HEARING

BEFORE THE

SUBCOMMITTEE ON COURTS, CIVIL LIBERTIES, AND THE ADMINISTRATION OF JUSTICE

OF THE

COMMITTEE ON THE JUDICIARY HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

FIRST SESSION

ON

H.R. 7599

TO AMEND THE TRADEMARK ACT OF 1946 AND TITLE 35 OF THE UNITED STATES CODE TO CHANGE THE NAME OF THE PATENT OFFICE TO THE "PATENT AND TRADEMARK OFFICE"

H.R. 8981

TO AMEND THE TRADEMARK ACT TO EXTEND THE TIME FOR FILING REASONS OF APPEAL IN THE PATENT OFFICE, AND TO PROVIDE FOR AWARDING ATTORNEY FEES

H.R. 9199

TO AMEND TITLE 35, UNITED STATES CODE, "PATENTS", AND FOR OTHER PURPOSES

S. 71

FOR THE RELIEF OF UHEL D. POLLY

JULY 20, 1973

SERIAL NO. 12

Printed for the use of the Committee on the Judiciary

U.S. GOVERNMENT PRINTING OFFICE

21-001 O WASHINGTON : 1973

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PATENT OFFICE BILLS

FRIDAY JULY 20, 1973

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COURTS, CIVIL LIBERTIES,
AND THE ADMINISTRATION OF JUSTICE OF THE
COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met at 10:25 a.m., pursuant to call, in room 2226, Rayburn House Office Building, Hon. Robert M. Kastenmeier (chairman) presiding.

Present: Representatives Kastenmeier, Mezvinsky, and Railsback.

Also present: Herbert Fuchs, counsel; and Thomas E. Mooney, associate counsel.

Mr. KASTENMEIER. The hearing of the Subcommittee on Courts, Civil Liberties, and Administration of Justice will come to order. We are having this meeting this morning to receive testimony from the Acting Commissioner of Patents on four measures relating to work at the Patent Office. The proposed legislation is, I believe, essentially noncontroversial.

Two of these bills were introduced by the Chair at the request of the Department of Commerce, namely, H.R. 7599, a bill to amend the Trademark Act of 1946 and title 35 of the United States Code to change the name of the Patent Office to the "Patent and Trademark Office," and H.R. 8981, a bill to amend the Trademark Act to extend the time for filing oppositions, to eliminate the requirement for filing reasons of appeal in the Patent Office, and to provide for awarding attorney fees.

A third measure, H.R. 9199, a bill to amend title 35, United States Code, "Patents," and for other purposes, introduced by our colleague, the gentleman from Illinois, Mr. Railsback, would eliminate the necessity for private legislation in cases where unavoidable late payment of a patent issue fee results in its unintended abandonment.

Finally, we will receive the Commerce Department's views on S. 71, a private bill for the relief of Uhel D. Polly, which passed the Senate on June 7, 1973, the Patent Office stating that it had no objection.

[The bills referred to follow:]

93D CONGRESS
1ST SESSION

H. R. 7599

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 1973

Mr. KASTENMEIER introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend the Trademark Act of 1946 and title 35 of the United States Code to change the name of the Patent Office to the "Patent and Trademark Office".

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Trademark Act of 1946, 60 Stat. 427, as amended (15 U.S.C. sec. 1051 et seq. (1970)), and title 35 of the United States Code, entitled "Patents", are amended by striking out each time they appear "Patent Office" and "Commissioner of Patents" and inserting in lieu thereof "Patent and Trademark Office" and "Commissioner of Patents and Trademarks", respectively.

SEC. 2. Section 29 of the Trademark Act of 1946 is

further amended by striking out "Reg. U.S. Pat. Off." and inserting in lieu thereof "Reg. U.S. Pat. & Tm. Off."

SEC. 3. The terms "Patent Office" and "Commissioner of Patents" in all laws of the United States shall mean "Patent and Trademark Office" and "Commissioner of Patents and Trademarks", respectively.

SEC. 4. This Act shall become effective upon enactment. However, any registrant may continue to give notice of his registration in accordance with section 29 of the Trademark Act of 1946 (60 Stat. 427), as amended Oct. 9, 1962 (76 Stat. 769), as an alternative to notice in accordance with section 29 of the Trademark Act as amended by section 2 of this Act, regardless of whether his mark was registered before or after the effective date of this Act.

93D CONGRESS
1ST SESSION

H. R. 8981

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 1973

Mr. KASTENMEIER introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend the Trademark Act to extend the time for filing oppositions, to eliminate the requirement for filing reasons of appeal in the Patent Office, and to provide for awarding attorney fees.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 13 of the Trademark Act of 1946 (60 Stat. 427), as amended, is amended by deleting the second sentence and substituting therefor: "Upon written request prior to the expiration of the thirty-day period, the time for filing opposition shall be extended for an additional thirty days, and further extensions of time for filing opposition may be granted by the Commissioner for good cause. The Com-

missioner shall notify the applicant of each extension of the time for filing opposition.".

SEC. 2. Section 21 of the Trademark Act of 1946 (60 Stat. 427), as amended, is amended by deleting subsections (2), (3), and (4) from paragraph (a) and substituting therefor:

"(2) Such an appeal to the United States Court of Customs and Patent Appeals shall be taken by filing a notice of appeal with the Commissioner, within sixty days after the date of the decision appealed from or such longer time after said date as the Commissioner appoints. The notice of such appeal shall specify the party or parties taking the appeal, shall designate the decision or part thereof appealed from, and shall state that the appeal is taken to said court.

"(3) The court shall, before hearing such appeal, give notice of the time and place of the hearing to the Commissioner and the parties thereto. The Commissioner shall transmit the court certified copies of all the necessary original papers and evidence in the case specified by the appellant and any additional papers and evidence specified by the appellee, and in an ex parte case the Commissioner shall furnish the court with a brief explaining the grounds of the decision of the Patent Office, touching all the points involved in the appeal.

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"(4) The court shall decide such appeal on the evidence produced before the Patent Office. The court shall return to the Commissioner a certificate of its proceedings and decision, which shall be entered of record in the Patent Office and govern further proceedings in the case.".

SEC. 3. Section 35 of the Trademark Act of 1946 (60 Stat. 427), as amended, is amended by adding the following sentence at the end thereof: "The court in exceptional cases may award reasonable attorney fees to the prevailing party.".

SEC. 4. This Act shall become effective upon enactment, but shall not affect any suit, proceeding, or appeal then pending.

93D CONGRESS
1ST SESSION

H. R. 9199

IN THE HOUSE OF REPRESENTATIVES

JULY 11, 1973

Mr. RAILSBACK introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend title 35, United States Code, "Patents", and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3, title 35, of the United States Code is amended to read as follows:

"§ 3. Officers and employees

"(a) There shall be in the Patent Office a Commissioner of Patents, a Deputy Commissioner, two Assistant Commissioners, and not more than fifteen examiners-in-chief. The Deputy Commissioner, or, in the event of a vacancy in that office, the Assistant Commissioner senior in date of appointment shall fill the office of Commissioner during a vacancy

in that office until the Commissioner is appointed and takes office. The Commissioner of Patents, the Deputy Commissioner, and the Assistant Commissioners shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary of Commerce, upon the nomination of the Commissioner, in accordance with law, shall appoint all other officers and employees.

