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Recent Decisions

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APRIL 1958]

RECENT DECISIONS

COPYRIGHTS—INFRINGEMENT—FAIR USE
OF COPYRIGHTED MATERIAL.*Eisenschiml v. Fawcett Publications* (7th Cir. 1957).

The plaintiff, an authority in the field of Civil War history, brought an action for copyright infringement¹ against the publisher of *True* magazine. The defendant had published in its February 1953, issue of *True* an article by a free-lance writer, Millard,² entitled "America's Greatest Unsolved Murder," which concerned Lincoln's assassination. Plaintiff alleged that Millard's article was a slavish imitation, paraphrase, and copy of substantial portions of his two copyrighted books.³ The cause was referred to a special master who entered a report recommending that the United States District Court for the Northern District of Illinois enter judgment for defendant, and that plaintiff be taxed all costs including payment of attorney's fees. The district court rendered judgment accordingly, finding that defendant's work was "an independent literary creation based upon independent research" and that whatever use Millard may have made of plaintiff's work was "an insignificant use, a fair use, or use of non-copyrightable material." On appeal to the United States Court of Appeals for the Seventh Circuit, it was *held*, that since the findings by the master and the court below were not clearly erroneous,⁴ it would affirm the judgment, but that since plaintiff's case was not entirely without merit, he should not have been required to pay defendant's attorney's fees. *Eisenschiml v. Fawcett Publications*, 246 F.2d 598 (7th Cir. 1957).⁵

1. The action was brought under the Copyright Act, 17 U.S.C. § 1 (1952).

2. Millard's writing career extends over 25 years and a thousand articles sold to popular media. It appeared that he made a special study of the Civil War, accumulated an extensive library on the period (including plaintiff's two books), and had two Civil War stories published by the defendant in 1945 and 1947.

3. *Why Was Lincoln Murdered* and *In the Shadow of Lincoln's Death* are plaintiff's two scholarly, profusely documented, hard-covered books which deal with the assassination and the subsequent history of those involved, which he claimed were the result of 18 years of research and an expenditure of \$20,000. Their thesis was that Secretary of War Stanton was implicated in, or at least had guilty knowledge of, the murder conspiracy. One of the allegations was that this theme was appropriated by the defendant. See note 19 *infra*.

4. "In an action to be tried without a jury the court shall accept the master's findings of fact unless clearly erroneous." FED. R. CIV. P. 53 (e)(2). The court cannot refuse to recognize findings merely because of a difference in personal persuasion or dissatisfaction with the result. *Ferroline Corp. v. General Analine & Film Corp.*, 207 F.2d 912 (7th Cir. 1953).

5. *Eisenschiml v. Fawcett Publications*, 246 F.2d 598 (7th Cir. 1957).

At common law the bundle of rights enjoyed by an author, or one holding under him (termed literary property,⁶ or, frequently, the right of first publication⁷) consists of the absolute rights of disposition and multiplication of the production⁸ until the owner permits a general publication.⁹ After such a publication, no common law principle secures to the author the sole rights of publication; his work becomes common property.¹⁰ Copyright, considered in the sense of those rights of exclusive use secured to an author after the publication of a work, is entirely a creature of Congress.¹¹ It depends for its existence solely¹² on those acts passed in pursuance of authority expressly conferred by the Federal Constitution.¹³ Although it provides for liability for the infringement of a copyright obtained under its provisions, the Federal Copyright Act does not expressly define infringement.¹⁴ As developed by the courts, it involves a fact question whether an alleged infringer has done, or authorized the doing, without permission from the copyright owner that which is considered the exclusive right of the copyright owner to do under the act.¹⁵ Infringement involves

6. See *Frohman v. Ferris*, 238 Ill. 430, 87 N.E. 327 (1909). The common law right of literary property is a form of personality. *Waring v. WDAS Broadcasting Station*, 327 Pa. 433, 194 Atl. 631 (1937). It is governed by the same rules of transfer and succession as is personality. *Palmer v. DeWitt*, 47 N.Y. 532 (1872).

7. See *Chamberlain v. Feldman*, 300 N.Y. 135, 89 N.E.2d 863 (1949).

8. *Caliga v. Inter Ocean Newspaper Co.*, 215 U.S. 182 (1909); *Holmes v. Hurst*, 174 U.S. 82 (1899); *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591 (1834).

9. *Little v. Hall*, 59 U.S. (18 How.) 165 (1856); *Associated Press v. International News Service*, 245 Fed. 244 (2d Cir. 1917). A disclosure must amount to a general publication in order to constitute an abandonment of common law rights and a dedication to the public. *National Comics Publications v. Fawcett Publications*, 191 F.2d 594 (2d Cir. 1951). The sale of copies of a work is a general publication. *Patterson v. Century Productions*, 93 F.2d 489 (2d Cir. 1938). Publication in serial form before securing a copyright vitiates a subsequent copyright of the whole book. *Deward & Rich v. Bristol Savings & Loan Corp.*, 120 F.2d 537 (4th Cir. 1941). Where a teacher used his manuscript in class and distributed copies of it to his students there was held to be no general publication. *Bartlette v. Crittenden*, 2 Fed. Cas. 981, No. 1,082 (C.C. Ohio 1847).

10. *Little v. Hall*, 59 U.S. (18 How.) 165 (1856); *Atlantic Monthly Co. v. Post Pub. Co.*, 27 F.2d 556 (D.C. Mass. 1928).

11. *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591 (1834); *Evans v. Jordan*, 13 U.S. (9 Cr.) 199 (1815).

12. *Stevens v. Gladding*, 58 U.S. (17 How.) 447 (1855); *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591 (1834).

13. U.S. Const. art. I, § 8, cl. 8. "The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." Congressional power is limited as to subject matter, purpose and duration of the rights granted, and this provision does not vest it with anything analagous to the royal prerogative in granting monopolistic privileges. *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147 (1950). For a historical summary of literary protection, see *Holmes v. Hurst*, 174 U.S. 82 (1898).

14. 17 U.S.C. § 101 (1952). Since the act protects a work only after it is published, it is not a substitute for, but is a complement of the common law. *Caliga v. Inter Ocean Newspaper Co.*, 215 U.S. 182 (1909). Section two of the act expressly provides that nothing in it shall be construed to annul or limit the right of the author of an unpublished work, at common law or equity.

15. See *Bobbs-Merrill Co. v. Straus*, 210 U.S. 339 (1907); *Dymow v. Bolton*, 11 F.2d 690 (2d Cir. 1926). The post-publication rights granted by act of Congress are created by the act and do not pre-exist at common law, as *Wheaton* argued from the Constitutional provision's use of the word "secure" in *Wheaton v. Peters*, 33 U.S.

a substantial, more or less servile, appropriation by copying,¹⁶ in whole or material part,¹⁷ of the copyrighted work,¹⁸ by any means of reproduction.¹⁹ It is not limited to a literal and accurate repetition, but includes those colorable disguises which are mere imitations and paraphrases without any substantial change.²⁰ A copyright however, unlike a patent, permits some use of the copyrighted material.²¹ A privilege is recognized for others to make a fair use of such material in a reasonable manner and for legitimate purposes.²² In those situations where the productions deal with a common subject in a narrow area of time, place, and circumstance, an author may exercise his privilege to make a fair use²³ of a prior copy-

(8 Pet.) 591 (1834). Consequently, the rights granted by copyright are subject to such qualifications and limitations as Congress sees fit to impose. *Ibid.* And, a substantial compliance with the statutory conditions is essential to secure the statutory rights. *Mifflin v. Dutton*, 190 U.S. 265 (1903).

16. There can be no infringement without a copying, and, unlike a patent, a copyright is not infringed merely by similarity or identity if there was no copying. *Harold Lloyd Corp. v. Witwer*, 65 F.2d 1 (9th Cir. 1933). Obviously, proof of substantial similarities is circumstantial evidence of copying. *Arnstein v. Porter*, 154 F.2d 464 (2d Cir. 1946). And, similarity may be so substantial as to preclude proof that it was mere coincidence, as where alleged infringing work contains the errors of the prior work. *Callaghan v. Myers*, 128 U.S. 617 (1888); *De Acosta v. Brown*, 50 F. Supp. 615 (S.D.N.Y. 1943).

17. *Perris v. Hexamer*, 99 U.S. 674 (1878); *Toksvig v. Bruce Pub. Co.*, 181 F.2d 664 (7th Cir. 1950).

18. The Copyright Act is infringed only by copying that which is copyrighted. *Affiliated Enterprises v. Gruber*, 86 F.2d 958 (1st Cir. 1936). That which is in the public domain is copyrightable only to the extent that it is given some new treatment. 17 U.S.C. §§ 7-8 (1952). Ideas, as such, or the intellectual conceptions expressed in a work, are not subjects of copyright. *Holmes v. Hurst*, 174 U.S. 82 (1898). "Rather it is the right to that arrangement of words which the author has selected to express his ideas." *Dorsey v. Old Surety L. Ins. Co.*, 98 F.2d 872 (10th Cir. 1938).

19. 17 U.S.C. §§ 1, 3, 4 and 7 (1952). The making of toys in the semblance of copyrighted cartoon character constituted copying of the artist's conception as expressed in pictorial form. *King Features Syndicate v. Fleischer*, 299 Fed. 533 (2d Cir. 1924). Where a teacher prepared memoranda sheets by substantially copying from a copyrighted work and distributed them to his students, it constituted an infringement, and merely giving credit for the source, though it may be deemed ethically proper, does not meet the law's requirements. *Macmillan Co. v. King*, 223 Fed. 862 (D.C. Mass. 1914).

20. A commonly accepted definition of "copy" is cited with approval in *White-Smith Music Pub. Co. v. Apollo Co.*, 209 U.S. 1 (1908) as it appeared in the English case, *West v. Francis*, 106 Eng. Rep. 1361 (K.B. 1822), to wit: "A copy is that which comes so near to the original as to give to every person seeing it the idea created by the original." *Cf. Toksvig v. Bruce Pub. Co.*, 181 F.2d 664 (7th Cir. 1950); *Nutt v. National Inst. Inc.*, 31 F.2d 236 (2d Cir. 1929).

21. *Stein v. Mazer*, 204 F.2d 472 (4th Cir. 1953); *Aldrich v. Remington Rand, Inc.*, 52 F. Supp. 732 (D.C. Tex. 1942); *Karll v. Curtis Pub. Co.*, 39 F. Supp. 836 (D.C. Wis. 1941).

22. *Toksvig v. Bruce Pub. Co.*, 181 F.2d 664 (7th Cir. 1950); *Matthews Conveyer Co. v. Palmer-Bee Co.*, 135 F.2d 73 (6th Cir. 1943); *Greenbie v. Noble*, 151 F. Supp. 45 (D.C. N.Y. 1957); *Karll v. Curtis Pub. Co.*, 39 F. Supp. 836 (D.C. Wis. 1941).

23. Liability for infringement does not require an intention to infringe. *Metro Associated Services v. Webster City Graphic*, 117 F. Supp. 224 (D.C. Iowa 1953). One may infringe unconsciously or unintentionally, as where, after having access to a work, there may be an unconscious recollection of it and a sufficient copying to constitute an infringement. *Harold Lloyd Corp. v. Witwer*, 65 F.2d 1 (9th Cir. 1933). See also *Edward & Deutsch Lith. Co. v. Boorman*, 15 F.2d 35 (7th Cir. 1926).

righted work. However, he abuses this privilege and infringes the copyright by appropriating some substantial and material part of the work by not using it merely as a document of research,²⁴ a mine of ideas and theses,²⁵ or as an indicator of authoritative sources to which he in good faith repairs and independently peruses.²⁶

The courts have long recognized that the public is privileged to make a "fair use" of copyrighted material, but that any substantial appropriation by copying, in whole or material part, even unintentionally, would constitute literary larceny²⁷ and an actionable infringement. The instant case is unexceptional in citing the well settled rules of infringement; its application of them is open to doubt. There is one portion of defendant's article declared by the court to be "important" to the theme of both works: the actions of one Parker, Lincoln's bodyguard, which we shall consider. Plaintiff had gleaned his material on Parker from the District of Columbia police archives and certain "O'Beirne papers," and prior to plaintiff's two books these were the only sources available relating the Parker story. The same incidents appeared in defendant's article and its author, by admission, did not examine the police archives. Furthermore, the O'Beirne material was in the plaintiff's sole possession. The instant case, apparently approvingly, cites the *Toksvig* case,²⁸ in which the well settled rule is stated that the issue is not whether the alleged infringer could have obtained the same material by going to the same sources, but rather whether those sources were resorted to by him, that is, did he in good faith use the prior work merely as a guide and actually go to those sources referred to and do his own independent research by looking at them. The answer on the facts developed by the instant case would seem to be inescapable.

John Thaddeus Grablewski.

24. *Toksvig v. Bruce Pub. Co.*, 181 F.2d 664 (7th Cir. 1950); *Webb v. Powers*, 29 Fed. Cas. 511, No. 17,323 (C.C. Mass. 1847).

25. *Continental Can Co. v. Beardsley*, 151 F. Supp. 28 (D.C.N.Y. 1957); *Taylor v. Metro-Goldwyn-Mayer Studios*, 115 F. Supp. 156 (D.C. Cal. 1953).

26. *Toksvig v. Bruce Pub. Co.*, 181 F.2d 664 (7th Cir. 1950). A lawbook author may copy the citations of a prior author, if he examines and verifies the cases cited, and he may use them in the same order with any additions or subtractions. *White v. Bender*, 185 Fed. 921 (2d Cir. 1911); *West Pub. Co. v. Edward Thompson Co.*, 169 Fed. 833 (2d Cir. 1909).

27. "Any person who willfully and for profit shall infringe any copyright secured by this title, or who shall knowingly and willfully aid or abet such infringement, shall be deemed guilty of a misdemeanor . . ." 17 U.S.C. § 104 (1952). See note 24 *supra*.

28. *Toksvig v. Bruce Pub. Co.*, 181 F.2d 664 (7th Cir. 1950). In the instant case Millard testified: "It is not a copy, but there is a similarity there and a rather shocking one to me." The Court said "It is apparent that Millard did, to some extent, at least, use the material which resulted from plaintiff's research." Plaintiff had placed in evidence what he contended were sixty-six parallels or quotes designed to show copying and paraphrasing to support his general allegation that Millard's article was a synthesis of several chapters from each of his books leavened with some standard historical data. *Eisenschiml v. Fawcett Publications*, 246 F.2d 598, 601-602 (7th Cir. 1957).

COPYRIGHTS—INFRINGEMENT—UNKNOWING SELLER OF INFRINGING
RECORDS HELD LIABLE UNDER SECTION 101(e)
OF THE COPYRIGHT ACT.

Shapiro, Bernstein & Co. v. Goody (2d Cir. 1957).

Joseph Krug manufactured two long-play phonograph disks on which were recorded a number of musical renditions by the late Glen Miller and his orchestra. Included on these disks were nine copyrighted selections, the copyrights to which were owned by the six plaintiff-appellants. Such manufacture was a clear infringement of those copyrights.¹ Krug then sold these records to dealer customers including the appellees, Goody and Portem Distributing, Inc., who (allegedly without knowledge of Krug's failure to comply with the Copyright Act) in turn sold them to the public. The copyright owners² commenced an action in the United States district court against Krug, Goody, and other distributors for copyright infringement.³ Krug suffered a default judgment and later reached a settlement with the publisher plaintiffs, agreeing among other things to cease further manufacture of these records and to pay \$2,000 for costs and expenses in the action, which agreement was in no way to prejudice the publishers' rights against the remaining defendants. Thereafter, the copyright owners pressed their action against Goody and Portem Distributors' Inc. They sought a summary judgment under section 101(b)⁴ of the act, which is the general damages provision. The district court dismissed the complaint on the grounds that the sole remedy for a copyright owner against mechanical reproduction by recording is against the manufacturer, and persons who resell pirated recordings are not liable for copyright infringement. On appeal, the United States Court of Appeals for the Second Circuit reversed, *holding* that section 101(e) does provide a right of action against such sellers and the measure of damages is the two cent royalty stated in section 1(e) plus costs and reasonable attorney's fees. *Shapiro, Bernstein & Co. v. Goody*, 248 F.2d 260 (2d Cir. 1957).⁵

The Copyright Act of 1909 granted statutory recognition to the property rights of an author in his literary work.⁶ The copyright statute is unlike the patent statute in that it protects only the *expression* of an idea and not the idea itself.⁷ The author is given the exclusive right to multiply

1. 17 U.S.C. § 1(e) (1952).

2. No attempt is made to discuss any rights the performer (or his estate in this case) may have against Krug or the present defendants. See *Miller v. Goody*, 139 F. Supp. 176, 180 n. 5 (S.D.N.Y. 1956).

3. *Miller v. Goody*, 125 F. Supp. 348 (S.D.N.Y. 1954).

4. 17 U.S.C. § 101(b) (1952). This section provides a measure of damages for infringement based on loss to the copyright owner plus profits of the infringer or in lieu thereof (when profits cannot be proven) a \$250.00 minimum award.

5. *Shapiro, Bernstein & Co. v. Goody*, 248 F.2d 260 (2d Cir. 1957).

6. See *Westway Theatre v. Twentieth Century Fox Film Corp.*, 30 F. Supp. 830 (D.Md.), *aff'd.*, 113 F.2d 932 (4th Cir. 1940).

7. See *Mazer v. Stein*, 347 U.S. 201 (1954).

copies of his work for a limited time.⁸ In sections 1(e)⁹ and 101(e),¹⁰ which deal specifically with mechanical reproductions of a musical composition, the act diverts from its general protective pattern. These sections are a result of the *White-Smith Publishing Co. v. Apollo Co.* case,¹¹ in which the Supreme Court held that player piano rolls (and by analogy phonograph records) were not copies and hence did not violate any common law copyright. Faced with this gap in copyright protection Congress drafted these two sections into the act.¹² Unlike the exclusive right to license given a copyright owner with respect to sheet music, section 1(e) provides that once the copyright owner "has used or permitted or knowingly acquiesced in the use of the copyrighted work," there is a publication and thereafter *anyone* is entitled to record the music upon notice of intent to do so and payment of a two cent royalty fee. It further provides that failure of a manufacturer to give such notice and pay the royalty is punishable by a fine of up to three times the royalty plus costs and reasonable counsel's fees. Section 101(e) deals solely with infringement and provides that after such publication by the copyright owner "in case of infringement of such copyright by the unauthorized manufacture, use, or *sale* of such records . . ." the plaintiff shall be entitled to recover in lieu of profits and damages a royalty as provided in section 1(e). (emphasis added) That such persons as the printer, publisher, or seller of an infringing book, statute or play are liable under the act is firmly established.¹³ Intent to infringe is not essential.¹⁴ However, in the nearly fifty years of the act's existence, the question of liability of one who merely sells an infringing record without knowledge of its infringement, has never been judicially determined.¹⁵

Whatever one might feel as to holding the "innocent" seller of an infringing record liable, the important question remains: what has Congress determined as to his liability? This court settles the question in

8. *Fawcett Publications v. Elliot Pub. Co.*, 46 F. Supp. 717 (S.D.N.Y. 1942).

9. 17 U.S.C. § 1(e) (1952).

10. 17 U.S.C. § 101(e) (1952).

11. *White-Smith Music Pub. Co. v. Apollo Co.*, 209 U.S. 1 (1907).

12. "Your committee have felt that justice and fair dealing, however, required that when the copyrighted music of a composer was appropriated for mechanical reproduction the composer should have some compensation for its use and that the composer should have the further right of forbidding, if he so desired, the rendition of his copyrighted music by the mechanical reproducers. How to protect him in these rights without establishing a great music monopoly was the practical question the committee had to deal with. The only way to effect both purposes, as it seemed to the committee, was, after giving the composer the exclusive right to prohibit the use of his music by the mechanical reproducers, to provide that if he used or permitted the use of his music for such purpose then, upon the payment of a reasonable royalty all who desired might reproduce the music." H.R. REP. No. 2222, 60th Cong., 2d Sess. 6 (1909).

