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PATENT PROCUREMENT AND EXPLOITATION. Southwestern Legal Foundation. Washington, D.C.: Bureau of National Affairs, Inc., 1963. Pp. 346. $14.75.

Gerald J. Mossinghoff

Book Reviews

PATENT PROCUREMENT AND EXPLOITATION. Southwestern Legal Foundation. Washington, D.C.: Bureau of National Affairs, Inc., 1963. Pp. 346. $14.75.

To answer the need for current and authoritative assessment and reappraisal of the laws protecting intellectual property rights, the Southwestern Legal Foundation has established an Annual Institute on Patent Law, the first meeting of which was held last spring in Dallas. This book is a collection of the lectures and papers presented at this Dallas meeting, and includes additionally the transcripts of two informative seminars held during the institute, one on domestic and one on foreign patent exploitation.

While much of the material presented is directed rather specifically to the day-to-day problems confronting practicing patent attorneys, many of the subjects relating to the protection of intellectual rights relate also to broad business and corporate policy questions and hence should be of considerable interest to general attorneys and businessmen alike. Included in this latter category are a paper by Tom Arnold, chairman-elect of the ABA patent section, on "Rights in Trade Secrets That Are Not Secret" and an article by Sidney A. Johnson on "Licensing Patent Rights and Technical Information." And in a paper by Howard Forman, author of the well-known text on government ownership of patents and numerous related articles, the broad economic and social factors of the incentives provided by the patent system are weighed in an attempt to measure the impact of current government patent policy and to suggest what Mr. Forman feels are necessary changes in this policy.

Undoubtedly the most engaging and significant lecture presented at the Institute was one dealing with the behind-the-scenes history of the Patent Act of 1952 (Title 35, U. S. Code) by the Honorable Giles S. Rich of the Court of Customs and Patent Appeals: "Congressional Intent—Or, Who Wrote the Patent Act of 1952." From his vantage point as member of the four-man Drafting and Coordinating Committee, Judge Rich tells how the 1952 Act came to be written, who wrote it, and the relationship between the actual authors and the enacting Congress. Backed by House and Senate Judiciary Committee reports, the record of the debate on the floor of the Senate, the remarks of Mr. P. J. Federico appearing in Title 35 of the U. S. Code

Annotated, and numerous judicial decisions construing the 1952 Act, a student of the legislative process is able to make a persuasive argument that the "legislative intent" in 1952 was to codify and not to revise the existing patent law. It is clear from Judge Rich's accounts of the circumstances underlying passage of the 1952 Act (1) that in many respects the 1952 Act did amount to a revision of existing judge-made law (for example, compare 35 U.S.C. 271 with the Supreme Court's *Mercoid* doctrine),[1] and (2) that in any event, little or no "legislative intent," as that term is normally used, accompanied passage of the 1952 Act. On this latter point one is persuaded to agree with the conclusion of Representative Crumpacker who actively participated in the hearings on the 1952 Patent Act as a member of the patent committee:

> When the courts, in seeking to interpret the language of the Act, go through the ritual of seeking to ascertain the "intent of Congress" in adopting same, they would do well to look to the writings of these men—Federico, Rich, Harris, and the others—as they, far more than any member of the House or Senate, knew and understood what was intended by the language used.

But while the writings of these men have been and will continue to be quite persuasive, patent attorneys and courts in patent cases will no doubt continue to look to "congressional intent" as the final authority in support of their interpretations of the 1952 Patent Act; although, in view of the Rich article, this will be done more out of necessity than complete intellectual honesty.

In articles by Virgil E. Woodcock of Philadelphia and Marvin Browning of Houston, the former entitled "The Well-Drafted Claim" and the latter outlining "Current Problems in Patent Prosecution in the Patent Office," the vitally important subjects of patent application drafting and prosecution are reviewed and analyzed. In a sense, the Browning article supplements the Woodcock discussion, and each of these in turn is complemented by Mr. John W. Malley's "Patent Litigation and Interferences."

Within the context of a specific example of a proposed "invention" and in light of relevant prior art references, Mr. Woodcock outlines an orderly and yet somewhat intuitive process of drafting claims to adequately cover the invention while at the same time avoiding the prior art. The various possible approaches are mentioned along with decisions having a bearing on the type of claims finally selected. In addition to serving as an invaluable guide for attorneys engaged in drafting patent applications, particularly less experienced patent attorneys, the Woodcock paper demonstrates clearly and ably that in writing patent claims all of the legal and professional skill of the attorney must be brought into play if the claims are to serve as anything but mere technical descriptions of the invention. This in turn tends to refute the contention that the writing of a patent application somehow differs from the practice of law.