"(b) The Secretary of Commerce may vest in himself the functions of the Patent Office and its officers and employees specified in this title and may from time to time authorize their performance by any other officer or employee.

"(c) The Secretary of Commerce is authorized to fix the per annum rate of basic compensation of each examiner-in-chief in the Patent Office at not in excess of the maximum scheduled rate provided for positions in grade 17 of the General Schedule of the Classification Act of 1949, as amended."

SEC. 2. The first paragraph of section 7 of title 35 of the United States Code is amended to read as follows:

"The examiners-in-chief shall be persons of competent legal knowledge and scientific ability, who shall be appointed under the classified civil service. The Commissioner, the deputy commissioner, the assistant commissioners, and the examiners-in-chief shall constitute a Board of Appeals, which on written appeal of the applicant, shall review adverse deci-

sions of examiners upon applications for patents. Each appeal shall be heard by at least three members of the Board of Appeals, the members hearing such appeal to be designated by the Commissioner. The Board of Appeals has sole power to grant rehearings."

SEC. 3. The last sentence of section 151 of title 35 of the United States Code is amended to read as follows: "If any payment required by this section is not timely made, but is submitted with the fee for delayed payment and the delay in payment is shown to have been unavoidable, it may be accepted by the Commissioner as though no abandonment or lapse had ever occurred.".

SEC. 4. (a) The Commissioner of Patents, may, in accordance with section 3 of this Act, accept late payment of issue fees, the payment of which was governed by the provisions of Public Law 89–83: *Provided*, That the term of the patent for which late payment of such an issue fee is accepted shall expire earlier than the time specified in section 154 of title 35, United States Code, by a period equal to the delay between the time the application became abandoned or a patent lapsed for failure to pay the issue fee and the time the late payment is accepted after enactment of this Act: *Further provided*, That no patent, with respect to which the payment of the issue fee was governed by the provisions of Public Law 89–83 and for which a

late payment of the issue fee is accepted under the authority created by section 3 of this Act, shall abridge or affect the right of any person or his successors in business who made, purchased, or used after the date the application became abandoned or patent lapsed for failure to pay the issue fee, but prior to the grant of the patent, anything covered by the patent, to continue the use of or to sell to others to be used or sold, the specific thing so made, purchased, or used. A court before which such matter is in question may provide for the continued manufacture, use, or sale of the thing made, purchased, or used as specified or for the manufacture, use, or sale of which substantial preparation was made after the date the application became abandoned or a patent lapsed for failure to pay the issue fee but prior to the grant of the patent, and it may also provide for the continued practice of any process covered by the patent, practiced, or for the practice for which substantial preparation was made, prior to the grant of the patent, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of a patent.

(b) This Act shall be effective upon enactment. Examiners-in-chief in office on the date of enactment shall continue in office under and in accordance with their then existing appointments.

93D CONGRESS
1ST SESSION

S. 71

IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1973

Referred to the Committee on the Judiciary

AN ACT

For the relief of Uhel D. Polly.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the patent laws of the United States, with respect to United States patent numbered 3,459,614 (Uhel D. Polly, of Fort Lauderdale, Florida, patentee) that the period in regard to public use or sale in this country as stated in section 102(b), title 35 of the United States Code be enlarged to two years prior to the date of the application of aforesaid patent. Nothing contained in this Act shall bar any person from exercising any rights which vested prior to the effective date of this Act.

Passed the Senate June 7, 1973.

Attest: FRANCIS R. VALEO,

Secretary.

III

Mr. KASTENMEIER. The Chair is very pleased to welcome the Honorable Rene Tegtmeyer, whom I had the pleasure of meeting in Vienna in connection with the Trademark Conference last May. He was then in another capacity but I am very pleased to note that this morning he is here as the Acting Commissioner of Patents and we are most pleased to welcome you, Mr. Tegtmeyer. There are a number of issues and we have your statement, or perhaps you would prefer to read from the statement. You are quite free to and if you care to proceed otherwise, you may, but I am sure this probably contains the essence of your views. If you care to identify the gentlemen who accompany you, for the record, we would also appreciate that.

TESTIMONY OF HON. RENE TEGTMEYER, ACTING COMMISSIONER OF PATENTS, DEPARTMENT OF COMMERCE; ACCOMPANIED BY MICHAEL K. KIRK, DIRECTOR, OFFICE OF LEGISLATION, AND HERBERT C. WAMSLEY, OFFICE OF LEGISLATION

Mr. TEGTMEYER. Thank you, Mr. Chairman. I will identify the people who are accompanying me. On my right is Michael Kirk, who is the Director of the Office of Legislation, and on my left Herbert Wamsley, who is an employee in the same office. We are pleased to be here this morning to explain to you and the other members of the subcommittee the views of the Department of Commerce on the four bills you have mentioned.

I might note before starting that we were most pleased to have you join the delegation for a period of time in Vienna in regard to the Trademark Registration Treaty Conference. It was an honor for the delegation to that Conference to have you serve as a member and join us there

If I could, I would like to change the order slightly in which we present our testimony and cover H.R. 8981 first.

Mr. KASTENMEIER. Yes, you certainly may.

Mr. TEGTMEYER. Thank you, Mr. Chairman.

H.R. 8981, which was introduced by the chairman at our request, would make three separate and unrelated changes in the Federal Trademark Act.

First, the bill would amend section 13 of the Trademark Act to extend the time during which the public may file an opposition to the registration of a trademark in the Patent Office. Present law permits a person who believes that he would be damaged by the registration of a trademark to oppose the registration within 30 days after the publication of the proposed registration in the Patent Office's official weekly publication, the Official Gazette. A person opposes a registration by filing a paper in the Patent Office within the 30-day time limit in which he states his grounds for opposing. Upon the timely filing of such a paper, the Patent Office conducts an inter-partes proceeding known as an opposition proceeding involving both the trademark applicant and the opposing party, to determine whether the mark should be registered.

Experience has shown that 30 days is often insufficient time for a member of the public to prepare and file an opposition. Present law permits a party to obtain an extension of the 30-day period upon a

showing of good cause. Requests for extensions generally are approved by the Patent Office, but involve a burden on the opposer to explain his reasons for needing additional time and a burden on the Patent Office to consider his reasons.

H.R. 8981 would modify the 30-day time limit by allowing the party to obtain a 30-day extension of the initial 30-day opposition period automatically upon request. No showing of good cause would have to be made to obtain this first extension. The law would continue to permit further extensions of the time for filing to be granted upon a showing of good cause.

Making available a 30-day automatic extension of the present 30-day period is believed preferable to merely lengthening the 30-day limit to 60 days for all cases. Changing the period to 60 days would delay the registration of all trademarks whether or not anyone intended to oppose them. Oppositions are filed in only about 7 percent of the applications published for opposition. Since there would be no request for an automatic extension at the end of the first 30 days in most of the 93 percent of the cases which are never opposed, these marks could be registered without further delay.

