PATENT LAW REVISION AND CODIFICA

THURSDAY, JUNE 14, 1951

House of Representativ
Subcommittee No. 3 of the Committee on the Judi
Washin

The subcommittee met at 2 p. m., pursuant to recess, in
Old House Office Building, Hon. Joseph R. Bryson (chai
subcommittee) presiding.

Mr. Bryson. The subcommittee will come to order.

Gentlemen, Mr. Kane wishes to make a brief statement
deretand if you wish to reserve the right to file a writte

STATEMENT OF AL PHILIP KANE, KANE & K
WASHINGTON, D. C.

Mr. Kane. That is correct, Mr. Chairman.

Mr. Chairman and members of the subcommittee, my
Philip Kane. I am a member of the District of Col
member of the law firm of Kane & Kenus, general p
torneys, not patent attorneys or patent lawyers, in the
ington, D. C. I appear here today on behalf of Victor J.
registered patent attorneys and McMorrow, Berman, a
registered patent attorneys.

We are particularly interested in sections 31, 32, and
which is before the subcommittee. We have been having
cussions with members of the committee's staff with regard
ing of these sections, and we desire to continue our dis
the staff to see if the differences which we have between
the staff can be ironed out amicably and to our satisfac
We therefore desire at this time merely to state we do
tinue our discussions and that we reserve the right to
statement. We hope that if we are unable to iron out ou
we may have the privilege of an oral statement at some l

Mr. Bryson. We will try to grant that.

So we may understand your position concretely, it re
the custom of advertising?

Mr. Kane. That is correct.

Mr. Bryson. You wish to retain the status quo in this
Mr. Kane. That is correct.

Mr. Bryson. You wish to continue the practice that h
now?

Mr. Kane. Yes; subject to approval of the advertising
missioner of Patents, which is the present practice.

Mr. Bryson. You will try to get together with our staf
of working out your differences and respective views at a

. We are holding ourselves available for meetings with
he staff's convenience.
ss. Thank you.
will you identify yourself?

EMENT OF JOHN W. SCOTT, SCOTT & LITTMAN, WASHINGTON, D. C.

, I am John W. Scott. I am a member of the firm of
nan, attorneys, 1025 Vermont Avenue, Washington, D. C.
e for Clarence O'Brien and Harvey B. Jacobson, patent

he statement that Mr. Kane has just made. I, too, am
the group. We hope that there can be some satisfactory
the problems which we have been working on with the

ke to reserve the right in case that does not materialize
statement on behalf of my clients and also be heard at
ther session of the committee may be held in that regard.
s. We will try to extend every courtesy possible. Thank

. Thank you.
ss. We now have Captain Robillard of the United States
will be pleased to have you come around.
ve a prepared statement?

OF CAPT. GEORGE N. ROBILLARD, UNITED STATES APPEARING FOR THE DEPARTMENT OF DEFENSE

Robillard. Mr. Chairman, I understand that you have
copy of the report. I have not prepared any statement
I would like to add a few comments to what is in the

rt is as follows:)

DEPARTMENT OF THE NAVY,
OFFICE OF THE JUDGE ADVOCATE GENERAL,
Washington, D. C., June 14, 1951.

. CELLER,
Committee on the Judiciary,
of Representatives.

, CHAIRMAN: Your request for comments on H. R. 3760, to revise
laws relating to patents and the Patent Office, and to enact into
the United States Code entitled "Patents," has been referred to
nt for the preparation of a report thereon expressing the views
ment of Defense.

of this proposed legislation is expressed in the title of the bill
ent of the Navy, on behalf of the Department of Defense, inter-
tion to the enactment of H. R. 3760 subject, however, to certain
which are recommended hereinafter for the reasons stated in
rewith.

line 1 of section 101, insert the word "art," before the word
and make the same change in line 2 of section 115.

anges are recommended to avoid misinterpretation. H. R. 3760
the term "art" now appearing in the present law (35 U. S. C. 31)
the word "process." The term "art" is as old as the patent law
asis in the constitutional provision permitting the establishment
. It has a well-defined meaning and has been construed by the
rous cases.

(b) Delete subsection (a) of section 102 and insert the following in lieu thereof: "before the applicant's invention thereof the invention was in fact made by another who in this country was using reasonable diligence in reducing it to practice or had reduced it to practice, provided such other had not abandoned, suppressed or concealed the invention after reduction to practice, and had exercised diligence in putting it into use or in otherwise making knowledge thereof available to the public."

This subsection as now written in the bill could be interpreted to constitute a secret reduction to practice in anticipation of an issued patent. This interpretation is contrary to existing law and is not approved by the Department of Defense. The above amendment would prevent such an interpretation.

(c) Add the following paragraph to section 122 of the bill:

"Pending applications for patents may be printed and published by the Commissioner, at the request and expense of the applicant and owner. Such publication shall have the same effect as an issued patent for the purposes of section 102 (e) of this title."

This paragraph was included in H. R. 1130, Eighty-first Congress, and received strong support from governmental agencies. It will permit governmental agencies to have applications printed and published and thus save the cost of prosecuting them to allowance. If the application is full disclosure then publication will make it "prior art" and give to the Government the same protective position as does an issued patent. The procedure is presently followed under administrative orders of the Commissioner of Patents. Statutory authority would remove any doubt of the legality of this procedure.

(d) In line 1 of section 201, strike out the words "through error."

In line 1 of section 201 insert the words "through error and" before the word "without".

As presently drawn the words "through error" could be construed as referring to the words "is deemed" whereas these words should refer to "by reason of a defective specification or drawing or by reason of the patentee claiming more or less than he had a right to claim in the patent." The recommended change will assure the proper construction.

(e) Strike out the first sentence in section 211.

Although patents have always been recognized as property, they have not been recognized as personal property but as having the attributes of several kinds of property. The opinion in *Solomons v. United States* (21 Ct. Clms. 440), points out wherein patents are a novelty in the law, certain respects wherein they differ from personal property, and certain similarities thereof to real property. It is not considered desirable to discard over a century of law relating to patent property and replace it with the rules of personal property.

(f) Delete all after the enacting clause in section 212 and insert in lieu thereof the following:

"Whenever two or more persons own a patent jointly, either by issuing of the patent to them jointly or by reason of the assignment of an undivided interest in the patent or by reason of succession in title to such interest, each of the joint owners, in the absence of any agreement to the contrary, shall be entitled to make, use or sell the patented invention or license others so to do, or assign or encumber his interest without accounting to the other joint owners."

This section of the bill provides that joint owners must either join in an assignment or license or account to each other in the absence of an agreement to the contrary. It is believed that this requirement unnecessarily restricts the rights of joint owners. The above amendment, which was section 212 of H. R. 3760, Eighty-first Congress, is considered preferable.

(g) Add the following sentence to section 240:

"With respect to infringement committed by or on behalf of the Government, the period between the date of receipt by the Government of a written claim for compensation for infringement and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the 6 years, unless suit is brought before the last mentioned date."

Governmental agencies have authority to settle claims prior to suit and this authority has proved very useful in resolving and disposing of claims against the Government without the necessity of the effort and expense of litigation. It is noted, however, that a claimant who seeks to proceed administratively to settle his claim prior to suit may lose his right to recover compensation for a period of the time equivalent to the time required to process the claim adminis-

the statute of limitations has been running against the claimant
ied of time. Because of this many claimants have filed suit
seeding to a final administrative determination. The intent of
viding for the administrative compromise and settlement of claims
he over-all cost of determining the existence of Government lia-
n the Government's standpoint and that of the claimant. The
nt is needed to protect this intent.

-subsection (c) of terminal section 4 on page 28 of the bill add
g at the end before the period: "prior to the effective date of this

t will clarify the application of this subsection.
as been coordinated within the Department of Defense in accord-
dures prescribed by the Secretary of Defense.
artment has been advised by the Bureau of the Budget that there
to the submission of this report on H. R. 3870 to the Congress.
tary of the Navy.
yours,

G. L. RUSSELL,
ral, United States Navy, Judge Advocate General of the Navy.

. I would like to state before Captain Robillard pro-
nope you will not object, it might be that some of you
here have not seen the current issue of the Saturday
. It would be profitable and interesting if you would
see the article that is in there.

LLARD. The report has been cleared by the Bureau of
In the report, you will find that we request but eight
half of the Department of Defense in the codification.
s an outstanding tribute, Mr. Chairman, to your com-
the coordinating committee. We can generally make
in a single paragraph.

ght changes there are two in particular to which I would
s myself and invite your attention. The first is an addi-
122. You will find it on page 2 of the report where we
ragraph be added which will permit the printing and
pending applications without the necessity of prosecut-
ugh to an allowance. The reason we are particularly
hat, from the viewpoint of the Government, is that we
olicy of issuing patents in the name of the Government
viewpoint of establishing a protective position results in
waste of time, effort, and money, which could be saved
int and publish the application and make it a complete
h the same effect as the patent.

n example, we have in our own Navy Department ap-
00 to 1,000 cases which are Government-owned. If this
enacted into legislation, we could probably publish all
out the necessity of any further prosecution, saving a
nount of time on our part and certainly relieving the
f a tremendous burden.

provision which I wish to emphasize is the addition to
hich, in effect, is the statute of limitations for recovery
nt. At present, a patent owner's remedy against the
s by suit in the Court of Claims, unless they reach a
ttlement with those agencies which have authority to

ke to add the provision to toll the statute of limitations
ndency of a claim in an administrative agency so that

neither of us would have the pressure on us to try to reach a settlement and the patent owner would not be losing his right to go into the Court of Claims in the period between the time he files the claim and we finally reject it. It would be particularly beneficial to the Government, I think, in view of the fact that in many instances we can often arrive at a very satisfactory compromise, many times including settlements for past infringement and future use, which, of course, is extremely important to use where the patent has not expired and we will continue to use it.

Mr. CRUMPACKER. I see that this language which you have recommended here says that the period of time from the date a written claim is received until the date of mailing of a notice of denial shall not be counted in the 6-year period unless suit is brought before the last mentioned date. If a claim were filed, say, 5 years after the infringement and negotiations continued for more than one year thereafter, and no suit was filed, then from the time that the 6-year period had expired until the Government saw fit to act on the claim the patentee would be entirely without remedy or recourse, would he not?

Captain ROBILLARD. Your point is well taken, sir. The language is poor. That was not the intent. The intent was to toll that period.

