The Fifth Circuit affirms. Judge Vance states that the trial evidence amounted to "a battle of the experts," and that "there was clear support for each contending position." Under those circumstances, he adds, the trial judge must be upheld because his findings are not "clearly erroneous."

Trademarks, PTO: The Ad Hoc Study Committee of the United States Trademark Association has recently released its report, dated February 12th, on "The Trademark Operation of the United States Patent and Trademark Office." The report provides a historical overview of the myriad problems currently facing the Trademark Operation and recommends a host of changes designed to improve its effectiveness and functioning.

In order to put a stop to what the study terms the "turnstile administration" of the Trademark Operation, the committee urges that provision be made for a Registrar of Trademarks, with a fixed six-year term. The committee also endorses the concept of an independent PTO and makes a number of suggestions to improve the quality of the administrative procedures of the Trademark Operation, including a proposal for an automated information retrieval system.

Copies of the report may be obtained from the committee's chairman, Francis W. Campbell, c/o Thomson & Thomson Inc., 120 Fulton Street, Boston, Massachusetts 02109. Telephone: (617) 367-3110.

Legislation, Small Business: Based on Congressional findings that "technological innovation is a most important contributor to * * * increased productivity" and that "small business is a principal source of major innovations in the Nation," Representative Neal Smith (D-Iowa) has introduced a bill designed to aid innovative small businesses. H.R. 11, the "Small Business Innovation Act of 1981," addresses a host of issues, including Government contracts, taxation, and patent reexamination.

Under the bill, each federal agency is directed to reserve at least 15% of its research and development budget for small business. In addition, each agency having a research and development budget of $100 million or more must initiate and conduct a small business innovation research competitive solicitation program.

H.R. 11 would also amend the Internal Revenue Code by providing tax concessions to those who invest in a "qualified small business concern."

Title III of the Act sets forth a scheme for patent reexamination which varies slightly from that which was enacted late last year. See H.R. 6933, 509 PTCJ A-1.

The "Small Business Innovation Act of 1981," which was introduced on January 5th, has been referred to the Committees on Small Business, Ways and Means, and the Judiciary.

Legislation, Franchising: H.R. 460, the "Franchise Reform Act," was introduced January 5th by Representative Robert A. Roe (D-N.J.). The bill is an attempt to correct the present inequities in the termination and renewal of franchises.

Under the bill, no franchisor may terminate a franchise unless the franchisor is effecting a marketing area withdrawal or has good cause. In addition, no franchisor could fail to renew a franchise unless it was withdrawing from the market area or permits the franchisee to sell the franchise. In either situation, the franchisor would be required to furnish the franchisee with prior written notification setting forth the reasons for termination or for failure to renew.

H.R. 460 has been referred to the Committee on Energy and Commerce.

Legislation, Patents: The House counterpart to legislation (see S.255, 517 PTCJ A-10, D-1) that would extend the term of the patent grant to compensate for regulatory delay was introduced by Representative Robert W. Kastenmeier (D-Wis.) on February 18th. H.R. 1937, the "Patent Term Restoration Act of 1981," has been referred to the Judiciary Committee.

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