicial holdings: In the *Tucker Aluminum* case in the Ninth Circuit Court of Appeals, Judge Ross says,

However, in our view the patented door was 'on sale' within the meaning of 35 U. S. C. sec. 102(b), because a contract for the furnishing of said doors was entered into prior to March 30, 1953, the critical date, and it is unimportant that the doors *may not have been delivered* until after March 30, 1953.[5] (Emphasis added)

In the *All-tronics* case in the District Court of New York (E), Judge Dooling says:

Nor was there the kind of offer to sell that amounts to the statutory condition of being 'on sale'. No production beyond prototypes had taken place nor is there evidence that Filtron was farther advanced than a readiness to negotiate for production quantities of a production model that lay in the future beyond the tested prototypes.[6]

The "On Hand" Doctrine

These statements are typical of those found in "on sale" cases and appear to result from an interpretation of the the so-called "on hand" doctrine, i.e., that an offering of articles for sale, if the articles are on hand ready for delivery, constitutes an "on sale" status. In *Plimpton* v. *Winslow,* 14 Fed. 919 (C. C. Mass. 1883)—Lowell, C. J., in one of the early cases interpreting the "on sale" phase, stated:

If the price list was published in May (1883), it would be immaterial that no skates were sold before the 19th of August (critical date) because they were "on sale." (Parenthesis added)

There was some evidence in this case that usable models of the skates in question actually did exist prior to the

[5] Tucker Aluminum Products, Inc. v. Grossman 312 F.2d 293; 136 USPQ 244 (9th Cir. 1963).

[6] J & G Development Co., Inc. v. All-tronics, Inc. 213 F. Supp. 723, 725; 136 USPQ 118 (E. D. N. Y. 1962).

offer but whether there were skates available for filling any orders is not clear.[7]

Judge Learned Hand in *Burke Electric Co.* v. *Ind. Pneumatic Tool Co. 232 Fed. 145, 146* (2nd Cir. 1916) in the early years of his career as a District Judge reviewed the cases, including *Plimpton* v. *Winslow* (supra), and concluded that the "on hand—on sale" rule would not apply to an order prior to the critical date for 100 motors to be delivered in the future within the two-year period where the first motor was to be approved. This case was affirmd by the Circuit Court of Appeals, 234 Fed. 93, which stated:

> The provision ought to be construed favorably to patentees. If patented articles are on hand ready to be delivered to any purchaser, they are on sale, whether any of them has been sold or not. But, if they are not (on hand), they cannot be said to be on sale within the meaning of the act, though the invention has ceased to be experimental and is complete.[8]

District Judge Coleman in the Fourth Circuit in the case of *Connecticut Paper Products, Inc.* v. *New York Paper Co. 39 F. Supp. 127, 50 USPQ 180* (D. Maryland 1941) reiterated the "on hand" rule,

> An article for which a patent is sought and which is on hand, ready for delivery under a contract of purchase, at a date prior to the two (now one) year period named in the statute, may be said to have been "on sale," within the meaning of the statute. . . However, if the article is not on hand, ready for delivery, it cannot be said to be "on sale."[9]

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[7] See also Schiebel Toy & Novelty Co. v. Clark 217 Fed. 760, 773 (6th Cir. 1914); In Henry v. Francestown Soap-Stone Co. 2 Fed. 78 a sale on trial worked a forfeiture; but see Mershon & Co. v. Bay City Box and Lumber Co. 189 Fed. 741, 748 (C. C. E. D. Mich. 1910) where a shipment for trial purposes was held no bar though made prior to the critical date. Also Servo Corp. of Am. v. General Electric Co. 138 USPQ 195, 202; 220 F. Supp 473 (W. D. Va. 1963), and Ushakoff v. U. S. 327 F. 2d 669, 140 USPQ 341, 343 (Ct. Cl. 1964) on sale for experimental purposes.

[8] Also: B. F. Sturtevant Co. v. Massachusetts Hair & Felt Co. 124 F. 2d 95, 97 (1st Cir. 1941); Kierulff v. Metropolitan Stevadore Co. 138 USPQ 418 (S. D. Cal. 1963); Minnesota Mining & Mfg. Co. v. Permacel-Le Page's Inc. 139 USPQ 41, 46 (ND Ill. 1963).

[9] F. E. Myers & Bros. Co. v. Goulds Pumps, Inc. 91 F. Supp. 475; 86 USPQ 12 (W. D. N. Y. 1952).

But district Judge Bootle of Georgia apparently felt he was not stretching the "on hand" rule when he held that the use of samples of fabric to sell material not yet manufactured was a bar to the patent when it took place before the critical date. *Chicopee Mfg. Corp.* v. *Columbus Fiber Mills Co., Inc. 118 USPQ 53* (M.D. Ga. 1958). Contrast this with the holding in Iowa by District Judge Van Pelt in *Trico Products Corp.* v. *Dilman Co. 199 F. Supp. 231, 132 USPQ 316, 332* (S. D. Iowa 1961) where, in a sales effort, samples were sent to several large automobile manufacturers but the decision indicated no bar because the devices to satisfy orders were not on hand and ready for delivery.

A recent case in the 8th Circuit poses an anomalous situation wherein a completed soil compactor machine, exhibited and carrying a price tag at a Road Show, was held not to be "on sale" since it had not yet been tested. *Browning Mfg. Co.* v. *Bros, Inc. 134 USPQ 231* (8th Cir. 1962).

Thus, in general, according to the "on hand" rule, where shelf articles are on hand and ready for delivery, any offer for sale puts them "on sale" and causes a forfeiture of rights if this occurred prior to the critical date. Conversely, devices which must be constructed to satisfy an order are less frequently said to be "on sale" at the time the order is given. While it has been said that mere advertising is not a bar unless a complete sale and transfer of title occurred prior to the critical date,[10] nevertheless, in cases using this language, it was not clear that there was stock ready for delivery. If goods are on hand, it would seem, under a strict application of the "on hand" doctrine, that advertising might well constitute an offer to sell and a statutory bar.