Mr. CRUMPACKER. Then if you strike the part beginning with the words "unless on", would that create any new defects?

Captain ROBILLARD. We did want to point out if a claim is pending and during that pendency the claimant brings suit, then the statute would start running.

Mr. CRUMPACKER. The filing of the suit tolls the statute in any event, does it not?

Captain ROBILLARD. Yes. I think it is right to strike it out. Would you let me give it a little more thought and discuss it with the committee in case we have any worries about it?

Mr. CRUMPACKER. Yes.

Mr. BRYSON. When we go into executive session to mark the bill up, we would appreciate your being available to assist us in making any changes.

Captain ROBILLARD. They are the two which I consider very important. The others, I think, are directed more to clarification than anything else. That is all I have to say.

Mr. BRYSON. You do not care to discuss the others?

Captain ROBILLARD. No, sir. I do not think they are important enough to take up the time of the committee.

Mr. BRYSON. Thank you, Captain.

We wish to offer for the record here a statement dated June 13, 1951, from the Federal Security Agency and likewise a statement dated June 12, 1951, from the National Advisory Committee on Aeronautics.

(The statements referred to follow:

FEDERAL SECURITY AGENCY,
Washington, June 5, 1951.

HON. JOSEPH R. BRYSON,
Chairman, Subcommittee No. 3, Committee on the Judiciary,
House of Representatives, Washington 25, D. C.

DEAR MR. CHAIRMAN: This letter is in response to your request of April 30, 1951, for a report on H. R. 3760, a bill to revise and codify the laws relating to patents and the Patent Office, and to enact into law title 35 of the United States Code entitled "Patents."

number of inventions are made by employees of this Agency, and individuals engaged in research work supported wholly or in part lth Service fellowships or grants in aid of research. Where the such a nature that it should be patented in the public interest, ces steps to secure a patent. The preparation and prosecution of tions is handled for us by the Department of Justice, and we as- artment may have its own recommendations with respect to this nments will be confined to points relating to the ownership and inventions and patents, and to the waiver of patent fees in cer-

3 "Joint Owners".—This section of the bill provides that in the y agreement to the contrary, where an invention is made jointly e persons "neither of the owners may grant licenses or assign his y part thereof, without the consent of the other owners or without them." This constitutes an important change from the present ich each joint owner has an independent interest in the patent. aspects to this interest. At present, in the absence of an agree- trary each coowner of an undivided interest in a patent can inde- e, use, and sell the invention, i. e., the thing or process invented, onsent of the other owners and without accounting to them for d this rule is preserved in section 212 of the present bill. How- isting law a joint owner ordinarily can also assign or grant his patent itself, or can grant licenses under the patent, without the coowners and without accounting to them; and this aspect would the language quoted above.

eaning of the quoted language is not entirely clear, however. It preted as requiring a coowner either to obtain the consent of his account to them, before granting licenses or assigning his interest. On the other hand, it could also be read as requiring him to do latter event particularly, the change in the law would create a ls agency in certain cases and presumably also for other Govern- making research grants.

y arises out of the circumstance that patentable inventions some- om research performed by a research scientist who, for example, receiving a Public Health Service fellowship, but who may have in a laboratory jointly with one or more other individuals who pport from public funds. In such cases, the inventor who had al funds in support of his work would be free, under existing ithout the consent of his coinventor any agreement he may have rpose of receiving the research award. For example, that agree- all for the assignment of his interest in the patent, without to the Government, or the inventor might be authorized to assign he patent to a suitable institution for administration in the public he event of such assignment, the Government or other assignee in e to grant licenses under any such patent to any commercial firm who may wish to make use of the invention. However, without of the colleague who participated in the research (who was under o the Government), it would appear that the Government might receiving any interest in the invention or granting any licenses though the invention resulted from a substantial investment of This would be equally undesirable from the point of view of the e the Government would be involved in any action he wished to ct to his interest in the patent.

re passed in its present form and narrowly interpreted, it might ake effective steps to protect the public interest in such inven- mple, it would not always be practicable to enter into advance h each person who might collaborate in the research, because it difficult to identify in advance each scientist or assistant who te and who therefore would have to be a party to the agreement. tity of all such individuals could be ascertained, the main purpose grants and fellowships is to promote the increase of knowledge illed personnel, rather than to make inventions, and a patentable ts from only a small percentage of them. Therefore it would be ter into a large number of agreements, only a small fraction of useful.

ded to enact a provision which will accomplish the general ob- ion 212, this agency would have no objection, provided it clearly

permits (1) a joint inventor, without receiving any remuneration therefor, to assign his interest in a patent application or in a patent, or to give a license, without incurring any obligation to his co owners by reason of having made such assignment or granted such license; and (2) permits the Government or other assignee or licensee to issue royalty-free licenses or sublicenses in the public interest under such application or patent, without incurring any obligation to the co owners.

It is suggested that this result might be obtained and at the same time provide for an accounting of remuneration actually received, by revising the last clause of section 212 to read somewhat as follows:

"* * * * * and any owner may grant licenses or assign his interest, or any part thereof, without the consent of the other owners, provided that he must account to them for their proportionate shares in the event he receives any remuneration therefor."

This recommendation is substantially in accord with the views of a committee appointed by the Chairman of the Government Patents Board to consider this question.

2. Section 221: "Issue of patents without fees to Government employees".—This provision derives from the "surfee" act of March 3, 1883, as amended (35 U. S. C. § 45), which authorizes the Commissioner of Patents to waive the fee for inventions by Federal employees if they are liable to be used in the public interest and if the employee gives the Government a license to use the invention. There are a few changes in language, such as the requirement of a certification that the invention is used or likely to be used "by or for the Government," rather than used "in the public interest" as in the present law.

In addition to inventions owned by employees, there are inventions conceived by our employees under circumstances where the Government is entitled to the assignment of all rights in the invention or of certain lesser rights therein. Moreover, as indicated earlier in this report, there are some inventions made by individuals who are not Federal employees, under agreements whereby the Government is entitled to an assignment of some or all rights in the invention because it resulted from research work financed in whole or in part from public funds. The research activities of the Public Health Service, whether under taken directly by employees or indirectly through grant-supported research, at times result in valuable inventions in the nature of chemical or biological discoveries which may be of substantial value for use in the field of public health and medicine. These inventions might in some cases be highly useful in the public interest, even if not manufactured or used directly by or for the Government. The Public Health Service can of course arrange for filing patent applications on nonemployee inventions and pay the usual Patent Office fees out of appropriated funds which may be available for that purpose. However, this simply means the transfer of such funds back into the Federal Treasury, with an incidental administrative expense and possible delay in handling the paper work needed for a transfer of funds.

It would therefore seem to be a logical clarification of section 221 if it were revised to conform to present practice by including expressly employee inventions assigned or to be assigned to the Government. It would be very desirable in that connection to retain the language of the existing statute ("in the public interest"), because the more restrictive requirement that the invention is likely to be used "by or for the Government" might operate to discourage the patenting of some inventions made with the use of public funds where it would be in the public interest to secure a patent.

It would also seem to be logical and justifiable to extend the scope of section 221 to include cases where the invention is made by a person not technically a Federal employee, if it resulted from the expenditure of public funds and if the Government has rights in the invention (frequently, but not always, being entitled to the assignment of all domestic rights therein). It is believed that this limited extension of the section to cover certain nonemployee inventions resulting from publicly financed research might not involve any very large increase in the number of waivers by the Patent Office, as compared with those under the present statute. If believed to be desirable, the waiver could be made discretionary in accordance with rules to be formulated by the Commissioner. Suggested language to carry out this recommendation is enclosed for the committee's consideration.

This agency has no objection to the enactment of the bill, but we recommend that it be modified as suggested above.

the Budget advises that there is no objection to the submission
our committee.
yours,

JOHN L. THURSTON,
Acting Administrator.

ESTED LANGUAGE FOR THE REVISION OF SECTION 221

oner may grant, subject to the provisions of this title, to any
man, or employee of the Government, except officers and em-
atent Office, or to any individual whose invention was made in
activities financed wholly or partially from Federal funds, a
he payment of fees, when the head of a department or agency,
official duly authorized in writing to act on his behalf,' certifies
n is used or likely to be used in the public interest, and further
such official also certifies that to the best of his information
overnment has been assigned or is entitled to the ownership of
invention or to a specified lesser interest therein,' or (2) the
application states that the invention described therein may be
d used by or for the Government for governmental purposes
ment to him of any royalty thereon, which stipulation shall be
atent.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS,
Washington, D. C., June 12, 1951.

BRYSON,
Subcommittee No. 3, Committee on the Judiciary,
United States House of Representatives, Washington, D. C.

ox: Permit me, in the absence of Chairman Hunsaker, to reply
April 30, 1951, in which you requested an expression of the
committee concerning H. R. 3760, a bill entitled "To revise and
relating to Patents and the Patent Office, and to enact into law
ited States Code entitled 'Patents'."

d codification of the existing patent laws is considered desirable
regarded as a generally satisfactory means of accomplishing this
as discussed at the meeting of the Government Patents Board
and it was concluded that a further study should be made of
s of the passage of the bill upon the rights of the Government
e by Government employees.

working committee was accordingly established by the Chair-
ernment Patents Board. This committee, which included the
tive on the Board, met on May 24, 1951. It was agreed that
R. 3760, as now written, if enacted into law, would complicate
the Government of rights under patents granted jointly to two
s not all of whom are Government employees. It was, there-
recommendation should be made to revise the wording of
substantially as follows:

e of any agreement to the contrary, each of the joint owners
make, use, or sell the patented invention without the consent
accounting to the other owners, and any owner may grant
his interest, or any part thereof, without the consent of the
vided he accounts to them for any material consideration

alternative to the revision suggested would be a return to the
212 of H. R. 9133 of the Eighty-first Congress.
in agreement with the foregoing recommendation and has
s to offer regarding H. R. 3760.

ours,

J. W. CROWLEY,
Associate Director for Research.

tended to make it clear that the head of an agency could authorize the
essary certification by some other responsible official in the agency, such
the Surgeon General of the Public Health Service.
to a specified lesser interest therein" is designed to cover cases where
entitled to the ownership of something less than all rights in an inven-
xample, cases where the foreign rights are retained by the inventor, or
ent is entitled only to the interest of one or more joint inventors, and
f all of the joint inventors.