13. See *F. H. Woolworth Co. v. Contemporary Arts*, 344 U.S. 228 (1952); *American Code Co. v. Bensinger*, 282 Fed. 829 (2d Cir. 1922).

14. *Buch v. Jewell-LaSalle Realty Co.*, 283 U.S. 191 (1931).

15. "It is a curious fact that although the Copyright Law has remained without relevant change since 1909 this case should present a question both basic and novel." *Shapiro, Bernstein & Co. v. Goody*, 248 F.2d 260, 262 (2d Cir. 1922).

favor of the copyright owner. In so doing, it was faced with three arguments apparently in conflict with the clear and express words of the act. First, the history of the act in the courts: in the forty-nine years of its existence a seller of infringing records has never been held liable; second, the policy argument based on the inequity of holding liable a seller who may be innocent of any intent to infringe; third, the apparent contradiction in the words of the statute itself. The first two arguments were recognized as being of secondary importance. However, the court did not ignore the policy arguments but pointed out their numerous weaknesses.¹⁶ Whatever merit they retained was not allowed to override the clear and express words of the act. The problem of the apparent contradiction of words in the statute is solved by recognizing an important distinction between these parties referred to in section 1(e) and those referred to in section 101(e).¹⁷ This interpretation, made difficult by the many years in which the question lay dormant, nevertheless gives fair meaning to all of the words of the act. The result is to give to the record industry what may be the final legal victory necessary to wipe out the so-called record pirate.¹⁸

Gerald R. Stockman.

DOMESTIC RELATIONS—PENNSYLVANIA HEART BALM STATUTE—
RECOVERY OF ANTENUPTIAL GIFTS.

Pavlicic v. Vogtsberger (Pa. 1957).

The plaintiff, age seventy-six, became engaged to the defendant, a woman of twenty-six, and subsequently showered her with various gifts of her own choosing including the satisfaction of a mortgage on her home, two automobiles, a wrist watch, an engagement and wedding ring, money for home repairs, and five thousand dollars in order to purchase a saloon. The plaintiff's many proposals of marriage were always answered in the affirma-

16. There appears little merit to defendant's contention. The whole scheme of the copyright act looks to the absolute protection of the copyright owner. Furthermore the alleged burden on the seller could be borne if the seller merely required some proof from the manufacturer that he has complied with the copyright act or required indemnity from him.

17. Section 101(e) states in clear and express words that "infringement by sale" is a civil wrong. It further states that for such infringement the plaintiff shall be entitled to recover "a royalty as provided in section 1(e)." Because the latter section spoke only in terms of the manufacturer, the district court concluded that he alone must be liable and therefore that the word "seller" was without meaning. The present court distinguished these two sections. Section 1(e) was interpreted as referring to those manufacturers who give notice of intent to manufacture copyrighted records and thereafter fail to pay the required royalty, while section 101(e) was interpreted as referring to manufacturers who neither give notice nor pay the royalty. Therefore, the reference in section 101(e) to damages as provided in section 1(e) must be understood as a reference to the amount of damages and not a reference to the person who is liable.

18. Although the damages based on the two-cent royalty would be small, the mandatory court costs and attorney's fees may be considered enough to cause retailers to avoid carefully handling such records.

tive, but a date was never set. The defendant disappeared and when located was found to be married to another man. The plaintiff brought an action in equity to have the satisfaction of the mortgage stricken from the record and to have the defendant ordered to return the gifts and pay back the moneys which she had procured under a false promise to marry. The trial court entered a decree for the plaintiff. On appeal, the Supreme Court of Pennsylvania, construing the Heart Balm Act¹ for the first time, affirmed the lower court's decision, *holding* that the act abolished only actions for breach of contract to marry and not all actions resulting from breach of such contract, and that the statute in no way altered the common law of conditional gifts. *Pavlicic v. Vogtsberger*, 390 Pa. 502, 136 A.2d 127 (1957).²

In order to combat various evils³ developing from actions for breach of marriage promises, many state legislatures⁴ have passed statutes abolishing the civil remedy for such a breach.⁵ The constitutionality of these so-called Heart Balm Statutes has been generally upheld,⁶ but the scope of the statutes has been a subject of dispute. Some courts have interpreted the acts as denying any type of relief involving (no matter how remotely) the breach of a marital promise.⁷ Thus, actions in tort based on the

1. "All causes of action for breach of contract to marry are hereby abolished." PA. STAT. ANN. tit. 48, § 171 (Supp. 1957).

2. *Pavlicic v. Vogtsberger*, 390 Pa. 502, 136A.2d 127 (1957).

3. The abuses which led to the enactment of this legislation were principally: (1) the action for breach of marital promises more often was used as an instrument of oppression and blackmail which led to exorbitant out-of-court settlements; (2) the actions gave rise to the unfavorable and often times financially and socially detrimental publicity; (3) the average jury paid little attention to the court's instruction and computed damages on the plaintiff's beauty and the defendant's ability to pay; (4) recovery, although founded in contract, was allowed on the theory of tort and included many elements of damages uncertain in amount, often including exemplary damages of considerable size. See Brockelbank, *The Nature of the Promise to Marry—A Study in Comparative Law*, 41 ILL. L. REV. 1 (1946).

4. Approximately one-third of the states have adopted such statutes since Indiana initiated the movement in 1935. Note, 52 COLUM. L. REV. 242 (1952).

5. Some statutes also bar civil actions for alienation of affection, criminal conversation, and seduction. *E.g.* N.Y. CIV. PRAC. ACT § 61b.

6. The statutes are not violative of the Federal Constitution as depriving one of property or right without due process of law or as impairing the obligation of contract. *Fearon v. Treanor*, 272 N.Y. 268, 5 N.E.2d 815 (1936), *appeal dismissed* 301 U.S. 667 (1937); *Bunten v. Bunten*, 15 N.J. Misc. 532, 192 Atl. 727 (1937). *But see Wilder v. Reno* 43 F. Supp. 727 (D.C. 1942). Also, the statutes have been held not to violate the provisions of a state constitution guarantying a remedy for injuries done to one's person, property, or reputation. *Pennington v. Stewart*, 212 Ind. 553, 10 N.E.2d 619 (1937). *Contra*, *Heck v. Schupp*, 394 Ill. 296, 68 N.E.2d 464 (1946).

PA. CONST. art. I, § 11 (1874) has a similar provision but it was not discussed in *McMullen v. Nannah*, 49 Pa. D. & C. 516 (C.P. Beaver 1943), which passed on the statute's compatibility with other Pennsylvania constitutional provisions and the fourteenth amendment of the Federal Constitution. The court in the instant case did not discuss the broad question of the constitutionality of the Pennsylvania act.

7. See *Thibault v. Lalumiere*, 318 Mass. 72, 60 N.E.2d 349 (1945); *Josephson v. Dry Dock Savings Institution*, 288 N.Y. 666, 54 N.E.2d 96 (1944); *Andie v. Kaplan*, 263 App. Div. 884, 32 N.Y.S.2d 429 (2d Dep't), *aff'd*, 288 N.Y. 685, 43 N.E.2d 82 (1942); *Sulkowski v. Szewczyk*, 255 App. Div. 103, 6 N.Y.S.2d 97 (4th Dep't 1938); *Reinhardt v. Schuster*, 192 Misc. 919, 81 N.Y.S.2d 570 (1948).

fraudulent misrepresentation of a defendant who never intended to marry have been denied.⁸ The statute has been held to absolutely bar the recovery of any premarital gift.⁹ On the other hand some states read the Heart Balm Acts as abolishing only actions based on mental and emotional suffering arising out of a broken promise to marry.¹⁰ Some have even allowed actions in tort for fraud and deceit based on a fraudulent promise to marry.¹¹ Courts so reading the statutes declare that suits for the recovery of antenuptial gifts are outside the scope of the statute, holding that the legislation in no way affects the common law rules pertaining to the recovery of gifts made in contemplation of marriage.¹² The majority of courts before the Heart Balm Acts allowed recovery on the theory that the gift was subject to an implied condition subsequent that the marriage be consummated.¹³ However, the conditional character of the gift had to be proved,¹⁴ and if the donor intended to make an absolute gift, then subsequent events could not divest the donee of the gift.¹⁵ Other courts based

8. See *Thibault v. Lalumiere*, 318 Mass. 72, 60 N.E.2d 349 (1945); *Sulkowski v. Szewczyk*, 255 App. Div. 103, 6 N.Y.S.2d 97 (4th Dep't 1938). *Accord*, *A.B. v. C.D.*, 36 F. Supp. 85 (E.D. Pa. 1940), *aff'd per curiam*, 123 F.2d 1017, *cert. denied*, 314 U.S. 691 (1941).

9. See *Josephson v. Dry Dock Savings Institution*, 228 N.Y. 666, 56 N.E.2d 96 (1944). *Andie v. Kaplan*, 263 App. Div. 884, 32 N.Y.S.2d. 429 (2d Dep't), *aff'd*, 288 N.Y. 685, 43 N.E.2d 82 (1942). *Reinhardt v. Schuster*, 192 Misc. 919, 81 N.Y.S.2d 570 (1948). *But cf.* *Unger v. Hirsch*, 180 Misc. 381, 39 N.Y.S.2d 965 (City Ct. 1943) (recovery permitted where mutual rescission alleged).

10. See *Langley v. Schumacker*, 297 P.2d 977 (Cal. 1956); *Mack v. White*, 97 Cal. App.2d 497, 218 P.2d 76 (1950); *Gikas v. Nicholis*, 96 N.H. 177, 71 A.2d 785 (1950); *Beberman v. Segal*, 6 N.J. Super. 472, 69 A.2d 587 (1949).

11. See *Langley v. Schumacker*, 297 P.2d 977 (Cal. 1956); *Mack v. White*, 97 Cal. App.2d 497, 218 P.2d 76 (1950).

12. See *Norman v. Burks*, 93 Cal. App.2d 687, 209 P.2d 815 (1949); *Gikas v. Nicholis*, 96 N.H. 177, 71 A.2d 785 (1950); *Beberman v. Segal*, 6 N.J. Super. 472, 69 A.2d 587 (1949); *Albanese v. Indelicato*, 25 N.J. Misc. 144, 51 A.2d 110 (1947).

13. See *e.g.*, *Grossman v. Greenstein*, 161 Md. 71, 155 Atl. 190 (1931); *Sloin v. Lavine*, 11 N.J. Misc. 899, 168 Atl. 849 (1933); *Ruehling v. Horning*, 98 Pa. Super 535 (1929); *Williamson v. Johnson*, 62 Vt. 378, 24 Atl. 279 (1890); *Cohen v. Sellar* [1926] 1 K.B. 536. Usually, recovery is denied if the donor is the breaching party. *Schultz v. Duitz*, 253 Ky. 135, 69 S.W.2d 27 (1934). But, under some statutes, the donor is entitled to the return of the gift irrespective of the fact that he caused the breach of the engagement. See *Decuers v. Bourdet*, 10 La. App. 361, 120 So. 880 (1929) interpreting LA. STAT. ANN. arts. 1740, 1897 (1952).

Justice Musmanno, in the instant case, considered the marriage as an implied condition precedent to a complete gift. However, practically speaking, the distinction is not significant where the contingency upon which the gift is conditioned has not been met. Where the donor is suing to recover the gift, it is not material whether the gift was never completely consummated or, if complete, was defeated by the non-performance of the condition.

14. The court in *Grossman v. Greenstein*, 161 Md. 71, 155 Atl. 190, 191 (1931) said, "Whether in a given instance [the] gift is . . . conditional . . . or absolute, is an ordinary question of intention, to be determined by any express declaration in the making of the gift, or from the circumstances. . . . [There must be shown] a purpose to limit the gift and make it conditional and dependent upon the completion of the marriage." This rule seems to be much broader than that stated in RESTATEMENT, RESTITUTION § 58, Comment c. (1937) which restricts recovery to the engagement ring, family heirlooms, or other similar objects intimately connected with the marriage.

15. *Grossman v. Greenstein*, 161 Md. 71, 155 Atl. 190 (1931); *Richmond v. Nye*, 126 Mich. 602, 85 N.W. 1120 (1901); *Ruehling v. Horning*, 98 Pa. Super 535 (1929).

recovery on either a pledge theory,¹⁶ or a rescission theory.¹⁷ One state has solved the gift problem under its Heart Balm Act by providing an express statutory provision allowing recovery when it is justified in the opinion of the court.¹⁸ The instant case is the first time the Pennsylvania statute has come before the Pennsylvania Supreme Court for interpretation.

The pattern for interpreting the Pennsylvania statute seemed to have been set by the federal district court in *A.B. v. C.D.*,¹⁹ a diversity case, which applied the New York Statute as well as that of Pennsylvania, and denied an action based on an alleged fraudulent promise to marry notwithstanding the fact that the action was tortious in form. This seemed to set the stage for what may be termed a broad interpretation of the Pennsylvania act. But, the lower courts of the Commonwealth had by a slight majority supported what we may call a strict interpretation of the statute by allowing the recovery of antenuptial gifts.²⁰ The instant case has adopted this latter view at least as far as permitting the recovery of tangible loss due to the breach of a marital contract. To construe a Heart Balm Act as some states have done so as to bar any claim which necessitates allegation and proof of breach of a contract to marry,²¹ is to defeat the purpose of the statute and to destroy rights not considered by the legislature. The legislature intended to bar only actions for breach of a contract to marry.²² Here, the execution of the marriage contract is only the condition of an entirely separate contract and not the cause of action itself. The view of the instant case is in keeping with the general purpose of the statute. It prevents the unscrupulous adventurer from being unjustly enriched and also solves the problem of uncertainty of damages by limiting actions of this character to the return of specific items of property or the value thereof. It is submitted that while the instant case has been correctly decided,²³ the scope of the statute should not be narrowed to the

16. The ring is a pledge to bind the contract to marry and it is given on the understanding that the party who breaks the contract must return it. *Jacobs v. Davis* [1917] 2 K.B. 532 (dictum).

17. After a rescission of the contract by mutual assent, to prevent unjust enrichment, the parties should be restored to the positions which they occupied before the contract was made. *Unger v. Hirsch*, 180 Misc. 381, 39 N.Y.S.2d 965 (City Ct. 1943).

18. See CAL. CIV. CODE § 1590 (1941).

19. 36 F. Supp. 85 (E.D. Pa. 1940), *aff'd per curiam*, 123 F.2d 1017, *cert. denied*, 314 U.S. 691 (1941). Because of its scandalous nature, Judge Kirkpatrick ordered the pleadings impounded, and directed that the names of the parties not be mentioned and the case be captioned as above.

20. Allowing Recovery: *Preshner v. Goodman*, 83 Pa. D. & C. 387 (C.P. Phila. 1954); *Weber v. Bittner*, 75 Pa. D. & C. 54 (C.P. Lancaster 1950); *Bullen v. Neuweiler*, 73 Pa. D. & C. 207 (C.P. Del. 1949). Recovery denied: *Bobeck v. Rushin*, 1 D.&C.2d 710 (C.P. Luz. 1955); *Friske v. Cebula*, 59 D.&C. 46 (C.P. Som. 1946).

21. See note 7 *supra*.

22. *Bullen v. Neuweiler*, 73 Pa. D.&C. 207 (C.C.P. Del. 1949).

23. Query if the wrist watch in the present case was an absolute gift and consequently improperly recovered?

extent of allowing actions in tort for fraud and deceit which are an obviously direct evasion of the statutory provisions and encourage all the evils for which the legislation was enacted to defeat.

Donald G. Jewitt.

INVENTORS—PROTECTION BEFORE THE ISSUE OF A PATENT—
CONFIDENTIAL AGREEMENT IMPLIED IN EQUITY.

Boscarino v. Neo-Line Products Corp. (N.Y. Sup. Ct. 1957).

This was an action for damages and injunctive relief for the defendant's alleged violation of an invention which had not yet been patented. The plaintiff's complaint alleged a disclosure of secret plans and designs to the defendant for the manufacture of a device solely for the account of the plaintiff, further, that defendant affirmatively agreed not to disclose such information to other parties, and finally, that the defendant not only failed to return the materials to the plaintiff but that defendant, in concert with another, willfully offered and sold under its own name a product substantially similar to the one which plaintiff had disclosed. The defendant filed a motion to dismiss the complaint alleging, *inter alia*, that no confidential relationship existed between the parties and that therefore the complaint in equity alleging breach of a fiduciary relationship did not state a cause of action. The court denied the motion and *held* that since the defendant's motion to dismiss the complaint not only admitted the allegations of the plaintiff's complaint but also every material allegation and fact which might be drawn therefrom, the complaint stated a cause of action in equity for the breach of a confidential matter notwithstanding the absence of an express agreement of that nature between the parties. *Boscarino v. Neo-Line Products Corp.*, 167 N.Y.S.2d 580 (Sup. Ct. 1957).¹

An invention which is not yet patented is not protected by any rights conferred upon the inventor by the patent act but the inventor must look to property rights which he has at common law.² Parties who violate the secrecy of such an invention may be subject to an injunction restraining any further disclosure of the secret.³ No tort is committed by a party who has obtained a disclosure by lawful means and later makes use of it,⁴

1. *Boscarino v. Neo-Line Products Corp.*, 167 N.Y.S.2d 580 (Sup. Ct. 1957).

2. *Becher v. Contoure Laboratories*, 279 U.S. 388 (1929); *Antiebolaget Bofors v. United States*, 194 F.2d 145 (D.C. Cir. 1951); *William A. Meier Glass Co. v. Anchor Hocking Glass Corp.*, 95 F. Supp. 264 (W.D. Pa. 1951); *Spiselman v. Rabinowitz*, 270 App. Div. 548, 61 N.Y.S.2d 138 (1st Dep't 1946).

3. *Eckert v. Braun*, 155 F.2d 517 (7th Cir. 1946); *Booth v. Stutz Motor Car Co.*, 56 F.2d 962 (7th Cir. 1932); *McNamara v. Powell*, 168 Misc. 806, 7 N.Y.S.2d 141 (Sup. Ct. 1938). *But cf.* *Schreyer v. Casco Products Corp.*, 190 F.2d 921 (2d Cir. 1951), *cert. denied*, 342 U.S. 913 (1952) where the court held that money damages would be awarded but an injunction against the defendant was denied.

4. *Antiebolaget Bofors v. United States*, 194 F.2d 145 (D.C. Cir. 1951). *Contra* RESTATEMENT, TORTS § 757 (1939).

but liability will be had in quasi-contract for the copying and the use of the trade secret.⁵ However, in order that the plaintiff-inventor may recover for the violation of a trade secret in cases other than fraud or theft, it has been held that he has the burden of proving the existence of a trade secret, a confidential disclosure of that secret to the defendant, and that a feature similar to or exactly the same as his disclosure has been adopted by the defendant.⁶ Some cases add that the plaintiff must also establish a confidential relationship between himself and the defendant.⁷ Although it has been held that a disclosure of an idea in confidence implies a promise on the part of the recipient to keep this idea confidential,⁸ the problem of determining the existence of a confidential relationship has caused the courts no little difficulty.⁹ An employee is bound under an equitably enforceable obligation not to disclose a trade secret even in the absence of an agreement to that effect.¹⁰ No confidential relationship arises from an arms-length dealing by the parties where each seeks to gain the best advantage from the transaction¹¹ or where the relation of buyer and seller is present.¹² However, a confidential agreement has been implied in instances where a manufacturer accepted plans and drawings submitted by the inventor in anticipation of a manufacturing or licensing agreement between the parties.¹³ Parties who agree to work for the development of an invention have also been found to have entered into a confidential relationship.¹⁴ The general theories applied by the courts in reaching the aforementioned results have been unjust enrichment,¹⁵ constructive trust,¹⁶ or quasi-contract.¹⁷

5. Reynolds v. Whitin Machine Works, 167 F.2d 78 (4th Cir.), *cert. denied*, 334 U.S. 844 (1948); Eckert v. Braun, 155 F.2d 517 (7th Cir. 1946).