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[10] Daniel Green Felt Shoe Co. v. Dolgeville Felt Shoe Co., 205 Fed. 745 (N. D. N. Y. 1913); Trabon Engineering Corp. v. Dirkes 136 F. 2d 24, 58 USPQ 97, 101 (6th Cir. 1943); Aghnides v. S. H. Kress & Co., 140 F. Supp. 582, 110 USPQ 234, 237 (M. D. N. Carolina 1956).

Executory Contract Situations

There has been more difficulty and confusion in situations where goods were not on hand ready for sale and delivery at the time the offer for sale was made.

District Judge Lowell, who decided *Plimpton* v. *Winslow,* supra, in 1883, had a case in 1911 where the subject matter was a ventilating apparatus. He held in *McCreery Engineering Co.* v. *Massachusetts Fan Co. 186 Fed. 846* (C. C. Mass. 1911) that an executory contract to manufacture apparatus, entered into before the critical date, was an "on sale" bar. The Court of Appeals reversed, however, (195 Fed. 498, 501 - C. C. Mass. 1912) stating that:

> . . . proof of a mere contract to construct from plans and to deliver in future a machine or manufacture not proven to have been previously completed, falls short of proof that the machine or invention was "on sale." The distinction between an executory contract to construct and to pass title in the future and putting an article "on sale" is substantial and is not merely one of the 'witty diversities' of the law of sales. Especially is that distinction important when such an executory contract is for the manufacture or construction which constitutes the first reduction to practice.

A case consistent with the above statement but considered to be less liberal in its holding is *Wende* v. *Horine* in the Seventh Circuit Court of Appeals *225 Fed. 501, 505* (7th Cir. 1915) where an offer before the critical date to build machines according to a demonstrated unit, the offer being long negotiated and not accepted for nine months, which was well beyond the critical date and into the two-year period, was held to have placed the apparatus "on sale"—

> . . . a completed sale, either with or without delivery, is not demanded; an offer to sell, made to a prospective purchaser after the experimental stage has been passed, the invention reduced to practice, and the apparatus manufactured in its perfected form, is a placing on sale within the statute. . . . We

do not share the doubt expressed on this point in McCreery Eng. Co. v. Massachusetts Fan Ca. (supra) . . .[11]

The *McCreery Engineering Co.* Case, supra, along with *Sturtevant Co.* v. *Massachusetts Hair & Felt Co. 124 F.2d 959* (1st Cir. 1941), 51 USPQ 420, 422, which followed it, are cited favorably in a number of cases as representative of the executory contract rule.[12] Certiorari was denied in the *Sturtevant case, 315 U. S. 823, 52 USPQ 644* (1st Cir. 1942).

This executory contract doctrine outlined in the McCreery case seems to have been narrowed to a considerable degree by the District Court of Colorado in *Stearns-Roger Mfg. Co.* v. *Ruth 179 F. Supp 906, 124 USPQ 3* (Dist. Ct. Colorado 1959) where verbal approval of engineering led to an express contract, seven months ahead of the critical date, for installation of a power plant, and starting of the foundation one month ahead. Completion was well past the critical date, but the transaction was held to be an "on sale" bar to a patent on the foundation structure which had never before been constructed.

The Ninth Circuit did not go this far in *Amerio Contact Plate Freezers, Inc.* v. *Belt-Ice Corporation 136 F.2d 459, 137 USPQ 282* (9th Cir. 1963) where machines started in anticipation of sale some time before the critical date were completed a month after the date and accepted for use. The trial court's finding that there was no actual contract prior to the critical date was not disturbed. As to the trial court decision regarding "on sale" the Appeal Court stated (page 285):

[11] Also, In re Bertram 33 USPQ 152 (CCPA 1937) and Nicholson v. Carl W. Mullis Engineering & Mfg. Co., Inc. 315 F. 2d 532, 535, 137 USPQ 13, 15 (4th Cir. 1963): "However, as we have seen, instantly there were advertisements and numerous sales before the crucial date, and, notwithstanding each unit had to be made and assembled, 'the invention had been reduced to practice' and 'proven to have been *** completed' several months before the sales."

[12] Three decisions of District Judge Hayes in North Carolina Illustrative - Hemphill Co. v. Jordon 86 F. Supp. 248, 83 USPQ 431, 434 (M. D. N. Carolina 1949); Aghnides v. S. H. Kress 140 F. Supp 582, 110 USPQ 234, 237 (M. D. N. Carolina 1956); Redman v. Stedman Mfg. Co. 154 F. Supp 378, 115 USPQ 281, 285 (M. D. N. Carolina 1957); See also Kierulff v. Metropolitan Stevadore 138 USPQ 418 (S. D. Cal. 1963).

The correctness of this ruling is to be judged in the light of the entire course of conduct of Knowles and Belt-Ice. This will include the now-established facts that no fully-operative machine embodying the Knowles invention had been completed, and no contract for the construction and sale of such a machine had been entered into, prior to the critical date.

The latter facts are sufficient to distinguish every appellate decision, involving an invention incorporated in an article for sale, upon which appellant relies in attacking this conclusion of law. Those are all cases where, prior to the crucial date, there was an offer or a contract to sell an article or apparatus embodying the invention, and at least one fully-operative article or apparatus of that kind was completed prior to the critical date.

Thus, a possible general rule, paraphrasing the above quoted language and excepting the *Stearns-Roger* case, supra, may be that a contract to construct from plans and deliver in future is not an "on sale" bar when entered into prior to the critical date in a situation where the device or apparatus has never been completed prior to the critical date.[13]

Now in the light of this history, we might review the *Tucker Aluminum* case and the *All-tronics* case previously mentioned.