Mr. BRYSON. We now have the privilege of hearing Dr. S. B. Fracker of the Department of Agriculture.

STATEMENT OF S. B. FRACKER, ASSISTANT TO RESEARCH ADMINISTRATOR, DEPARTMENT OF AGRICULTURE

Mr. FRACKER. My name is S. B. Fracker, assistant to the Research Administrator in the Department of Agriculture, and representative of the Department of Agriculture on the Government Patents Board. I am appearing in favor of the bill now under consideration by the committee with the suggestion of two changes in section 221 of the bill.

The committee has been supplied with copies of a letter of June 12 from the Assistant Secretary of Agriculture on this subject. I wish merely to make a few brief informal comments.

Section 221 of the bill constitutes a restatement of what is commonly known as the Nonfee Act under which inventions by Government employees in the course of their duties or otherwise may be patented without the payment of patent fees. The original authorization to accomplish this purpose was passed on March 3, 1883, and has been continued with little change since that time.

Under present law in accordance with the orginal statute, when a patent application is filed under the Nonfee Act by an employee of the Government for a patent on an invention resulting from his research, the head of the agency is required to certify that the invention is "in the public interest." The inventor is also required to give the Government shop rights.

Section 221 of the bill before the committee changes the certification requirement so that Government inventions are exempt from the requirement of fees, "when the inventions are to be used or likely to be used by the Government."

I should like to comment on the difference in the meaning of these two phrases and the effect of the changes. The change in the language will undoubtedly be satisfactory with respect to military inventions where the Government is the principal user and in many cases is the only purchaser of the product or the device invented. The Department of Agriculture, however, was established for the purpose of the development and dissemination of knowledge and the type of research that is carried on in the Department is not research aimed toward the development of articles for the procurement by Government. The Government, in most cases, is not the principal user of the invention. Accordingly, the Department feels that the language in the present law, "in the public interest," is more satisfactory as a description of the type of inventions that come from Department of Agriculture research than the proposed change.

I would like to illustrate the difference by mentioning a number of recent patents.

For example, one issued on February 20, 1951, assigned to the Secretary of Agriculture covers a process for the glazing of fruit that is to be stored, transported, and sold in frozen packages. The fruit so glazed under this process remains separate. The individual pieces of the individual fruits do not cohere in a solid mass in the package as is now the case with frozen fruit available on the market. It can be packed mechanically instead of by hand. The berries, cherries, or individual pieces of larger fruits are frozen hard and the glazing pro-

s not injured in storage or transportation. No sirup is
ll the interstices between the pieces of fruit. It is clear
ion of this type is primarily directed, first, to the better
horticultural crops, and, second, to the advantage of the
aving a more desirable product. It is probable that at
the future the Quartermaster Corps may have occasion
ich products, but a description of the invention as being
interest" is more applicable than to say that the product
e used by and for the Government."
other type of invention to which this difference is also
Some of the inventions, particularly in the Bureau of
nd Industrial Chemistry and at the Forest Products
the Department, involve products that are intermediate
nufacturing processes, and are directed primarily to the
farm and forest products without regard to the end
later be developed. For example, a patent issued on
1951, provides certain methods for treating feathers to
a protein form. In this form the material may later be
facturing companies for a wide variety of materials,
development of fibers, bristles, and similar articles, or
nt of protein feeds for poultry, or the manufacture of
ny other different uses to which protein materials can

on is intended primarily to provide for the utilization
hen in surplus, and while the Government might at
some of the end products manufactured, the Govern-
kely to engage in the treatment of feathers for this

tee is doubtless also familiar with the work of the De-
he development of certain medicinal products from
roducts. One of these that has come into use is Rutin,
ely from buckwheat. It is a product used in medicine
danger of bleeding, in the case of persons whose capil-
r blood vessels have become fragile and brittle with a
ak under pressure or damage.
veral patents in regard to the method of manufacturing
this product. These inventions are better described as
interest," rather than as "to be used by and for the

llustration, a Department employee has applied for a
patent on a method of removing the last traces of fatty
starch. This is a process that is useful in many indus-
connection with any product in which defatted starch
is not likely to be employed by Government agencies,
interest of the use of agricultural products and in the
mers.
suggestion we are making with respect to section 221
that the language go back to the wording that was
133 of the last Congress, namely, use the term "in the
in place of the proposed change.
tary's letter to the committee, there is an additional
ch does involve a change in the present law in case
wishes to consider it. This relates to the cooperative
Department. Under various statutes the Department

of Agriculture carries on considerable research in cooperation with the agricultural experiment stations.

It also engages in contract research with various contractors. Such research sometimes results in patentable inventions by persons who are carrying out all their investigations at the expense of the Government, but they are not Government employees.

Under present law the Nonfee Act is available only for inventions made by Government employees. Therefore, when there is an invention by a contractor or a cooperating agency working on a Government grant or an allotment or under a Government contract, it cannot now be patented under the Nonfee Act. In such cases either the Department pays the fee, or the rights, under the cooperative agreement, may be granted to the cooperators depending on the equities in the particular case. In some cases possibly no application for patent is filed.

In the case of inventions made wholly or partially at Government expense where a cooperating inventor assigns patent rights to the Government, or dedicates such rights to the public, the Department recommends that the inventor should not be required to pay the patent fees. The Secretary's letter to the committee suggests a modified language for this paragraph, section 221, providing for such authorization.

I shall be glad to leave with the counsel of the committee for consideration as further illustrations of the type of patents referred to that are of general interest to the public a list of all of the patents that were granted to the Bureau of Agricultural and Industrial Chemistry, one of the Bureaus that carries on research of this type during the fiscal year 1950.

The committee can note from this list the title of the patents, the nature of the Department inventions that come under this law.

Thank you, Mr. Chairman.

Mr. BRYSON. Would you like to have this letter from the Secretary included in the record?

Mr. FRACKER. I would be glad to have it included in the record, if you will, sir.

(The letter referred to follows:)

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, June 12, 1951.

Hon. JOSEPH R. BRYSON,
Subcommittee No. 3, Committee on the Judiciary, House of Representatives.

DEAR MR. BRYSON: This is in response to your letter of April 30, 1951, requesting a report on H. R. 3760, a bill to revise and codify the laws relating to patents and the Patent Office, and to enact into law title 35 of the United States Code entitled "Patents."

We have previously urged inclusion of a number of additional items as outlined, for example, in our letter to you of June 1, 1950, commenting on the preliminary draft of the proposed revision and amendment of the patent laws. However, it appears that these proposed items are of controversial nature and may have been omitted from the bill for this reason.

We believe the major portion of the bill advances the patent laws and should be enacted. Except for one item discussed in detail below, we do not oppose the bill and do not propose to press, at present, for several of the additional items referred to above. The Department is not, however, abandoning its contention that legislation along the lines we have previously urged should be adopted.

The item of H. R. 3760 which is objectionable to the Department is found in section 221. According to this section, filing an application under the Nonfee Act would require certification by the head of a department or agency that the "inven-

likely to be used by or for the Government * * *." The corre-
ge of the present law (35 U. S. C. 45) requires certification that
s used or liable to be used in the public interest." This change
be significant to the operation of this Department.
epartment's research is intended primarily for advancing agri-
er, industries, and use of a resulting invention by or for the
incidental. It is the policy of the Department to patent such
dedication of the patent rights to the public or assignment to
, thus to assure that the results of the research for which the
will inure to the benefit of the public; that is, patents are obtained
to prevent unwarranted patenting by others. It is customary
ication for such an invention under the nonfee act certifying
on is "used or liable to be used in the public interest," without
use by or for the Government.
of H. R. 3760 passes in its present form and is construed to
ventions used or likely to be used by or for the Government
xample, in procurement of devices including the invention. It
moving many of the Department's inventions from the benefits of

ent is opposed to the proposed change. There is as much or
place an application under the nonfee act when the entire
rights are dedicated to the public or assigned to the Govern-
merely a license in the invention is given the Government for

of Patent Office fees by the Department on these applications
, be possible. However, there is no advantage to the Govern-
his, but a considerable disadvantage. Payment of fees from
to another involves a cumbersome procedure. It includes costly
ation and is time consuming. Applications deposited in the
ay lie for several weeks waiting for completion of the opera-
the payment. This delay in obtaining a filing date may result
ts properly belonging to the Government or the public being
ate parties.
ll attention to our recommendations of June 1, 1950, in which it
hat this Department acquires some patent rights to inventions
o are not Government employees; as, for example, rights acquired
search contract, and that it would be desirable for applications
ons to be included under the nonfee act. To this end we recom-
n 221 of the bill be amended to read as follows:
sioner may grant, subject to the requirements of law, to any
man, or employee of the Government, except officials and em-
atent Office, a patent without the payment of any fee, when the
rtment or agency certifies that the invention described in the
on is used or liab to be used in the public interest and the
application states that the invention may be manufactured and
he Government for governmental purposes without the payment
yalty thereon, which stipulation shall be included in the patent.
who assigns the domestic patent rights for an invention to the
dedicates such rights to the public, when the head of a depart-
certifies that the invention was made wholly or partially at
ense."
ommend that the act be amended to read as above set forth.
the Budget advises that there is no objection to the submission

K. T. HUTCHINSON,
Assistant Secretary.

ACKER. This issuance of patents without fees, has that
for some time?
R. Since 1883, approximately 68 or 70 years ago.
ACKER. When you use the term "in the public interest,"
be a fair statement to say in the general sense that any
while patent is issued in the public interest? Is that not
l term?

Mr. FRACKER. I suppose there are patents that are issued that benefit either the inventor or the assignee more than they do the public. In the case of the Department of Agriculture, the purposes for which the Department was established would be our basis for determining whether inventions that come up in our regular work would be in the public interest.

Mr. CRUMPACKER. I presume the fees charged by the Patent Office are scaled primarily just to pay their expenses of operation, are they not?

Mr. FRACKER. I am not familiar with how they are scaled.

Mr. BRYSON. We have that.