The Browning paper, as the title suggests, discusses current problems to be expected in the prosecution of applications in the Patent Office. In recent times these problems have been brought into sharper focus by the Patent Office reorganization, by the newly adopted compact prosecution procedure, and by the so-called Patent Office

[1] Mercoid Corp. v. Mid-Continent Co., 320 U.S. 661 (1944); Mercoid Corp. v. Minneapolis-Honeywell Regulator Co., 320 U.S. 680 (1944).

quality control program. Each of these is mentioned in the context of fundamental concepts which must be constantly in mind during prosecution: the avoidance of unnecessary file wrapper estoppel, the avoidance of implied disclaimer by placing too limited an interpretation on claim language, the shifting of emphasis of the application during the course of prosecution, and the minimizing or omission altogether of the essence of the invention in the claims to secure their allowance.

Running through both the Woodcock and the Browning papers is the cogent theme that the writing and the prosecution of a patent application are merely initial steps in protecting an invention, and that in each of these steps an attorney should look beyond prosecution to the actual exploitation of the invention. Thus, the well-drafted claim should not be written solely for the Patent Examiner, although this is important; it should be written instead for the prospective licensee and for the benefit of a Federal Judge who may ultimately be called upon to enforce the claim. And in prosecution, while one of the prime goals is to have the application allowed, every step taken should be carefully considered in light of what is to be expected of the patent after allowance.

This theme leads logically to the John W. Malley article, "Patent Litigation and Interferences," and in turn to Sidney Johnson's paper on "Licensing Patent Rights and Technical Information." The main thrust of the Malley paper is that representing and claiming an invention as broadly as possible is not necessarily in the best interest of the patentee or client. Malley relies upon a useful collection of cases in which patents were held invalid for overstating the invention to support his conclusion:

> Where there is a worthwhile invention to protect, it can be done best by presenting claims of scope confined reasonably to the inventor's actual contribution while conforming the representations of the specification to the scope of the claims as they are necessarily and properly limited.

In his article Sidney Johnson covers the broad spectrum of the factors which must be carefully considered prior to writing an enforceable patent licensing agreement. These include the license objectives, the value of the invention, the basis of royalty charges, the enforceability of territorial restriction, and the use of so-called "grant-back" clauses. The distinction between a naked license or immunity from suit and an agreement in which there is a full interchange of technical data and information is carefully drawn, as is the distinction between those determinations on the nature of the proposed patent license which are based solely on legal grounds and those based primarily on business or policy considerations.

A comprehensive survey of recent developments in the field of patent law, including a collection of the recent "Practice of Law" cases, is presented by Mr. D. Carl Richards of Dallas. The more noteworthy topics covered include the three recent cases relating to the right of a corporation to claim the traditional attorney-client privilege for consultation with an attorney,[2] the *Spray Products Corporation* case[3] on conflict of

[2] Radiant Burners, Inc. v. American Gas Association, 207 F. Supp. 771 (N.D. Ill. 1962); City of Philadelphia v. Westinghouse Corp., 210 F. Supp. 483 (E.D. Pa. 1962); Garrison v. General Motors Corp., 213 F. Supp. 515 (S.D. Calif. 1963).

[3] Spray Products Corp. v. Strouse Inc., 31 F.R.D. 244 (E.D. Pa., 1962).

interest problems, the recent trend of the Court of Customs and Patent Appeals to place greater emphasis on the phrase "as a whole" in 35 U.S.C. 103[4] to require that the subject matter sought to be patented must "as a whole" be obvious to a person having ordinary skill in the art in order to sustain a rejection, a report on the recent decision of the First Circuit Court of Appeals in the *Aro* case,[5] following remand of the Supreme Court's decision,[6] and the recent Patent Office Board of Appeals decisions on the ever-vexing problems of method claims and their proper use. This latter discussion points up clearly the need for a periodic review of patent law. *Ex parte Symons,*[7] in which the Board of Appeals recently announced a very liberal policy toward method claims, is discussed at some length by Richards; this case has even more recently been expressly overruled by the Board of Appeals in *Ex parte Packard.*[8]

Rounding out the book are Mr. Tom Arnold's treatise on trade secrets and related matters, the Howard Forman essay on government patent policy, and an article by William Sherman of Houston on "Effective Foreign Patenting." Among other things, the Arnold paper outlines interesting problems of relief in trade secret cases. In the context of hypothetical cases Mr. Arnold demonstrates that traditional measures of relief in this area could possibly lead to results or sanctions wholly unrelated to the damage caused the plaintiff by the defendant's actions. And even when this is not the case, it is a difficult problem to decide upon a fair and realistic measure of damages in cases involving what Mr. Arnold characterizes as trade secrets that are not really secret.