In the *Tucker case*[14] there had been a public display at a Conrad Hilton Hotel in Chicago and an advertisement in "Daily Construction News" prior to the critical date. There had also been contracts of sale prior to this date after purchase of extrusions, appointment of distributors, and publishing of price lists. Yet no de-

[13] It might be mentioned that in situations where the device in question is sold as a small component of larger items, there seems to be more liberal treatment in both public use and on sale cases perhaps on the thinking that the component goes along more or less as an unwilling passenger in the use or sale of the larger item.—Kennedy v. Ford Motor Co. 45 USPQ 126 (S. D. Ohio 1940)—Public use held; Goodwin v. Borg-Warner Corp. 157 F. 2d 267, 70 USPQ 387 (6th Cir. 1946)—Not "on sale"; In re Blaisdell 242 F. 2d 779, 113 USPQ 289 (CCPA 1957)—Public use bar; Allen v. Watson, 114 USPQ 214 (D. C. Colorado 1957) aff'd 254 F. 2d 342 (No bar—same case as In re Blaisdell); Ibis Enterprises, Ltd. v. Spray-Bilt, Inc. 220 F. Supp 65, 139 USPQ 81 (S. D. Fla. 1963)—No bar.

[14] Tucker Aluminum Products, Inc. v. Grossman 312 F. 2d 293; 136 USPQ 244 (9th Cir 1963).

liveries were made prior to the critical date. The decision does not show that doors were stocked at the time the contracts were entered into. Under the circumstances, did the statute actually require the holding that these activities were a bar to a valid patent? It would seem that the inventor (or his assignee) was penalized in this case for the commendable activities of introducing a new product into commerce. The court might well have held, no delivery—no sale.

In the *All-tronics* case [15] a decision of invalidity seems to have been based primarily on lack of invention (obviousness) but the court expressed its view on the question of "on sale." Here prototypes were available and had been tested and the court indicates there was a readiness to negotiate for production quantities of a production model that lay in the future. This is a situation apparently identical to that in *Wende* v. *Horine,* supra, but the court followed what would seem to be a wiser course in holding that the device was not "on sale."

The "Witty Diversities" of the Law of Sales

The Circuit Court of Appeals in the *McCreery Engineering* v. *Massachusetts Fan Co.* (supra) [16] warned against the witty diversities of the law of sales in a decision under the patent statute but in *Philco Corporation* v. *Admiral Corporation 199 F. Supp 797, 131 USPQ 413* (D. Delaware 1961) the District Court of Delaware seems to take a much more sophisticated view of modern com-

[15] J G Development Co., Inc. v. All-tronics, Inc. 213 F. Supp 723, 725; 136 USPQ 118 (E. D. N. Y. 1962).

[16] See also National Cash Register Co. v. American Cash Register Co. 178 Fed. 79, 83 (2nd Cir. 1910) where it was said: "The more serious question whether the transaction between the Juengst firm and the Kruse Company amounted to a sale of the machine grows out of the distinction in the law of sales between a contract to manufacture and a contract to sell, The latter falls within, and the former without, the statute of frauds, and the decisions both in this country and in England draw fine distinctions and are the reverse of uniform. Undoubtedly, according to the weight of authority, the contract we are considering would not be a sale within the statute of frauds. And yet we think that the application of the patent act should not be made to depend upon 'the "witty diversities" (Yelv. 33) of the law of sales.' Rearick v. Pennsylvania, 203 U. S. 507, 27 Sup. Ct. 159, 51 L.Ed. 295."

merce in holding an "on sale" bar where a traditional sales relationship between two companies causes the court to assume that, despite doubts that the devices had ever been truly perfected before sale, the prospective buyer could be sure of the character of the finished product. In short, the court, in holding incomplete devices on sale prior to the critical date, seemingly relies upon the ability of Philco to produce successful, though new, devices as it had in the past.

The decision states at 430:

> Nor is the lack of production models of the Seventeener III in March persuasive. On March 27, Philco was only about two months away from production. Firestone was relying upon Philco's past performance as far as electronic standards were concerned. The matter relevant to the claims of the patents was settled, and Philco knew almost exactly what it was going to sell in June. The requirement of existing production models laid down in the McCreery case is inapposite here. This is not, as it was in McCreery, a situation where the invention was conceived almost simultaneously with the signing of the contract, or a situation, as in Burke, where a "sample" contract is executed and neither party may know exactly what the finished article will be like. In those cases, neither the inventor nor the prospective buyer could be sure of the character of the finished product as a practical matter, simply because nothing approaching a working or finished model had been achieved. In such a situation, a holding that a subsequently patented device is not "on sale" is not unreasonable.
>
> * * *
>
> If there was uncertainty in this case, it was on the part of Firestone, not Philco, but it had Philco's past performance to rely upon.

Should this decision be a caveat to patent attorneys who have clients with longstanding relationships with certain buyers? Can an order before the critical date be held to be a bar even though the device or apparatus has never been made or tested and is just a proposal or a group of plans? If the company has a reputation for successful completion of apparatus from proposed plans, a purchase order before the critical date might, under

the Philco case, supra, be considered an "on sale" bar.[16a]

The courts have in some cases commented on the policy behind the "on sale" rule. The Sixth Circuit Court of Appeals, through Judge Simons in *Huszar* v. *Cincinnati Chemical Works 172 F.2d 6, 80 USPQ 466* (6th Cir. 1949) made the statement:

> . . . the inventors' right to a patent is conditioned upon refraining from exploiting his discovery competitively after the invention is ready for patenting; that while the statute allows him a limited period (now reduced to one year) to give him time to prepare an application, if he goes beyond that period of probation he forfeits his right regardless of how little the public may have learned about the invention.

And Judge Barnes of Illinois comments in *Triplett* v. *Line Material Company 53 USPQ 93, 94* (ND Ill. 1942) aff'd 133 F.2d 533 (7th Cir. 1943)—

> The fact that Congress in 1939, reduced the period of two years' permissible public use or sale prior to an application to one year, seems to the court to indicate a public policy to the effect that a public use or sale, which is in fact a public use or sale, shall not be allowed to be whittled away by refinements in argument.