Mr. CRUMPACKER. What I am thinking is, in the interest of more orderly governmental accounting so that it will be easier, particularly for a Congressman looking at the appropriations bills, to know where the money is being spent and why, would it not be more appropriate to let these other Government agencies pay the normal fees, irrespective of what the purpose of the patent is, and keep the Patent Office on a self-sustaining basis rather than have what you might call subsidy payments covered up in the Patent Office appropriation? I think, in the interest of arranging your bookkeeping so that you can see where the money goes and for what purpose, it would be more proper even though the Government is merely taking money out of one pocket and putting it in another. Then would it not be better to eliminate this provision entirely and merely have the Government departments pay the normal fees?

Mr. FRACKER. The financial effect on the Government is the same either way.

Mr. CRUMPACKER. I can see that. It is the same number of dollars either way, but it is a matter of bookkeeping.

Mr. FRACKER. The making of those transfers has two disadvantages—the clerical cost within the Government and the delay in certain cases while payment is going through, which would affect the processing of the patent. Otherwise the matter is one for determination of general Government policy.

Mr. CRUMPACKER. I can recognize those two objections to doing it that way. I would think, however, that you would probably have a fairly steady flow of this type of application through your department. That is, year in and year out there would be about the same number of patents, something you could anticipate in the budget request. Is that right?

Mr. FRACKER. The department applies for patents on inventions in numbers approximating about 100 a year, varying above and below that by 20 or 30 percent perhaps.

Mr. BRYSON. Thank you, Dr. Fracker.

We will now hear from Mr. Edward R. Walton.

STATEMENT OF EDWARD R. WALTON, JR., REPRESENTING THE DISTRICT BAR ASSOCIATION FOR THE DISTRICT OF COLUMBIA

Mr. WALTON. Mr. Chairman and members, I am Edward R. Walton, Jr., a member of the bar of the District of Columbia and also chairman of its patent committee this year. I am here representing the Bar Association for the District of Columbia.

BAR ASSOCIATION OF THE DISTRICT OF COLUMBIA,
Washington, D. C., June 12, 1951.

VALTON, Esq.,
n, Committee on Patent Law,
ncy Building, Washington 4, D. C.

The board of directors, after full consideration of the final report
law committee, which you personally presented to the board at
n June 7, upon motion duly made, seconded, and carried:
ved the recommendation of your committee and authorized the
other member duly designated by the committee to appear before
te committees of Congress to urge the passage of H. R. 3760, with
udments, favored by the committee.
ved the balance of the report with an expression of appreciation to
e for the excellent work done during the past year.
st regards,
ly yours,

JUSTIN L. EDGERTON, *Secretary.*

nittee studied H. R. 3760 very carefully, particularly in
amendments that were proposed by the so-called coordi-
nittee. The only way I have to refer to them is by date
I suppose your committee knows what they refer to. This
pported to the association of the District of Columbia and
d by that association.
mend the passage of H. R. 3760 so amended. Although
number of other questions that arose, our association felt
bill represented a very large area of agreement between
lawyers and would probably be as large an area of
hat could be expected at this time. Therefore, we would
s passage, particularly with those amendments.
n, sir.
N. Thank you, sir.
like to offer for the record at this point a statement from
Department dated June 13, 1951, a statement from the
Commerce of the State of New York in which they recom-
sage of the bill dated June 7, 1951, and a telegram from
Patent Law Association recommending the passage of the
gram being dated June 13, 1951.
ments referred to follow:)

DEPARTMENT OF STATE,
Washington, June 13, 1951.

. BRYSON,
, Subcommittee No. 3, Committee on the Judiciary, House of
ntatives.

. BRYSON: Reference is made to your letter of April 30, 1951, trans-
of H. R. 3760, to revise and codify the laws relating to patents
t Office, and to enact into law title 35 of the United States Code
nts."
ment understands that H. R. 3760 is essentially a codification of
and involves no major changes in patent legislation. There are,
minor modifications proposed in H. R. 3760 which have some bear-
relations. Specific comments of the Department of State on these
re as follows:
2, *"Conditions for patentability."*—Subsection (d) of this section
the advantage of foreign nationals applying for United States
pared with provisions of existing law. Under the present law
ent is issued before a United States patent on the same invention
n application was filed more than a year prior to the United
ion, a United States patent cannot be secured. Under the new
tent may, nonetheless, be secured provided the application is
ited States prior to issuance of a patent in a foreign country.

Since the existing law appears unnecessarily harsh and United States nationals do not face a similar disability in most foreign jurisdictions, the Department fully supports this modification.

2. *Section 119, "Right of priority based on foreign application."*—This section adds a new requirement to the patent law by providing that no application or patent shall be entitled to priority based on a foreign application unless a claim for such right and a certified copy of the original foreign application are filed with the Patent Office. It also provides that the Commissioner may require an English translation and such other information he deems necessary. It is understood that these requirements are desired by the Patent Office for administrative reasons and that they are no more rigid than requirements in many foreign countries.

3. *Section 232, "Temporary presence in the United States."*—This section provides that no patent shall prevent the use of an invention in any ship, vessel, aircraft, or land vehicle of another country temporarily entering the United States. This provision accords with the requirements of article 5 of the International Convention for the Protection of Industrial Property. Since the United States is a party to this convention, the Department regards it as desirable that this provision be written into our domestic patent law.

4. *Section 252, "Service and notice; nonresident patentee."*—This section provides that a nonresident patentee may designate by notice to the Patent Office a person within the United States on whom process or notice may be served and that in lieu of such designation such notice or process may be served upon the Commissioner. The Department understands that this provision has been added for the benefit of American residents desiring to bring action against foreign owners of United States patents. At the present time American manufacturers threatened by charges of infringement of United States patents by persons resident abroad are especially handicapped by inability to bring suit for declaratory judgment. Most foreign countries in their patent laws require foreign owners of patents issued by them to have resident agents upon whom service may be made.

The Department has no objections to any of these modifications or to enactment of the bill as drafted.

The Department appreciates the invitation to have a representative present at the hearings on this bill. However, in view of the technical and legal nature of the modifications, and apparent absence of any controversial problems relating to foreign affairs, the Department does not believe that it could make any material addition to the testimony of the Patent Office. The Department would, of course, be glad to send a representative should your committee desire a further expression of the Department's views on any problem presented by the proposed legislation.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

BEN H. BROWN, JR.,
Acting Assistant Secretary for Congressional Relations,
(For the Secretary of State).

CHAMBER OF COMMERCE OF THE STATE OF NEW YORK

At the regular monthly meeting of the Chamber of Commerce of the State of New York held June 7, 1951, the following resolutions and report presented by its committee on law reform were unanimously adopted:

PROPOSED REVISION OF PATENT LAWS

To the Chamber of Commerce:

The committee on law revision offers the following:

The last general revision of our patent laws was the act of July 8, 1870, which was enacted as part of a program to revise and consolidate all the laws of the United States.

The present patent law, as set out in title 35 of the United States Code, is, therefore, essentially the act of 1870, with subsequent amendments.

compiled and published, the United States Code was first enacted
...ishing title evidence of the law. Consequently, the Congress
...has undertaken to revise and enact various titles of the code.
...several years, there have been substantial efforts emphasizing
...enactment of title 35, Patents.

...ask a bill to revise and codify the patent statutes was introduced
...representatives. It was drafted by a subcommittee of the House
...titles, after a considerable study of all congressional acts relating
...ch had been passed since the early 1870's. Generally known as
...the measure derived its name from the chairman of the sub-
...ph H. Bryson (D), South Carolina.

...ulate and only undertook to revise, arrange, and consolidate the
...ents; but also endeavored to present certain amendments of

...introduction of the measure, numerous suggestions with respect
...by patent law associations and other technically competent
...and these suggestions were subsequently coordinated by a com-
...to the National Council of Patent Law Associations.

...a new Bryson bill, H. R. 9133, introduced on April 18, 1951,
...of the suggestions made by the coordinating committee of the
...of Patent Law Associations.

...ssess, the new bill has the dual objective of revising and
...isting laws, and of offering certain substantive amendments.
...ration of the currently proposed legislation, the chamber's com-
...reform readily concluded that the first objective, i. e., the revision
...n of existing statutes, constitutes a step long overdue. Since the
...sion of these laws was some 80 years ago, there would appear
...ion as to the desirability of such revision.

...second objective is concerned, it is to be noted that the drafting
...of substance was the result of prolonged and careful study in
...ments to existing laws, the following sources were consulted:
...ating to patents which have been introduced in Congress since
...rts of the Science Advisory Board, the Temporary National
...fices, and the National Patent Planning Commission; and, (3)
...mmendations of private groups such as patent law associations
...ar of the American Bar Association.

...highly intricate and technical nature of the subject, the commit-
...believes that it should not endeavor to pass judgment on each
...ment. Nevertheless, it is the opinion of the committee that
...in general, represent improvements in existing patent law.
...ain amendments to the present law are discussed briefly. The
...kes a provision that the manner in which an invention is made
...e patentability. Some question has been raised as to whether
...ew or process discovered by experimentation constitutes a pat-
...and the bill now says these are patentable.

...s are in conflict as to so-called intervening rights, and section
...law thereof.

...of national defense the powers of the Commissioner to keep in-
...of the Government secret have been enlarged.

...have arisen by which others pirate a patented invention by
...ly thereof and selling the part to another who completes the
...n. The courts held as early as 1871 that such acts which con-
...gement are infringements of the patent. In recent years, how-
...have whittled away at this doctrine of contributory infringe-
...is now nonexistent, leaving many patentees without remedy to
...ected inventions. The proposed bill reestablishes the principle,
...same extent, that contributory infringement is infringement

...akes it possible for a court to take any action respecting a pa-
...ereunder of a patentee not resident in the United States. Under
...of laws such patents cannot be reached except at the will of the
...ess.

...fact that our last general revision of the patent laws dates back
...committee on law reform believes that the chamber should place
...supporting any soundly conceived proposal—such as that con-
...this—which would revise and consolidate existing patent statutes.

And, while the committee does not feel empowered to request endorsement of the specific amendments of substance embodied in the bill, it wishes to emphasize that these amendments were included only after the most careful study, and with full consideration to suggestions of technically competent private groups. Now, therefore, be it

Resolved, That the Chamber of Commerce of the State of New York endorses, in principle, H. R. 9133, which would revise, codify, and enact into law title 35 of the United States Code, entitled 'Patents'; and which would add to title 35 certain amendments of substance; and be it

Resolved, That the chamber urges the Congress to act favorably upon this or generally similar legislation; and be it further

Resolved, That copies of this report be sent to all Members of Congress.