6. DeFillipis v. Chrysler Corp., 159 F.2d 478 (2d Cir. 1947); Berry v. Glidden Co., 92 F. Supp. 909 (S.D.N.Y. 1950).

7. See *e.g.* Smith v. Dravo Corp., 203 F.2d 369 (7th Cir. 1953); Mitchell Novelty Co. v. United Mfg. Co., 199 F.2d 462 (7th Cir. 1952).

8. Pennington Engineering Co. v. Houde Engineering Corp., 43 F. Supp. 698 (W.D.N.Y. 1941), *aff'd*, 136 F.2d 210 (2d Cir. 1943).

9. See Smoley v. New Jersey Zinc Co., 24 F. Supp. 294 (D.N.J. 1938) *aff'd*, 106 F.2d 314 (3d Cir. 1939). Although the court admitted its desire to protect a trade secret from a breach of trust by the party to whom it was disclosed, it found that no adequate disclosure of the trade secret had been made.

10. Cameron Mach. Co. v. Samuel M. Langston Co., 115 Atl. 212 (N.J. Ch. 1921); Spiselman v. Rabinowitz, 270 App. Div. 548, 61 N.Y.S.2d 138 (1st Dep't 1946).

11. Lerman v. Johnson, 140 N.Y.S.2d 38 (Sup. Ct. 1955).

12. Ferroline Corp. v. General Aniline & Film Corp. 107 F. Supp. 326 (N.D. Ill. 1952).

13. See *e.g.* Schreyer v. Casco Products Corp., 190 F.2d 921 (2d Cir. 1951), *cert. denied*, 342 U.S. 913 (1952); Gilbert v. General Motors Corp., 133 F.2d 997 (2d Cir. 1943); Hoeltke v. C. M. Kemp Mfg. Co., 80 F.2d 912 (4th Cir. 1935), *cert. denied*, 298 U.S. 673 (1936); McKinzie v. Cline, 197 Ore. 184, 252 P.2d 564 (1953).

14. Saco-Lowell Shops v. Reynolds, 141 F.2d 587 (4th Cir. 1944).

15. See Matarese v. Moore-McCormack Lines, Inc., 158 F.2d 631 (2d Cir. 1946); Eckert v. Braun, 155 F.2d 517 (7th Cir. 1946).

16. See Reynolds v. Whitin Machine Works, 167 F.2d 78 (4th Cir.), *cert. denied* 334 U.S. 844 (1948); Ferroline Corp. v. General Aniline & Film Corp., 107 F. Supp. 326 (N.D. Ill. 1952).

17. See William A. Meier Glass Co. v. Anchor Hocking Glass Corp., 95 F. Supp. 264 (W.D. Pa. 1951); Jones v. Ulrich, 342 Ill. App. 16, 95 N.E.2d 113 (1950).

The instant case, by implication, necessarily admits that the plaintiff must allege the other essentials (*viz.*, existence of trade secret, a disclosure of the latter to the defendant in confidence and that a feature similar to the inventor's has been adopted by the defendant),¹⁸ but explicitly concerns itself with the existence *vel non* of a confidential relationship between the parties in the absence of a contractual provision to that effect. Although the opinion is not clear as to the theory adopted by the court in granting recovery to the plaintiff, the result of the case is desirable since equity will not permit a party to enjoy the benefits of an idea disclosed in confidence without compensating its originator. The scope of this ruling, since it arises on a motion to dismiss, which motion necessarily admits the allegations of the plaintiff's complaint,¹⁹ should be limited. The rule is not to be construed as eliminating the necessity of pleading a confidential relationship to give rise to a cause of action for the violation of a trade secret or other important disclosure (*i.e.*, an invention not yet patented, as in the instant case), but is limited to cases wherein such an agreement may be implied. Inventors should still be aware of the expediency of a contractual provision to the effect that a confidential agreement exists between the parties. Of course, the disclosure to the producer must be at least novel since the mere recital of a confidential disclosure will not create a trade secret.²⁰ This court also recognizes the dictum of *Bristol v. Equitable Life Assoc. Soc.*²¹ which distinguishes an invention or idea in the nature of a trade secret from a scheme or system which a producer could have gained from experience and business judgment. In following the dictum of the latter case, this court would require an express contractual provision to protect the latter from any violation by the producer but would not extend this rule to an invention or trade secret.

Leon A. Mankowski.

JURISDICTION—SERVICE OF PROCESS UNDER NONRESIDENT
MOTORIST STATUTES—EFFECT ON ADMINISTRATOR
OR EXECUTOR OF ESTATE OF NONRESIDENT.

Brooks v. Nat'l Bank (W.D. Mo. 1957).

In an automobile collision which occurred in Missouri, one of the automobiles was owned and operated by a resident of Kansas. The second automobile was operated by one of the plaintiffs while the other plaintiffs were his passengers, all of whom were residents of Florida. The resident

18. See note 7 *supra*.

19. See N.Y. CIVIL PRACTICE RULE 106.

20. See *Berry v. Glidden Co.*, 92 F. Supp. 909 (S.D.N.Y. 1950) requiring that the plaintiff-inventor must submit a novel disclosure. See RESTATEMENT, TORTS § 757, comment *b* (1939) for a discussion of trade secrets.

21. 132 N.Y. 264, 30 N.E. 506 (1892).

of Kansas was killed in the collision and the defendant was appointed executor of his estate in Kansas. Thereafter the plaintiffs instituted suits against the defendant in Missouri for injuries resulting from the collision. Service was effected in accordance with the "Long-Arm Service Statute of Missouri"¹ by service of process on the secretary of state of Missouri. The suits were removed to the federal district court where the defendant filed a motion to dismiss, alleging the Missouri statute to be a violation of due process of the law as guaranteed by both the Federal and state Constitutions.² The district court sustained the defendant's motion and *held* that the Missouri statute, in so far as it provides for service of process upon foreign personal representatives, is an invalid extension of the police power of the state of Missouri. *Brooks v. Nat'l Bank*, 152 F. Supp. 36 (W.D. Mo. 1957).³

All states have statutes providing for service of process on some state official as agent of nonresident motorist defendants in suits resulting from automobile accidents in the state of the forum.⁴ Both resident and nonresident plaintiffs may bring suits under these statutes.⁵ The statutes have been held to be constitutional⁶ and to give the court personal jurisdiction over the defendant⁷ if they provide for sufficient notice to the nonresident motorist.⁸ A judgment rendered on the basis of jurisdiction obtained by means of such service will be given full faith and credit by sister states.⁹ However, initially it was held that service of process on administrators or

1. Mo. Rev. Stat. § 8410.1 (Supp. 1955). The pertinent paragraphs are:

"The use and operation of a motor vehicle or trailer in this state on the public highways thereof by a person who is a nonresident of this state shall be deemed:

(1) An agreement by him that he, his executor, administrator or other legal representative shall be subject to the jurisdiction of the courts of this state in all civil actions and proceedings brought against him, his executor, administrator or other legal representative by either a resident or a nonresident plaintiff, for damages to person or property, including actions for death, growing or arising out of such use and operation; and

(2) An appointment by such nonresident, his executor administrator or other legal representative of the secretary of state of Missouri as his lawful attorney and agent upon whom may be served all process in suits pertaining to such actions and proceedings;

(3) An agreement by such nonresident that any process in any suit so served shall be of the same legal force and validity as if personally served in this state."

2. U.S. CONST. amend. XIV, § 1; Mo. CONST. art 1, § 10.

3. *Brooks v. Nat'l Bank*, 152 F. Supp. 36 (W.D. Mo. 1957).

4. See *Knopp v. Anderson*, 71 F. Supp. 832, 836. (W.D. Iowa 1947) for collection of nonresident motorist statutes in the respective states as of 1947. Briefly, they provide that a nonresident motorist appoints some state official as his agent for service of process for suits arising out of the nonresident use of the highways.

5. *Garcia v. Frausto*, 97 F. Supp. 583 (E.D. Mo. 1951); *Neff v. Hindman*, 77 F. Supp. 4 (W.D. Pa. 1948); See also Comment, *Process—Automobiles—Nonresident Motorist Statutes—Parties & Venue*, 1 VIL. L.R. 97 (1956).

6. *Hess v. Pawloski*, 274 U.S. 352 (1927); *Sipe v. Moyers*, 353 Pa. 75, 44 A.2d 263, 264 (1945).

7. *Scorza v. Deatherage*, 208 F.2d 660 (8th Cir. 1954), *affirming* 110 F. Supp. 251 (S.D. Mo. 1953).

8. *Wuchter v. Pizzutti*, 276 U.S. 13 (1928); *St. Claire v. Eller*, 81 F. Supp. 133 (W.D. Mo. 1948).

9. *Ravn v. McCalley*, 216 Ark. 921, 228 S.W.2d 61 (1950).

executors could not be effected in this manner, since there was no provision in these statutes for service on the personal representatives of non-resident motorists.¹⁰ Many states, following the suggestion of the courts,¹¹ amended their statutes to include specifically administrators and executors.¹² The highest courts of four states¹³ have held these amended statutes to be valid, while the first federal court to deal with the question¹⁴ declared such a statute unconstitutional. Subsequently, both a federal court of appeals¹⁵ and a federal district court¹⁶ have held such amended statutes to be constitutional. Recently, a federal district court termed one such statute "ineffective" as regards a foreign personal representative.¹⁷ The courts holding these statutes invalid reason that the forum state cannot subject a foreign personal representative to the jurisdiction of the forum state since his appointment was made by the foreign state.¹⁸ They refuse to make an exception to the general rule that a personal representative, appointed in one jurisdiction, cannot be sued in his representative capacity in a claim against the estate in any other jurisdiction.¹⁹ In defense of these amended statutes, it is stated that they are enacted within the scope of the police power of the states, as were the original statutes,²⁰ to control the use of dangerous instrumentalities on states' highways.²¹ In any given situation where the forum state wishes to render a judgment against a foreign estate, as in this case concerning a nonresident motorist statute, an important consideration is whether the particular foreign state will

10. *Gregory v. White*, 151 F. Supp. 761 (W.D.S.C. 1957). Several courts held that the agency of the state official would terminate on the death of the nonresident motorist or any laws of agency which would allegedly terminate the agency of the designated state official for receiving service once the nonresident motorist had died. motorist: e.g. *Buttson v. Arnold*, 4 F.R.D. 492 (E.D. Pa. 1945); *Downing v. Schwenck*, 138 Neb. 395, 293 N.W. 278 (1940); *Donnelly v. Carpenter*, 55 Ohio App. 463, 9 N.E.2d 888 (1936). One court held that the statute did not provide for sufficient notice to the foreign representative. *Lepre v. Real Estate-Land Title Trust Co.*, 11 N.J. Misc. 887, 168 Atl. 858 (C.P., Middlesex County 1933).

11. See *Young v. Potter Title & Trust Co.*, 114 N.J.L. 561, 566, 178 Atl. 177, 180 (1935); *State ex rel. Ledin v. Davison*, 216 Wis. 216, 256 N.W. 718, 720 (1934).

12. See e.g. N.Y. VEHICLE & TRAFFIC LAW § 52; PA. STAT. ANN. tit. 75, § 1201 (Supp. 1956).

13. *Oviatt v. Garretson*, 205 Ark. 791, 171 S.W.2d 287 (1943); *Ploppa v. DuPre*, 327 Mich. 660, 42 N.W.2d 777 (1950); *Leighton v. Roper*, 300 N.Y. 434, 91 N.E.2d 876 (1950); *Tarczymski v. Chicago, Milwaukee, St. Paul & Pacific R.R.*, 261 Wis. 149, 52 N.W.2d 396 (1952).

14. *Knopp v. Anderson*, 71 F. Supp. 832 (N.D. Iowa 1947).

15. *Feinsinger v. Bard*, 195 F.2d 45 (7th Cir. 1952).

16. *Guerra DeChapa v. Allen*, 119 F. Supp. 129 (S.D. Tex. 1954).

17. *Derrick v. New England Greyhound Lines Inc.*, 148 F. Supp. 496 (D.C. Mass. 1957).

18. See *Derrick v. New England Greyhound Lines Inc.*, 148 F. Supp. 496 (D.C. Mass. 1957); *Knopp v. Anderson*, 71 F. Supp. 832 (N.D. Iowa 1947).

19. See *In re Thompson's Estate*, 339 Mo. 410, 97 S.W.2d 93 (1936); *RESTATEMENT, CONFLICT OF LAWS* § 512 (1934).

20. See *Hess v. Pawloski*, 274 U.S. 352, 356 (1943).

21. *Oviatt v. Garretson*, 205 Ark. 791, 171 S.W.2d 287 (1943); *Ploppa v. DuPre*, 327 Mich. 660, 42 N.W.2d 277 (1950). These courts further held that this police power prevails over any fiction of consent to service in this manner by the nonresident

recognize a judgment of the forum state against an estate of a resident of the foreign state.²²

In considering the validity of these amended statutes, there is also the question of whether jurisdiction over the foreign representative can be obtained by service on the state official in the forum state. The original nonresident motorist statutes were definitely an exception to the rule that power over the person is necessary for obtaining personal jurisdiction. Yet, this exception was regarded as being within the police power of the states as providing for the general welfare of their citizens in which each state has an interest. To protect this interest, the original statutes provided that the accident state under the scope of its police power could obtain jurisdiction by vicarious service, in order that claims arising out of the accident could be satisfied not only out of the wealth which the nonresident brought with him into the accident state but also the wealth that remained in his resident state. It is submitted that sufficient contact with the jurisdiction to satisfy due process is still present even though the decedent's representative has never been within the confines of the accident state. The decedent may be regarded as having brought his inchoate estate with him when he entered the jurisdiction and thus submitted his estate to the jurisdiction of the accident state which jurisdiction (for the purposes of the accident) should continue even after his death. The aforementioned interest of the accident state certainly does not cease with the death of the nonresident. The subjection of a foreign personal representative, in his representative capacity, to the jurisdiction of the accident state would merely be an exception to and not an abolition of the general rule prohibiting suits against foreign personal representatives. The right of the domiciliary sovereign in administering the estate is not violated nor denied since the judgment would represent only the adjudication of a tort claim.²³ The judgment is treated, without priority, like any other claim in the administration of the nonresident's estate. The question of whether jurisdiction should be obtained in the accident state is resolved by weighing the effects such amended statutes would have on the control of the domiciliary

22. In the instant case, the defendant is an executor appointed in Kansas. In the case of *Dewey v. Barnhouse* the Supreme Court of Kansas upheld KAN. GEN. STAT. § 3078 (1905), which provided that a foreign personal representative can sue and be sued in the same manner as any other nonresident. The court affirmed the right of a Kansas court to subject the defendant executor of an estate of a resident of Illinois, which executor had been personally served in Kansas, to the jurisdiction of the court in granting to the plaintiff ownership of stocks held by the resident in Illinois at the time of his death. In a subsequent case, *National Bank v. Mitchell*, 154 Kan. 276, 118 P.2d 519 (1941), which was a revived action against the executor of a nonresident's estate for damages for an alleged breach of contract by the nonresident, the Supreme Court of Kansas ruled that the lower court did not have jurisdiction over the foreign executor. The court did not attack the above statute, which had been restated as KAN. GEN. STAT. § 1708 (Supp. 1939), but held that jurisdiction over the Oklahoma estate could not be obtained by service by publication and the Oklahoma executor himself had not "consented" to service as in nonresident motorist statutes.

23. In *In re Thompson's Estate*, 339 Mo. 410, 97 S.W.2d 93 (1936) the court recognized that tort claims against an estate in Missouri could be adjudicated in courts in Missouri other than the probate courts.

state over the estate with the consequent jurisdictional limits of the authority of the personal representative as compared with the effects of recognition of the state's police power in protecting and providing for the general welfare of its citizens in enacting and enforcing these amended statutes. With the steady increase of interstate traffic and the corresponding increase in the number of fatalities, it seems reasonable that these amended statutes should be held to be valid and not a denial of due process.²⁴ It is submitted that the court in the instant case was in error in not recognizing the amended statute as a reasonable exercise of the police power of the state of Missouri.

Robert L. Brabson.

MISUSE OF PATENT MONOPLY—LICENSING PACKAGED PATENTS—
LOSS OF RIGHT TO SUE FOR INFRINGEMENT.

American Securit Co. v. Shatterproof Glass Co. (D. Del. 1957).

Plaintiff, the American Securit Co., was a party to a consent decree filed in the United States Court for the Northern District of Ohio in 1948.¹ The decree required plaintiff to refrain from practicing a licensing policy under which it licensed its patents for flat glass only upon condition that the licensee accept and pay royalties upon all the patents plaintiff owned.² Notwithstanding the decree, plaintiff retained such a policy in the terms of its standard licensing form. Defendant applied for a license on plaintiff's flat glass patents, but declined to accept these terms. Plaintiff refused the license. After compromise negotiations failed, plaintiff brought suit for infringement and unfair competition. The United States District Court for Delaware, speaking through Leahy, Chief Judge, *held* that plaintiff was barred from suing for infringement because its licensing policy was contrary to the anti-trust laws, was violative of the Ohio consent decree, and was therefore, a misuse of the patent monopoly. *American Securit Co. v. Shatterproof Glass Co.*, 154 F. Supp. 890 (D. Del. 1957).³

24. The practical effects of the present decision cannot be ignored. Let us suppose a case involving a three car collision and the plaintiff wishes to sue both of the other motorists jointly, but both of the other motorists are nonresidents and one of them was killed in the collision. Under the interpretation of the instant case the plaintiff is precluded from suing them jointly, since under the interpretation of the Long Arm Service Statute in Missouri he can obtain service only on the nonresident motorist who survived the collision.

1. The decree was filed in October, 1948, and settled an anti-trust suit brought by the United States against several glass manufacturers.

2. Paragraph XIV B of the decree permitted conditions as follows: (a) Non-transferability, (b) Privilege to inspect licensee's books to verify royalty, (c) Royalty, (d) No cancellation for one year.

3. *American Securit Co. v. Shatterproof Glass Co.*, 154 F. Supp. 890 (D. Del. 1957).

The misuse doctrine in respect to patent monopolies appeared in present form in *Motion Pictures Patents Co. v. Universal Film Manufacturing Co.*⁴ In that case, an attempt to restrict the use of the patented device by requiring the licensee to purchase only specified non-patented materials in connection with the device was characterized as misuse of the patent monopoly, and the suit for infringement was dismissed. Subsequent development of the misuse doctrine occurred in litigation concerning price-fixing and combination agreements among patentees.⁵ Thus, misuse was applied when the grouped patents sold in package form achieved their unity through combination contracts among competing patentees.⁶ Obviously, combining patents by means of such contracts is misuse because the patent monopoly does not imply immunity from the provisions of the Sherman Anti-Trust Act outlawing combinations in restraint of trade.⁷ On the other hand, price-fixing agreements extend the economic value of the patent monopoly beyond the scope of its competitive market, and consequently are misuse because they are contrary to the anti-trust laws condemning monopolistic practices.⁸

The instant case, however, is an example of misuse by affixing a license condition requiring the licensees to accept all the licensor's patents. The licensor did not acquire these patents by contracts with competitors,⁹ no price-fixing condition had been inserted in the license form,¹⁰ and no agreement to purchase non-patented materials had been exacted.¹¹ The legal consequence of misuse of patent rights is a loss of the power to sue for infringement.¹² In view of such a consequence, and in view of the doubtful status of the authorities covering the kind of misuse here presented,¹³ it is advisable to present plaintiff's position that such a policy is not misuse unless the license agreement also increases the amount of royalties.¹⁴ If, says plaintiff, in bargaining for the single patent a licensee would be required to pay the same royalties as fixed in the licensing agreement, the

4. 243 U.S. 502 (1917). See also *Carbice Corp. v. American Patents Development Co.*, 283 U.S. 27 (1931).

5. See *United States v. United States Gypsum Co.*, 333 U.S. 364 (1948); *United States v. National Lead Co.*, 332 U.S. 319 (1947); *Ethyl Gasoline Co. v. United States*, 309 U.S. 436 (1940); *United States v. General Electric Co.*, 272 U.S. 476 (1926).