It may come late in the life of patent law to suggest a change in the statute from the term "on sale" to "sold," but it would seem that such a change could well be advocated. The purpose of the patent law is to encourage the promotion and sale of new products and this particular section is not punitive in nature. It is recognized that some definitive period must be established. However, under circumstances where an offer to sell is not a "public use," as that term has been defined, what reason is there to hold that an offer to sell should bar an inventor if there has been no actual sale

[16a] See Langsett et al. v. Marmett Corporation (Wisc.-D) 141 USPQ 903, 910 where a window construction was fully on paper and incorporated in an architectural proposal though apparently no complete article had ever been made or tested. The decision stated "There was prior sale and use in this case within the meaning of the Patent Act, even though a completed window frame was not sold and exchanged more than one year prior to the date of the application for the patent."

which has resulted in some remuneration to him? Is it not more likely that he should be encouraged to attempt to sell, and that his year of grace in which to file could well date from his first delivery or first successful commercial installation?

Lacking a change in statute, it would seem that the courts could consider this same policy and avoid holdings which penalize early attempts at establishing commerce which do not result in actual delivery or commercial installation.

The best course of action is obviously to file an application as soon as possible after the completion of plans. But very often the designers are fully occupied with the progress of a machine or a device toward delivery and thus it is released to the shop where the production difficulties are frequently all absorbing to both the inventor and management. Once production is under way, the inventor may set aside some time for a patent application. Even then, with the complexities of modern business, the need for time to have special Patent Office drawings made, the need for time for taking up cases in reasonable order in the patent attorney's work load, the need for time to submit to an inventor and rework with him the specification and claims, the completion of the Patent Office drawings; with all this, the weeks and months slip by.

It would seem realistic for courts to consider these factors in deciding these "on sale" cases. Perhaps some consideration of when the inventor or manufacturing company receives substantial monetary remuneration would be a better signpost than the date of a mere offer or the signing of an executory contract.[17] A shipping or delivery date on a stock item would be a realistic commercial marker and the first successful installation and use of a contractual device or apparatus could mark

[17] See Nicholson v. Carl W. Mullis Engineering & Mfg. Co., Inc 315 F. 2d 532, 535, 137 USPQ 13, 15 (4th Cir. 1963) where shipment had occurred and substantial down payment ($20,000) made before the critical date.

the sale of an executory transaction regardless of the fact that it had been previously and privately reduced to practice. None of these tests would do violence to the language of the statute and it is submitted that realism would dictate their consideration.

Court decisions could better be based on these concrete tests than on mere speculation as to what was in the minds of sellers or purchasers when an offer was made or an executory contract entered into. It must be remembered that many of these cases involve one party who is using the "on sale" defense to obtain immunity from a patent right granted to an inventor who at least has endeavored to add to the world's knowledge of practical devices and to get a new product on the market.

Sales of Product of a Secret Process or Machine

In analyzing cases involving the "on sale" portion of the statute, care should be taken to avoid confusion with cases involving the sale of a product which has resulted from the use of a machine or process *deliberately held in secrecy.* In this latter category, the issue is not whether the machine or process were "on sale" but whether they were in public use by reason of the sale of the product resulting from their use. In *Smith and Griggs Mfg. Co.* v. *Delia Sprague 123 U. S. 249, 256* (1887), the Supreme Court indicated that sale of a product incidental to experimental use of a machine would not invalidate, but in situations where the use of the machine is not primarily experimental, sale of the product may constitute public use of the machine.

The Second Circuit has a much discussed ruling in a decision by Judge Learned Hand in *Metallizing Engineering Co., Inc.* v. *Kenyon Bearing & Auto Parts Co., Inc., 153 F.2d 516, 68 USPQ 54* (2nd Cir. 1946) where it was held that sale of a product of a process or machine before the critical date would invalidate a patent on the process or machine regardless of whether the product by inspection would disclose the manner in which it was made.

In the First Circuit, Circuit Judge Woodbury in *Soffron* v. *S. W. Lovell & Co., Inc. 246 F.2d 769, 114 USPQ 87* (1st Cir. 1957) recognized the *Metallizing* case and held public use where the product did clearly disclose the process but would not go so far as to say that public use would result from the sale of a product even if the product did not disclose the process by which it was made.

Many of these cases arise from situations where deliberate concealment of the process or machine was practiced by the inventor. They are based on early cases where secrecy had been maintained for such periods as six years or ten years, as in *Allinson Mfg. Co.* v. *Ideal Filter Co. 21 F.2d 22* (8th Cir. 1927) or *Macbeth-Evans Glass Co.* v. *General Electric 246 Fed. 695* (6th Cir. 1917). The thinking in these cases, is well-expressed in the language of Mr. Justice Daniel in the case of *Kendall* v. *Winsor,* 62 U. S. (21 Howard) 322 (1859) where, in commenting on the Constitutional provision, it was said:

> By correct induction from these truths, it follows, that the inventor who designedly, and with the view of applying it indefinitely and exclusively for his own profit, withholds his invention from the public, comes not within the policy or objects of the Constitution or acts of Congress.

It is questionable, however, that the rather strict interpretations in the cases of deliberate secrecy and withholding from the public of disclosures on a machine or process, which are actually "public use" cases, should be carried over to the "on sale" cases where more or less coincident with the beginning of the critical year period the inventor has made some sales efforts which have not resulted in deliveries or financial return prior to the critical period.

Indeed, an inventor who has created a new product and who has moved it to the market where it can create new business and new employment deserves favorable consideration. A rigid and unrealistic time table and "witty diversities of the law of sales" should not be utilized to defeat his patent right.