Respectfully submitted

Alfred [illegible], *Chairman*,
Matthew H. Ely,
John M. Meyerhoefer,
Godfrey R. Hounsell,
Gustave Bergman,
Edwin J. S. Duncklee,
Thomas Thom,
Committee on Law Reform,
Robert L. Hewitt, *President*.

Attest

New York, *June 7, 1951*

H. Colwell Davis, Jr., *Executive Secretary*.

Seattle, Wash., *June 13, 1951*

National Council of Patent Law Associations,
National Press Building, Washington, D. C.

The Seattle Patent Law Association by special committee for the consideration of H. R. 9133, approves that bill as it is proposed to be amended in the coordinating committee's report of May 22, 1951, subject to further consideration of section 102 (g) which may better state the law of interference. In principle this proposed legislation is approved and its passage is supported.

Paul E. Sutter, *Chairman*,
Robert W. Beach,
Richard Seed,
[illegible] M. Christensen,
Benjamin E. Hardy,
Duane D. Bowker.

Mr. Bryson. Mr. T. Hayward Brown, of the Department of Justice.

STATEMENT OF T. HAYWARD BROWN, CHIEF, PATENT LITIGATION UNIT, CLAIMS DIVISION, DEPARTMENT OF JUSTICE

Mr. Bryson. Please proceed, sir.

Mr. Brown. Mr. Chairman, I appreciate the opportunity to express the views of the Department of Justice concerning H. R. 9133. The primary purpose of the present bill is the codification of the statutes relating to patents. The Department of Justice is in accord with this general objective and recognizes that your subcommittee has made notable accomplishments in codifying the law in other fields.

In addition to the codification objective of the present bill, the bill also proposes to make various changes of substance in the patent laws. Ordinarily codification bills are very restricted in the actual changes in substance made in the law. There is one danger in introducing changes in the law in a codification bill in that the changes may be major or may be controversial and would overshadow the general objectives of the codification bill.

f codification there is a general presumption of a legislative
llow existing statutes, notwithstanding changes in phrase-
h would not be applicable where the law is also being
bstantively.—As a result, it becomes difficult to ascertain
bt ful point whether a substantial change in existing law
change in language was intended and the ultimate effect
use confusion in the interpretation of the law.

icularly important that the patent law not be unsettled
ambiguous at this time of National emergency when
play a large part in the expansion of industry incidental
defense needs.

rnment has a particular interest in this since it must pay,
indirectly, for the use of patent rights in such expansion
rearmament program.

also the danger that in attempting to revise the whole
insufficient consideration may be given to particular sec-
eir interrelationship with the consequence that unintended
he law may result.

gested that if enactment of the present Title 35 into law
ecessary, this be done without attempting to revise the
tively at the same time."

other hand, over-all substantive changes are deemed neces-
ld seem better to handle such changes by separate enact-
is thought desirable, however, to enact the bill in its present
re certain features of the measure which would seem to re-
r consideration. I will discuss the particular sections that
ent feels may deserve further consideration. Section 100
"definitions," defines "invention" to include discoveries.
rm "discovery" is used in the patent law as synonymous
on and it has been recognized that the act of discovery is
part of the invention, under existing law discoveries, as
patentable.

n might have the effect of creating doubt as to existing law
et of discovery and might result in opening the door to a
ew of patents, and permit the creation of monopolies in
fundamental and far-reaching discoveries in the fields of
hysics, medicine, mathematics, et cetera.

rtment would be opposed to the creation of any new area
which would be exempt from the operation of the anti-
the absence of clear evidence that such extension is neces-
ide adequate incentive for scientific effort. There would
no such necessity with respect to the broad field of "dis-

0 also defines the term "process" to include a "new use of
ess, machine, manufacture, composition of matter or ma-
der present law it is not invention to apply old and well-
rials, processes, or devices to new uses in other and anal-
However, if an old device or process be put to a new use,
analogous to the old use, and the adaptation of the old
ess to the new use is of such a character as to require
of the inventive faculty to produce it, a patent may be
the new use. The Department is opposed to this section
ded to materially extend existing law, to uses that are
uses that do not require invention.

"Section 103 of the bill, 'Conditions for patentability; nonobvious subject matter,' provides that:

> A patent may not be obtained though the invention is not identically disclosed or described in the prior art set forth in section 102 of this title, if the differences between the subject matter sought to be patented and that prior are are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which the subject matter pertains.

This section is rather ambiguous in phraseology and its meaning is not clear. Section 103 apparently attempts to state one of the present negative rules of invention that mere mechanical skill is not invention. This rule has a long history and background and the standard of mechanical skill depends upon the nature of the art in question. The wisdom of attempting to codify this rule in one sentence is questionable and in any event this is only one test of invention and it should not, in the opinion of this Department, be made the sole test. Insofar as this section may be intended to change the present law, we are opposed to it. If no change is intended, we think that the language should be clarified.

There are some sections of the bill that have been discussed in the Deputy Attorney General's letter that you have on file in which he reports favorably on the sections, pointing them out as being new legislation that the Department agrees with.

To shorten my presentation, I will omit mention of those sections. They include section 101 and other sections that I will mention later.

Section 112 relating to patent specification contains a provision that—

> an element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure or acts in support thereof, and such claim shall be construed to cover the corresponding structure, materials, or acts described in the specification and equivalents thereof.

This section may substantially alter existing law. At present the courts will invalidate a single "means" claim when it is functional; that is, when it covers all means for performing an act, or when the step described as a "means" is the precise point of invention. The burden at present is upon the patentee to describe his invention in exact terms and it is not clear to what extent he might be relieved of this duty under the proposed section.

The section further introduces into the statute for the first time the controversial doctrine of equivalents without defining its scope. The Department sees no necessity for this section since the courts have rarely invalidated a patent merely because of the language used in a claim when it is clear that the patentee only intended to refer to, but not to claim as his invention, means which were old in the art.

Section 118 of the present bill introduces a new concept heretofore unknown to the United States patent law. This section permits an assignee or a person to whom the inventor has agreed to assign an invention in writing to apply for a patent whenever the inventor cannot be found or refuses to execute an application. The patent to be applied for under this section will issue to and in the name of the inventor unless a court of competent jurisdiction orders a transfer thereof to the party to whom the inventor has agreed to assign the invention. This new section is believed to be highly desirable in that it would

loyers, including the Government, to file applications for
nventions made by employees who are unavailable when
ion is ready to be filed. This is not uncommon in these
ays when many military and other personnel are beyond
en needed for the execution of a patent application. The
s not change any substantive rights. It merely permits
iling of an application by the party who thinks he has an
rein without in any way affecting the inventor's rights.

41, "Decision on appeal," embodies the existing statute
it omits the last sentence of the present section 4914 (35
which states that—

decision of the court in any such case shall preclude any person
m the right to contest the validity of such patent in any court
ame may be called in question.

this sentence might be interpreted as expressing a con-
ntent to make patent validity conclusive where the patent
pheld by the Court of Customs and Patent Appeals in
quently an ex parte action. This Department would be
such a change in the law and suggests that the bill be
as to retain the above language.

ject to section 202, it is suggested that if the existing court
embodied in a statute, as that section contemplates, the
court rule of due diligence in applying for a reissue should
l as well as the present rule that a delay of more than 2
create a presumption of intervening rights in the public.
212 of this bill provides that in the absence of agreement,
s of a patent may not individually grant licenses or assign
st without the consent of the other owners or without
to them. This section introduces a new concept to the
but it is believed to be a salutary one for inventors very
little or nothing about the patent laws. Enactment of
would protect a joint inventor against an unscrupulous
or coowner.

ph (b) of section 231 provides that any person who actively
fringement shall be liable as an infringer. Paragraph (c)
at it shall constitute contributory infringement to sell a
part of a patented machine, manufacture, combination or
n or material or apparatus for use therewith, if a—

t of the invention, especially made or especially adapted for use in
ent of such patent, and not a staple article or commodity of com-
le for substantial noninfringing use * * *

ph (d) provides that:

owner otherwise entitled to relief for infringement or contributory
t of a patent shall be denied relief or defense guilty of misuse or
sion of the patent right because he has done one or more of the
1) Derived revenue from acts which if performed by another with-
ent would constitute contributory infringement of the patent; (2)
authorized a person to perform acts which if performed without his
ld constitute contributory infringement of the patent; and (3) sought
is patent rights against infringement or contributory infringement.

rovisions would result in writing into the patent statutes
t time the strictly judicial doctrine of contributory infringe-
octrine which has been the subject of considerable contro-
has been properly limited by the courts in recent years.

This Department is opposed to extending the law of contributory infringement. The revision would clearly extend it in several respects. In the first place, paragraph (b) would put the contributory infringer in the same category as a direct infringer, thereby subjecting him to the limitations and liabilities of the latter.

Paragraph (d) would greatly impair the salutary doctrine that a patentee who has misused his patents may not recover in a suit for either direct or contributory infringement. The Supreme Court has held that a requirement by a patentee that users purchase from him or his exclusive licensee unpatented parts not within the scope of the patent, was a misuse of the patent and barred recovery even though contributory infringement was assumed to exist. This doctrine is a most important factor in the enforcement of the antitrust laws with respect to tying arrangements and the Department is opposed to any impairment thereof.

It is not clear to what extent paragraph (b) is intended to enlarge the present law on contributory infringement. The phrase, "actively induces infringement" might cover many situations which are not now considered to be contributory infringement. Paragraph (c) also appears to enlarge the scope of contributory infringement. While some cases have indicated that one who sells an article not capable of use except in an infringing manner is liable for contributory infringement even in the absence of actual knowledge of the infringement, the sounder approach would seem to be that such facts merely give rise to a rebutable presumption of intent to infringe.

The first paragraph of section 242 (Presumption of validity; defenses) provides that a patent shall be presumed to be valid and the burden of establishing invalidity shall rest upon the party asserting it. The Department objects to these provisions since at present the presumption of validity is not embodied in a statute and is merely a qualified rule of evidence. Also under present law this presumption does not always hold true, for example in cases where the Patent Office fails to cite or consider pertinent references or prior art.