We believe that 30 days is sufficient time for the public to become aware of marks published in the Patent Office Official Gazette which may affect their interests. More time to oppose is needed not because the public fails to learn of the proposed registration within 30 days, but because substantial time often is required after learning of the proposed registration for consultations between attorneys and their clients and preparation of papers explaining the grounds for opposition. Thus, we believe the approach used by H.R. 8981 is the best way to provide additional time for preparing and filing opposition papers while avoiding unnecessary delay in the registration of marks that the public does not intend to oppose.

The second change that H.R. 8981 proposes for the Trademark Act is to abolish the requirement for a party to file a statement of his reasons of appeal in the Patent Office when appealing a Patent Office decision to the U.S. Court of Customs and Patent Appeals. The Department of Commerce regards the requirement for filing a statement of reasons of appeal as outmoded. The existing provision in section 21 of the Trademark Act, which requires a statement of reasons of appeal to be filed within 60 days after the date of the Patent Office decision, is traceable to the organizational structure of the Patent Office under the Patent Act of 1836. At that time the Commissioner was operating the Patent Office and the examination system practically by himself and any decision to refuse the patent was essentially his personal decision. In taking an appeal to the courts it was necessary to inform the court and the Patent Office of the issues involved. This was the function of the "reasons of appeal." They were in the nature of a pleading, corresponding to the complaint of today.

However, the whole proceeding is different today. Appeals are taken from decisions of Patent Office Boards, which always take the form of written opinions. The Trademark Examiner furnishes an answer to the appellant's brief when the case is before the Board. Therefore, a written record has been built in the Patent Office before the appeal is taken to the Court.

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When an appeal is taken to the U.S. Court of Customs and Patent Appeals, the appellant files his notice of appeal, gets the Patent Office to deliver his records to the court, files his petition, and the court clerk has the record printed. Thereafter, the appellant files his printed brief containing his full argument as to why the Patent Office erred. After all of this, the Solicitor of the Patent Office takes up the case for consideration and the writing of the Patent Office's brief. The Patent Office has no need whatsoever for receiving reasons of appeal.

The requirement to provide reasons of appeal, however, has caused inexperienced applicants for trademark registrations to lose rights by precluding the court from considering a case on its merits if the applicant inadvertently overlooks the requirement for filing reasons of appeal. Judges on the Court of Customs and Patent Appeals have commented on the uselessness of the requirement and the trap that it sometimes provides for unwary applicants.

The third change in the Trademark Act proposed by H.R. 8981 is to provide authority to courts to award reasonable attorney fees to the prevailing party in a trademark suit in exceptional cases. Prior to 1967, the courts in trademark infringement and unfair competition cases had held that attorney fees were recoverable by a successful plaintiff notwithstanding the absence of express statutory authority in the Trademark Act. This doctrine was overruled, however, by the Supreme Court decision in *Fleischmann Distilling Corp.* v. *Maier Brewing Co.*, 386 U.S. 714 (1967).

The general rule in the United States is that attorney fees are not recoverable in ordinary actions by either a successful plaintiff or defendant in the absence of specific statutory authority. This departure from the "English rule," under which attorney fees are generally awarded, arose early in this country's judicial development. Courts feared that awarding attorney fees might discourage potential litigants from bringing suits. There was also fear that attorney fees would tend to become exorbitant if they could be charged against a losing party, and difficulties were anticipated in determining what amount was reasonable.

Courts have come to recognize, however, that equitable considerations demand exceptions from the general rule denying attorney fees. In appropriate circumstances, a successful party should be entitled to full compensation for the injuries sustained and expenses incurred, since these were necessitated by the acts of the opposing party. Attorney fees may well be consequential and foreseeable, and judges and masters are capable of determining reasonable fees. The Federal patent and copyright statutes expressly provide for reasonable attorney fees, as do a number of other Federal statutes.

The Commerce Department believes that trademark and unfair competition cases brought under the Trademark Act of 1946 present a particularly compelling need for attorney fees. Mass demand, mass advertising, and the increasingly large variety of goods available make trademarks of crucial importance to manufacturers, distributors, and the consuming public. These facts of modern business life also make trademark infringement and acts of unfair competition particularly appealing to unethical competitors. Deliberate and flagrant infringement of trademarks should be discouraged in view of the public interest in the integrity of marks as a measure of quality of products. Effective

enforcement of trademark rights is up to trademark owners. In the interest of preventing purchaser confusion, trademark owners should be encouraged to enforce their rights.

It should be noted that H.R. 8981 would limit attorney fees to "exceptional cases," and the award of attorney fees would be within the discretion of the court. We understand the phrase "exceptional cases" to permit recovery of attorney fees from infringers only where the acts of infringement might be characterized as "malicious," "fraudulent," "deliberate" or willful."

The Trademark Act currently provides for awarding treble damages in appropriate circumstances in order to encourage the enforcement of trademark rights. The availability of treble damages, however, cannot be regarded as a substitute for the recovery of attorney fees. In suits brought primarily to obtain an injunction, attorney fees may be more important than treble damages. Frequently, in a flagrant case of infringement where the court action is instituted promptly, the measurement damages are nominal. Nonetheless, attorney fees may be substantial. The Trademark Act as amended by H.R. 8981 would make clear that a court has discretion as to whether to award attorney fees, treble damages, or both, or neither.

It should be noted that the bill would also permit prevailing defendants to recover attorney fees in exceptional cases. This would provide protection against unfounded suits brought by trademark owners for purposes of harassment.

For these reasons, we believe that it would be in the public interest to authorize courts to award attorney fees in trademark suits in exceptional cases.

I will now direct my views to H.R. 7599, which provides for a change in the name of the Patent Office.

H.R. 7599 also was drafted by the Department of Commerce. This bill would change the name of the Patent Office to the "Patent and Trademark Office" and change the title of the Commissioner of Patents to the "Commissioner of Patents and Trademarks."

The Department of Commerce believes this name change is needed in order to provide a more accurate description of the dual role of the Patent Office in administering the patent law and the Trademark Act of 1946. The Patent Office, which is one of the oldest Government agencies, has been known by its present name at least since 1836. In its very early years the Office did not have any jurisdiction over trademark matters. The first Federal Trademark Act was passed in 1870 and subsequent trademark statutes were enacted by the Congress in 1881, 1905, and 1920.

Administration of Federal Trademark Law was not a very significant function of the Patent Office, however, until the Trademark Act of 1946—also called the Lanham Act—came into effect. This act provided added incentives for securing Federal registration for trademarks, and since 1946 Federal Trademark Law has become increasingly important.

The number of applications for trademark registrations received in the Patent Office each year, while smaller than the number of patent applications, has become quite substantial—about 34,000 trademark applications per year compared with 102,000 patent applications. The major part of the Patent Office budget is still devoted to patents, since the expenses involved in examining patent applications, especially

those involving complex technologies, is greater than the expense of examining trademark applications. But the interest of the general public in trademark protection today and the economic significance of trademarks to a company may equal or exceed that of patents.

Members of the general public frequently are confused as to whether the Trademark Act is administered by the Patent Office, or by the Copyright Office in the Library of Congress, or by some other government agency. The name "Patent Office" conveys the impression that the agency's interest and expertise are limited to patent matters, while in fact the Patent Office also has responsibility for the quite different matters that relate directly or indirectly to consumer and business interest under the Trademark Act.