Commentaria

Re: "The Knowledge Requirement of Contributory Infringement and the Aro Case"

With reference to Moseley's paper, The Knowledge Requirement of Contributory Infringement and the Aro Case, 48JPOS98 (1965) it should be noted that:

1. In *Dunlap* v. *Schofield,* 152 US 244 (1894), an action for design patent infringement, the U. S. Supreme Court, in its interpretation of the knowledge requirement of the Patent Act of 1887, 24 St. at L., ch.105, declared that:

> "This statute, according to its clear intent and effect, requires that, in order to charge either a manufacturer or a seller of articles to which has been applied a patented design . . . he must have been 'knowing that the same has been applied', which is equivalent to saying 'with a knowledge of the patent and of his infringement.' "

Revised Statute 4933, Patent Act of 1871, 17 St. at L., now 35 USC 171, Patent Act of 1952, provided that all provisions applicable to protecting patents for inventions were applicable to patents for designs.

2. Since the Supreme Court in the Aro Case found that General Motors was making the patented combination under a license from the patentee, 35 USC 287 was applicable. If the patent owner or the licensee did not give the public notice that the device was patented, the alleged infringer was entitled to be notified of the the infringement before any damages could be recovered in any action for infringement. *Hazeltine Research* v. *RCA,* 35 USPQ 438, 442 (DCSDNY, 1937).

The rule of *Wine Railway Appliance Co.* v. *Enterprise Railway Equipment Co.,* 297 US 387 (1936), is that where the patentee or anyone, for or under him, is manufacturing the patented article, either the public or the person charged with infringement must be notified that the article is patented before damages may be recovered. Obviously, it is immaterial whether or not the Ford cars were properly marked with the patent notice since Ford was not a licensee prior to January 2, 1954. 141 USPQ 689.

As succinctly stated by Judge Kaufman in *International Nickel Co.* v. *Ford Motor Co.* 119 USPQ 72, 85 (DC, SDNY, 1958) where the patentee and his licensees were making the patented article unmarked:

> "There can be no recovery for the period before the defendant is expressly notified by the patentee that it is infringing a particular patent." The state of mind of the alleged infringer, that he ". . . knew of the patent and had the soundest possible reason to believe . . ." that he would be charged with patent infringement" . . . is irrelevant."

This rule finds strong support in *Smith* v. *Dental Products Co.*, 60 USPQ 260 (CA 7, 1941) and in *Kilgore Manufacturing Co.* v. *Triumph Explosives, Inc.*, 49 USPQ 52 (D. C., Md., 1941).

3. Judge Rich, one of ". . . the spokesmen for the sponsors of the bill . . ." explains the intent of Congress in promulgating the patent statute in his interesting paper, "Who Wrote the Patent Act of 1952?", The Southwestern Legal Foundation, Patent Procurement and Exploitation, BNA (1963), page 77, as follows:

> "Realistically, the 'intent' with respect to the Patent Act of 1952, was the intent of a subcommittee to pass the bill prepared by patent lawyers, committee counsel, and members of the subcommittee . . . With this committee approval, the intent of the House of Representatives was to enact a law recommended to it by a responsible committee and in which the watchers of the Consent Calendar found nothing sufficiently controversial to give rise to objection or to require debate. Similarly in the Senate, that body relied on its committees and their recommendations, which committees, obviously, relied heavily on what took place in the House . . . (I)f legislative intent is to be found anywhere in the legislative body, it is in the views expressed by committees as found in their hearings and reports. That one legislator, who knows nothing of the details and who has only one vote, stands to ask one question of another legislator, who also knows nothing and who gives a noncommital answer, is no expression of 'legislative intent'. At most it shows clearly the intent of not more than one or two men."

BENJAMIN BERNSTEIN
Patents Department
Sperry Gyroscope Company
Great Neck, L. I., N. Y.

Re: "Are Patents Effective References as of Foreign Filing Dates?" *

It is stimulating and a tribute to the vitality of the patent profession that a problem of statutory construction such as the effective filing date of U. S. patents based on 35 U. S. C. Section 119, should arouse so much discussion and even emotion. The above identified author of a recent article on this matter has referred to my co-authored paper on the same subject at 45 J. P. O. S. 601-12.

My position was that while the answer to the issue of whether the Convention date or the U. S. filing date should apply under 35 U. S. C. 102(e) and 103 was not free from doubt, on balance the case law and the authorities that have considered this have arrived at the conclusion that it is the *Convention* date which should control. Mr.. Meyer apparently has less doubt that it is the *U. S. filing* date which, instead, should apply. It is accordingly proper to examine his authorities so as to give them their proper weight in arriving at a determination. The pertinent points, cases and materials discussed by Mr. Meyer in support of his position are therefore taken up, as far as possible, in the order in which he raised them in his article.

1. page 394. There is a reference to a commentary by Mr. Federico, among others, to bolster the proposition that 35 USC 119 should *not* be combined with 35 USC 102(e).

This is very interesting in view of an unpublished Board of Appeals decision dated February 25, 1964, by a panel, headed up by Mr. Federico. This case came squarley to grips with the issue presented and the Board considered at great length the case law and the history of the statutes and pertinent treaties. Their Board held that when the conditions of 35 USC 119 are complied with, it is the Convention date which controls for anticipatory purposes, not only for claimed subject matter but also for materials disclosed.

2. page 403. It is stated that the *Celanese* v. *Ribbon Narrow Fabrics* case holds that a U. S. patent is a reference as of its filing date in the United States, and not as of the earlier foreign filing date.

This case is hardly controlling because the Court at 48 PQ 448 considered it of some significance that there was no proof that the pertinent German application issued as a patent. In any case, a determination of the issue of concern here was unnecessary because the Court proceeded to find invalid the patent upon which infringement recovery was being sought over other art definitely of record.

* 47 JPOS 391 (June 1965).

3. page 404. In the *Van der Horst* decision, the withdrawal of a holding of invalidity based on a foreign application date impliedly prohibits such use.

It is difficult to find support for this proposition because the foreign date relied upon by the District Court was the filing date of the Provisional Specification of a British patent. There was nothing on the record to show there was a corresponding U. S. application so as to be relevant to the issue discussed. Accordingly, the Court of Appeals held at 198 Fed. 2d 748:

"... It is not necessary to decide the point and we leave it open ..."