Section 203 (Disclaimer of invalid claim) and 248 (Suit for infringement when a claim may be invalid) substantially alter the present law as to a statutory disclaimer. Section 203 omits the provision of the present statute (R. S. 4922; 35 U. S. C. 71) that "no patentee shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer." Under this provision, the courts have held that the entire patent may be void if a prompt disclaimer is not filed. Section 248 of the proposed bill, on the contrary, expressly provides that an action for infringement may be maintained despite failure to disclaim an invalid claim, the only penalty being that no costs may be recovered.

The present rule, requiring a prompt disclaimer of invalid claims is intended to place upon the patentee the burden of restricting his claims to his actual invention. This accords with the basic idea of the patent laws that a patentee may only claim the invention he had disclosed in his patent. The present law even goes so far as to require the prompt disclaimer of claims similar to one which has been held invalid. The public interest requires the formal cancellation of invalid claims so that they may no longer be used to harass the public through nuisance litigation and misleading impressions of legitimate scope of the patent, and thus discourage the public's use of technology that it is entitled to use freely.

raises the false marking penalty from $100 and costs
This change is believed to be desirable in that it will
ing of false marking. With the present law the in-
ging a qui tam action rarely receives more than $50,
pay him for his time and trouble.
(Service and notice; nonresident patentee) provides
dent patentee may designate by notice to the Patent
n within the United States on whom process or notice
l and that in lieu of such designation such notice or
be served upon the Commissioner. This is a new sec
not represent codification, but the Department has in-
is in favor of this.
ent understands that this provision has been added for
American citizens desiring to bring action against for-
f United States patents. At the present time American
s threatened by charges of infringement of United
s by persons resident abroad are especially handicapped
o bring suit for declaratory judgment. Most foreign
eir patent laws require foreign owners of patents issued
ve resident agents upon whom service may be made.
the specific sections to which objections or questions
sed, the Department of Justice is not opposed to H. R.

. Thank you, Mr. Brown.
n, we are always pleased to have you present.
like to make some comment or statement that would be
nstructive here?

OF FRITZ G. LANHAM, FORMER REPRESENTATIVE FROM TEXAS

m. Mr. Chairman and members of the committee: I
led to testify. I am not a patent attorney.
. You are a patent authority, though.
m. I had the pleasure of serving for about a quarter of
the Committee of Patents of the House of Representa-
equired some familiarity with the structure of our patent
so in appearances which I have made before this com-
my voluntary retirement from this Congress after 28
ve.
ve been since my retirement a representative of the Na-
Council, which is a nonprofit organization of smaller
s primarily interested in the education of the public with
he importance of our patent system and the fact that
jobs and promote the development of our economy.
at council is not a patent law association. Because of
n its policy many patent attorneys are connected with it

sumed that there is some diversity of opinion and senti-
hose patent attorneys who are associates with reference
visions of the pending proposal, just as we have seen out-
in the testimony some differences of opinion concerning
as. Consequently my appearance is merely as an indivi-
iance with the request of the chairman just made and not
ative of the National Patent Council.

This bill seeks to codify provisions with reference to patents. Certainly a codification measure is desirable, but in my judgment, what is placed in the law codifying patent provisions should be, insofar as possible, noncontroversial. Certain controversies have arisen in the discussion thus far and likely further differences of opinion as to a few provisions will be presented by other witnesses. There are one or two such provisions in particular which I recall have been the subject matter of hearings before this subcommittee heretofore, notably perhaps in the last Congress, one having to do with the test of invention or patentability and the other having to do with contributory infringement.

I recall that among others I testified on each of those matters before the subcommittee in the Eighty-first Congress. It appears that they are still somewhat controversial.

Would it be advisable, therefore, in view of the fact that this bill seeks the codification of the patent laws, to eliminate one or two controversial provisions from present consideration and have separate consideration of each in proper and appropriate bills which would permit much more detailed and thought ful study of the matters involved than would be possible in such testimony as will be given before this subcommittee? That would not prevent codification of provisions which could be agreed upon.

I recall, for instance, in my long service on the Committee on Patents, I was requested to endeavor to get an enactment with reference to trademarks that would be more in keeping with modern conditions and practices in view of the fact that the old laws of 1905 and 1920 had become somewhat obsolete and not applicable to the business conditions and practices today. Though I have now, and had then, no personal interest in any trade-mark except as a consumer, I undertook that task. It was quite a comprehensive undertaking, technical in many aspects just as the consideration of this measure involves many technical considerations.

I labored as the chairman of a subcommittee with different personnel in each Congress through four different Congresses to get the final enactment of the trade-mark law now on the statute books. When we first began the consideration of that subject matter, those who appeared were, speaking figuratively, at one another's throats. There was great diversity of opinion concerning provisions that should be incorporated in such a law.

So I served perhaps more or less, as a mediator and conciliator and tried to get the groups together upon something with reference to which they could agree.

Finally, after 4 years of such effort and the introduction of several different bills with modifications which had been suggested, we got the enactment, with the terms of which practically all of those in original disagreement found themselves quite in conformity and accord.

We took up those bills, section by section, and heard testimony upon each section, in order that we might have all of the facts and information upon which we could base our final judgment.

Here are many provisions of this bill, some of them very technical as evidenced by the testimony thus far adduced. I believe by proper conferences practically all of the differences can be settled and the codification effected. I merely inquire as a policy of procedure whether

wise just now to include one or two highly controversial
the codification or leave them for early consideration in
s for more extended and detailed discussion and study.
anxious to have a proper codification of the patent laws,
dinating committee has labored diligently with such a
are all specially anxious to have them properly protective
tee, because upon the ingenuity of this country through
of our patent system we have attained the progress and
hich has made us the first Nation of the world. Let us
et us be very sure that whatever we enact will retain that
l inspire these workers of America, who give us so many
for our progress, to carry on their laudable undertakings.
nteresting, in that connection, to note that many and per-
our very useful inventions which have greatly accelerated
and our prosperity have come from most humble sources.
da Vinci was in a way an authority on aviation, but they
al combustion motor in his day and there was no practical
of his ideas.
nd others worked with aviation, and finally two bicycle
in North Carolina disclosed that it was practical. In-
instance of a comparable nature could be cited with refer-
ny of our most important discoveries.
ery sure that whatever we enact is not only going to con-
entive of humble people as well as others to promote our
let us see to it also that in their discoveries they are pro-
been intended in this Government ever since we first had
w, largely through the efforts and the activity of Thomas

dom throughts may not be helpful to you, and they are
dividual opinions. Although I have no patent and I have
overy, I doubt if anyone, by reason of my long service on
mittee and the realization of the importance of protecting
stem, has any gerater interest in seeing proper legislation
hat that incentive will continue which will make for our
ress and prosperity. Let us hope that to this end proper
may be had as promptly as possible.
N. We are much obliged to you.
we are starting toward the same objective. I believe the
isclose this particular committee has sought to give ample
and study to any controversial issue that we now consider
onsider.
we have distributed literally thousands of the proposed
codification to every possible agency. These representa-
hese well established reputable organizations from every
ghout the country are feeding us with their suggestions
s. In these hearings here we are going to give everyone
nity to be fully heard, whether he favors or opposes.
e no disposition to shorten these hearings at all.
AM. I appreciate that, Mr. Chairman. I am well advised
the fairness of this committee. I am well advised also
ts unremitting activity to bring about the very objectives
and I, and I think all of the loyal American citizens, are
erested. And please understand that I am not opposing
and that I have merely offered a suggestion with refer-

ence to procedure in the consideration of one or two controversial issues.

Mr. ROGERS. You recognize that the revision and the old Committee on Patents is all accumulated here in this subcommittee under the reorganization?

Mr. LANHAM. I appreciate that.

Mr. ROGERS. Do you think, due to the fact we have this controversy existing as to what constitutes the law makes it almost an insurmountable task to recodify the law?

Mr. LANHAM. I think most of the provisions in this bill before you can be codified.

I would not appear as being opposed to codification of patent laws. I think we should codify what is not highly controversial and what through conferences can be agreed upon.

Mr. ROGERS. Have you, in the study of this proposed bill, any particular objection to any particular provision that you feel should not go in there without a thorough study and a different bill introduced to take its course through Congress?

Mr. LANHAM. Let me repeat, I am not a patent attorney. I am not versed in all of these technical provisions. I feel that with reference to practically all of the provisions of this bill some agreement can be reached from the standpoint of codification. On one or two controversial provisions I think the action should assure a basis of clarity for judicial interpretation and the protection of the discoverers of useful and novel inventions. In other words, the code concerning them should be both fair and definite.

Mr. ROGERS. In other words, you feel, to take the noncontroversial ones, make that the codified bill and then the controvsrsial ones could be considered separately?

Mr. LANHAM. They could be enacted as amendments to the codification and in that way perhaps we would get a better final result. There are several provisions here concerning which there is some slight controversy. I think those differences can be ironed out and most of the bill could thus be codified without any particular difficulty.

Mr. BRYSON. Thank you, sir.

Mr. Federico, will you come around, please?

STATEMENT OF P. J. FEDERICO, UNITED STATES PATENT OFFICE

Mr. BRYSON. Mr. Federico, before you begin, may I ask: Has the Department of Commerce made a formal report on the pending bill?

Mr. FEDERICO. The Department of Commerce has made a report, but I am sorry to say we have not yet got it back from the Bureau of the Budget. We expect it today or tomorrow and will file it with the committee. The report will speak for itself. If I may speak before the report comes in, it raises no special objections and has one or two suggestions.

Mr. BRYSON. It goes along the general lines of the other departments?

Mr. FEDERICO. Yes.

Mr. BRYSON. Favoring the enactment of the bill preferably with certain amendments?

Mr. FEDERICO. In general; yes.