The name change would also make clear to the more than 100 hard working and dedicated employees in the Patent Office's trademark operation that their mission is important, as is the job of administering the patent system.

The Department of Commerce believes that the benefits of changing the Patent Office name clearly outweigh any minor inconvenience that might result from using a somewhat longer name to describe the Office.

Because of the similarity of the present name of the Office and the proposed new name, existing supplies of stationery, signs, and other materials bearing the name of the Agency would continue in use until such supplies were exhausted. Therefore, the expense of implementing H.R. 7599 would be negligible.

Turning to H.R. 9199, the Department of Commerce supports its provisions. H.R. 9199 is essentially the same as S. 1254 on which this subcommittee heard testimony during the last Congress, except that the present bill omits a provision concerning the establishment of a new position of Assistant Secretary of Commerce for patents and trademarks that was objected to by the administration.

Section 1 of H.R. 9199 changes the title of the present "First Assistant Commissioner of Patents" to "Deputy Commissioner of Patents." We agree with this change, which provides a better description of the duties of the position in the Patent Office.

The bill in sections 1 and 2 provides for the appointment of the 15 Examiners-in-Chief in the Patent Office under the classified civil service, instead of their being appointed by the President and confirmed by the Senate. The Department of Commerce supports this change, believing that the Examiners-in-Chief, who perform duties requiring unique legal and technical qualifications and experience, should be appointed without the burdens of the present procedures.

Section 3 of H.R. 9199 would accomplish a desirable change by broadening the authority of the Commissioner of Patents to accept a late payment of the patent issue fee. Under present law, the Commissioner has no authority to excuse the lateness of an issue fee which is submitted to the Patent Office more than 3 months after the due date.

Several situations have arisen where a patent applicant has been more than 3 months late in paying his fee due to circumstances that may have been beyond his control. The amendment proposed by section 3 of H.R. 9199 would permit acceptance of a late payment of an issue fee at any time upon a showing that the delay in payment was un-

avoidable. This amendment would eliminate the need for private bills of the type that have been introduced in recent Congresses to authorize the Commissioner to accept late payments in particular cases.

Moreover, the passage of such legislation would relieve the Patent Office of the burden of processing a relatively large number of letters from applicants inquiring about the status of their patent applications. Many such letters are submitted by applicants as a protective measure against the loss of a patent for failure to submit the issue fee.

Section 4 of H.R. 9199 contains a provision that was recommended by the Department of Commerce in the last Congress concerning retroactive effect of the change regarding payment of issue fees.

Since some situations may have already arisen where rights have been lost because of unavoidable circumstances resulting in the late payment of an issue fee, we recommend applying H.R. 9199 retroactively, subject to certain limitations. One problem that must be considered in applying the section relating to issue fee payment retroactively is the possibility of unwarranted extensions of the expiration dates of patents. A patent term expires 17 years from the date of issue. Whenever the date of issuance is delayed, of course, the date of expiration of the patent term is delayed by the same amount of time.

With respect to applications with issue fees payable after enactment of H.R. 9199, the language of the bill appears to provide the Commissioner of Patents with discretion which would prevent undesirable extensions of patent expiration dates. The bill authorizes the Commissioner of Patents to accept a late payment of the issue fee when "the delay in payment is shown to have been unavoidable." Undue delay in requesting that late payment of an issue fee be excused could in itself be considered "avoidable" delay, and the Commissioner could refuse to accept the late issue fee.

With respect to applications abandoned or patents lapsed for failure to pay the proper fee prior to enactment of the bill, however, we have recommended and the bill provides that retroactive relief be limited to avoid adversely affecting the public interest by unduly extending the expiration of patent terms.

First, the bill should not be retroactive prior to October 25, 1965, which was the date when the present law concerning issue fee payments became effective. Prior to that date, more time was available for paying issue fees. We are unaware of any difficulties with late payment prior to 1965.

Second, it is desirable that the term of any patent for which late payment of the issue fee is accepted retroactively under the authority of H.R. 9199 be shortened. The term should be shortened by an amount equal to the time period between the original due date of the issue fee and the date when the delayed payment is submitted.

The bill imposes an additional limitation on retroactivity to protect other parties who may have learned of the abandonment of a patent application for failure to pay an issue fee and made an investment relying on their belief that the invention was in the public domain. To prevent any burden on a party who has already begun practicing the invention, the bill utilizes language similar to that contained in section 252 of the present patent code, which preserves certain rights that may come into existence prior to the reissue of a patent.

Section 4 of H.R. 9199 contains all of the limitations on retroactivity that we recommend, and is identical to the language that we suggested to the chairman of the House Judiciary Committee in the last Congress in a letter dated September 29, 1972. In reviewing the language that we drafted last year, however, we have discovered certain technical defects of a minor nature that should be corrected. Accordingly, I would like to insert in the record at this point for consideration by your subcommittee a slightly revised version of the language on retroactivity of the issue fee provision, which we recommend to replace section 4(a) of H.R. 9199.

Unless the chairman of the subcommittee desires, I will not read the text of the insert.

Mr. KASTENMEIER. No, but without objection, of course, that version will appear in the record.

[Revised version mentioned above follows:]

The Commissioner of Patents may, in accordance with Section 3 of this Act' accept late payment of issue fees, the payment of which was governed by the provisions of Public Law 89–83; *Provided:* the term of the patent for which late payment of such an issue fee is accepted shall expire earlier than the time specified in Section 154 of Title 35, United States Code, by a period equal to the delay between the time the application became abandoned or the patent lapsed for failure to pay the issue fee and the time the late payment is accepted after enactment of this Act; *Further Provided:* no patent with respect to which the payment of the issue fee was governed by the provisions of PL 89–83 and for which a late payment of the issue fee is accepted under the authority created by Section 3 of this Act, shall abridge or affect the right of any person or his successors in business who made, purchased or used anything covered by the patent, after the date of the application became abandoned or patent lapsed for failure to pay the issue fee but prior to the grant or restoration of the patent, to continue the use of or to sell to others to be used or sold, the specific thing so made, purchased, or used. A court before which such matter is in question may provide for the continued manufacture, use or sale of the thing made, purchased or used as specified, or for the manufacture, use or sale of which substantial preparation was made after the date the application became abandoned or patent lapsed for failure to pay the fee but prior to the grant or restoration of the patent, and it may also provide for the continued practice of any process covered by the patent, practiced, or for the practice of which substantial preparation was made, after the date the application became abandoned or patent lapsed for failure to pay the issue fee but prior to the grant or restoration of the patent, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant or restoration of the patent.

Mr. TEGTMEYER. Thank you, Mr. Chairman.

The Department of Commerce would also like to recommend another change in the text of section 151 of the patent code relating to issue fees that we believe could be conveniently incorporated into section 3 of H.R. 9199. We recommend modifying the second sentence of existing section 151 to authorize the Commissioner of Patents to shorten the time period for payment of issue fees from the present 3 months to a period not less than 1 month. Presently, section 151 is written in absolute terms requiring the payment of issue fees within 3 months after the Patent Office sends a notice that they are due. We believe that authority to shorten this period somewhat would enable the Patent Office to effect a further reduction in the average time of pendency of patent applications without imposing any undue burden on patent applicants.