4. page 406. The *Sperry Rand* v. *Knapp Monarch* decision is more or less deprecated as being contained in a footnote. It is further stated that the Court of Appeals did not mention this question of law because it would make very little difference, and furthermore, the lower Court decision could not be considered authoritative in view of other cases.

Mr. Meyer underestimates the thoroughness with which the issue we are concerned with was developed in this case. In the initial decisiou, 127 PQ 193, the problem of joining 119 with 102 was a key one. Accordingly, since this issue was raised after formal briefs were filed before Judge Kirkpatrick (well versed in patent matters because of his long experience with the CCPA), the matter was battled out by way of letters from counsel for both parties. These, totaling at least six in number, researched the issue in depth, including substantially all the cases and authorities in point. Thus, Judge Kirkpatrick in arriving at his decision, expressly considered the problem and held that it was necessary for the patentee in order to sustain the validity of his grant to antedate the Convention date of a pertinent reference. The reason the issue did not appear in the subsequent hearing before the Court of Appeals was, that on rehearing of various motions before the District Court, 129 PQ 305, the Court found that the supporting material in the patentee's 131 Affidavit was ineffective in any case, *thus* and *only subsequently*, rendering moot this point of statutory construction.

5. page 406 - *Viviani* v. *Taylor* v. *Herzog* decision is cited as supporting the proposition that it is the U. S. filing date and not the Convention date that controls.

There is no question but that this was relied upon by the Patent Office *prior* to the Commissioner's order of May 27, 1964. This case involved an interference and the language of the Commissioner's decision was probably broader than necessary to decide the particular issue involved in the specific matter. In any event, however, the *Viviani* case was thoroughly briefed by opposing counsel in the Sperry Rand proceeding and distin-

guished over, if not overruled by, the unpublished Board of Appeals decision referred to in 1 above (and see 6 and 7 below).

6. page 407. It is represented here and the *Ellis-Foster* decision impliedly approves of *Viviani.*

It is true that the Court considered the Convention date problem in this case. Since, however, it developed that the U. S. filing date of the foreign-originated U. S. patent antedated the patent in suit, no determination of the specific question was necessary. As regards impliedly approving of *Viviani,* the Court actually said at 198 Fed. 2d 45:

> ". . . The U. S. filing date is sufficient to take care of the problems in this case."

7. At *page 408* it is stated that the Commissioner's Order of May 27, 1964, makes the foreign filing date available for *claimed* subject matter. It is further stated that the Order by its terms is inapplicable to unclaimed disclosure, and *Viviana* still appears to be the authority in the Patent Office.

Actually, the present pertinent Section, 701 of the Manual of Patent Examining Procedure, states that not only is claimed subject matter to be utilized as the foreign filing date, but also *disclosed* matter related thereto. Furthermore, in the revision of 2, November 1964, the *Viviani* citation as authority *no* longer appears in this section.

Thus, in summary, it is resubmitted that on balance, the authorities that have considered the issue have arrived at the conclusion that it is the Convention date which should control The matter is of sufficient interest that even the forthcoming CCPA hearings on, e.g., *In re Hilmer, Korger, Weyer* and *Aumuller,* may not be conclusive. The issue will undoubtedly be raised in interparte matters of sufficient importance for possible ultimate resolution by the Supreme Court. In the meanwhile the development of the law will be followed with interest by the profession.

Union, N. J.

L. CHASAN

FAIRCHILD SEMICONDUCTOR
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Emery Industries, the leadking producer of oleo chemicals, has an excellent opening at Cincinnati for a young man with a Bachelors degree in chemistry or chemical engineering and an LLB, preferably with bar membership and 3-5 years in patent practice. He will report to the Patent Counsel and will assist in developing and executing programs in patents, trademarks, and FDA matters as well as other legal areas charged to Patent Counsel. Initial emphasis will be on the preparation and prosecution of patent applications with a minimum of supervision.

We offer an excellent salary, full company paid benefit plans including immediate participation in profit sharing and relocation assistance.

Please send a confidential resumé and general salary requirements to:

James W. Johnson, Salaried Personnel Department
EMERY INDUSTRIES, INC.
4200 Carew Tower
Cincinnati, Ohio 45202

Chemical Patent Attorney

EXPERIENCED ATTORNEY required for opening at Stauffer's new Research Center located in suburban Westchester County, New York, 30 minutes from downtown New York City. Prefer registered patent attorney with 1-5 years experience in Chemical Arts and degree in Chemistry or Chemical Engineering. Salary and duties commensurate with ability.

Send resumé in confidence to:

L. F. Kline, Jr.
Eastern Research Center
STAUFFER CHEMICAL COMPANY
Dobbs Ferry, New York

PATENT ATTORNEYS

(Los Angeles Area)

Positions are immediately available for Patent Attorneys capable of handling all phases of patent practice with a minimum of supervision.

Technology involves the electronic arts, including advanced radars and computers.

U. S. CITIZENSHIP IS REQUIRED

All replies will be held in strict confidence.
Please airmail response to:

Chief Patent Counsel
Hughes Aircraft Company
Bldg. 106, MC-1
P. O. Box 90515
Los Angeles, Calif. 90009

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PATENT ATTORNEY

Attractive openings available for patent attorneys in our patent departments at Springfield, Massachusetts and St. Louis, Missouri. Applicants should have a chemical degree or its equivalent, be registered to practice in the U. S. Patent Office, have a law degree, and at least three years patent experience.

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Manager, Professional Recruiting

Department CL-300

Monsanto

800 North Lindbergh Boulevard
St. Louis, Missouri 63166



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PATENT COUNSEL

Experienced Patent Lawyer needed to head the patent function of Southern California Division of a large, national Corporation. Knowledge relating to patent and data aspects of government contracts required.

Send resumé, including salary requirements to:

Box No. 1104, November JOURNAL.