YSON. But favoring the enactment of the general principle?
DERICO. Yes.
ERSON. Would you care to address yourself or make any
or comments on the positions taken by the different depart-
resentatives here today or who testified yesterday, or would
o make any statement on your own observations?
ou may proceed.
DERICO. With respect to the reports from the other depart-
m sorry to say I do not feel in a position to comment on their
ggestions for the reason that most o fthem I have seen today
st time. The Department has not had the opportunity to
port on them.
like to state generally that the reports of the three depart-
t have testified orally strike me that some of their proposals
that none of the other departments would have any special
to. A large number of them relate to matters of language
ication which could be straightened out by some slight dis-
Possibly all of the reports of the departments on all points,
or two, might be brought into agreement between the de-
. I do not feel that I can comment on any of the specific

rson. Without giving further study to them?
ERICO. They would have to be studied.
continue with the survey of the structure of the bill?
rson. Yes.
ERICO. As I stated yesterday, chapter I of the bill collects
ions relating to the Patent Office. Chapter II collects the
relating to the requirements for obtaining a patent and
lure in obtaining a patent.
III deals with the patent itself after it has been granted.
st group of sections relate to correcting and amending a
hich is a necessary thing.
201 and 202 are a development of the present statute
o, what are called reissues. Under certain circumstances
ee may obtain a new patent to replace the old one to cor-
is defects that he may have discovered in the patent. These
ns together replace the present one, making a number of
ons with a few additions of further developments in the
hich I do not believe need to be gone into at the moment.
203 relates to another form of correction of a patent known
claimer. The patentee files a paper in the Office which is
He disclaims certain things from the scope of his patent
s certain claims. This subject of disclaimers in the present
sulted in a great deal of confusion and uncertainty in cer-
ions, which are almost ridiculous at times. Consequently,
two sections—203 and 248—has introduced certain changes
disclaimers. One of these changes is that only a whole
be disclaimed. A claim cannot be rewritten by filing a
he Patent Office. Only a whole claim can be disclaimed.
ond change relates to the situation when a patent has two
aims and one of them may be discovered to be invalid.
he existing law, there is a provision in the statute that
he invalid claim must be disclaimed without unreasonable

delay in order to save the rest of the patent. What that unreasonable time might be is quite confusing, and the present law does not as a matter of fact, prevent the patentee from suing again on the invalid claim if he so wishes.

So, the bill has eliminated that requirement. It has left the situation that if one claim of a patent is invalid, the patentee may take it out. He may still sue on the remaining claims which have whatever validity they might have on their own merits. That is, one bad claim does not affect the other claims, unless they are themselves bad.

Other provisions of the bill perhaps take care as well as is done in the present law of the possibility of a patentee suing again after his patent has been held invalid. That can be done today and the bill makes no change in that situation, except that certain provisions might tend to deter doing such a thing.

Mr. BRYSON. How many times can he renew his request for a patent?

Mr. FEDERICO. You mean if he has been refused a patent?

Mr. BRYSON. Yes.

Mr. FEDERICO. That goes to obtaining a patent. Under the statute, the applicant has an absolute right to a reconsideration with whatever amendment, not changing the invention, he wishes to present. By the practice of the Patent Office in its regulations there may be two, three, or more reconsiderations until the matter reaches clearer issues which are closed one way or the other.

Mr. BRYSON. Must he supplement his petition by what we would call in the general practice "after discovered" or "newly discovered" evidence?

Mr. FEDERICO. Again referring to obtaining a patent and the procedure in the Office, if the Patent Office refuses the patent the first time, he is at liberty to present whatever he wishes, arguments, tests, affidavits, evidence. He is free to do anything he wishes. Whatever he does is reconsidered in the light of his arguments. He is given a new examination. That may continue for one or two times more after that.

Mr. BRYSON. In the discretion of the examiner?

Mr. FEDERICO. To a large extent, yes.

Mr. ROGERS. Getting back to this subject of section 203 of disclaimer you referred to a moment ago, did I understand you to say that the law at the present time is that in the event a man wants to disclaim he has got to disclaim the whole patent?

Mr. FEDERICO. No; the whole claim.

Mr. ROGERS. How does this new section 203 affect that? There was some testimony it omitted part of the statute.

Mr. FEDERICO. Under the bill, he must disclaim the whole claim. Under the present law, as it is worded, he may revise a claim.

The change in the present law is in omitting the requirement that an invalid claim must be disclaimed within a reasonable time; that is, must be taken out of the patent within a reasonable time to save the validity of other claims in the patent.

Mr. ROGERS. If he does not disclaim within a reasonable time under the present set-up, does that vitiate the entire patent?

Mr. FEDERICO. That theoretically vitiates the entire patent, but he is still free to sue on that invalid claim again.

s. He would not get very far.

ers. That is right.

s. Your objective in this section 203 is to change it in

?

ers. That particular change is made by section 218, section 203.

tail together. The manner of making that change is if a alid, held invalid by a court, the patentee may disclaim he waits to and in the usual case he will. If he does not othing happens to the remaining claims.

s. If he disclaims as to those that are invalid, he still alid one?

ers. Yes.

s. That is the present law?

ers. Yes. Of course, if a patentee does not disclaim esent law and under the bill he cannot recover costs in a

ter provision in this bill, which is in the present law, too, suit on a patent that is invalid and the suit is wholly he court could assess him attorneys' fees as well as costs, deterrents to suing on a claim or on a patent that is invalid. ts under the bill are about the same order as under the

these comments, I am making them only by the way of of what was the intention in introducing these particular to this bill, rather than arguing for or against any of

still to the correction of patents. Section 201 is a section g by a certificate a clerical error due to the Patent Office. 5 is a section that is new in the patent law that permits Office to correct by a certificate a clerical error of the

1 is a new section in the law that is correlated with section er 2 relating to a mistake in joining a person as a joint ery often two or three people make an invention together, pply as joint inventors. If they make a mistake in defer the third one is one of the three inventors that actually ention, they do so at their peril.

sion permits a bona fide mistake in joining a person as n failing to join a person as an inventor to be corrected.

group of two sections relates to assignments and owner-

2 infinitudes a change over the present law relating to hip.

wo sections collect provisions now in the law referring to interests in patents without making any significant t in language.

roup of sections relates to infringements of patents.

1, paragraph (a), is merely a declaration of what con- ngement.

ly, there is no declaration of what constitutes infringe present statute. It is actually not really necessary because clause grants exclusive rights and infringement would ion of that grant.

Mr. Rogers. Just to interrupt you there, do I understand your position to be that, so far as section 231 is concerned, that any rights of infringement of the patent exist under the present law?

Mr. Federico. Section 231 (a), the first paragraph. I was referring to the first paragraph in that statement.

Now, paragraphs (b), (c), and (d) bring up the subject that has been referred to as contributory infringements on which I understand some other people are going to speak, and I do not think it advisable to go into too much detail at the moment, except to state that paragraph (c) which is the key section, was devised by the groups working on it as an attempt to state in statutory form the theory of what has been called contributory infringement of patents in a manner which, looked at from certain points of view, might be considered restrictive of what has been held in the past and looked at from some other points of view might be considered broader.

Mr. Rogers. What is the present status of the contributory infringement? Is that based upon statutes, or a court decision?

Mr. Federico. It is entirely on court decisions in suits for infringement of patents.

Mr. Rogers. Then this part that is added here in 231 (c) is something new, so far as

Mr. Federico. As being stated in the statutes is concerned, yes.

Mr. Rogers. Do you consider that the section (c), to which you referred, will change the decisions that have been announced by the Supreme Court, or is this just an attempt to say what these decisions have heretofore held?

Mr. Federico. There has been so much argument about what the Supreme Court decisions do mean that I am afraid I cannot answer that question.

If a person takes the position that the decisions mean a certain thing, then it could be said these do not do very much. But it is very easy to take another position, that the decisions mean something quite different; in which event the section would do something.

Mr. Rogers. Would anybody's rights be affected in any manner if we eliminated this section 231 (c) and (d) altogether?

I will put it this way: if the Court eventually is to pass upon it, do you know of any necessity why the Congress of the United States should determine what an infringer is, whether he is a contributor, or what?

Mr. Federico. Speaking personally, my view would be that the only necessity is a desire to have clarity in the law.

Mr. Rogers. Do you not know that lawyers have existed for many years upon disputes, and we have never been able to get anybody that could write a law that applied to all situations?

Do you think that this would clarify it in any manner if it was enacted, that is, the definitions as set forth here and of what constitutes a contributory infringement?

Does this clarify it in any manner so that it may be a guide to the lawyers in the future?

Mr. Federico. Yes.

Well, it would clarify it to this extent: That having a written formula in the statute, you have a guidepost which would settle or determine the way the development of the law would be after that would be passed.

midepost, there would be a lot of floundering. Eventual
l be something stable.
. Do you think that this, as written here in 231, is the
he interpretation that some have placed upon decisions
rendered by the Supreme Court dealing with contribu-
ment?
ss. I think it represents what a large body thinks is an
of a large number of decisions in the past.
. Would it necessarily follow that if we did include it
hat the argument would be that Congress has at least
nterpretation that certain individuals have placed upon
s, as to what constitutes contributory infringement, and
gress is satisfied to interpret those decisions in this
o. I think it would. I think it would be picking a path.
. And in that manner clarify an issue that lawyers have
the clients proper advice upon when the question of
nfringement is brought up?
o. Yes. I think it would do a great deal to that extent.
. Although the Supreme Court, of course, would follow
by exercising its right to have the last guess, the last
o. Section 232 is a new section in the law relating to in-
ent it is of relatively little importance and it follows a
a treaty that the United States adhered to.
. Mr. Federico, may I ask you to go back to section 212
nt. Would you care to comment on that as to whether
ld remain as is, or in conformity with the ideas express
onal Advisory Committee on Aeronautics?
r with their views on the subject?
o. I have not seen them; no, sir.
state what 212 does in a problem concerning it.
resent law, which is by decisions and not by expression
if two persons own a patent jointly, either one can do
ss in respect to making and using the invention for his
l granting licenses to others and selling his share, or
s share, without regard to the other one.
ld generally.
provision here, the two owners could still each manu-
vention for their own profit, but if one granted licenses
ense to others, he would have to account to the other
his consent.
problems have arisen in that change, and I think there
w suggestions that have come to the committee to not
ge at the present moment. There is an advantage in
ange, but some problems have been mentioned in con-
ing it in the form here stated.
. We have the several views as expressed by these
Security Agency inquires as to the effect or desirability
clause onto the end of the suggested section 212:
r may grant license or assign his interest or any part thereof
ent of the other owner, provided that he may account to them
onate shares in the event he receives any remuneration therefor.