Several years ago, the Patent Office set a goal of reducing to 18 months the period between the time of filing of a patent application

and its issuance as a patent. We expect to reach this goal by fiscal year 1976. Shorter pendency time for patent applications is desirable for a number of reasons. For instance, early dissemination of new technology through issuance of patents permits development of improvements on the patented invention or development of different ways of achieving the same results. Early issuance of patents helps prevent needless duplication of research and development efforts. Early issuance also apprises entrepreneurs of the areas in which operations might be held to infringe the rights of patentees. Moreover, delay in granting a patent can effectively extend the term of the patent long after it should have expired and entered the public domain.

We believe that decreasing the time for paying issue fees will not work a hardship on patent applicants. A decision whether or not to pay an issue fee is essentially a business decision, capable in most instances of resolution and implementation in less time than 3 months. An applicant will have had his application pending in the Patent Office for many months before the issue fee is due. Generally he will be able to anitcipate when his patent application is likely to be found allowable by the Patent Office and should be prepared to make a decision on whether to pay the issue fee promptly after he receives the notice of allowance from the Patent Office.

Section 133 of present law already authorizes the Patent Office to set the time period in which applicants are required to respond to Office actions during the examination of a patent application, provided that the period is not shortened to less than 30 days. Similar authority with respect to the time for paying issue fees is desirable.

We anticipate that the Patent Office would not automatically shorten the time period to 1 month if the requested authority is obtained. Rather, a rule change proposal would be published and views obtained from patent applicants and the patent bar as to the shortest practicable time period that could be set without placing an undue burden on applicants.

Finally, the Department of Commerce is considering whether it would be desirable to change the word "appears" in the first sentence of present section 151 to "is determined." This change has been proposed in a number of bills for general revision of the patent laws since about 1967. We hope to be able to send you a letter stating our view on this point within the next few days.

[Subsequently, the following letter was received:]

GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE,
Washington, D.C., August 31, 1973.

Hon. ROBERT W. KASTENMEIER,

Chairman, Subcommittee on Courts, Civil Liberties and the Administration of Justice, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR MR. KASTENMEIER: You will recall that in the course of testimony on H.R. 9199 before your Subcommittee last July 20, Acting Commissioner of Patents Rene D. Tegtmeyer stated that the Department of Commerce was considering the desirability of changing the word "appears" in the first sentence of section 151 of the Patent Code to "is determined", to reflect more accurately the status of a patent application at the time a notice of allowance issues. This is to advise that the Department has concluded that this change should be made.

We believe the phrase "is determined" provides a better description than existing law of the patent examining process conducted by the Patent Office. You will recall that this change has been proposed in a number of recent bills for revision of the patent laws, e.g., H.R. 5924, 90th Congress and S. 643, 92nd Congress.

I might add, for your information, that the Department is forwarding to the Congress under separate cover a draft bill to implement this and other amendments to section 151 of the Patent Code that were recommended in the Department's testimony on H.R. 9199. Although this draft bill had been prepared prior to the hearing on July 20, we were unable to complete coordination within the Executive Branch until recently.

We recognize that consideration of our draft bill in the House of Representatives will be unnecessary if the revisions in H.R. 9199 that we have suggested are adopted. Nevertheless, our draft bill is being forwarded to both houses of the Congress for such consideration as may be appropriate in light of action on H.R. 9199.

Sincerely,

KARL E. BAKKE,
General Counsel.

Turning to S. 71, the private bill, the Department of Commerce does not object to the bill assuming the circumstances relating to the bill are the same as our understanding which was explained in our letter of April 20, 1973, to the chairman of this committee, concerning H.R. 2214, a House bill identical to S. 71.

The Commerce Department, as a general policy, does not favor private legislation making exceptions to the general patent laws, except in the most extraordinary circumstances. We believe that frequent exceptions to the rigid criteria prescribed by the Congresss in the patent code for obtaining a patent would encourage applicants to ignore these criteria and could create severe administrative problems for the Patent Office. Moreover, dealing with such matters on a case-by-case basis could result in lack of uniformity in the patent law.

As explained in our letter of April 20, 1973, it is our understanding that the validity of Mr. Polly's patent may be subject to question because of highly unusual and improper conduct by his agent, Mr. Ernest Carl Edge, whose whereabouts are now unknown. In these circumstances, and in view of the fact that the bill is drafted so as to protect other parties who may have acquired rights during the period of delay resulting from Mr. Edge's improper conduct, we believe that Mr. Polly's case may merit extraordinary relief. Accordingly, while adhering to our general policy of opposing exceptions to the general patent laws, we do not interpose any objection in this particular case.

[The letter referred to follows:]

DEPARTMENT OF COMMERCE,
Washington, D.C., April 20, 1973.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request for the views of the Department of Commerce concerning S. 387 in the 92d Congress, a bill "For the relief of Uhel D. Polly," we submitted comments to you on June 25, 1971, objecting to its passage. Subsequently, we reexamined our position and commented favorably on S. 387 to the House Committee on the Judiciary on October 12, 1972. Noting that a bill for the same purpose, S. 71, has been introduced in the 93d Congress, we wanted to apprise you of our changed position on the bill.

S. 71 is substantially similar to S. 4240 in the 91st Congress, 2d Session, and is identical to S. 387 as introduced. An amended version of S. 387 was reported out of the Senate Committee on the Judiciary on June 28, 1972, and passed by the Senate on July 18, 1972. The amended bill differs from the original version only in an amendment to the last sentence thereof. The amendment involves a sentence preserving any intervening rights which may have vested prior to the effective date of this legislation.

S. 71 would require that, in the administration of the U.S. patent laws, the grace period for public use or sale in this country under 35 U.S.C. 102(b) be extended for a period of 2 years prior to the date of filing of March 15, 1965, for patent No. 3,459,614 of Uhel D. Polly.

The records of the Patent Office show that Mr. Polly appointed Ernest Carl Edge of Fort Lauderdale, Fla., to act as his agent in prosecuting his patent application in the Patent Office. On November 1, 1968, Mr. Polly revoked Mr. Edge's power of attorney in the application, and appointed the law firm of Schellin & Hoffman of Arlington, Va., as his representative to prosecute the application before the Patent Office.

On April 3, 1969, Ernest Carl Edge's name was removed from the register of agents and attorneys authorized to practice before the Patent Office (35 U.S.C. 31–33) for failure to respond to an inquiry as to whether he desired to remain enrolled on the register.

The Patent Office records further indicate that rights under Mr. Polly's patent are assigned to Consolidated Products, Inc., a Florida corporation. Notice was given to the Patent Office of a suit brought on the patent on February 12, 1970, by Consolidated Products, Inc., against Gepco, Inc., of Fort Lauderdale, Fla., in the U.S. District Court for the Southern District of Florida. A consent judgment was rendered on February 12, 1971, approximately 2 weeks after the original version of S. 387 was introduced, holding the patent valid and infringed as between the parties.

The official Patent Office files on Patent No. 3,459,614 contain no other information pertinent to S. 71. The only additional information of which this department is aware, concerning Mr. Polly's claim, is found in unsolicited papers and affidavits submitted to the department informally by Mr. Polly's attorneys, Schellin & Hoffman.