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Situations Available

PATENT ATTORNEY

THIS POSITION with a New England electronics company offers exceptional challenge in a small Patent department. The man added to the staff will have the opportunity to do all phases of prosecutions, appeals, interferences, product clearances, infringements, trademarks, etc. He will be involved in a variety of technical areas as well—electronics, radar, micromodule circuitry, lasers, microwaves and others. The post calls for a BSEE and 3 to 4 years' experience in the electronics field either in a private law firm or with an industrial company. Candidates should be members of a state bar or federal bar and must be admitted to practice before the U. S. Patent Office. Send resumé in confidence to this equal opportunity employer. Box No. 1105 November JOURNAL.

PATENT LAWYER — MECHANICAL

Preferably also having metallurgy and/or electromechanical background. Prefer former Patent Examiner; experience in patent practice subsequent to patent examining essential, preferably 3-6 years. Position entails patent infringement and validity opinions, preparation and prosecution of patent and trademark applications, legal research and preparation of legal memos for patent and trademark litigation. No searching. Salary commensurate with experience and ability. Resumé Requested. LeBlanc & Shur, 1413 K Street, N. W., Washington, D. C. 783-2420, Area Code 202.

Situations Available

PATENT ATTORNEY

Rapidly growing electronic components manufacture has immediate opening in small patent department for aggressive patent attorney having electrical background and not more than two years' experience.

Position entails preparing and prosecuting domestic and foreign patent applications, infringement and validity opinions, appeals, and interferences.

Send confidential resumé giving education, experience and salary requirements to Patent Department, CTS CORPORATION, 1142 West Beardsley Avenue, Elkhart, Indiana, 46514.



PATENT ATTORNEYS

Progressive, medium size, machinery and control manufacturer located in midwest has immediate openings for two patent attorneys, one with electrical engineering degree and experience in electrical control field, and one with experience in both electrical and mechanical arts. 3 to 5 years experience in preparation and prosecution of patent applications is desirable in each case, but not mandatory. Affords opportunity to handle all phases of patent work including patent soliciting, licensing, infringement and validity studies. An Equal Opportunity Employer. Send resumé to Box No. 1106, November JOURNAL.



POSITION AVAILABLE with established patent law firm in Pacific Northwest. Must be admitted to practice before Patent Office and have had two years' experience in preparation and prosecution of mechanical or electrical patent applications. Good opportunity for qualified man in 25-35 age bracket and ready to do independent work. Send biographical resumé and approximate salary expected. Replies held in confidence. Box No. 1107, November JOURNAL.



PATENT ATTORNEY OR AGENT for New York patent law firm, one electrical, one mechanical; knowledge of German; excellent opportunity. Box No. 1108, November JOURNAL.

Situations Available

CHEMICAL PATENT ATTORNEY. Excellent position in Akron, Ohio office for registered Patent Attorney with chemical experience, capable of independent work. Resumés submitted will be confidential. Send resumé to: John R. Asp, Employment Department, The B. F. Goodrich Company, 500 S. Main St., Akron, Ohio.

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ESTABLISHED small midwestern firm has immediate opening for patent attorney capable of preparing applications with minimum of supervision and with ability to participate in all phases of general patent law practice with the object of becoming a partner. Box No. 1109, November JOURNAL.

AN UNUSUAL opportunity for growth, development, and commensurate compensation offered for a qualified patent attorney with five to ten years experience and potential for high level performance. Position involves a wide range of attorney activities, including license negotiations, interference practice and litigation, with work in foreign as well as domestic fields. Diversified technical subject matter is involved. Contact L. R. Kempton, General Electric Company, 1285 Boston Avenue, Bridgeport, Connecticut.

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NEW ENGLAND corporation requires Patent House Counsel to handle domestic and foreign license agreements, general counseling on patent, trademark, trade secret and other proprietary and related matters, to work directly with management, technical staff, and outside legal counsel. About 5 years experience, with some in private practice preferred, familiarity with chemical technology desirable. Box No. 1110, November JOURNAL.

Situations Available

PHILADELPHIA PATENT LAW FIRM requires patent examiner or patent attorney with chemical engineering degree, bar membership, and three to five years experience. Applicant must have superior scholastic record, and must be able to handle complex mechanisms. Firm has very varied practice including solicitation in chemistry and complex mechanics; litigation, and trademarks. Send resumé and salary requirements. Box No. 1111, November JOURNAL.

PATENT ATTORNEY OR AGENT for New York patent law firm, one electrical, one mechanical; excellent opportunity. Box No. 1112, November JOURNAL.

PATENT LAWYER

MECHANICAL ENGINEERING background to undertake all phases of patent prosecution for a division of a well-known company engaged in plant engineering and manufacturing of industrial equipment. He will assume responsibility for validity and infringement problems, as well as patent development, art knowledge, licensing, and counseling responsibilities. Box No. 1113. November JOURNAL.

SOUTHERN CALIFORNIA patent law firm has opening for attorney with mechanical or electrical background: varied and growing practice, including litigation; opportunity for future advancement. Box No. 1114, November JOURNAL.

NEW YORK FIRM, a.v. rating, has opening for chemical patent attorney, Prefer man with substantial independent practice, but will consider some expense underwriting during start-up. Box No. 1115, November JOURNAL.

PATENT ATTORNEY

INTERNATIONAL LAW

experienced all aspects international patent filing, prosecution, maintenance, licensing and enforcement. Mechanical and chemical docket. Address resumes to Patent Counsel, Johnson & Johnson, New Brunswick, New Jersey. Resumés held completely confidential.

Situations Available

MULTIPLANT DIVERSIFIED CORPORATION with headquarters in Northwestern Ohio has two patent attorney vacancies respectively for men with chemical and mechanical prosecution experience. Bar membership essential. Prefer man having one to five years' prosecution experience. Opportunity to advance to position of patent counsel for operating division. Salary open. All customary corporate benefits. Replies held in strict confidence. Send resumé with salary requirements to Box No. 1116, November JOURNAL.