6. *United States v. National Lead Co.*, 332 U.S. 319 (1947).

7. *Extracol Process v. Hiram Walker & Sons*, 153 F.2d 264, 267 (7th Cir. 1946).

8. See *United States v. New Wrinkle, Inc.*, 342 U.S. 371 (1952); *Sola Electric Co. v. Jefferson Electric Co.*, 317 U.S. 173 (1942).

9. See note 6 *supra*. Cases cited therein illustrate this type of misuse.

10. See note 5 *supra*. Cases cited therein illustrate this type of misuse.

11. See note 4 *supra*. Cases cited therein illustrate this type of misuse.

12. *Hartford Empire Co. v. United States*, 323 U.S. 386 (1945).

13. In *Automatic Radio Mfg. Co. v. Hazeltine Research, Inc.*, 339 U.S. 827, 831 (1950), the Court did not pass on the question because not properly presented. See also *Baker-Camack Hosiery Mills, Inc. v. Davis Co.*, 181 F.2d 550, 568-573 (4th Cir. 1950); *Apex Electrical Mfg. Co. v. Altofer Bros., Inc.*, 130 F. Supp. 152, 154-159, (N.D. Ill. 1955).

14. In *United States v. Paramount Pictures*, 334 U.S. 131 (1948) additional consideration was charged for the extra copyrights assigned under blockbook licensing, and for this reason, there was misuse.

inclusion of the right to use all plaintiff's patents is legally immaterial because it has caused no injury, produced no un contemplated gain, nor acted coercively.¹⁵ In such case, the convenience of the licensing practice to the patentee ought not be precluded from inquiry,¹⁶ nor, it seems, an inadmissible defense.¹⁷ Nevertheless, the principles enunciated in the instant case are strictly analogous to those announced in *Motion Pictures Patents Co. v. Universal Film Manufacturing Co.*¹⁸ *Motion Pictures* forbade patentees to condition the issuance of their licenses on the acceptance of other non-patented materials. If this kind of condition is an unlawful extension of the patent monopoly, it is only so because the prospective licensee is forced to purchase unbargained for extras in order to acquire the desired patent rights. His freedom to contract for these extras or to refrain from purchasing them altogether and, practically speaking, his freedom to obtain them in the open market has been extinguished. Such extinction of the rights of freedom of contract is clearly outside the scope of the patent and contrary to law.¹⁹ The value of these extras to the licensee is negligible and pays for them only to obtain the patented article. In this way, the patent monopoly is extended to articles not included in the patent application, description, or identification.²⁰ Again, this is a combination contrary to law.²¹ The question presented here, then, is the applicability of this reasoning to extras which are themselves patented. Since the form and character of the extras which the licensee is required to purchase and which he does not intend to use are immaterial to him, there is reason in saying that the licensor has extended his patent monopoly when he attaches patented materials as well as when he attaches non-patented materials for, in both cases, he has extorted a premium (*viz.* the right to refuse to purchase) from the licensee in exchange for a commodity which was not desired. He has been empowered to do so on the strength of one patent. No such power was intended by the patent statute and no such power should be condoned.

John M. Regan.

15. *American Securit Co. v. Shatterproof Glass Co.*, 154 F. Supp. 890, 895 (D. Del. 1957).

16. Convenience to a patentee can never justify an extension of the patent monopoly *Mercoïd Co., v. Mid-Continent Investment Co.*, 320 U.S. 661, 666 (1944); *B.B. Chemical Co. v. Ellis*, 314 U.S. 495, 498 (1942).

17. Such a defense has been advanced. *American Securit Co. v. Shatterproof Glass Co.*, 154 F. Supp. 890, 895 (D. Del. 1957).

18. 243 U.S. 502 (1917).

19. 26 STAT. 209 (1890), 15 U.S.C. § 1 (1952). See, *United States v. Crown Zellerbach Corp.*, 141 F. Supp. 118 (N.D. Ill. 1956).

20. Even so, it has been argued that patents do not exist in an economic vacuum and that the nature of some patented articles requires that they be sold in a form which includes non-patented materials. Rich, *Misuse, A New Frontier*, 34 J. PAT. OFF. Soc'y 391 (1952).

21. 26 STAT. 209 (1890), 15 U.S.C. § 1 (1952). See, *United States v. Krasnov*, 143 F. Supp. 184 (E.D. Pa. 1956).

PATENTS—ACTION UNDER SECTION 145 OF THE PATENT ACT OF 1952—
APPLICATION FOR A CONTINUATION IN PART PATENT.

Watson v. Bersworth (D.C. Cir. 1958).

Plaintiff filed a patent application¹ entitled "Hydroxy Derivatives of Alkylene Polyamines." This pending application was a continuation in part of a subsequently abandoned application.² The abandoned application had been a continuation in part of a parent application which had issued as a patent³ prior to the filing of the above pending application. The examiner in the Patent Office rejected the claims in the pending application as being anticipated by two of plaintiff's prior patents⁴ and hence by statute the pending application was barred. The examiner also found that the parent application would not support the claims in the pending application and hence the doctrine of continuity would not apply. The Board of Appeals affirmed the decision of the examiner. Plaintiff instituted suit in the United States District Court for the District of Columbia under § 145 of the Patent Act of 1952⁵ against the commissioner. Two of the claims⁶ of the pending application were in issue. The district court overruled the Board of Appeals and found that plaintiff was entitled to a patent. The commissioner appealed to the court of appeals which held that the district court was in error in admitting expert testimony in the matter of whether plaintiff was entitled to a patent and reversed the decision of the district court, Judge Danaher dissenting. *Watson v. Bersworth* (D.C. Cir. 1958).⁷

Upon the denial of issuance of a patent on his application the inventor may file for review of the decision of the Board of Appeals by the United States Court of Customs and Patent Appeals as provided in section 141 of

1. Serial No. 215,380—filed on March 13, 1951.

2. Serial No. 39,377—filed on July 17, 1948 and abandoned on March 21, 1951.

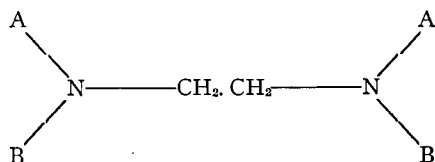
3. Patent No. 2,524,218. This parent application was filed on March 28, 1946 and the patent was issued on October 3, 1950.

4. Patent No. 2,413,856—issued on January 7, 1947 and Patent No. 2,428,353—issued on October 7, 1947.

5. 35 U.S.C. § 145 (1952).

6. Patent Application Serial No. 215,380 claims:

"2. The compound conforming to the formula



wherein A is a substituent group selected from the group consisting of ethanol and propanol and B is an acetic acid substituent group.

4. The basic metal salts of the compound of claim 2."

Claims 1 and 3 were withdrawn prior to trial in the district court.

7. *Watson v. Bersworth*, (D.C. Cir. 1958).

the Patent Act of 1952⁸ or he may bring a civil action against the commissioner in the United States District Court for the District of Columbia as provided in section 145⁹ of the same act. A trial de novo is had under the latter section.¹⁰ In an action involving a continuation-in-part application,¹¹ the district court will have to determine whether the parent application of the inventor meets the requirements of section 112¹² of the act by setting forth the invention claimed in the continuation-in-part application in "such full, clear, concise and exact terms as to enable any person skilled in the art to which it pertains . . . to make and use the same."¹³ It is not sufficient to disclose merely a generic description of one of the elements in the parent application and then have a continuation-in-part application claim a particular species of the genus.¹⁴ However, if the claimed invention is the natural result of following the operations as taught in the parent application, then the invention may be held to be disclosed in the parent application.¹⁵ There is a presumption that the finding of the board is correct and the district court must accept this finding unless the evidence carries a thorough conviction to the contrary.¹⁶ The courts have

8. 35 U.S.C. § 141 (1952). This section provides that once the applicant has elected action under this section he waives his right to action under 35 U.S.C. § 145.

9. 35 U.S.C. § 145 (1952). This section is new and replaced 35 U.S.C. § 63 (1946) which provided that an applicant dissatisfied with the decision of the board of appeals could file a bill in equity to obtain a patent.

10. See *Folkins v. Watson*, 129 F. Supp. 362 (D.D.C. 1954), *aff'd*, 223 F.2d 347 (D.C. Cir. 1955); *Hooker Electrochemical Co. v. Watson*, 135 F. Supp. 275 (D.D.C. 1954). A trial de novo was likewise provided for under 35 U.S.C. § 63 (1946). *Lecke v. Coe*, 63 App. D.C. 61, 69 F.2d 379 (D.C. Cir. 1934).

11. See 35 U.S.C. § 120 (1952). Under the doctrine of continuity, if an inventor files a second application while a prior application of his is *pending*, with the claims of the second application being supported by the subject matter disclosed in both applications, the second application, i.e. the continuation in part application, is entitled to the benefit of the filing date of the first application. *Godfrey v. Eames*, 68 U.S. (1 Wall.) 317 (1864); *Asseff v. Marzall*, 189 F.2d 660 (D.C. Cir. 1951).

12. 35 U.S.C. § 112 (1952).

13. *General Electric Co. v. Continental Fibre Co.*, 256 Fed. 660 (2d Cir. 1919).

14. *In re Mraz*, 36 App. D.C. 435 (1911). In this case the applicant described one of the components in his claimed composition as an oxygenated solution and subsequently the court refused to allow the applicant to amend his application and to claim the specific compound "bone meal." The court held that this was a new material not originally disclosed under the generic term "oxygenated solution." See also *In re Collins*, 22 C.C.P.A. (Patents) 1053, 75 F.2d 1000 (1935), in which case the applicant had defined the "polyhydric alcohol-polybasic acid resin" used in his disclosure as "the resinous condensation product resulting from the interaction of one or more polyhydric alcohols and one or more polybasic acids, with or without one or more modifying ingredients. . . ." The court refused to allow the applicant to claim in a subsequent interference, specific resins such as "an alkyd type resin formed by the combination and condensation of a mixture containing an organic polybasic acid, glycerine, ethylene glycol, and di-ethylene glycol."

15. *Lawson v. Bruce*, 42 C.C.P.A. (Patents) 893, 222 F.2d 273 (1955). In this case the court held that if the chemical compound claimed in the continuation-in-part application would be the natural and expected result arrived at by one skilled in the art following the procedures outlined by the applicants in their parent application, then such disclosure must be regarded as sufficient. See also *Patterson v. Clements*, 30 C.C.P.A. (Patents) 1262, 136 F.2d 1002 (1943); *McCormick v. Malherbe*, 28 C.C.P.A. (Patents) 838, 116 F.2d 520 (1941) (dictum); *Hansgrig v. Kemmer*, 26 C.C.P.A. (Patents) 1937, 102 F.2d 212 (1939) (dictum).

16. *Morgan v. Daniels*, 153 U.S. 120 (1894); *General Talking Pictures Corp. v. American Triegon Corp.*, 96 F.2d 800 (3d Cir. 1938); *Sanford v. Kepner*, 99 F. Supp. 221 (M.D. Pa. 1951), *aff'd*, 344 U.S. 13 (1952).

not freely elaborated on this "thoroughly contrary" test¹⁷ but they have held that the burden placed on the inventor is more than a mere preponderance of evidence.¹⁸ New evidence that was not before the Board of Appeals may be admitted.¹⁹ Since a patent is a contract,²⁰ expert testimony is not admissible on the patent as a whole or on its construction.²¹ However, since presiding judges may not always be familiar with the nomenclature of a particular art or science, the aid of expert testimony in this matter is permissible²² and this is especially true in the cases involving an electrical, a magnetic or a chemical application.²³ Furthermore, expert testimony is admissible as to whether the application in issue is sufficiently definite in describing the disclosed invention to one skilled in the particular art to which the invention relates.²⁴ If the decision of the district court is appealed to the court of appeals, the latter court reviews the former's finding as in any other type of appellate action and findings of fact will not be reversed unless clearly erroneous.²⁵

In his Patent No. 2,524,218 the plaintiff has specifically provided that, in the general formula disclosed in that patent, the value of m may be zero.²⁶ If this value is inserted, the same symbolic formula as claimed in

17. See definitions by the courts in *Esso Standard Oil Co. v. Sun Oil Co.*, 229 F.2d 37, 42 (D.C. Cir. 1956); *Radio Corporation of America v. International Standard Electric Corp.* 134 F. Supp. 593,596 (D. Del. 1955), *aff'd*, 232 F.2d 726 (3d Cir. 1956); *Jorgensen v. Ericson*, 81 F. Supp. 614, 618, 619 (E.D. Mo. 1949), *aff'd*, 180 F.2d 180 (1950); *Caille v. Kingsland*, 73 F. Supp. 921, 922 (D.D.C. 1947).

18. *Morgan v. Daniels*, 153 U.S. 120, 124 (1894); *Esso Standard Oil Co. v. Sun Oil Co.*, 229 F.2d 37, 40 (D.C. Cir. 1956); *Abbot v. Coe*, 109 F.2d 449, 451 (D.C. Cir. 1940).

19. *Hoover Co. v. Coe*, 325 U.S. 79, 83 (1945); *Butterworth v. United States ex rel Hoe*, 112 U.S. 50, 61 (1884); *Shell Development Co. v. Pure Oil Co.*, 111 F. Supp. 197, 199 (D.D.C. 1953), *aff'd*, 212 F.2d 454 (D.C. Cir. 1954).

20. See *Century Electric Co. v. Westinghouse Electric & Mfg. Co.*, 191 Fed. 350, 351 (8th Cir. 1911).

21. *Corning v. Burde*, 56 U.S. (15 How.) 252, 270 (1853); *Baldwin Rubber Co. v. Paine & Williams Co.* 99 F.2d 1, 3 (6th Cir. 1938).

22. *Webster Loom Co. v. Higgins*, 105 U.S. 580 (1881).

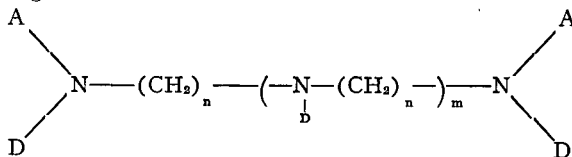
23. *Sundh Electric Co. v. General Electric Co.*, 204 Fed. 277 (2d Cir. 1913); *Interchemical Corp. v. Watson*, 145 F. Supp. 179 (D.D.C. 1956).

24. *Hogg v. Emerson*, 52 U.S. (11 How.) 587 (1850); *Research Products Co. v. Tretolite Co.*, 106 F.2d 530 (9th Cir. 1939); *A. B. Dick Co. v. Barnett*, 288 Fed. 799 (2d Cir. 1923).

25. *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U.S. 271 (1949), points out that Fed. R. Civ. P. 52(a) must be followed by the Supreme Court in reviewing a patent case. *Esso Standard Oil Co. v. Sun Oil Co.*, 229 F.2d 37 (D.C. Cir. 1956); *Standard Oil Development Co. v. Marzall*, 181 F.2d 280 (D.C. Cir. 1949) (points out that the Court of Appeals for the District of Columbia must follow Fed. R. Civ. P. 52(a) in reviewing a patent case).

26. Patent No. 2,524,218. (page 1).

"The alkylene polyamine derivatives of the present invention are represented by the following formula:



wherein n is either 2 or 3 and m is either zero or a positive integer. . . ."

The specification then discloses further the proper selection of the proper formulas for the groups represented by A and D.

the application Serial No. 215,380 in issue will be obtained.²⁷ This result does not appear comparable to the disclosure in the *Mraz* case²⁸ which was cited by the majority. It should be noted that the circuit court in the instant case held that the plaintiff's Patents Nos. 2,413,856 and 2,428,353 are anticipating references and form a statutory bar to the granting of plaintiff's application in issue since over a year had elapsed since the issuing of the above patents and the filing of the application containing the claims in issue. By its attempted extension of the rule in the *Mraz*²⁹ case, the circuit court is precluding the plaintiff from using one of his patents (Patent No. 2,524,218), with the Markush groupings³⁰ disclosed therein, to support the claims in the application in issue but at the same time is using two other patents (Patents Nos. 2,413,856 and 2,428,353) of the plaintiff, with the Markush groupings disclosed therein, as anticipating the same application. Since the plaintiff has provided in his Patent No. 2,524,218 that the value of *m* in the formula therein disclosed may be zero, it appears that there remains merely the operation of selecting the proper compounds out of the groupings to arrive at the formula claimed in the application in issue. Whether the operation in selecting these compounds is disclosed in the parent application (Patent No. 2,524,218) appears to warrant the admission of the expert testimony in the district court as to the nomenclature of the chemical art and as to whether the procedure to be followed in utilizing the proper compounds in the disclosed groupings is adequately described for one skilled in the chemical art. The district court found that the testimony of the experts provided "clear and convincing" evidence "that the symbols when interpreted in light of the specification did lead those experienced in the field of chemistry" to the embodiment claimed by the plaintiff in his application in issue.³¹ It is submitted that if the district court was admitting the "opinion" portion of the expert testimony as to whether the plaintiff fulfilled the requirements of section 112 of the act then the district court was in error in admitting this evidence on a question of law in view of the case of *Minnesota Mining & Mfg. Co. v. Carborundum Co.*³² However, if this testimony was admitted to determine whether the parent application adequately disclosed the operation to be followed in

27. See note 6 *supra*.

28. *In re MRAZ*, 36 App. D.C. 435 (1911), See note 15 *supra*.

29. See note 14 *supra*.

30. Under the doctrine first defined in *Ex parte Markush*, 1925 Com. Dec. Pat. 126, in chemical inventions where the inventor finds it difficult to list the equivalent compounds in a known generic term, he may form a sub-generic grouping. For a discussion of the development of the case law as to what are the necessary requirements for a proper grouping see Seidel, *Markush Claims—The Problem of Proper Grouping*, 17 GEO. WASH. L. REV. 225 (1949).

31. *Bersworth v. Watson*, 116 U.S.P.Q. 87 (D.D.C. 1956).

32. 155 F.2d 746 (3d Cir. 1946). In this case the court ruled that opinion testimony of experts could not be admitted as to whether the parent application fulfilled the requirements of section 112 and then proceeded to find that the district court was in error in holding that the presumption of correctness of the finding of the board merely created a burden of preponderance of evidence.

arriving at the formula claimed in the application in issue, it is submitted that the circuit court was in error in ruling that it should not have been admitted. In the latter situation, the circuit court would be in effect according the presumption of the correctness of the finding of the Board of Appeals the weight of a conclusive presumption which is contrary to the purpose of section 145.

Robert L. Brabson.

PATENTS—DOUBLE PATENTING—PRIOR ART.

In re Ockert, C.C.P.A. (Patents 1957).

On June 30, 1949, Ockert filed a patent application on which he was issued a patent on October 14, 1952. The issued patent disclosed a recovery system for separating organic compounds utilizing two absorption towers with a plurality of streams of materials fed into and out of the towers. Each claim of the patent was limited to a process carried out with a two-tower operation. On August 19, 1949, he filed five applications to different species of the invention, one of which (number 111,111) was covered by claims of his issued patent. The appellant's application number 111,111 disclosed but a single tower and the application taught how to perform the process with a single tower to achieve the same results as with two towers. The claims of this application (number 111,111) were limited to a single tower operation. One of the steps of the patented system appearing in its claims was neither disclosed nor claimed in application number 111,111. The other four applications had disclosures much closer to the prior art of record. The Court of Customs and Patent Appeals *held* that despite the differences between the disclosures of the two applications and the differences as between the claims of the two applications, the essential inventive concept was present in both and therefore, once the patent had been granted on one species, there was nothing left of an inventive character which would support the claims to the different species of the second case. The court used Ockert's own patent as the prior art in respect to all five applications and in respect to application number 111,111, apparently did not rely upon an Olsen patent filed a few months ahead of Ockert, which also disclosed a single-tower operation. *In re Ockert*, 44 C.C.P.A. (Patents) —, 245 F.2d 467 (1957).¹

A valid patent cannot issue for an invention actually covered by a former patent to the same inventor where the two patents differed only in scope.² The United States Supreme Court in *Miller v. Eagle Mfg. Co.*³

1. *In re Ockert*, 44 C.C.P.A. (Patents)—, 245 F.2d 467 (1957).