According to an affidavit by Mr. Polly, he executed on March 2, 1964, the complete application on which his patent is based, and was informed by Ernest Carl Edge that his patent application had been promptly mailed to the Commissioner of Patents. This affidavit also states that Mr. Edge provided him with a fictitious application serial number and filing date. The patent application was not actually received by the Patent Office until March 15, 1965, more than 1 year after the date Mr. Edge informed Mr. Polly that it had been filed. It is further alleged that the oath accompanying the application was altered to show a later signing date, so the oath would not be declared stale by the Patent Office.

According to Schellin & Hoffman, the delay by Ernest Carl Edge in filing the patent application and Mr. Polly's reliance on the misinformation given by Mr. Edge have resulted in a statutory bar under 35 U.S.C. 102(b). This bar makes invalid any patent on an invention where the patent application is filed more than 1 year after public use or sale of the invention in the United States.

It is further alleged that Mr. Edge absconded with certain files during the latter part of 1968, and he now cannot be found. The late filing date received by Mr. Polly's application is said to be due to the "breach of duties and responsibilities" and the "mental condition" of Mr. Edge.

Additionally, it is pointed out that Mr. Polly's application has already matured into a patent, thereby giving notice to the public that he intends to protect his invention. Furthermore, it should be noted that S. 71 would not bar any person from exercising intervening rights in the patent.

The Commerce Department, as a general policy, does not favor private legislation making exceptions to the general patent laws, except in the most extraordinary circumstances. The passage of S. 387 by the Senate over our objections, however, caused us to review again the facts in this case. Our subsequent review indicated the circumstances in this case to be so extraordinary as to warrant an exception to our general policy and we so informed the House Committee on the Judiciary.

Accordingly, the Department of Commerce, while adhering to our general policy of opposing exceptions to the general patent laws, recognizes that this case involves extraordinary circumstances. In view of these circumstances, we have no objection to enactment of S. 71.

We believe, however, that the bill would be improved by amendment of its last sentence to correspond to the version of S. 387 passed by the Senate in the 92d Congress. Thus, we would recommend that the last sentence of S. 71 reading "This bill for the relief of Uhel D. Polly shall not bar any person from having intervening

rights if this relief is granted." be deleted and the corresponding sentence from S. 387 reading "Nothing contained in this Act shall bar any person from exercising any rights which vested prior to the effective date of this Act." be inserted in its place.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of this report from the standpoint of the administration's program.

Sincerely,

WILLIAM N. LETSON,
General Counsel.

Mr. KASTENMEIER. Thank you, Mr. Tegtmeyer.

On the last bill just referred to, I take it that you make distinctions among or between cases where a practitioner may have been either negligent or willful with respect to his proper representation of a patent applicant and other cases. But you would not necessarily favor relief in any case where a practitioner were negligent or willfully failed to represent the client properly, I take it?

Mr. TEGTMEYER. Yes, Mr. Chairman. That is correct. We would not favor relief in all cases where an attorney may have misrepresented his client's interests in one fashion or another. It would only be where particularly unusual circumstances exist, such as those we felt to exist in the case in question here. I believe that the department has only supported two bills for private relief in patent cases in recent years, and we have indicated our objection to a large number, some of which have involved circumstances in which the attorneys may have improperly mishandled their client's business or interest in a patent application.

Mr. KASTENMEIER. That was one of the reasons I asked the question. I do recall another case. I think it was an Arkansas case if I am not mistaken, wherein an individual with an interest in a patent, was not represented properly by his attorney for very unusual reasons to be sure, and I think that became law and I assume it was with the support, as I recall, of the Patent Office. Could you give us any general guidance as to what sort of unusual circumstances would be necessary to distinguish a case from the run of the mill case where an individual with an interest in a patent was not properly represented?

Mr. TEGTMEYER. I do not think I can, Mr. Chairman. Our views in this particular bill were based on each and every one of the facts that we understood to exist in this case. I think we would have to limit our views to this particular bill. It would be dangerous, I am afraid, to make any generalities in cases of this kind. The policy of the Department is generally that we oppose private bills of this nature and it would be ill-advised, I think, to express any general view of criteria which might form the basis for our favoring of thier enactment.

Mr. KASTENMEIER. I understand.

Returning to the first bill, H.R. 8981, and the additional time for filing opposition, does this proposed change have anything to do with international practice or the interests of other country nationals in trademarks in this country?

Mr. TEGTMEYER. No, sir, not directly. Certainly, foreign business interests who have rights in this country would have a better opportunity to get their opposition in with this facility in the bill, but it is not intended specifically for this purpose. The additional time is desirable because a 30-day period has generally caused hardship to

people in this country who intend to oppose the registration of a mark, and have been unable in some cases to get their opposition in within the 30-day period, or to get a request for an extension of time in within a 30-day period, at least with a statement of reasons as to why they need an extension.

Mr. KASTENMEIER. Can you conceive of any interests that might be adversely affected by this change?

Mr. TEGTMEYER. No, sir, I cannot. It would reflect very closely what is a very liberal practice in the Patent Office now of granting the extension of time on the basis of a minimum showing as to why more time is needed. This bill would be consistent with that liberality and should not provide any injury or should not work to the detriment of any party.

Mr. KASTENMEIER. You indicate that the attorney's fees may be awarded to the prevailing party in exceptional cases. Perhaps I did not follow your testimony close enough, but is it the same, is that the same test used in patent and copyright matters?

Mr. TEGTMEYER. This has been the test that has been applied, as I understand it, in some of the past trademark cases prior to the *Fleischmann* case cited earlier in my testimony, which stated that absent a specific statutory provision in the Trademark Act, there was no basis for granting attorney fees in trademark suits.

Mr. KASTENMEIER. This is consistent with what is occasioned by case law?

Mr. TEGTMEYER. Yes, sir, that is correct. It is also consistent with the provision that is expressly written into the patent law to this effect and which has been interpreted along the lines indicated in our testimony in the cases that have applied it. Section 285 of title 35 provides that the court in exceptional cases may award reasonable attorney fees to the prevailing party.

Mr. RAILSBACK. Mr. Chairman, may I just pursue that?

Mr. KASTENMEIER. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Counsel tells me, Mr. Tegtmeyer, that it is inconsistent with the present case law which does not permit the award of attorney fees.

Mr. TEGTMEYER. This is correct. Yes, sir. I think that is expressed in the testimony on page 5.

Mr. KASTENMEIER. As I understood it, my question was probably not properly phrased but the *Fleishmann* case you cite requires that in order for this to be effective, the statute ought to be written, is that correct?

Mr. TEGTMEYER. That is correct, yes, sir.

Mr. KASTENMEIER. To provide for attorney fees in exceptional cases.

Mr. TEGTMEYER. That is correct, yes, sir.

Mr. KASTENMEIER. Is that also the case with copyright; do you happen to know? Is the exceptional case standard use for compensation of reasonable attorney fees in copyright as well by statute?

Mr. TEGTMEYER. I do not know offhand whether that is true.

Mr. KASTENMEIER. Well, the only reason I ask is——

Mr. TEGTMEYER. I am not sure I know the answer to the question.