PATENT ATTORNEY

The Patent Department of FMC's Chemical Divisions needs a patent attorney or patent agent with 1-2 years experience in chemical patent solicitation for an immediate opening in Princeton, New Jersey. We require: Chemical degree and patent office registration. A law degree is desirable. Send resumé with salary requirement in confidence to:

DR. H. H. YOUNG

FMC CORPORATION

Chemical Divisions

633 Third Ave., New York, New York 10017

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Situations Wanted

ATTORNEY (Calif. & D. C. Bars), 45, seeks position as General Counsel and Patent Counsel of medium size growth company headquartered in Los Angeles. Eighteen years patent and business experience in electronic, electromechanical, and mechanical arts; academic degrees in physics, economics, and law; early experience as physicist. Now employed in supervisory position as Patent Counsel in Los Angeles. Seek to broaden responsibility to include general law as well as patent law in company having strong commercial market growth potential including new product development. Box No. 1130, November JOURNAL.

Situations Wanted

PATENT ATTORNEY, thirties, diversified experience, mechanical and electromechanical background, desires responsible position, midwest preferred. Box No. 1131, November JOURNAL.

ATTORNEY L.L.B., B.S.(Eng.,) Background includes diversified general law practice - examiner 3 yrs. Electro mechanical - prefers position stressing legal qualification. Box No. 1132, November JOURNAL.

BRITISH TRAINED EXPERT in foreign patent practice, chemist, thirties, presently working and permanently residing United States seeks corporate position. Box No. 1133, November JOURNAL.

PATENT ATTORNEY, 31, B.E.E., LL.B., honors, Member N. Y. Bar, married. 6 years patent experience all phases complex electronic practice, including heavy infringement and validity study, with limited licensing, copyright, and trademark. Additional 5 years diverse electrical and electronic experience. N.Y.C. area preferred. Box No. 1134, November JOURNAL.

EXPERIENCED CHEMICAL PATENT ATTORNEY B. A. (Chem.), LL.B.: mid-thirties; 2 years examiner, 8 years corporate including prosecution, interferences, appeals, validity, etcl; seeks challenging opportunity with growth potential and responsibility; all areas considered, prefer Midwest or Southwest. Box No. 1135, November JOURNAL.

PATENT EXAMINER - B.S., LL.B., 3 yr. exam. electromechanical arts-some chemical-firm or corporation. Box No. 1136, November JOURNAL.

REGISTERED PATENT ATTORNEY—Bar Membership, mechanical engineer with education and experience in electrical engineering. Three years experience (including Corporate prosecution and Patent Office examining) in highly complex arts. Desires challenging position in New York City or surrounding area. Box No. 1137, November JOURNAL.

Situations Wanted

PATENT ATTORNEY, B. S. in E.E., LL.B., Federal and state bars. Ten year experience, including Patent Office, in electronics, optics, mechanical. Heavy electronics, physics, including data processing and interferometric instrumentation. Extensive interference and foreign practice. Seek firm or corporate position involving broad range of work. Location secondary to opportunity and job satisfaction. Box No. 1138, November JOURNAL.

PATENT ATTORNEY with 10 years diversified experience in electronic patent matters desires position with law firm or corporation. Box No. 1139, November JOURNAL.

PATENT ATTORNEY, 33 BSEE, LLB, D. C. Bar, Former Examiner, 3 years corporate experience, broad electronic and data processing experience. Desires position with law firm or corporation. Box No. 1140, November JOURNAL.

ATTORNEY, late thirties, considering relocating due to changing corporate circumstances; LL.B.-honors; Member State Bar; Registered Professional Chemical Engineer; Patent Office registration; eight years engineering experience chemical process development; seven years legal experience; presently Patent Counsel - Assistant Secretary multi-plant chemical company responsible all phases corporate patent activities, some general corporate practice; require position offering responsibility comparable to present, paying $20-22,000. Box No. 1141, November JOURNAL.

EXPERIENCED PATENT ATTORNEY: Exceptionally qualified U. S. and Foreign patent, trademark, copyright matters; unfair competition, anti-trust licensing, contracts, participation related litigation etc. Patent, D. C. and Pa. bars. Seeks position commensurate with experience; law firm or corporation. Resumé on request. Box No. 1142, November JOURNAL.

Situations Wanted

CHEMICAL PATENT ATTORNEY—B.S. in chemistry, LL.B. degree, admitted to practice before N. Y., D. C. Bars, U. S. and Canadian Patent Offices, diversified experience in all phases of corporate patent law, including U. S. and foreign prosecution, interferences, validity and infringement problems, contract licensing, desires career position with corporation or law firm. Box No. 1143 November JOURNAL.

CORPORATE ATTORNEY 30, experienced in general corporate patent matters, examining and prosecuting mechanical and hydraulic arts. Capable of assuming independent responsibility. Seeks corporate position. Box No. 1144, November JOURNAL.

PATENT LAWYER - 7 years engineering in industry, over 12 yrs. widely varied law firm experience in all phases of patent and trademark prosecution and licensing principally in mechanical arts but some metallurgy and electronics. Member of firm and leading income producer 4 out of last 6 yrs. Interested in law firm partnership any location but will consider corporation. Box No. 1145, November JOURNAL.

PATENT COUNSEL, second in charge of patent department of large electrical manufacturer, sixteen (16) years experience in electrical, electronic, and mechanical arts including prosecution, licensing, infringement and validity studies, trademarks, and interferences; undergraduate Coif and Eta Kappa Nu; desires responsible position in corporate legal department or patent law firm. Box No. 1146, November JOURNAL.

PATENT ATTORNEY-Late thirties, seeks career position with law firm or patent-conscious corporation which can utilize and remunerate for many years of responsibility as Division Patent Counsel in large corporation concerned with research and manufacturing in electrical, electronic, and mechanical technologies; extensive background in prosecution, Government contracts and trainee supervision; membership in state & Federal bars; former experience includes law firm, Law Review & Examiner corps. Box No. 1147, November JOURNAL.

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