After initially outlining in rather broad economic terms the rate and direction of inventive activity in this country, and noting particularly the effect of the ever-increasing government involvement in research and development, Mr. Forman in his presentation reaches specific conclusions on establishing and maintaining what he considers to be an appropriate balance between private rights traditionally provided under the patent system and the rights which the government must acquire to adequately protect the public interest. Specifically, Mr. Forman concludes that legislative action is needed to limit the applicability of 28 U.S.C. 1498,[9] except in time of war or national emergency, to those instances in which the enjoining of an infringing government use of a patented invention would be seriously detrimental to the national security.

Also recommended is enactment of H.R. 4482,[10] introduced by Representative Toll of Pennsylvania in February 1963. This bill would require that title to inventions made by employees of the government or its contractors be left in the inventor or his assignees unless there are compelling reasons to the contrary. In view of the October

[4] Section 103 provides that a patent may not be obtained if the differences between the prior art and the subject matter as a whole would have been obvious at the time the invention was made to one having ordinary skill in the art to which the invention pertains.

[5] Convertible Top Replacement Co. v. Aro Mfg. Co., 312 F.2d 52 (1st Cir. 1962).

[6] Aro Mfg. Co. v. Convertible Top Replacement Co., 365 U.S. 336 (1961).

[7] 134 U.S. P.Q. 74 (Patent Office Board of Appeals, 1962).

[8] 140 U.S. P.Q. 27 (Patent Office Board of Appeals, 1963).

[9] 28 U.S.C. 1498 gives a patentee a right of action against the United States in the U.S. Court of Claims for compensation resulting from use by the United States of patented inventions unless the invention is made by a government employee during his employment and is related to his official government functions.

[10] 88th Cong., 1st Sess.

10, 1963, Presidential memorandum on Federal Patent Policy,[11] much of what Mr. Forman includes in his article will require reappraisal in light of the various criteria established in this memorandum. Nevertheless, his paper will serve the useful purpose of providing an informed view of government patent policy in the era immediately preceding the issuance of the Presidential memorandum.

Finally, the Sherman article sets forth recommended guidelines for the establishment and maintenance of an effective and practical foreign patent program. These guidelines take into account both the extent of protection afforded by the various foreign patent systems and the probable cost of filing under these systems. The author concludes with the prediction that the proposed Common Market patent will in all probability be limited to nationals of member countries, and attempts briefly to appraise the probable impact on existing foreign filing programs if this prediction proves accurate.

Because this book is intended to provide a topical or current review of patent law and related matters, its use as a reference text is necessarily somewhat limited. To this limitation is added the fact that, while a theme common to three or four of the papers presented is discernible, the remaining articles are directed to essentially unrelated subjects. However, to the extent that the rather complete index accompanying the papers and seminars will permit later access to the subjects and cases discussed, the book qualifies not only as an extremely interesting discourse to be read through and digested, but also as a reference book of some lasting value.

In all, the announced purposes of the Institute on Patent Law were served very well by its first annual meeting and by this record of that meeting. Recent developments in the law and recent trends are brought into sharper focus. And if new problems are presented, this is after all an encouraging characteristic of a vital and dynamic system of law.

GERALD J. MOSSINGHOFF*

MORRISON R. WAITE: THE TRIUMPH OF CHARACTER by C. Peter McGrath, Macmillan Co., N.Y. 1963, $10.

Morrison R. Waite was a good lawyer who brought dignity and commitment to the Supreme Court. He has needed a good biographer. Professor Magrath is that and more; he has written an exciting book. The Chief Justice is not the only star in the story—there are also the other judges and the Union in the 1870's and 80's. Most lawmen have forgotten Waite. Magrath's book is so good you believe it will change the climate.

Waite was not a giant when he was appointed to the Court, but he lived with some

* Patent Advisor, Office of General Counsel, National Aeronautics and Space Administration.

[11] Exec. Memorandum, 28 Fed. Reg. 10943 (1963).