Mr. KASTENMEIER. To see whether there is going to be symmetry in all of these fields, patents, trademarks and copyrights with respect

to statutory provisions for allowance of reasonable attorney fees. We can inform ourselves as to that.

Mr. TEGTMEYER. I am sorry, Mr. Chairman. If I may interrupt you a minute. On page 6 of our testimony, and I was just looking for it, I thought we had made the statement that the copyright law contained such a provision and we do in the testimony at the bottom of the last full paragraph on that page. We have indicated that the Federal patent and copyright statutes expressly provide for reasonable attorney fees and I do recall now that that is the case.

Mr. KASTENMEIER. Yes. I think what I was asking is do they provide for reasonable attorney fees in exceptional cases?

Mr. TEGTMEYER. Yes, sir, only in exceptional cases in both the patent and copyright statutes.

Mr. KASTENMEIER. Thank you.

Going on to H.R. 7599, the change of name it would, of course, constitute a considerable change with respect to the simplicity with which your Office has been known for so many years. Will you still, for example, be printing matters such as this separately, setting out the trademark and the patent laws, or will there be a tendency to merge various publications within the office?

Mr. TEGTMEYER. I think we will continue to print such publications separately, Mr. Chairman, for the reason that there are people who have an interest only in the patent side of our operations and people who have an interest only in the trademark side of our operations. It would probably best serve the purposes of all of the people who obtain such documents that we print them separately.

Mr. KASTENMEIER. It does not then represent or either does not represent any structural merger that does not already exist. It recommends no structural change within the Office?

Mr. TEGTMEYER. Yes, that is correct, sir. These are separate operations and they will continue to operate as such within the Patent Office in the future.

Mr. KASTENMEIER. Do you foresee, looking 20 years into the future, presuming certain revisions might take place, that there could be any merging of patent and copyright or patent and trademark practices any more than presently is represented?

Mr. TEGTMEYER. No, sir. There are a number of relationships between patents and trademarks, but only in the broadest generalities and they are really rather separate and distinct laws that deal for the most part with rather separate and distinct objects and, accordingly, it would probably not be desirable to attempt to merge them in any way, other than to the extent that the relationship between the two has already been recognized.

Mr. KASTENMEIER. Let me go on and ask you about copyrights. Is there enough similarity in their protection of property rights, basic interests so that at some unspecified time in the future we might have those included under a single roof with patents and trademarks?

Mr. TEGTMEYER. There are certain similarities between copyrights, and patents and trademarks, as there are between patents and trademarks, but we have no position developed as to whether or not the similarities are such that it makes desirable housing these operations

within the same organizational structure or under the same administration.

Mr. KASTENMEIER. Is it necessary that the Commissioner of Patents and other top personnel, within the Patent Office or what is presently the Patent Office, be learned in both patents and trademarks?

Mr. TEGTMEYER. It would be desirable that this be the case but probably not essential.

Mr. KASTENMEIER. It would be essential that such person be thoroughly informed about patents, though, I believe, would it not?

Mr. TEGTMEYER. Yes, it would.

Mr. KASTENMEIER. I would like to go on to H.R. 9199, and I am interested in the origin of the bill. Was it not originally an administration bill in the preceding Congress?

Mr. TEGTMEYER. No, sir. I do not believe this was an administration bill in the previous Congress.

Mr. KASTENMEIER. I was informed that it was not an administration bill in the preceding Congress, either. If it were not, and because it does provide certain in-house changes which normally would come from the Department of Commerce, itself, rather than from another source, I am wondering why it is that this isn't a Department of Commerce bill or a Patent Office bill, insofar as it provides for changes in the name, in the title of your assistants, and makes certain other changes? I believe it may have originated, with Senator McClellan, in some form, but why is it that this does not come from the Patent Office or the Department of Commerce rather than from someone outside? I am just curious.

Mr. TEGTMEYER. I am not sure I can answer your question. I might note that the Department of Commerce did file some comments in the last Congress on S. 1254, which was introduced by Senator McClellan, and which might be considered a predecessor bill, at least in part, of the present bill. I presume that Senator McClellan's interest in these particularities in the Patent Office structure or operations could have been generated by the fact that this type of change had been under discussion. I am sure he and the staff people were aware of the structure of the Patent Office that would make appropriate a position called Deputy Commissioner. In fact, we had already adopted the title of Deputy Commissioner within the Patent Office, and we use that title to refer to the presently vacant position that is called First Assistant Commissioner in the statute.

With respect to the Board of Appeals change, it has been discussed a number of times in past years and could be the basis for the submission of legislation, either on Senator McClellan's own initiative or at the request of other parties.

The change on late payment of the issue fee is one that the Bar has been very much interested in and that the Office, itself, was looking into in connection with general patent law revision legislation. And I believe the same provision appeared in earlier general patent law revision bills as well.

Mr. KASTENMEIER. Yes. I am not being critical of the fact that it does not originate with you. Actually, we originate a number of things. But, nonetheless, I am curious as to how it came about, whether it really meets with your approval?

I am wondering why, in correcting the late payment of issue fees, retroactivity is necessary? Why not make it merely prospective?

Mr. TEGTMEYER. There were a number of cases called to our attention since 1965, in which issue fees had been paid late, for which we were unable to provide any relief ourselves. I am not sure of the number of such cases, but there were a number of such instances that occurred and where we felt there was some justification for the late submission, or an attempt to make a timely submission of the issue fees. Probably they could have met the test of unavoidable delay written into the bill here in those cases, and it is for that reason, that we favor the retroactive provision in the bill.

Mr. KASTENMEIER. What is the present standing or disposition of those cases? Are they not disposed of or reconciled?

Mr. TEGTMEYER. These cases stand either abandoned, or in those cases where a patent may have issued because a portion of the issue fee was paid, the patent would stand lapsed if it had been issued without complete payment of fees. And the party, the owner of the invention would have no rights accordingly.

Mr. KASTENMEIR. A bill of this sort, would renew, bring new breath, new life, into that person's rights in a patent even though we are talking about 1965 or 1966 or so, in what is presumed to be an abandonment of some years back?

Mr. TEGTMEYER. Yes, sir, that is correct, if they could meet the test of demonstrating to the Commissioner that the delay in payment of the issue fee was unavoidable. As I mentioned in the testimony, the term of the patent that would be granted to the party would be reduced by an amount of time equal to the delay in payment of the issue fee. Accordingly the situation would really be the same for other parties as if that applicant had obtained his patent at the time he would normally have paid the issue fee.

Mr. KASTENMEIER. You indicated in some cases that there may be other rights and it is necessary to preserve these certain rights which may come into existence, and there may be investment by others, based on the fact that the patent is abandoned or is in the public domain. Does not this pose somewhat of an additional problem for you if you are going to reinstate these patents?

Mr. TEGTMEYER. Yes, sir, it does. We believe that the provision in the bill that is designed to take care of that situation, however, is adequate protection for the parties involved. The bill would provide that any other party who had begun to use the same invention, probably with knowledge of the fact that the application was abandoned or in the belief that the invention was in the public domain, would be able to continue such use. The provision in the bill is modeled after a provision in the existing patent law, in the case of reissued patents, where similar circumstances could exist.