2. *Miller v. Eagle Mfg. Co.*, 151 U.S. 186 (1894); *In re Ward*, 43 C.C.P.A. (Patents) 1007, 236 F.2d 428 (1956); *In re Jennings*, 35 C.C.P.A. (Patents) 1163, 167 F.2d 1014 (1948).

3. 151 U.S. 186 (1894).

stated that where the second patent covers matters described in the prior patent, essentially distinct and separable from the invention covered thereby and claims made thereunder, its validity may be sustained. In order for the claims of a pending application to avoid rejection on the grounds of double patenting, the claims must show invention beyond the claims of the first issued patent.⁴ Where the same elements are claimed in the same combinations but their functions are different, this is not enough to make them different claims or combinations.⁵ However, if a claim for a second patent specifies a different combination of parts of a process, machine or manufacture, even where some of these parts are in each of the combinations, there is a new invention.⁶ Cross-reading of the applications for patent and the prior patent is not indispensable to a holding of double patenting.⁷ An applicant who accepts a patent containing only claims which are limited to a single species cannot thereafter obtain a second patent containing claims generic to that species and one or more other species, unless such generic claims are being prosecuted in a pending application at the time when the patent is granted.⁸ If a patentee has secured generic claims in one patent, he cannot thereafter secure claims to a species under that genus in another patent.⁹ Where the patentee claims that the second application is an improvement then it must represent invention over the claims of the basic patent.¹⁰ Courts in determining whether the claims of an application are actually distinct from those of a patent take into consideration what is disclosed by prior art and the claims of the applicant's issued patent.¹¹ By statute a patent may not be obtained if the difference between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would be obvious at the time of invention to a person having ordinary skill in the art to which the subject matter pertains.¹² Patents issued when the present application for a patent was

4. *Weatherhead Co. v. Drillmaster Supply Co.*, 227 F.2d 98 (7th Cir. 1955); *In re Asseff*, 36 C.C.P.A. (Patents) 867, 173 F.2d 253 (1949); *In re Copeman*, 30 C.C.P.A. (Patents) 1329, 121 F.2d 527 (1941).

5. *Thomson-Houston Elec. Co. v. Jeffrey Mfg. Co.*, 101 Fed. 121 (6th Cir. 1900).

6. *Suffolk v. Hayden*, 70 U.S. (3 Wall.) 76 (1866); *Independent Oil Well Cementing Co. v. Hulliburton*, 54 F.2d 121 (10th Cir. 1932).

7. *In re Ward*, 43 C.C.P.A. (Patents) 1007, 236 F.2d 428 (1946).

8. *In re Blattner*, 44 C.C.P.A. (Patents)—, 245 F.2d 491 (1957); *In re Muskat*, 38 C.C.P.A. (Patents) 909, 187 F.2d 626 (1951).

9. *In re Doll*, 36 C.C.P.A. (Patents) 1140, 175 F.2d 583 (1949).

10. *In re Ward*, 43 C.C.P.A. (Patents) 1007, 236 F.2d 428 (1956).

11. *In re Asseff*, 36 C.C.P.A. (Patents) 867, 173 F.2d 253 (1949); *In re Barge*, 25 C.C.P.A. (Patents) 1058, 96 F.2d 314 (1938).

12. 35 U.S.C. § 103 (1952): "A patent may not be obtained through the invention is not identically disclosed or described as set forth in section 102 of this title if the difference between the subject matter sought to be patented and the prior art 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 said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made."

co-pending are not prior art but the invention as covered by the claims of the appellant's patent must be distinct from those in the appellant's application.¹³

There seems to be two possible interpretations which could be placed on this case. Under the one interpretation the court appears to use the appellant's issued patent as prior art to decide that there was double patenting. However, the appellant's issued patent claimed only a process using a two-tower operation and the appealed application claimed only a single-tower operation. The only way that the court could reach the result that it did, since it did not mention the single-tower Olsen patent in rejecting the application, was to use the *disclosures* of the appellant's issued patent. This goes much further than prior law which holds that only the *claims* of the prior patent may be used in determining whether a second patent should issue and this view seems inequitable especially in the cases where the applications, one of which is patented, are co-pending. The second possible interpretation of this case is that the claims of the appellant's issued patent plus the Olsen patent were used in rejecting the appealed application. This position is in conformity with prior law but the court does not make it clear that this was the basis for its opinion. The case suggests that Ockert could have protected himself only by filing a single application and insisting upon the allowance in that application of the claims to all six species, notwithstanding the fact he could not draft a generic claim covering all of them.

Edward H. Feege.

PATENTS—FILE WRAPPER ESTOPPEL—DOCTRINE OF FILE WRAPPER
ESTOPPEL DOES NOT ARISE WHERE THE
CANCELLATION WAS VOLUNTARY.

Unilectric, Inc. v. Holwin Corp. (7th Cir. 1957).

This was a suit for a declaratory judgment in which the plaintiff asked that an electric socket developed by the plaintiff be declared outside the scope of defendant's patent. The parties had entered into an agreement whereby the plaintiff was to manufacture electric sockets under a licensing agreement from the defendant. Two months later the plaintiff began to manufacture a socket allegedly developed independently of the defend-

13. In re Horneman, Hussong, Quam & Hammer, 39 C.C.P.A. (Patents) 809, 194 F.2d 108 (1952); In re Coleman, 38 C.C.P.A. (Patents) 1156, 189 F.2d 976 (1951); In re Ward, 32 C.C.P.A. (Patents) 1238, 150 F.2d 436 (1945); In re Gray & Stone, 30 C.C.P.A. (Patents) 1175, 136 F.2d 742 (1943); In re Sherman, 28 C.C.P.A. (Patents) 1329, 121 F.2d 527 (1941); In re Arendt, 22 C.C.P.A. (Patents) 885, 74 F.2d 765 (1935); In re Pieler, 20 C.C.P.A. (Patents) 1059, 64 F.2d 984 (1933).

ant's patent. The plaintiff then abandoned payments under the agreement. The defendant threatened the customers of the plaintiff with suit for patent infringement and this action was brought to end this harassment. When the defendant's patent was originally filed it contained three claims¹ which were rejected by the examiner on reference to the prior art. The defendant resubmitted only two of these claims and abandoned the other. It is this abandoned claim which the plaintiff alleges reads on his product. Plaintiff urged, *inter alia*, that by acquiescing in the decision of the United States Patent Office the defendant conceded that the prior art anticipated the claim that was not resubmitted.² The court of appeals *held* that a patentee who does not resubmit a claim that was rejected, but acquiesces in the decision of the Patent Office, will not be barred by the doctrine of file wrapper estoppel from asserting a reasonable range of equivalents to those claims which are resubmitted and allowed. *Unilectric, Inc. v. Holwin Corp.*, 243 F.2d 393 (7th Cir. 1957).³

When interpreting a patent, courts have applied the "doctrine of equivalents"⁴ from the beginning.⁵ They use this device of interpretation in order to broaden the meaning of a claim so as to bar an infringer from the benefits of the inventor's labor.⁶ This interpretive device is narrowed

1. See, 35 U.S.C. § 112 (1952), which provides: "The specification shall conclude with one or more claims particularly set out and distinctly claiming the subject matter which the applicant regards as his invention." The first mention of claims in patent legislation was the Act of July 4, 1836, c. 357, § 6, 5 STAT. 117. However, it was not until this act was amended by the Act of July 8, 1870, c. 230, § 26, 16 STAT. 198, that claims came to have critical importance. Each claim is held to be a separate invention. See *Veneer Machine Co. v. Grand Rapids Chair Co.*, 227 Fed. 419 (6th Cir. 1915).

2. Initially the patent officer cancelled all of original claims Nos. 2, 3, and 4 under one heading, a reference to the prior art. No distinction was made by the examiner between claim No. 3 (later rewritten) and claim No. 4 (later cancelled). Claim No. 3 of the patent describes a socket with one continuous flange and a "plurality of shorter flanges extending partially around the outside" of the socket housing. Claim No. 4 called for, "a plurality of oppositely disposed flanges spaced slightly from each other on the outer surface of said housing . . ." *United Mfg. and Service Co. v. Holwin Corp.*, 143 F. Supp. 492, 495 (N.D. Ill. 1956). *aff'd sub. nom. Unilectric, Inc. v. Holwin Corp.*, 243 F.2d 393 (7th Cir.), *cert. denied*, 78 Sup. Ct. 42 (1957).

3. *Unilectric, Inc. v. Holwin Corp.*, 243 F.2d 393 (7th Cir.), *cert. denied*, 78 Sup. Ct. 42 (1957).

4. The "doctrine of equivalents" declares that if two devices do the same work in substantially the same way and accomplish substantially the same result, they are the same, even though they differ in form, shape or name. See, *Union Paper Bag Machine Co. v. Murphy*, 97 U.S. 935, 936-937 (1878).

5. See *Winans v. Denmeade*, 56 U.S. (15 How.) 330 (1853).

6. "A patent is like any other legal instrument; but it is peculiar in this, that after all aids to interpretation have been exhausted, and the scope of the claims has been enlarged as far as the words can be stretched, on proper occasion courts make them cover more than their meaning will bear. If they applied the law with inexorable rigidity, they would never do this, but would remit the patentee to his remedy of re-issue, and that is what they frequently do. Not always, however, for at times they resort to the doctrine of equivalents to temper unsparing logic and prevent an infringer from stealing the benefits of the invention. No doubt, this is, strictly speaking, an anomaly; but it is one which courts have frankly faced and accepted almost from the beginning." *Royal Typewriter Co. v. Remington Rand*, 168 F.2d 691, 692 (2nd Cir. 1948).

by another principle commonly called file wrapper estoppel.⁷ This latter principle is employed to prevent patentees from taking advantage of interpretations of their claims which have already been rejected by the Patent Office.⁸ The doctrine of file wrapper estoppel applies to the interpretation of the bounds of the patent whether or not the claim as allowed is narrower or broader than was the claim as originally filed.⁹ The doctrine protects an accused, whether rightfully or wrongfully, who otherwise might be guilty of patent infringement.¹⁰ It applies even though the examiner was incorrect in rejecting the claim as originally filed.¹¹ A voluntary withdrawal of a claim by a patentee after rejection and the allowance of an amended claim still operates to estop the patentee from receiving the full scope of equivalents.¹² The courts have made one outstanding exception to the doctrine in cases where they felt that the changes were mere changes in expression.¹³ One of the clearest expositions of an application of the doctrine has been given by the United States Supreme Court. It said that by amending his claim the patentee recognizes and emphasizes the difference between the claim as first submitted and as finally allowed, and proclaims his abandonment of all that is embraced in that difference.¹⁴ How-

7. A patent claim is interpreted not only in the light of the specifications but also with reference to its file wrapper history. *Schreiber Co. v. Cleveland Trust Co.*, 311 U.S. 211, 217 (1940); *Thabet Mfg. Co. v. Koolvent Metal Awning Corp.*, 226 F.2d 207, 210 (6th Cir. 1955); *Whiteman v. Mathews*, 216 F.2d 712, 715 (9th Cir. 1954); *Whitman v. Andrus*, 194 F.2d 270, 275 (6th Cir.), *cert. denied*, 344 U.S. 817 (1952); *Sager v. Glove Corp.*, 118 F.2d 873, 874 (7th Cir. 1941).

8. The doctrine of equivalents: ". . . is limited by another principle commonly called file wrapper estoppel, the gist of which is that a patentee who has changed the form of his claim during its prosecution disclaims the scope of the claim in its earlier form, and the change effected by the amendment must be construed against the patentee. He is not permitted thereafter to recapture what he has disclaimed or assert the claim against any equivalents that would respond to the claim in its earlier form but which do not respond expressly to the claim as issued." *Dixie Cup Co. v. Paper Container Mfg. Co.*, 169 F.2d 645, 648 (7th Cir. 1948), *cert. denied*, 338 U.S. 867 (1949).

9. *Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co.*, 152 U.S. 425, 429 (1894); *Gasair Corp. v. Ransome Co.*, 140 F.2d 818, 819 (9th Cir. 1944).

10. See, *Lewis v. Avco*, 228 F.2d 919 (7th Cir. 1956).

11. *Smith v. Magic City Kennel Club*, 292 U.S. 784, 789 (1931); *I.T.S. Rubber Co. v. Essex Rubber Co.*, 272 U.S. 429, 443 (1926); *Hubbell v. United States*, 179 U.S. 77, 80 (1900).

12. *I.T.S. Rubber Co. v. Essex Rubber Co.*, 272 U.S. 429, 444 (1926); *Kessel v. Vidrio Products Corp.*, 113 F.2d 381, 383 (7th Cir.), *cert. denied*, 311 U.S. 703 (1940); *New York Brick Handling Corp. v. John P. Callaghan, Inc.*, 57 F.2d 135, 136 (3rd Cir. 1932); *Dry Hand Mop Co. v. Squeeze-Ezy Co.*, 17 F.2d 465, 466 (5th Cir. 1927).

13. See *Hubbell v. United States*, 179 U.S. 77, 80 (1900) (acceptance of a narrowed claim for a metallic cartridge was held to be a bar to a broad interpretation); *Bendix Aviation Corp. v. Smiths America Corp.*, 248 F.2d 621, 626 (D.C. Cir. 1957) (changes in the language of a claim made at the request of the examiner were held not to bar the patentee of a sextant from the benefits of a broad interpretation); *American Engineering Co. v. E. H. Bardes Range & Foundry Co.*, 25 F. Supp. 623, 626 (S.D. Ohio 1938), *aff'd*, 109 F.2d 696 (6th Cir. 1940) (a rejection of a claim for a tuyère, not on reference, but because of Patent Office formalities, was held to be a mere change of expression).

14. In *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126, 136 (1942) the Court states: "By striking that phrase ['carried on the table'] and substituting for it 'embedded in the table' the applicant restricted his claim to those combinations in

ever, “. . . no question of file wrapper estoppel arises unless it can be shown that it is necessary to go beyond the ordinary and accepted meaning of the words in the allowed claims, and not even then unless it can be shown that the plaintiff must resort to the doctrine of equivalents.”¹⁵

The seventh circuit uses the phrase “reasonable range of equivalents”¹⁶ to describe what scope it will allow a patentee in these circumstances. This phrase is rather vague. Does it mean that the patentee will be allowed something less than the full range of equivalents, but a range greater than would be granted if the court strictly applied the doctrine of file wrapper estoppel? Or does it mean that the patentee will be granted the full range of equivalents as though there had been no amendments? It is quite true that, where the difference between the claim as made and as allowed consists of mere changes in expression having substantially the same meaning, such changes as were made to meet the views of the examiner, ought not to be permitted to defeat a meritorious claimant. While not allowed to revive a rejected claim by a broad construction of the claim allowed, yet the patentee is entitled to a fair construction of the terms of his claim as actually granted.¹⁷ But, it cannot be denied that where two claims are made and both are rejected by the examiner, the resubmitting of only one of the claims prevents that claim from being allowed a range broad enough to include the one not resubmitted.¹⁸ The fact that the claim not resubmitted can be found to have been voluntarily withdrawn is immaterial.¹⁹ If the seventh circuit is holding otherwise it is following a path long ago condemned by the Supreme Court.²⁰ On the other hand, if the court will

which the conductor means, though carried on the table, is also embedded in it. By amendment he recognized and emphasized the difference between the two phrases and proclaimed his abandonment of all that is embraced in that difference.”

15. *Smiths America Corp. v. Bendix Aviation Corp.*, 140 F. Supp. 46, 54 (D.D.C. 1956), *aff'd*, 248 F.2d 621 (D.C. Cir. 1957).

16. *Unilectric, Inc. v. Holwin Corp.*, 243 F.2d 393, 398 (7th Cir.), *cert. denied*, 78 Sup. Ct. 42 (1957).

17. See, *Hubbell v. United States*, 179 U.S. 77, 80 (1900); *accord*, *International Cellucotton Products Co. v. Sterilek Co.*, 94 F.2d 10, 12 (2d Cir. 1938). *But cf.* *Zenith Radio Corp. v. Lehman*, 121 F. Supp. 73 (S.D.N.Y. 1954); *Sales Affiliates v. Hutzler Bros. Co.*, 71 F. Supp. 287, 298 (D. Md. 1947).

18. “It is of course a well settled exception to the doctrine of equivalents that, when an examiner rejects a claim upon the prior art and the applicant withdraws it, the disclosure pro tanto passes into the public domain. The applicant may not resort to the doctrine of equivalents to interpret any claim which he succeeds in getting allowed, so that it will cover the contents of the rejected claim without some limitation.” *Musher Foundation, Inc. v. Alba Trading Co.*, 150 F.2d 885, 888 (2nd Cir. 1945) (dictum). See also *Exhibit Supply Co. v. Ace Patent Co.*, 315 U.S. 126, 136 (1942); *Schreiber-Schroth Co. v. Cleveland Trust Co.*, 311 U.S. 211, 221 (1940); *Smith v. Snow*, 294 U.S. 1, 16 (1935); *Lanfare v. Wolk*, 86 F. Supp. 304 (E.D. Mich. 1949).

19. See note 12 *supra*.

20. See, *Leggett v. Avery*, 101 U.S. 256, 259 (1880). A patent for a plow improvement was granted. Subsequently the patent was re-issued so as to include claims previously rejected by the original examiner. The Court stated, “The allowance of claims once formally abandoned by the applicant, in order to get his patent through, is the occasion of immense frauds against the public. . . . In this manner, without an appeal, he gets the first decision of the office reversed, steals a march on the public, and on those who before opposed his pretensions (if, indeed, the latter have not been silenced by purchase), and procures a valuable monopoly to which he has not the slightest title.”

in the future interpret this phrase as meaning a range of equivalents within the scope of the claim as allowed, without resort to the doctrine of equivalents,²¹ it will be firmly in line with past decisions.²² The words of the court do not indicate that the latter is what the court really meant.²³ The decision falls between the chairs. It has introduced into the circuit one more vague phrase in a field already replete with platitudes.

Edward J. McLaughlin.

PATENTS—INVENTIVE SECRECY ACT—ACTION AGAINST THE
UNITED STATES DURING PENDENCY OF A SECRECY ORDER.

Halpern v. United States (S.D.N.Y. 1957).

An action was brought against the United States under the Inventive Secrecy Act¹ to recover compensation for damage caused by an order of secrecy entered eleven years ago by the United States in a patent applica-

21. The reason for the denial of a full range of equivalents is, if the rejection is wrong, the applicant has remedies both in the Patent Office and in the courts; remedies which abandonment of the rejected claim necessarily surrenders. See *Musher Foundation v. Alba Trading Co.*, 150 F.2d 885, 888 (2nd Cir.), *cert. denied*, 326 U.S. 770 (1945). *But cf.* *American Engineering Co. v. E. H. Bardes Range & Foundry Co.*, 25 F. Supp. 623 (S.D. Ohio), *aff'd*, 109 F.2d 696 (6th Cir. 1940) (where the rejection of a claim is because of Patent Office formalities and not on a reference to the prior art, the claim as granted may be read to include the rejected claim, even though the rejection was not appealed).

22. See *Winans v. Denmeade*, 56 U.S. (15 How.) 330 (1853); *International Cellucotton Products Co. v. Sterilek Co.*, 94 F.2d 10, 12 (2nd Cir. 1938); *Vrooman v. Penhollow*, 179 Fed. 296 (6th Cir. 1910); *J. L. Owens v. Twin City Separator Co.*, 168 Fed. 259, 268 (8th Cir. 1909); *Texas Co. v. Globe Oil Refining Co.*, 112 F. Supp. 455 (N.D. Ill. 1953), *aff'd*, 225 F.2d 725 (7th Cir. 1955).