Is not that in substance about what you said?
Mr. FEDERICO. That is in substance what the section says, and that suggestion becomes one of language and clarity, to me.
Mr. BRYSON. When we go into marking up the bill, we will have these several suggestions before us and we will, of course, try to work out the best language possible.
Mr. CRUMPACKER. While we are in this part of the bill, I would like to get back to the section 224.
I asked the witness a while ago about these fees in the Patent Office, and he said he did not know.
Can you tell me, Mr. Federico? Are the fees designed primarily to reimburse the patent office for its expenses of operation, or what is the basis for fees?
Mr. FEDERICO. In actual practice the fees received by the Patent Office for various services provided for, for which a fee is provided, bring in about 55 to 60 percent of the amount of expenditures of the Patent Office.
So that in practice the fees do not cover the expenses of operation.
Mr. CRUMPACKER. Do you have any idea, in round figures, what percentage of the total business of the Patent Office might come under this particular section?
Mr. FEDERICO. This section provides that when the other Government departments are handling a case for an invention of a Government employee, they do not pay the fees which are $30 on filing and $30 on granting of the patent.
The number applied for and granted under that section varies considerable.
During the war years, it was higher than before or after.
In addition to that, the Patent Office does a lot of other things for Government departments without fees, for which it would charge a fee to a private individual.
I would say, merely guessing at the moment, that the total services that the Patent Office does for other departments, including this item as well as other items, might well run to about $100,000 a year.
Mr. CRUMPACKER. What are your total expenses in a year's time?
Mr. FEDERICO. The total expenses of the Patent Office?
Mr. CRUMPACKER. By $100,000, are you referring to the fees that are not collected or——
Mr. FEDERICO. Just fees that are not collected from other departments of the Government.
Mr. CRUMPACKER. What are your total fees, then? Do you know that offhand?
Mr. FEDERICO. The total fees collected in a year would be, say, $80 million a year for this purpose. It is roughly around there.
Mr. CRUMPACKER. Are these fees fixed by statute?
Mr. FEDERICO. All fees are fixed by statute. They are in an earlier section of the bill—except a variety of small items that are fixed by the Department under authority contained in various statutes on fixing fees for services.
Mr. CRUMPACKER. This particular bill does not make any change in them, does it—or does it?
Mr. FEDERICO. This particular bill readjusts two fees in a minor manner, makes a change in one fee, and, other than that, leaves the system of fees alone.

-KER. How long has it been since there has been any
nge in the fee system?
. The basic fees for obtaining a patent were changed
s now about 20 years ago.
CKER. That is all.
. I will take up the next group of sections now.
May I interrupt you?
rence there to section 211; is that right?
. Yes.
Could I interrupt you to go back again to section 231?
precinte any opinions or statements that you are giving
ss is to help the committee and is in no manner binding,
epartment or the Patent Office is concerned. You are
to assist us in any manner possible.
esent at the time that the Department of Justice ex-
displeasure to section 231, pointing out that it may
e antitrust laws.
de any particular study of that, or do you know how
it in any manner whatsoever?
. I would like to ask not to speak on that point at the
nderstand that several witnesses are going to comment

I appreciate your position, and thank you.
. Beginning with 211 are a group of sections relating
nfringement of a patent, the suit in the courts. The
s on this matter are in quite a mess because they were
me time ago and court procedure and the names of
ge, have changed considerably since then.
t sections were substantially reorganized into a group
g in at this place, with some slight changes.
g section is a declaration which serves as a preliminary

atroduces a declaration of the presumption of validity
ich is now a rule made by courts in decisions, but has
on in the statute.
to an action for infringement are stated in general
g the language in the present statute, but not changing
aterially.
ion relates to injunctions and the next to damages, the
y fees, the statute of limitations, and to marking and
hich together replace present statutes on suits, with a
reorganization in language to attempt to clarify the
statutes.
KER. May I interrupt again at this point?
. Yes.
KER. On attorney fees, it says the court in exceptional
ay reasonable attorney fees. Does not that open the
s of interpretations as to what is meant by the language,
ady a body of law as to what "exceptional cases" are

. The present statute says the court may award rea-
y fees to the prevailing party; which was introduced
an act of 1946.

The hearings and the reports of the committees showed that they intended that to apply to exceptional cases without going into detail, and the court decisions have followed that principle of awarding attorney fees in exceptional cases.

What that constitutes is left, and stays left, to the discretion of the court that is conducting the case.

Mr. CRUMPACKER. Should not there be some kind of an expression of the particular areas that they intended to apply to? I never saw any statutory language as unclear to the uninitiated as that would be. It may mean something to an experienced patent lawyer, but just to look at that——

Mr. FEDERICO. That provision, as I said, came into the statute in 1946. There have been a number of rulings on it. In some cases the courts have denied attorney fees and in others, they have allowed them.

Mr. CRUMPACKER. You say the 1946 statute just said that the court in its discretion may award reasonable attorney fees; is that right?

Mr. FEDERICO. Yes.

Mr. CRUMPACKER. But this term "exceptional cases" is introduced for the first time here, is it not?

Mr. FEDERICO. Yes. It was picked up from the reports in passing that first law, which indicated that that was what was meant, and the decisions of the courts that have followed that.

Mr. CRUMPACKER. That is all.

Mr. BRYSON. Proceed, Mr. Federico.

Mr. FEDERICO. Section 248 is the other companion section to the disclaimer point that I mentioned before.

Sections 249 and 250 involve merely changes in language.

Section 251 is a criminal statute relating to falsely marking an article as being patented when it is not patented; which is now in the present law.

But this section revises it and makes a few changes as to the fine for false marking and a few other things, and also makes it an ordinary criminal action as well as an informer action that is in the present statute.

Section 252 is a new section that is needed to obtain jurisdiction over foreign patent owners, those that do not reside in the United States. That is necessary on some occasions.

Mr. BRYSON. That has been discussed by a previous witness.

Mr. FEDERICO. Yes.

Chapter 4 is the chapter that collects the provisions relating to plant patents and to design patents.

In the group of sections relating to plants, there is no change in the present law except in section 303, relating to the nature of the right granted by a plant patent.

The wording here is that the plant patent grants to the patentee the right to exclude others from reproducing the plant and selling the plant so reproduced.

Under the present law, there is some ambiguity in interpretation, and this section settles what the interpretation should be in the manner indicated.

The next groups of sections relates to design patents.

The only effort in this group was to state the present statute.

In the committee's preliminary print that introduced this codification the statement was made that the subject of design patents was

consideration, and the present code merely puts it
ut attempting to make any changes in the statute.
ains a few miscellaneous provisions with a table of
and that concludes the description of the bill.
hank you, Mr. Federico.
her witness, the President of the New York Patent
Mr. Neave.

ALEXANDER C. NEAVE, PRESIDENT, NEW YORK T LAW ASSOCIATION, NEW YORK CITY

am Alexander C. Neave, of New York City. I am
the New York Patent Law Association, Mr. Chair-

has written your committee a letter, Mr. Chairman.
We have your letter. Would you like to read it, or
have it submitted for the record and make comments

y I have it submitted for the record? I do not think
e to read it.
ll right.
erred to follows:)

THE NEW YORK PATENT LAW ASSOCIATION,
June 8, 1951.

0, Codification of the patent laws.
SON,
Committee No. 3, Committee on the Judiciary,
Representatives, Washington, D. C.

committee on patent law and practice of this association,
rough study of the Bryson H.R. 3760, and of its predecessor
Congress, H. R. 9133, reached the following conclusion in
3760):

highly recommends the adoption of this bill by Congress
. Certainly no patent legislation of recent years has been
y and careful thought as has this bill. It is our opinion
ly clarifies the existing law but also, in those instances in
nt law, achieves a proper balance between the protection
extension of monopoly rights and the encouragement to
and disclose their inventions so that 'the progress of science
ill be promoted in accordance with the provision of the

also concluded that the bill would be improved if a few
e. Those and other proposed changes were discussed and
eeting of the coordinating committee appointed by the Na-
Patent Law Associations. That committee has made certain
which, in the opinion of our committee, would materially
osed legislation. Since we understand that these changes
o you, we will not burden the record by including them in
sh to emphasize, however, that we are in entire agreement
g committee that these changes should be made.
, the governors of the New York Patent Law Association
g resolution:
the president of the New York Patent Law Association,
f its board of governors, is authorized to endorse and to
f the Bryson bill H. R. 3760; he is also similarly authorized
port the recommendations, finally made by the coordinating
able suggestions for improvement in the bill which should
possible."
urs,

ALEXANDER C. NEAVE, *President.*

Mr. NEAVE. Mr. Ashton has read to your committee a resolution favoring the bill in question.

The letter also contains an extract from our patent law committee's report on the bill. A great deal of study over a period of 2 years was given the bill by our committee.

There is one additional matter which is not contained in our letter to your committee that I would like to mention, since the matter has been brought up by Captain Robillard.

The committee of our association which considered the bill believed that it would be advisable to have included in the bill a section of a character which Captain Robillard referred to, with respect to publication of applications. That suggestion was specifically made to the coordinating committee and was discussed in their meetings, in several of their meetings.

The committee, as a whole, voted against such a provision, and in interest of not having a talent for disagreement, we thought we would not press the matter.

We believe, however, that since the Navy has made the suggestion, it might be helpful to your committee to have some specific language with respect to that matter.

Of course, I have no idea whether the Navy would approve of the language, because Captain Robillard has not seen that.

The language which we are suggesting—and conceivably it might be a separate section, section 123—is as follows:

> Pending applications for patents may be printed and published by the Commissioner, at the request and at the expense of the owner or applicant if he be the owner. Such publication shall have the effect as an issued patent for the purposes of section 102 (a) of this title.

The only other matter that I would like to mention is to comment upon the statement by Mr. Lanham that there are in the bill a number of controversial sections.

Our association does not feel that is so.

In that connection I would like to call the attention of the committee to the fact that the Department of Justice's report on the bill contains only eight suggestions or criticisms. I would say criticisms of eight paragraphs.

When you consider that the Antitrust Division has had quite a talent for criticizing patents, I think that is a real accomplishment.

I also feel, although I have not had much time to study the criticisms that the Department of Justice has made that practically all of the criticisms are of such a character that they can be taken care of upon further consideration.

I believe that many of them are perhaps justified if the bill is understood. It may be that the bill is not sufficiently clear.

As to such remaining criticisms as they have, I think it is entirely a matter of whether the Antitrust Division's policies with respect to patents, which became fairly sharp at the time Mr. Arnold came into the Department, should be followed, or whether it is this committee that should recommend and urge the legislation that should be passed.

I feel that the work that has been done by the Department of Justice on this bill and the comments that they have made to it show that the bill is an excellent bill, and we recommend it very highly to your committee.

Mr. BRYSON. Thank you very much.