Mr. KASTENMEIER. I am sure I speak for everybody on this committee when I say that we would be interested in unburdening ourselves and yourself of attempts at private claims or claims where there is an inequitable result or something of this sort, whether it is under this bill or some of the other bills. We do not feel that we ought to be in the business of, by and large, providing rare equitable acts of Congress for redress of these anomalies and so we would prefer that, ob-

viously, the law be changed to provide, by virtue of existing statutes, adequate remedy.

I just have one other question and then I will yield to my friend from Illinois. It is a technical area, with which, of course, I am not particularly well versed. But, you have requested the authority to shorten the time period for payments of issue fees from the present 3 months to a period not less than 1 month after notice of allowance which would seem to be even more arbitrary or more discretionary with you than is presently the situation. Is this suggestion uniformly acceptable to all in the patent practice?

Mr. TEGTMEYER. Mr. Chairman, we believe that 30 days would probably be adequate in most circumstances. But, before promulgating any rule under an act that might be enacted for this purpose, we would, of course, publish a proposed rule change for comment. And I am sure on this particular subject, we would have a hearing, and if we felt that as a result of the comments submitted to us 30 days would not be adequate in the largest number of cases, we would set some period of time longer than that within which the issue fee would have to be paid. Further, the fact that we might set by a rule the shortest possible period permitted by the bill, does not mean that we could not allow exceptions in the rule or waive that rule in appropriate circumstances and allow the payments of the issue fee at a later date where the party could show sufficient justification.

Mr. KASTENMEIER. Well, I certainly agree with the purpose as expressed by you; namely, that it is your intention to reduce the average time of pendency of applications and if this would help in this respect, I think we should look upon it with great favor.

I now would like to yield to the gentleman from Illinois?

Mr. RAILSBACK. I want to thank you for your testimony and let me just ask you in respect to H.R. 9199 has relief been sought for certain individuals by way of private bills for those who have been late in their filing?

Mr. TEGTMEYER. Yes, there have been several instances. I cannot name them. We could provide the information on those which we were asked to comment upon.

Mr. RAILSBACK. And some of those private bills, I take it, you have endorsed their passage because you have recognized that there was an inequity?

Mr. TEGTMEYER. I am not certain we have submitted written comments on any of them but I believe we have and if I recall correctly, we opposed the enactment of most such private relief bills. Maybe my colleagues can add something.

Mr. RAILSBACK. Have some of them been successful, however?

Mr. TEGTMEYER. Mr. Kirk reminds me of one bill that relates to a case, *Brenner* v. *Ebbert*, in which the Patent Office held, and was upheld by the court, that the late payments of an issue fee could not be excused. That case is the basis for our support for this legislation. The party, Ebbert, in that case, sought a private relief bill to remedy his situation, having been turned down by the court on any extension under the patent law as it exists, and we opposed the passage of that legislation because of our general opposition to any exceptions to the patent law, feeling that if there are to be exceptions they should be

defined in the patent law, in a way in which they can be provided for most adequately and most uniformly.

Mr. RAILSBACK. Have any of those private bills been enacted, do you know?

Mr. TEGTMEYER. I am not sure whether any private bills for the purpose of permitting late payments of an issue fee, have, in fact, been enacted.

Mr. KASTENMEIER. Would the gentleman yield just for an inquiry? I do recall a case entitled "Goode," G-o-o-d-e, and I am wondering whether any of you recall that case? I am sure the Congress passed that case. It involved insanity and it went through this committee, and I think it was late payment but I am not positive about that. Do you recall?

Mr. TEGTMEYER. I remember the name, and the name is familiar to all of us, but we are not sure what the facts and circumstances in that case were. I think, however, that case did involve late payment of an issue fee and that a relief bill was enacted.

Mr. RAILSBACK. But at any rate and in any event, you feel that this legislation would be good from the standpoint at least of providing retroactivity back to 1965, when the law was changed? And I also have had a chance to talk to some members of the patent bar and, of course, they favor this legislation very much, too.

Has there been any change in the thinking of the administration as to the status of the Director of Patents and making him an Assistant Secretary?

Mr. TEGTMEYER. No, sir, that has not been reviewed. As you mentioned, a letter was submitted by the administration, I believe 2 years ago, opposing that aspect of the predecessor bill to this one, S. 1254.

Mr. RAILSBACK. Thank you, Mr. Chairman.

Mr. KASTENMEIER. Does Counsel have any questions?

If not, let me say, we appreciate the testimony this morning. I do not know whether this is the first time you have had an opportunity to testify in your new status, as the Acting Commissioner, but if it is, you have done very well indeed, and we want to welcome you and hope that we can call on you in the future. We look forward to your letter, as on page 18 of your testimony, you suggest you would send, and we look forward to seeing you again on perhaps other legislation as well, affecting patents and trademarks.

Thank you.

Mr. TEGTMEYER. Thank you.

[The following letters were received for the record:]

THE UNITED STATES TRADEMARK ASSOCIATION,
New York, N.Y., July 19, 1973.

Re H.R. 7599.

Hon. ROBERT W. KASTENMEIER,
Subcommittee Chairman, Patent, Trademark and Copyright Subcommittee, House of Representatives, Rayburn Office Building, Washington, D.C.

DEAR REPRESENTATIVE KASTENMEIER: Since its founding some 95 years ago, The United States Trademark Association has represented an important segment of American business—the trademark owner. On behalf of our members we have always promoted and tried to further our trademark system, which is such an important part of the philosophy of fair competition.

The proposal contained in the above bill to include "trademark" in the title of the office, i.e. "Patent and Trademark Office" and by extension to be used by the Commissioner and in the registration legend, is in keeping with the philosophy expounded by the Association. We would like to record with you on the occasion of the Hearings to be held tomorrow, our endorsement of this measure. Since we just learned of the scheduled hearings, we were unable to have a representative present and for that reason would appreciate having this approval made part of the Hearing record.

We appreciate your consideration of our request, which is recorded with you on behalf of the more than 1,000 members that support this Association as set forth in the enclosed roster.

Sincerely,

THOMAS J. CARROLL,
President.

THE UNITED STATES TRADEMARK ASSOCIATION,
New York, N.Y., July 19, 1973.

Re H.R. 8981.

Hon. ROBERT W. KASTENMEIER,
Chairman, Patent, Trademark and Copyright Subcommittee, House of Representatives, Rayburn Office Building, Washington, D.C.

DEAR REPRESENTATIVE KASTENMEIER: The subject bill contains housekeeping measures that would improve the trademark practice before the United States Patent Office and we would like to endorse the bill and express our hope that it will enjoy early enactment by Congress.

We believe it contains nothing of a controversial nature and we feel sure that the trademark bar would generally find the changes most acceptable.

Since we have just learned of the scheduled hearings to be held on July 20th, time did not permit a more lengthy presentation but we would appreciate having our approval and endorsement of H.R. 8981 made part of the Hearing record.

Thank you for your consideration of our position, which is recorded with you on behalf of the membership of The United States Trademark Association, which is set forth in the enclosed Roster of members.

Sincerely yours,

THOMAS J. CARROLL,
President.

Mr. KASTENMEIER. With that, the subcommittee will stand adjourned.

[Whereupon, at 11:25 a.m., the hearing was adjourned subject to the call of the Chair.]

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