23. *Unilectric, Inc. v. Holwin Corp.*, 243 F.2d 393, 398 (7th Cir. 1957): "By the doctrine of equivalents the contemporary socket fails to avoid infringement of Claim 3 of the Holloway patent." The district court made a finding of fact that the patentee conceded that Claim 3 was "the broadest claim of the patent."

1. 35 U.S.C. § 183 (1952). The pertinent parts are: "An applicant . . . whose patent is withheld as herein provided, shall have the right, beginning at the date the applicant is notified that, except for such [secrecy] order, his application is otherwise in condition for allowance, or February 1, 1952 whichever is later, . . . to apply to the head of the department or agency who caused the order to be issued for compensation for the damage caused by the secrecy order and/or the use of the invention by the Government . . . [authorizing such person to make full settlement for the damage and use, or if full settlement cannot be effected, to award a sum not exceeding seventy-five per centum of the sum which such person considers just compensation]. A claimant may bring suit against the United States in the Court of Claims or in the District Court . . . for an amount which when added to the award [of the department or agency] shall constitute just compensation for the damage and/or use of the invention by the Government." The plaintiff in this case acquired his right on February 1, 1952, and had applied for an administrative award, but received none. A denial of an administrative award does not prevent a suit under the statute. See *Robinson v. United States*, 236 F.2d 24 (2d Cir. 1956) (secrecy order lifted prior to action).

tion of the plaintiff, for which he received a notice of allowance five years ago, and to recover compensation for use of the invention by the United States. The defendant based its motion to dismiss without prejudice, or to stay for an indefinite period, upon a formal claim of privilege against disclosure of military and naval secrets. The claim of privilege was held to be premature, but the motion was granted as a motion to dismiss without prejudice on the ground of lack of jurisdiction over the subject matter since the court held that the Inventive Secrecy Act did not permit such an action against the United States during the pendency of the secrecy order. *Halpern v. United States*, 151 F. Supp. 183 (S.D.N.Y. 1957).²

The Government's privilege against disclosure of military and naval secrets affecting national security is well established in litigation where the Government is a party,³ as well as in private litigation.⁴ The exercise of this privilege can have the effect of preventing a plaintiff from adequately presenting his case and thus result in an adverse judgment on the merits.⁵ It can also operate to prevent a plaintiff from maintaining his action.⁶ Because of the hardship which may be imposed upon a litigant by the allowance of a claim of the privilege, rendering him unable to assert his rights or properly defend himself, the problem faced by the courts is how to insure the operation of justice without exposing the nation to danger. A difficulty inherent in the claim of this privilege is the determination of whether or not a particular subject is properly a military secret and thus privileged from disclosure.⁷ The English view is that an executive determination of secrecy is conclusive upon the court.⁸ The United States Supreme Court has recently held that the court itself must determine whether the circumstances are appropriate for the claim of privilege and yet do so without forcing a disclosure of the very thing the privilege is designed to protect.⁹ After a formal claim of privilege, the judge must weigh the necessity for revealing the information in the interests of justice

2. *Halpern v. United States*, 151 F. Supp. 183 (S.D.N.Y. 1957).

3. See *United States v. Reynolds*, 345 U.S. 1 (1953); *Totten v. United States*, 92 U.S. 105 (1875); *United States v. Haugen*, 58 F. Supp. 436 (E.D. Wash. 1944); *Pollen v. United States*, 58 F. Supp. 653 (Ct.Cl. 1943).

4. See *In re Grove*, 180 Fed. 62 (3d Cir. 1910); *Pollen v. Ford Instrument Co.*, 26 F. Supp. 583 (E.D.N.Y. 1939); *Firth Sterling Steel Co. v. Bethlehem Steel Co.*, 199 Fed. 353 (E.D. Pa. 1912); *Ticon Corp. v. Emerson Radio and Phonograph Corp.*, 206 Misc. 727, 134 N.Y.S.2d 716 (Sup. Ct. 1954).

5. *Pollen v. United States*, 58 F. Supp. 653 (Ct.Cl. 1943).

6. *Totten v. United States*, 92 U.S. 105 (1876); *Tucker v. United States*, 118 F. Supp. 371 (Ct.Cl. 1954).

7. See Haycock, *Some Evidentiary Problems Posed by Atomic Energy Security Requirements*, 61 HARV. L. REV. 468 (1948); Sanford, *Evidentiary Privileges Against the Production of Data Within the Control of Executive Departments*, 3 VAND. L. REV. 73 (1950).

8. *Duncan v. Cammell, Laird & Co.*, [1942] App. Cas. 624. The primary reasons for this view are that a judicial inquiry would be public and that the judge does not have the necessary knowledge to make such a determination.

9. *United States v. Reynolds*, 345 U.S. 1, 8 (1953).

against the danger to the nation in its compulsory production.¹⁰ Prior to the case of *United States v. Reynolds*,¹¹ the lower federal courts generally held that in cases where the Government was a defendant it had waived any evidentiary privileges when it consented to be sued.¹² It was held that the Government either had to produce the information or else have that information construed against it.¹³ But in the *Reynolds* case, the Supreme Court held that the Government could, in proper circumstances, refuse to disclose military secrets, even to a judge in chambers, and that such refusal could not be construed against the Government where it was "a defendant only on terms to which it has consented."¹⁴ Even if a claim of privilege is allowed, it does not follow that the opponent must lose his case, for there may be other evidence available to him. Thus if a party need only prove that something exists, the details of which are classified, he may do so by the proper use of secondary evidence,¹⁵ but if the existence of the subject matter itself is secret, proof of its existence is not admissible and the action cannot prevail over the privilege.¹⁶

It is elementary that the United States cannot be made a defendant without its express consent,¹⁷ and both the *Reynolds* case¹⁸ and the instant case touch upon the doctrine of sovereign immunity. In the present case the court avoids the question of privilege, but nevertheless impliedly relies upon that doctrine, by holding that because of the secrecy order the plaintiff's action is impossible under the Inventive Secrecy Act. However, this is done without questioning the secrecy order, or the claim of privilege which is based on it. It appears that the court has, in reality, accepted an executive determination of the privilege, not only to deprive a plaintiff of evidence¹⁹ but to keep him out of court indefinitely. Until the executive officers permit, plaintiff cannot sue. It is suggested that Congress intended to provide for actions of this type,²⁰ with the question of privilege, should

10. *United States v. Reynolds*, 345 U.S. 1 (1953).

11. *Ibid.*

12. *Cresmer v. United States*, 9 F.R.D. 203 (E.D.N.Y. 1949); *Bank Line v. United States*, 76 F. Supp. 801 (S.D.N.Y. 1948).

13. *Reynolds v. United States*, 192 F.2d 987 (3d Cir. 1951). *rev'd*, 345 U.S. 1 (1953).

14. *Reynolds v. United States*, 345 U.S. 1, 12 (1953).

15. *United States v. Haugen*, 58 F. Supp. 436, (E.D. Wash. 1944) (testimony as to provision of a classified contract).

16. *Totten v. United States*, 92 U.S. 105 (1875) (a secret espionage contract).

17. *Kansas v. United States*, 204 U.S. 331 (1907); *Minnesota v. Hitchcock*, 185 U.S. 373 (1902).

18. *Reynolds v. United States*, 345 U.S. 1 (1953).

19. "Judicial control over the evidence in a case cannot be abdicated to the caprice of executive officers." *United States v. Reynolds*, 345 U.S. 1, 9-10 (1953).

20. "Section 3 [presently 35 U.S.C. § 183] does not require tender of the invention to the Government precedent to recovery of compensation nor does it defer presentation of a claim for compensation until after a patent issues on the application." S. REP. No. 1001, 82d Cong., 1st Sess. (1951) reprinted at 2 U.S. CODE CONG. & AD. NEWS 1321, 1323 (1952), commenting on the Inventive Secrecy Act of 1951 in relation to previous legislation on this subject. This appears to suggest that the intent was not to provide for indefinite delays in the presentation and recovery of a claim.

it arise, to be determined by the court according to the developed law, even though a party thus risks an adverse determination of his claim because of lack of evidence. In view of the limited judicial experience with the Inventive Secrecy Act²¹ and the current importance of technological advance to the interests of the United States, the instant decision does not seem proper. It would seem to impede rather than encourage independent inventors at a time when initiative and new ideas are of prime concern to the United States in its world position. An interpretation of the Inventive Secrecy Act that affords a solution to the patentee's dilemma seems necessary,²² for the instant determination affords none.

Vincent P. Haley.

PATENTS—LACHES IN APPLICATION FOR REISSUE—INTERPRETATION OF SECTION 101 OF PATENT ACT OF 1952

Rohm & Haas v. Roberts Chemicals, Inc. (4th Cir. 1956).

Plaintiff was the patentee of an original patent claiming a fungicidal composition suitable for application to living plants, containing the active ingredient nabam.¹ He was also patentee of a reissue patent which claimed a process of controlling fungus growth on living plants which comprised applying to the plant a fungicidal composition having nabam as an active

21. *Robinson v. United States*, 236 F.2d 24 (2d Cir. 1956); *Farrand Optical Co. v. United States*, 133 F. Supp. 555 (S.D.N.Y. 1955).

22. In suggesting solutions to the type of dilemma produced by this case writers have made proposals such as a special court or board, "Blue Ribbon" juries, and closed hearings. See note 7 *supra*. The "select group" could then decide whether the secrecy order is properly pending and indirectly allow a determination of jurisdiction.

The instant opinion may well be a plea for remedial legislation.

1. Upon application for reissue, the patent office rejected the five composition claims of the Hester patent, which was the original patent held by the plaintiff, Rohm & Haas, but allowed the eight process claims which were not part of the original Hester patent. The claims of the two patents were as follows:

The original patent claims were to fungicidal compositions having as active ingredients: a salt of an alkylene bisdithiocarbamic acid, a salt of an ethylene bisdithiocarbamic acid, a disodium salt of ethylene bisdithiocarbamic acid, a cupric salt of ethylene bisdithiocarbamic acid, and a ferric salt of ethylene bisdithiocarbamic acid.

The reissue patent claims were to the process of controlling fungus growth on living plants which comprises applying to the plant a fungicidal composition having as an active ingredient: a salt of an alkylene bisdithiocarbamic acid, a salt of an ethylene bisdithiocarbamic acid, bivalent metal salt of ethylene bisdithiocarbamic acid, a sodium salt of ethylene bisdithiocarbamic acid, a cupric salt of ethylene bisdithiocarbamic acid, a ferric salt of ethylene bisdithiocarbamic acid, a zinc salt of ethylene bisdithiocarbamic acid, and a cadmium salt of ethylene bisdithiocarbamic acid.

ingredient. Plaintiff alleged infringement and contributory infringement of the reissue patent in that defendant had sold nabam and had actively induced others to use the process claimed in the reissue by putting the directions for such process on the label.² In reversing the district court and holding for plaintiff, the Court of Appeals for the Fourth Circuit found that the original claims had not been anticipated by a previous discovery.³ The court *held* that even though plaintiff's error in not claiming the process was apparent on the face of the original, it was not guilty of laches in applying for reissue in that the claims of the reissue were narrower than those of the original, thus rendering the two year statute of limitations inapplicable. In light of the changes made by the Patent Act of 1952 on the doctrine of misuse,⁴ and on the patentability of a new use of an old claim,⁵ the court held that the nine years plaintiff waited to apply for reissue was not unreasonable. *Rohm & Haas v. Roberts Chemicals, Inc.*, 245 F.2d 693 (4th Cir.).⁶

Under the previous reissue statute,⁷ the error by virtue of which a reissue was permitted had to be one of mistake, inadvertance, or accident. The Patent Act of 1952, however, is silent as to the type of error for which a reissue will be granted except to exclude error with deceptive

2. The allegation was based upon 35 U.S.C. § 271 (1952), which defines infringement and contributory infringement. Section 271 (a), (b) provide that "[w]hoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent", and "[w]hoever actively induces infringement of a patent shall be liable as an infringer." Section 271(c) provides that "[w]hoever sells a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer."

3. The Tisdale patent, which defendant alleged had anticipated the Hester patent, was found to have claimed compounds of great variety and number, only one of which was the salt of bisdithiocarbamic acid. The court found that as those working under the Tisdale patent had failed to discover the superior qualities of bisdithiocarbamic acid as a fungicide, the claims of that patent amounted to nothing more than an invitation to experiment.

The court also held that even though the salt of alkylene bisdithiocarbamic acid had been discovered and disclosed long before the Hester patent, it had not been disclosed as having superior fungicidal qualities.

4. Generally, the doctrine of misuse, as applied to situations where the patentee seeks to control the sale of unpatented parts of a patented composition or system has been modified by the Patent Act of 1952 to allow the patentee such monopoly where the unpatented part of the patented composition was not a staple or not suitable for substantial noninfringing use. *Sola Electric Co. v. General Electric Co.*, 146 F. Supp. 625 (N.D. Ill. 1956).

The lower court's finding that nabam could only be used in a compound as a fungicide and was therefore not a staple product of commerce was undisturbed by this court. See *Rohm & Haas v. Roberts Chemicals, Inc.*, 142 F. Supp. 499, 502 (S.D.W. Va. 1956).

5. See note 20 *infra*.

6. *Rohm & Haas v. Roberts Chemicals, Inc.*, 245 F.2d 693 (4th Cir. 1956).

7. 35 U.S.C. § 64 (1946).

intent.⁸ The previous reissue statute gave formal expression to the already existing equitable doctrine that permitted reissue where the error was one which a court of equity would reform.⁹ Equity principles were further applied to prevent reissue where the patentee was guilty of laches in applying for a reissue,¹⁰ or another party had acquired intervening rights.¹¹ Before 1952, the courts generally enforced the rule that a delay of over two years could be treated as evidence of abandonment.¹² The Patent Act of 1952, although re-enacting in large part the old reissue provision, gives the inventor a right to broaden, as well as to narrow claim but qualifies the right by providing that no reissue patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original.¹³ There is no statutory limit on the time within which application must be made for a narrowing reissue, nor was there any limit but of a reasonable time, prior to the Patent Act of 1952.¹⁴ The test applied to determine whether or not the claims of the reissue enlarge the scope of the original patent was whether or not the reissue could be infringed without infringing the original.¹⁵ The previous statute required that the reissue claim include the same invention as the original claim.¹⁶ If the invention was actually not claimed in the original, but suggested, it could be claimed in the reissue, provided that it appeared

8. 35 U.S.C. § 251 (1952), provides that "[w]hensoever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, 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 Commissioner shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue."

9. *Sontag Chain Stores Co. v. Nat'l Nut Co. of California*, 310 U.S. 281 (1940). While some courts denied reissue where the error was one of judgment, *General Radio Co. v. Allen B. DuMont Lab., Inc.*, 129 F.2d 608 (3rd Cir. 1942), *cert. denied*, 317 U.S. 654 (1942), and the party had knowledge of all the pertinent facts, *Freeman v. Altwater*, 138 F.2d 854 (8th Cir. 1943), other courts would allow reissue for error except where there was a fraudulent intent, *Nat'l Nut Co. of California v. Sontag Chain Stores Co.*, 107 F.2d 318 (9th Cir. 1939), *rev'd on other grounds*, 310 U.S. 281 (1940). The latter interpretation has been applied to the new reissue provision in the Patent Act of 1952 by at least one court. *Frank Adam Electric Co. v. Federal Electric Products Co.*, 200 F.2d 210 (8th Cir. 1952).

10. *Miller v. Brass Co.*, 104 U.S. 350 (1881).

11. *Sontag Chain Stores Co. v. Nat'l Nut Co.*, 310 U.S. 281 (1940).

12. *Miller v. Brass Co.*, 104 U.S. 350, 352 (1881).

13. 35 U.S.C. § 251 (1952).

14. In the absence of unreasonable delay, narrowing reissue patents for ten, twelve, and even fifteen years after the grant of the original patent have been sustained by the courts. *Fehr v. Activated Sludge*, 84 F.2d 948 (7th Cir. 1936); *Budd Wheel Co. v. General Motors Corp.*, 16 F. Supp. 115 (D. Del. 1936); *Shipman v. Frank*, 237 Fed. 395 (D. Md. 1916); *Steiner & Voegtly Hardware Co. v. Tabor Sash Co.*, 178 Fed. 831 (D. N.J. 1910).

15. *Schenk v. United Aircraft Corp.*, 43 F. Supp. 679 (D. Conn. 1941), *modified*, 128 F.2d 632 (2d Cir.), *cert. denied*, 317 U.S. 651 (1942).

16. 35 U.S.C. § 64 (1928).

from the face of the instrument that what was covered by the reissue was intended to have been covered and secured by the original.¹⁷ Even then, however, failing to disclose in the original patent matters claimed in the reissue would not enable the patentee to cover such new matter by the reissue, at least when the matter was within his knowledge when he applied for the original patent.¹⁸ It would also seem that a reissue for a new use of an old claim would not have been valid before 1952 if the patentee knew of the process when he filed the original claim.¹⁹ However, even though the patentee might not claim the new use under a reissue if he had known of the use when he filed the original claim, other parties might file such claims if the standard of invention was met.²⁰ The statutory test for patenting a new use of an old claim under the Patent Act of 1952,²¹ has been interpreted by at least one court as being the same test laid down by the previous body of law.²²

Prior to 1952, it would probably not have been possible for another party to have patented the process claims in the instant case since the ingenuity required for the conception of the new use of the patented composition would not have met the standard of invention.²³ The court suggests that the Patent Act of 1952²⁴ has changed the previous body of law as to the patentability of a new use of an old claim, thus making this particular new use patentable by another party.²⁵ If, however, the court

17. *United States Industrial Chemicals, Inc. v. Carbide Corp.*, 315 U.S. 668 (1942).

18. *Freeman v. Altwater*, 138 F.2d 854 (8th Cir. 1943).

19. See *Freeman v. Altwater*, 138 F.2d 854 (8th Cir. 1943).

20. Before 1952, the ingenuity needed for the new conception and not the amount of physical readjustments was the test of whether a new use of an old product was patentable. *Gillman v. Stern*, 114 F.2d 28 (2d Cir. 1940). Assembling old and known elements in a new and clever way to adapt them to a new use, was not patentable. *Wheeling Stamping Co. v. Standard Cap & Molding Co.*, 155 F.2d 6 (4th Cir. 1946). A patentee who did not distinguish his product from the old except by reference, express or constructive, to the process by which he produced it, could not secure a monopoly on the product. *General Electric Co. v. Wabash Appliance Corp.*, 304 U.S. 364 (1938).

21. 35 U.S.C. § 101 (1952), provides that "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor . . ."

22. *In re Ducci*, 42 C.C.P.A. (Patents) 1088, 225 F.2d 683 (1955).

23. See note 20 *supra*.

24. See note 21 *supra*.

25. The reissued patent was granted on November 24, 1953, after the effective date of the statute, and we think that the validity of the reissue should be construed in the light of its provisions. Thereby it was made clear that process claims covering the new use of Nabam as a fungicide on living plants were patentable . . . Manifestly the term process was given a new significance by the Act of 1952, of which the owner of the patent was free to avail himself. Even if it be thought that the original claims were enforceable under the new enactment, still the owner of the patent was entitled to the new claims which, without enlarging the scope of the original claims of the patent, were phrased to cover a process within the express terms of the statute. *Rohm & Haas v. Roberts Chemicals, Inc.*, 245 F.2d 693, 699 (4th Cir. 1956).

is interpreting the Patent Act as giving others the right to procure process patents previously not allowed because they did not meet the standard of invention, then they should not be allowed to escape the conclusion that process claims are not included in composition claims and that therefore, the addition of one to the other in a reissue patent broadens the scope of the original patent, and the two year statute of limitations should apply.²⁶ The decision appears to have been motivated by the conclusion that it would be contrary to the equitable principles of patent law²⁷ if the patentee could not take advantage of the Patent Act while others could. If it was the intention of the Congress to change the standard of invention required for a new use or process patent, then an equitable result could have been reached, without ignoring the conclusion that the reissue broadened the claims of the original. This could have been done by finding that Congress could not have intended that the two years limitation on a broadening reissue should apply to cases where the statutory period expired before 1952 and the Patent Act of 1952 gave the patentee reissue rights which he would not have been able to take advantage of during the running of the statute.²⁸ If the court's interpretation of Section 101 is followed, in addition to the difficulties created in circumstances similar to the instant case, nothing but doubt would remain as to the standard of invention required to patent a new use of an old claim. The view more consistent with the legislative intent²⁹ would seem to be that Section 101 codifies the majority view under the previous body of law, as to what new uses are patentable.³⁰ If such is the proper interpretation, then Section 101 conferred no new

26. It would seem that the doctrine of the *Schenk* case (see text at note 15) is ineffective in determining whether or not a reissue claim broadens the original patent in situations where the reissue claims a new use or process of the composition originally claimed, since process claims as defined by the Patent Act of 1952 might be infringed upon without infringing the original claims. For example, defendant could have been selling only the active ingredient of nabam without the rest of the composition along with its instructions for mixing and applying the resulting mixture to living plants, and such would have infringed on the reissue patent, but not on the original, though it might have contributorily infringed the original. If, however, the *Schenk* doctrine is retained, in circumstances such as these, it should follow that new process claims in a reissue, by their very nature broaden the claims of a composition claim in the original and thus the two year statute of limitations should apply.

27. The object of the patent law is to secure to inventors a monopoly of what they have actually invented or discovered, and it ought not to be defeated by a too strict and technical adherence to the letter of the statute, or by the application of artificial rules of interpretation. *Topliff v. Topliff*, 145 U.S. 156, 171 (1892).

28. As the enforceability of the patent under the Patent Act of 1952, could still be taken advantage of by the patentee under the original patent after 1952, it is not a change made by that Act which should render the two year statute of limitations inapplicable because it expired before 1952.

29. In referring to Section 103, which along with Section 102 describes the statutory standard of invention for the Patent Act of 1952, the Report of the Committee on the Judiciary said, "That provision paraphrases language which has often been used in decisions of the courts, and the section is added to the statute for uniformity and definiteness. This section should have a stabilizing effect and minimize great departures which have appeared in some cases." H.R. 1923, 82d Cong., 2d Sess. (1952).

30. See note 20 *supra*.

opportunities to patent new uses which opportunities were not available before 1952, and the inability to anticipate the changes made by the Patent Act of 1952 should fail as a circumstance for lengthening the period in which application for a narrowing reissue is permitted.³¹

Peter P. Smith, III.

PATENTS—PATENT ACT OF 1952, SECTION 103: CONDITIONS FOR PATENTABILITY; NON-OBVIOUS SUBJECT MATTER—"FLASH OF GENIUS" TEST REJECTED.

Fisch v. Gould (3d Cir. 1957).

This was an action for infringement of patent for longitudinally separable extruded thermoplastic strip and for a process producing the same. The defendants admitted the infringement but defended on the ground that the patent was invalid because it lacked invention. The lower court found that in the light of prior art, the patent was invalid for lack of invention. The court of appeals in reversing the decision held that the patent was not invalid for want of invention and that the so-called "flash of genius" test was not acceptable as a fair standard for judging patentability. Certiorari was denied by the Supreme Court. *Fisch v. Gould*, 246 F.2d 5 (3d Cir. 1957), cert. denied, 78 Sup. Ct. 341 (1958).¹

To be patentable, the subject matter of a patent must not only possess novelty and utility, but must also amount to an invention.² The concept of invention is inherently elusive and cannot be defined in such manner as to afford any substantial aid in determining whether a particular device involves an exercise of the inventive faculty or not.³ Nevertheless, through the years the opinions of the courts commonly have taken "inventive genius" as the test for patentability.⁴ Due to the difficulty in

31. See note 27 *supra*. It would also seem that the unenforcibility of the original claim before the passage of the Patent Act of 1952 should fail as a circumstance excusing laches on a narrowing reissue, since the enforcibility of the original would not be affected by this particular reissue. This can be seen by the fact that plaintiff could still have brought an action after 1952 for contributory infringement, for the same activity which is the subject of this complaint, and would not be dependent upon the reissue for the right to bring the action.

1. *Fisch v. Gould*, 246 F.2d 5 (3d Cir. 1957), cert. denied, 78 Sup. Ct. 341 (1958).

2. *Collar Co. v. Van Dusen*, 90 U.S. (23 Wall.) 530 (1874); *Buffalo-Springfield Roller Co. v. Galion Iron Works Mfg. Co.*, 215 F.2d 686 (6th Cir. 1954).

3. *McClain v. Ortmayer*, 141 U.S. 419, 427 (1891); *Application of Park*, 37 C.C.P.A. (Patents) 1021, 181 F.2d 255, 256 (1950).

4. *Mantle Lamp Co. v. Aluminum Products Co.*, 301 U.S. 544, 546 (1937); *Concrete Appliances Co. v. Gomery*, 269 U.S. 177, 185 (1925); *Reckendorfer v. Faber*, 92 U.S. 347, 357 (1876).

formulating an affirmative test which is workable, the courts adopted the negative approach and described invention by stating what is not invention. The classical test is that an invention is not patentable unless it requires more ingenuity than is "possessed by an ordinary mechanic acquainted with the business."⁵ This same test is embodied in Section 103 of the Patent Act of 1952 which provides that "[a] patent may not be obtained . . . if the differences between the subject matter sought to be patented and the prior art are 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 said subject matter pertains."⁶ It is well settled that the exercise of mechanical skill by one familiar with the art, and the combining of known methods to obtain the result, falls short of "inventive genius."⁷ Under the classical test some substantial innovation is necessary;⁸ the discovery or devising must add something of significance to scientific knowledge—some surprising or extraordinary result.⁹ A truly inventive combination must create what had not before existed or bring to light what lay hidden from vision in a way which can be distinguished from simple mechanical skill.¹⁰ All elements of the prior art have a bearing upon the question whether there is "invention" in the device of a patent, and it is not necessary to a finding of lack of invention that every element be found in one embodiment of the prior art.¹¹ The "invention" requirement for patentability first made its appearance in *Hotchkiss v. Greenwood*,¹² where the court set forth what has become the classical test. This rule was consistently applied until the 1930s when many of the circuit courts felt that the Supreme Court was requiring a higher and more rigid standard for patentability, since most of the patents coming before the Court were declared invalid.¹³ Mr. Justice Douglas in *Cuno Corp. v. Automatic Devices Corp.*,¹⁴ seeking to clarify the concept

5. *Hotchkiss v. Greenwood*, 52 U.S. (11 How.) 248 (1850).

6. 35 U.S.C. § 103 (1952).

7. See *Mantle Lamp Co. v. Aluminum Products Co.*, 301 U.S. 544 (1937); *Reckendorfer v. Faber*, 92 U.S. 347 (1875); *Joseph Bancroft & Sons Co. v. Brewster Finishing Co.*, 113 F. Supp. 714 (D.N.J. 1953), *aff'd*, 210 F.2d 677 (3d Cir. 1954).

8. *Sinclair & Carrol Co. v. Interchemical Corp.*, 325 U.S. 327 (1945).

9. *Packwood v. Briggs & Stratton Corp.*, 195 F.2d 971 (3d Cir.), *cert. denied*, 344 U.S. 844 (1952).

10. *DeBurgh v. Kindel Furniture Co.*, 125 F. Supp. 468 (W.D.Mich. 1954), *aff'd*, 229 F.2d 740 (6th Cir.), *cert. denied*, 352 U.S. 823 (1956).

11. *Fort Pitt Supply Co. v. Ireland & Matthews Mfg. Co.*, 232 Fed. 871, 874 (6th Cir. 1916).

12. 52 U.S. (11 How.) 248 (1850).

13. See, e.g., *Kwikset Locks v. Hillgren*, 210 F.2d 483, 486 (9th Cir.), *cert. denied*, 347 U.S. 989 (1954); *Weil-Kalter Mfg. Co. v. Sel-Mor Garment Co.*, 205 F.2d 535, 537 (8th Cir. 1953); *Jeoffroy Mfg. Inc. v. Graham*, 206 F.2d 772, 776 (5th Cir. 1953), *cert. denied*, 347 U.S. 920 (1954); *Associated Folding Box Co. v. Levkoff*, 194 F.2d 252, 257 (1st Cir. 1952); *Buono v. Yankee Maid Dress Co.*, 77 F. 274, 276 (2nd Cir. 1935).

14. 314 U.S. 84, 91 (1941).

of inventive faculty, stated that a "new device . . . must reveal the *flash of creative genius* not merely the skill of the calling." (emphasis added), thus formulating the well known "flash of genius" test. Although the Supreme Court had never expressly raised the standard of patentability, many of the lower courts took the position that the *Cuno* case indicated that a change was intended.¹⁵ When Section 103 of the Patent Act of 1952 appeared to negative this test¹⁶—"patentability shall not be negated by the manner in which the invention was made"—by making it immaterial, whether it resulted from long toil and experimentation or from a *flash of genius*,¹⁷ controversy sprang up concerning what the test was under the Act. Congress¹⁸ and the courts¹⁹ said that Section 103 was a codification of the prior decisional law, which meant that the interpretation of the standard set by the Act is affected by decisions rendered prior to the effective date of the Act.²⁰ But since many of the decisions prior to the Act embodied the "flash of genius" test, an apparent contradiction arose in that Congress rejected what it had codified. Some courts felt that the Act lowered the standard and returned it to that applied under the rule of the *Hotchkiss* case.²¹

The most acceptable view is that set forth in the instant case. From the language²² of the instant case it appears that the court recognizes that the phrase "flash of genius" of the *Cuno* case was but an embellishment

15. *E.g.*, *Bellavance v. Frank Morrow Co.*, 140 F.2d 419, 423 (1st Cir.), *cert. denied*, 322 U.S. 742 (1944); *Anderson Co. v. Lion Products Co.*, 127 F.2d 454, 457 (1st Cir. 1942); *Pickard v. United Aircraft Corp.*, 128 F.2d 632, 636 (2d Cir.), *cert. denied*, 317 U.S. 651 (1942); *Falkenberg v. Bernard Edward Co.*, 79 F. Supp. 417, 418 (N.D. Ill. 1948), *rev'd*, 175 F.2d 427 (7th Cir.), *cert. denied*, 338 U.S. 869 (1949); *Brown & Sharpe Mfg. Co. v. Kar Engineering Co.*, 59 F. Supp. 820, 825 (D. Mass. 1945), *rev'd*, 154 F.2d 48 (1st Cir.), *cert. denied*, 328 U.S. 869 (1946).

16. *Plax Corp. v. Precision Extruders*, 239 F.2d 792 (3d Cir. 1957); *R. M. Palmer Co. v. Luden's, Inc.*, 236 F.2d 496 (3rd Cir. 1956). Some courts rejected the "flash of genius" test before the enactment of the Patent Act. *Falkenberg v. Bernard Edward Co.*, 175 F.2d 427 (7th Cir.), *cert. denied*, 338 U.S. 869 (1949); *Brown & Sharpe Mfg. Co. v. Kar Engineering Co.*, 154 F.2d 48 (1st Cir.), *cert. denied*, 328 U.S. 869 (1946); *Chicago Steel Foundry Co. v. Burnside Steel Foundry*, 132 F.2d 812 (7th Cir. 1943).

17. Reviser's Note, 35 U.S.C. § 103 (1952).

18. H.R. REP. No. 1923, 82d Cong., 2d Sess. (1952). "Section 103 for the first time in our statutes provides a condition which exists in the law and has existed for more than 100 years, but only by reason of decisions of the courts."

19. *Wasserman v. Burgess & Blacher Co.*, 217 F.2d 402, 404 (1st Cir. 1954); *Interstate Rubber Products Corp. v. Radiator Specialty*, 214 F.2d 546, 549 (4th Cir. 1954); *General Motors Corp. v. Estate Stove Co.*, 203 F.2d 912, 915 (6th Cir.), *cert. denied*, 346 U.S. 822 (1953); *Stanley Works v. Rockwell Mfg. Co.*, 203 F.2d 846, 849 (3d Cir.), *cert. denied*, 346 U.S. 818 (1953).

20. *Joseph Bancroft & Sons Co. v. Brewster Finishing Co.*, 113 F. Supp. 714 (D.N.J. 1953), *aff'd*, 210 F.2d 677 (3d Cir. 1954).

21. *L-O-F Glass Fibers Co. v. Watson*, 228 F.2d 40, 47 n.14 (D.C. Cir. 1955); *Lyon v. Bausch & Lomb Optical Co.*, 224 F.2d 530, 535 (2d Cir.), *cert. denied*, 350 U.S. 911 (1955).

22. "One phrase which had found its way into decisions and [had been] used largely out of context was 'flash of creative genius'."

added in expressing the accepted standard of the *Hotchkiss* case.²³ Standing alone such language clearly sets a higher standard than had prevailed before,²⁴ but it is dangerous to remove such phrases from context. It is interesting to note that all of the cases²⁵ (*Hotchkiss v. Greenwood* being one of them) cited as authority in the *Cuno* case were decided upon the familiar basis of whether that which was patented involved more than the ordinary skill of the art involved. Thus, it is submitted that all that was intended in the *Cuno* case was a restatement of the classic test.²⁶ Of course, the application of this classic test will grow more exacting; for like any standard for human conduct it must be applied in the environment of today, not yesterday.²⁷ Today, due to the tremendous advance in technological knowledge and the wide dissemination of education, the general level of the capacity of those skilled in the various arts is far higher than before. Thus, the decision in the instant case is most sound in concluding that Section 103 is but "a true codification of sound patent law" and in "endeavoring to bring an end to the misuse of [a] dangerously attractive phrase."

James W. Schwartz.

PATENTS—STANDARD OF INVENTION—SECTION 103 OF THE
PATENT ACT OF 1952.

Paltier Corp. v. Daniels-McCray Lumber Co. (W.D. Mo. 1957).

Plaintiff brought this action for infringement of a patent granted for a flexible pallet stacking structure. The structure consisted of multiple shelf structures which may be quickly assembled and disassembled with the result of more efficient utilization of warehouse and other storage space. Plaintiff's device consisted of platforms connected by male and female cone

23. See *Pacific Contact Laboratories, Inc. v. Solex Laboratories*, 209 F.2d 529, 533 (9th Cir. 1953).

24. See *Brown & Sharpe Mfg. Co. v. Kar Engineering Co.*, 154 F.2d 48, 51 (1st Cir.), *cert. denied*, 328 U.S. 869 (1946).

25. *Honolulu Oil Corp. v. Halliburton*, 306 U.S. 550 (1939); *Saranac Automatic Machine Corp. v. Wirebounds Patents Co.*, 282 U.S. 704 (1931); *Phillips v. Detroit*, 111 U.S. 604 (1884); *Morris v. McMillin*, 112 U.S. 244 (1884); *Slawson v. Grand Street P. P. & F. R. Co.*, 107 U.S. 649 (1883); *Hicks v. Kelsey*, 85 U.S. (18 Wall.) 670 (1874).

26. See *Pacific Contact Laboratories, Inc. v. Solex Laboratories*, 209 F.2d 529, 533 (9th Cir. 1953); *Brown & Sharpe Mfg. Co. v. Kar Engineering Co.*, 154 F.2d 48, 52 (1st Cir.), *cert. denied*, 328 U.S. 869 (1946); *In re Shortell*, 31 C.C.P.A. (Patents) 1062, 142 F.2d 292, 295 (1944); *Trabon Engineering Corp. v. Dirkes*, 136 F.2d 24, 27 (6th Cir. 1943).

27. *Brown & Sharpe Mfg. Co. v. Kar Engineering Co.*, 154 F.2d 48 (1st Cir.), *cert. denied*, 328 U.S. 869 (1946); *Chicago Steel Foundry Co. v. Burnside Steel Foundry*, 132 F.2d 812 (7th Cir. 1943).

shaped members which united to form the stacking structure. Although pallets and fork trucks have been in use for about thirty-seven years, no similar device was in use prior to the plaintiff's pallet. Defendant's device was substantially similar. Defendant based its defense on the premise that the plaintiff's device showed lack of patentable invention. The district court held that the patent was valid and infringed. *Paltier Corp. v. Daniels-McCray Lumber Co.*, 154 F. Supp. 635 (W.D. Mo. 1957).¹

Congress was granted authority in the Constitution to: "Promote the progress of science and the useful arts by securing for limited times to the authors and inventors the exclusive right to their respective writings and discoveries."² The Patent Act of 1793³ established the "new and useful" standard of invention which stood as the sole statutory test until the Patent Act of 1952.⁴ In the case of the *Hotchkiss v. Greenwood*⁵ the Supreme Court gave life to this standard by stating that an invention was not patentable unless it required more ingenuity than that possessed by an ordinary mechanic acquainted with the business. This test was followed substantially until the case of *Cuno Engineering Corp. v. Automatic Devices Corp.*⁶ which originated the "flash of genius" test. The decision in the *Cuno* case had the effect of raising the former standard of invention and providing a stricter norm.⁷ Prior to the Patent Act of 1952, the law on this point was in a state of confusion as was pointed out by Justice Frankfurter in his dissent in *Jungersen v. Ostby & Barton Co.*⁸ In the same case, Justice Jackson described the attitude of the Court toward patents when he said: "The only patent valid is one this Court has not been able to get its hands on."⁹ The *Great Atlantic and Pacific Tea Co. v. Supermarket Equipment Co.*¹⁰ case continued the trend of the *Cuno* case¹¹ in holding invalid a patent which combined former known elements in a new way. In 1952 the Patent Act was revised and section 103 added.¹²

1. *Paltier Corp. v. Daniels-McCray Lumber Co.*, 154 F. Supp. 635 (W.D. Mo. 1957).

2. U.S. CONST. art I, § 8, cl. 8.

3. 1 STAT. 318 (1793).

4. 35 U.S.C. § 103 (1952). See footnote 12 *infra* for the text of § 103.

5. 52 U.S. (11 How.) 248 (1851).

6. 314 U.S. 84, 91 (1941). That is to say the new device, however useful it may be must reflect the flash of creative genius not merely the skill of the calling.

7. See Judge Learned Hand's opinion in *Picard v. United Aircraft Corp.*, 128 F.2d 632, 636 (2d Cir. 1942). We cannot, moreover, ignore the fact that the Supreme Court, whose word is final, has for a decade or more shown an increasing disposition to raise the standard of originality necessary for a patent.

8. 355 U.S. 560, 571 (1949) (dissenting opinion).

9. *Id.* at 572.

10. 340 U.S. 147 (1950).

11. 314 U.S. 84 (1941).

12. "A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that 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 said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made." 35 U.S.C. § 103 (1952).

The committee report clearly states that the purpose of section 103 was to write into positive law a test or condition of patentability which had existed for more than one hundred years in court decisions.¹³ The purpose of the section was to have a stabilizing effect on the law and to minimize the departures from the former standard. The second sentence of the section expressly abolished the "flash of genius test" which had prevailed since the *Cuno* case.¹⁴ The case of *General Motors Corp. v. Estate Stove Corp.*¹⁵ held that the Patent Act of 1952 merely codified the existing law on the point. This interpretation has received majority approval among the various circuits.¹⁶ However, Judge Learned Hand, in the case of *Lyon v. Bausch & Lomb Optical Co.*,¹⁷ held that the act had changed the standard of invention and had lowered it from the position taken in the *Cuno* case. He stated that if the patent in the case had come before the court in the prior twenty-five years it would have been declared invalid, however, under the 1952 Act he held the patent valid and infringed. The Supreme Court denied certiorari.¹⁸ This case has been followed in the second circuit but it has not received much support in the other circuits. The sixth circuit, which decided the *General Motors Corp. v. Estate Stove Corp.* case had a chance to reconsider its earlier decision in *Bobertz v. General Motors Corp.*¹⁹ Here they reaffirmed their earlier decision without discussing Judge Hand's departure. Certiorari was also denied in this case.²⁰

The standard of invention is still in a state of confusion as is evidenced by the divergence of decisions among the circuit courts. The instant case presents a close question of invention. The basic idea of all the tests of patentability is whether the improvement has risen high enough to meet the particular standard so as to be considered invention. It is apparent that the standard did change in the 1930's and that Congress intended to restore

13. "Section 103 for the first time in our statutes provides a condition which exists in law, . . . but only by reason of the decisions of the courts. . . . This section should have a stabilizing effect and minimize great departures which have existed in some cases." H.R. REP. No. 1923, 82d Cong., 2d Sess. 7 (1952).

14. See note 12 *supra*.

15. 203 F.2d 912 (6th Cir. 1953).

16. See *Consolidated Trimming Corp. v. Loudon*, 239 F.2d 33 (D.C. Cir. 1956); *Newburg Moire Co. v. Superior Moire Co.*, 237 F.2d 283 (3rd Cir. 1956); *R. M. Palmer Co. v. Luden's Inc.*, 236 F.2d 496 (3rd Cir. 1956); *Helms Products Inc. v. Lake Shore Manuf. Co.*, 227 F.2d 677 (7th Cir. 1955); *Wasserman v. Burgess and Blacher Co.*, 217 F.2d 402 (1st Cir. 1954); *Interstate Rubber Products Corp. v. Radiator Specialty Co.*, 214 F.2d 546 (4th Cir. 1954); *Pacific Contract Laboratories Inc. v. Solex Labs*, 209 F.2d 529 (9th Cir. 1953); *Vincent v. Suni-Citrus Products Co.*, 203 F.2d 305 (5th Cir. 1953).

17. 224 F.2d 530 (2d Cir. 1955), *cert. denied*, 350 U.S. 911 (1956).

18. 350 U.S. 911 (1956).

19. 228 F.2d 94 (6th Cir. 1955), *cert. denied*, 352 U.S. 824 (1956).

20. *Ibid.*

the former standard in section 103 of the Patent Act. Support for this view is found in section 103 where the *Cuno* case, the origin of the higher standard, is expressly overruled. The reasons behind both changes may be explained by a consideration of the economic factors operating at the various times.²¹ In any event, it is obvious that Section 103 has not achieved the stabilizing effect desired by the statutory draftsman.²² Now is the proper time for the Supreme Court to grant certiorari and settle the question. Only a Supreme Court decision, squarely on point, will eliminate the confusion in this area of the law and will either adopt or reject Judge Hand's interpretation of section 103 of the Patent Act of 1952.

Edward J. Carney, Jr.

TRADE-MARKS & TRADE-NAMES—LANHAM ACT—
NONCOMPETITOR INFRINGEMENT AND
UNFAIR COMPETITION.

Sears, Roebuck & Co. v. All States Life Insurance Co. (5th Cir. 1957).

Sears, Roebuck & Co. and its wholly owned subsidiary Allstate Insurance Co. sought relief in the form of injunction and damages for trade-mark infringement and unfair competition against All States Life Insurance Co. Sears had registered the name *Allstate* under the Lanham Act¹ and since 1927 had used the name to identify numerous goods which it sold. In 1931 the Allstate Insurance Co. was organized and has since 1936 engaged in the sale of automobile and casualty insurance in the state of Texas using the service name *Allstate*. In 1955 the All States Life Insurance Co. was chartered by the state of Texas to engage in the life insurance business. The United States district court found that there was no confusion nor reason for confusion between the defendant's name and the plaintiffs' registered trade-mark and trade-name and therefore no infringement under the

21. It is submitted that the effect of the depression may have caused the court to apply a higher standard of invention in order to free the economy and allow many people to exploit and develop new ideas. In a period of prosperity this trend would be reversed in favor of encouraging individual enterprises.

22. This is well illustrated by the following from Blish, Mize & Stillman Hardware Co. v. Time Saver Tools, 236 F.2d 913, 915 (10th Cir. 1956): "Congress may have intended to abolish the effect of the *Cuno* and *A & P* cases but it could not intend to abandon the distinction between mere mechanical skill and 'inventive genius' for that concept is inherent in the Constitutional purpose to promote the progress of science and the useful arts."

1. 60 STAT. 427 (1946), 15 U.S.C. §§ 1051-1127 (1952).

Lanham Act, nor any unfair competition. The court of appeals, affirmed, *holding* that the lower court in basing its determination of the question of fact as to confusion on evidence of dissimilarity of goods and absence of direct competition along with the slight difference in the names, was not clearly erroneous and hence its determination was not reversible. *Sears, Roebuck & Co. v. All States Life Insurance Co.*, 246 F.2d 161 (5th Cir. 1957).²

The Trade-Mark Act of 1905³ prohibited only the use of a registered trade-mark on "merchandise of substantially the same descriptive properties" as that for which the mark was registered.⁴ Taken literally this would create a doctrine of "no-competition therefore no unfair competition," thereby giving very limited protection to the owner. However, in 1917, in the leading case of *Aunt Jemima Mills Co. v. Rigney*⁵ the second circuit rejected the trial court's application of such a theory and established "confusion of source" as the test for infringement. This test afforded protection to trade-mark owners against the use by others of such mark or name or one much like it on dissimilar goods which were not strictly competitive.⁶ The *Aunt Jemima* doctrine recognized protectable interests of the owner in the possibility of injury to reputation by another's use and the possibility of future expansion by the owner into the field which the second user occupied.⁷ The doctrine was extended by Judge Learned Hand in *Yale Electric Corp. v. Robertson*⁸ and *L. E. Waterman Co. v. Gordon*⁹ to protect against the mere identification of the second use of the name with the original user. After 1940 there developed a marked tendency to narrow the protection given by the *Yale* and *Waterman* decisions, in *S. C. Johnson & Sons, Inc. v. Johnson*¹⁰ (the first *Johnson* case) Judge Learned Hand, departing from his prior opinions, held that more than such identifying was required; that even if there was confusion there must also be shown injury to reputation or prevention of expansion into new

2. 246 F.2d 161 (5th Cir.), *cert. denied*, 78 S.Ct. 268 (1957).

3. 33 STAT. 724 (1905).

4. 33 STAT. 724, 725 (1905).

5. 247 Fed. 407 (2d Cir. 1917), *cert. denied*, 245 U.S. 672 (1918).

6. See *Anheuser-Busch, Inc. v. Budweiser Malt Products Corp.*, 295 Fed. 306 (2d Cir. 1923) (protected the name Budweiser owned by a beer manufacturer from use by a malt syrup maker); *Akron-Overland Tire Co. v. Willys-Overland Co.*, 273 Fed. 674 (3d Cir. 1921) (protected the name Overland owned by an automobile manufacturer from use by a tire retreader); *Imperial Cotto Sales Co. v. N.K. Fairbanks Co.*, 207 Fed. 686 (D.C. Cir. 1921) (protected the name Cottolene owned by a cooking fat maker from use by a stock food manufacturer).

7. *Aunt Jemima Mills Co. v. Rigney*, 247 Fed. 407, 410 (2d Cir. 1917), *cert. denied*, 245 U.S. 672 (1918).

8. 26 F.2d 972, 974 (2d Cir. 1928).

9. 72 F.2d 272 (2d Cir. 1934).

10. 116 F.2d 427 (2d Cir. 1940). This decision may have been colored by the fact that the defendant was using his own personal name, but even so it was clearly a departure.

fields.¹¹ However, other courts and even Judge Hand's own second circuit have at times extended greater protection based on the confusion of source theory.¹² By 1946 it was evident that federal legislation was needed to provide some uniform rule and in 1946 the Lanham Trade-Mark Act was passed.¹³ A literal reading of the statute would seem to establish the "confusion of source" test for infringement and hence give broad protection to owners.¹⁴ Many authorities believed Congress had so intended.¹⁵ While some courts did give broad protection,¹⁶ many gave the act a restrictive interpretation, thus affording the owner only limited protection.¹⁷ In 1949 the second *Johnson*¹⁸ case was decided in which Judge Hand construed the Lanham Act as a codification of the *Aunt Jemima* doctrine as it had developed and he defined this doctrine as declaring that the fact of confusion alone was not controlling but that there must also be a balancing of the interests of both senior and junior users¹⁹ Although many courts have followed this interpretation,²⁰ others have not²¹ and as a result

11. *Id.* at 429. Judge Learned Hand said: "Yet even as to this interest [reputation] we should not forget that, so long as newcomer has not in fact misconducted himself, the injury is prospective and contingent, and very different from taking away the first user's customers. If the new goods have no such relation to the old, and if the first user's interest in maintaining the significance of his name . . . is nothing more than the desire to post the new market as a possible preserve which he may later choose to exploit, it is hard to see any basis for its protection."

12. See *e.g.* *Pep Boys v. FTC*, 122 F.2d 158 (3d Cir. 1941) (protected the name Remington owned by an electric razor and arms manufacturer against use by a radio retailer); *Standard Brands, Inc. v. Smidler*, 151 F.2d 34 (2d Cir. 1951) (protected the name V-8 owned by vegetable juice processor from use by a vitamin tablet manufacturer).

13. 60 STAT. 427 (1946), 15 U.S.C. §§ 1051-1127 (1952).

14. "Any person who shall, in commerce, (a) use, without consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services or in connection with which *such use is likely to cause confusion or mistake or to deceive purchasers as to source of such goods or services . . .*" (emphasis added), 60 STAT. 427 (1946) 15 U.S.C. § 1114 (1) (1952).

15. See ROBERT, *THE NEW TRADE-MARK MANUAL* 163, 164 (1948); Brown, *Advertising and the Public Interest*, 57 *Yale L. J.* 1165 (1948).

16. See *Stork Restaurant v. Sahati*, 166 F.2d 348 (9th Cir. 1948) (protected the name Stork Club owned by famous New York night club against use by small San Francisco cocktail bar.)

17. *California Fruit Growers Exchange v. Sunkist Baking Co.*, 166 F.2d 971 (7th Cir. 1948).

18. *S. C. Johnson & Son v. Johnson*, 175 F.2d 176 (2d Cir. 1949).

19. "These [reputation and expansion] are legitimate interests and they are properly weighed against the second user's interests; but it is far from true that the mere fact of confusion between the two users should and of itself tip the scales in favor of the first." *Id.* at 180.

20. See *e.g.*, *Hyde Park Clothes v. Hyde Park Fashions*, 204 F.2d 223 (2d Cir. 1953) (would not protect men's clothing maker from use by a women's clothing manufacturer of the name and mark Hyde Park); *Curtis-Stephens-Embry Co. v. Pro-Tek-Toe Skate Stock Co.*, 199 F.2d 407 (7th Cir. 1952) (would not protect a shoe-maker's use of the name Pro-Tek-Tive against the use of the name Pro-Tek-Toe by the maker of a rubber toe guard for skates); *American Radiator & Standard Sanitary Corp. v. Sunbeam Corp.*, 125 F. Supp. 839 (S.D.N.Y. 1954) (would not protect a first user and maker of heating and cooling equipment against use by an electric appliance manufacturer of the name Sunbeam); *G. B. Kent & Sons Ltd. v. P. Lorillard Co.*, 114 F. Supp. 621 (S.D.N.Y. 1953) (would not protect brush and combmaker's name Kent from use by cigarette manufacturer).

21. *Pure Foods, Inc. v. Minute Maid Corp.*, 214 F.2d 792 (5th Cir. 1954) (protected frozen fruit juice seller's name Minute Maid from use by a frozen meat pro-

there has been little uniformity in the protection afforded trade-mark owners.

The instant case can clearly be classed with those giving the owner little protection. The reason for the affirmance was stated to be that there was sufficient evidence to support the lower court's finding of fact, but the acceptance by the court of appeals of the reasons for that determination by the lower court shows a strong tendency to restrict the protection of a registered mark to similar goods and competitive goods. This could mean that some courts have come full circle and now proceed on a theory almost as restrictive as the literal language of the Trade-Mark Act of 1905. Admittedly this may be stating the case too strongly but, as has been shown, the recent trend in some courts has been to give less and less protection in noncompetitive fields.²² Consequently, when names such as those involved in the instant case, although not technically competitive, are held not to confuse because the products are not so similar and not directly competitive, all sight seems to be lost of the interests recognized by the *Aunt Jemima* doctrine which were risks of reputation and possibility of expansion. When this happens the "confusion of source" theory evaporates and we have a "classification of goods" doctrine which leaves us where we were fifty years ago except for the fact that we now have a statute which expressly states its recognition of the "confusion of source" test.²³ The fact that some courts and authorities have upheld this broader protection under the statute²⁴ only makes the situation more involved. Probably the best solution of the problem would be a Supreme Court interpretation of the existing statute. This the Court seems hesitant to undertake as is shown by the denial of certiorari in the instant case.²⁵ For the sake of uniformity in the various circuits and also consistency within the individual circuits the highest tribunal should construe the Lanham Act test which seems to have been so badly diluted and distorted by judicial interpretation.

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TRADE REGULATIONS—ROBINSON-PATMAN ACT—
DEFENSE OF MEETING COMPETITION.

FTC v. Standard Oil Co. (U.S. 1958).

This case came before the Supreme Court for a second time after remand to the FTC for further findings pursuant to a holding that sec-

cessor's use of name Minute Maid.) (Note, this is the same circuit as the instant case). Application of Sylvan Sweets Co., 40 C.C.P.A. (Patents) 1048, 205 F.2d 207 (1953) (court would not allow trade-mark registration of the name and mark by a candy cigarette maker on the protest of Camel tobacco cigarette manufacturer.); Hyde Park Clothes v. Hyde Park Fashions, 204 F.2d 223 (2d Cir. 1953). Judge Clark's dissent in the last case bluntly points out the inconsistent decisions within the second district.

22. See note 10 *supra*.

23. See note 14 *supra*.

24. See notes 15, 16 *supra*.

25. See note 2 *supra*.

tion 2(b) of the Clayton Act, as amended by the Robinson-Patman Act¹ provided a complete substantive defense to a charge of price discrimination.² In the first instance, the commission had declined to make findings on whether Standard had "met competition", taking the position that section 2(b) was a procedural defense which merely rebutted the prima facie case based on unlawful price discriminations leaving the commission free to enter a cease and desist order where the adverse effects upon competition were affirmatively established. On remand, while finding that Standard's reductions had individually met competitors' equally low prices, the commission also found that they were made pursuant to a price system³ thereby precluding a finding of good faith necessary for a section 2(b) defense. It issued a modified order to cease and desist. Standard admitted⁴ that it used certain criteria to designate as jobbers those buyers who received the reductions constituting the price discriminations in question, but argued that as it had established that each reduction was made and maintained to meet an equally low price of competitors it had acted in good faith within the meaning of section 2(b). The court of appeals vacated the commission's order and held that Standard's good faith defense had been established. The Supreme Court, four justices dissenting, affirmed, *holding* that a proper decision of the controversy depended upon a question of fact determined by the court of appeals on a fair assessment of the record.⁵ *FTC v. Standard Oil Co.*, 78 Sup. Ct. 369 (1958).

The Robinson-Patman Act made two changes to the "meeting competition" defense of section 2 of the original Clayton Act.⁶ A change in phrasing was designed to narrow its scope to individual competitive situations.⁷ The more ambiguous change in the location of the proviso to the second subparagraph, apparently dealing with procedural matters in proceedings before the FTC, caused considerably more doubt as to its intended legal effect.⁸ It was thought by some that Congress intended to reduce the defense to the procedural status of rebutting the prima facie case of unlaw-

1. 49 STAT. 1526 (1936), 15 U.S.C. § 13(b) (1952).

2. *Standard Oil Co. v. FTC*, 340 U.S. 231 (1951).

3. The alleged price system consisted of the following criteria: (1) ability to take delivery in tank-car quantities; (2) facilities for redelivery to retail outlets; (3) purchases of from one to two million gallons a year; and (4) adequate credit responsibility.

4. This admission was made in Standard's answer to the FTC complaint wherein Standard attempted to justify its jobber classification on the basis of wholesale function as distinguished from retail customers. The FTC was able to show that in fact the so-called jobbers at times resold at retail.

5. *FTC v. Standard Oil Co.*, 78 Sup. Ct. 369 (1958).

6. 38 STAT. 730 (1914).

7. See H. R. REP. NO. 2287, 74th Cong., 2d Sess. 16 (1936).

8. See Berger and Goldstein, *Meeting Competition under the Robinson-Patman Act*, 44 ILL. L. REV. 315 (1949); Haslett, *Price Discriminations and their Justifications under the Robinson-Patman Act of 1936*, 46 MICH. L. REV. 450, 476 (1948).

ful discrimination arising from proof of forbidden differences in price.⁹ Others believed it was meant to remain a substantive defense as originally enacted.¹⁰ In several price discrimination proceedings arising after passage of the Robinson-Patman Act, the section 2(b) defense was relied upon by the seller.¹¹ The commission did not then take the position that the defense was procedural only, but rather, argued that the seller had not sustained the burden of establishing it. Since the commission was upheld in these cases, it did not become necessary at the time to decide whether the defense was procedural or substantive. It was not until the present proceedings came before the Court for the first time that it was decided that the section 2(b) defense remained substantive. This decision was of significance for the future administration of the act. The instant decision serves only to further define the scope of section 2(b) as a complete substantive defense.

The holding that section 2(b) was a complete substantive defense which the commission must consider did not delineate what if any discretion the commission might be allowed in determining whether in fact the seller had acted in good faith within the meaning of section 2(b). On remand, the commission took the position, supported by language in the *Staley* case,¹² that discrimination pursuant to a price system will preclude a finding of good faith. It determined that despite a showing that each reduction had been made in the face of equally low competitive offers, Standard was precluded from asserting good faith because it employed a price system consisting of the criteria by which it designated the preferred buyers as jobbers on other than a cost or function basis.¹³ The Court's decision indicates that whatever the mechanics by which discriminatory prices may in part be set, whether or not denominated a "price system",¹⁴ the seller will not be thereby precluded from asserting good faith where in fact the

9. *Standard Oil Co. v. FTC*, 173 F.2d 210 (1949), 49 COLUM. L. REV. 863; see explanation of Representative Utterbach, 80 CONG. REC. 9418 (1936): "This provision is entirely procedural. It does not determine substantive rights, liabilities and duties."

10. *Samuel H. Moss, Inc. v. FTC*, 148 F.2d 378 (2d Cir. 1944), cert. denied, 326 U.S. 734 (1945); see Haslett, *Price Discriminations and Their Justifications under the Robinson-Patman Act of 1936*, 46 MICH. L. REV. 450, 477 (1948).

11. *FTC v. Cement Institute*, 333 U.S. 686 (1948); *Corn Products Refining Co. v. FTC*, 324 U.S. 726 (1945); *FTC v. A. E. Staley Mfg. Co.*, 324 U.S. 746 (1945).

12. *FTC v. A. E. Staley Mfg. Co.*, 324 U.S. 746 (1945). The Court did not say so much even in the way of dictum, but merely ruled out good faith where the basing point price system of a competitor had been adopted in its entirety. Yet in the instant decision the Court seems to acknowledge as a general proposition that "discrimination pursuant to a price system would preclude a finding of 'good faith,'" citing the *Staley* case. *FTC v. Standard Oil Co.*, 78 Sup. Ct. 369, 372 (1958).

13. A price differential based on either cost or function performed by the buyer is permitted under § 2(a) of the Robinson-Patman Act, 49 STAT. 1526 (1936), 15 U.S.C. § 13(a) (1952).

14. The Court avoided referring to Standard's jobber criteria as a price system, and stated that the tag "jobbers" was of no significance and was as consistent with a desire to placate non-preferred customers as it would be with a reduction of prices pursuant to a price system.

prices have also met the equally lawful low prices of a competitor. This delimitation of the *Staley* case puts the "meeting competition" defense on much firmer ground than it would be were the commission to be allowed a wide discretion based independently on the good faith requirement in determining whether a seller had established the section 2(b) defense. This but confirms the Court's construction of section 2(b) as a complete defense.

John J. Cleary.