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PATENT LAW REFORM: A LEGISLATIVE PERSPECTIVE OF AN EXTENDED GESTATION

SEN. HUGH SCOTT* AND DENNIS UNKOVIC**

The movement to reform the patent law of the United States has been a tremendously complicated legislative effort. Despite general agreement that patent law needs rejuvenation, disagreement remains concerning the necessary degree and kind of alteration. Hopefully the long-awaited reform bill soon will be at hand; chances that the present Congress will pass such a bill seem better than at any time in recent years.

This Article will examine attempts during the past 23 years to legislate a comprehensive patent reform bill and will examine currently proposed legislation, especially the Administration proposals. It is hoped that this examination will illuminate the forces at work in the legislative process which at some times have frustrated, and at others enhanced, the opportunity for passage of a comprehensive reform package. Particular attention has been given to the impact of various agencies of the executive branch on legislative proposals and to the pressures brought to bear upon Congress by interested groups outside government. A clear understanding of the framework in which Congress must make its judgments helps to explain the need for the lengthy process of accommodation and compromise inherent in the reform of a major body of well established law.

BACKGROUND: 1952 TO 1973

Since passage of the original Patent Act of 1836,¹ the essential structure of the United States patent system has remained unaltered.² Although Congress made some changes in 1952 when it en-

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1. Act of July 4, 1836, ch. 357, 5 Stat. 117, as amended, 35 U.S.C. §§ 1-293 (1970).

2. SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE SENATE COMM. OF THE JUDICIARY, REVIEW OF THE AMERICAN PATENT SYSTEM, S. REP. NO. 1964, 84th Cong., 2d Sess. 15

acted the Patent Code as Title 35 of the United States Code,³ it did not attempt comprehensive reform,⁴ but only a codification of patent law.⁵ For 12 years thereafter, numerous efforts were made to produce a true patent reform package. Under the leadership of Chairman O'Mahoney,⁶ the Senate Judiciary Subcommittee on Patents, Trademarks, and Copyrights undertook an extensive analysis of the patent system.⁷ Between 1956 and 1963 the Subcommittee published 30 research papers prepared by professional staff members and experts from outside the government.⁸ These studies constituted a comprehensive analysis of areas of the patent law particularly in need of reform. After Senator John L. McClellan⁹ became Chairman of the Subcommittee in 1961, the Subcommittee continued to examine the need for substantive reform.

The catalyst which sparked measurable progress was President Johnson's appointment of a President's Commission on the Patent System in 1965, the 14 members of the Commission representing private inventors, industry, and government agencies directly concerned with the patent system.¹⁰ Contained in the Commission's report transmitted to President Johnson in 1966, were 35 broad recommendations for revision of the patent system.¹¹ President Johnson directed the Commerce Department and the Justice Department to consider the report and develop appropriate legislative proposals.¹² Because most of the Commission's recommendations

(1956) [hereinafter cited as 1956 SUBCOMMITTEE REVIEW].

3. Act of July 19, 1952, ch. 950, 66 Stat. 792.

4. 1956 SUBCOMMITTEE REVIEW, *supra* note 2, at 12-13.

5. 98 CONG. REC. 9323 (1952); *Graham v. John Deere Co.*, 383 U.S. 1, 16-19 (1966); *Aro Mfg. Co. v. Convertible Top Co.*, 365 U.S. 336, 347 n.2 (1961); *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 530 n.10 (1972).

6. Senator Joseph C. O'Mahoney, Democrat, Wyoming.

7. Chairman O'Mahoney conducted exploratory hearings on the American patent system before commissioning research studies. *Hearings Entitled "American Patent System" Before the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 84th Cong., 1st Sess. (1955). The Subcommittee reached preliminary conclusions as a result of these hearings in 1956. 1956 SUBCOMMITTEE REVIEW, *supra* note 2.

8. STUDIES OF THE SUBCOMMITTEE ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE SENATE COMMITTEE ON THE JUDICIARY, Nos. 1-30.

9. Senator John L. McClellan, Democrat, Arkansas.

10. Exec. Order No. 11,215, 3 C.F.R. 299 (1964-65).

11. *See* SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE SENATE COMM. OF THE JUDICIARY, TO PROMOTE THE PROGRESS OF USEFUL ARTS, REPORT OF THE PRESIDENT'S COMMISSION ON THE PATENT SYSTEM, S. Doc. No. 5, 90th Cong., 1st Sess. (1967).

12. *See* Presidential Message of Feb. 21, 1967, H.R. Doc. No. 59, 90th Cong., 1st Sess. IV (1967).

required legislative initiative, the Administration developed a legislative proposal, the Patent Reform Act of 1967, which Senator McClellan introduced by request.¹³ Though both the Department of Justice and the Department of Commerce spoke for the President's legislation at hearings in the House¹⁴ and Senate,¹⁵ the close cooperation between the Departments was not to last.

In response to the introduction of the Johnson Administration bill and the hearings that followed, two other bills were introduced in the 90th Congress. The late Senator Everett Dirksen¹⁶ introduced legislation developed by the Patent Section of the American Bar Association (ABA) and publicly supported by the American Patent Law Association (APLA).¹⁷ This bill contained less radical recommendations than the Johnson Administration bill and ignored many of the Presidential Commission's suggestions. In mid-spring of 1968, Chairman McClellan suggested a substitute¹⁸ for the Administration bill as a compromise between the Administration's proposals and those put forth by the ABA and the APLA in testimony at the House and Senate hearings.¹⁹ Following a large response to his request for comment regarding the proposed substitute,²⁰ Senator McClellan introduced a new bill²¹ that closely tracked the APLA-approved direction of Senator Dirksen's proposal. Support by the Commerce Department for the original Administration bill became less visible as the 90th Congress progressed, but the 90th Congress

13. S. 1042, 90th Cong., 1st Sess. (1967). In the House, the bill became H.R. 5924, 90th Cong., 1st Sess. (1967).

When a bill is introduced "by request," it is introduced as an accommodation to someone. A Chairman of a Committee or Subcommittee often will introduce legislation by request for an Administration. A sponsor of legislation introduced by request is by no means required to support or vote for the legislation at any time subsequent to introduction. He is completely free to offer amendments at anytime to the bill.

14. *Hearings on H.R. 5924 Before Subcomm. No. 3 of the House Comm. on the Judiciary*, 90th Cong., 1st & 2d Sess. (1967-68).

15. *Hearings on S. 1042, S. 1377, and S. 1691 Before the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 90th Cong., 1st & 2d Sess. (1967-68).

16. Senator Everett Dirksen, Republican, Illinois.

17. S. 2597, 90th Cong., 1st Sess. (1967).

18. S. 1042[S.P.], Proposed Substitute for S. 1042, 90th Cong., 2d Sess. (1968). The designations "[S.P.]" and "[C.P.]" indicate that a bill is a "Subcommittee Print" or a "Committee Print." These "prints" may differ significantly from the original bill which had the same basic numerical identification.

19. See notes 14, 15 *supra*.

20. S. 1042[S.P.], 90th Cong., 2d Sess. (1968).

21. S. 3892, 90th Cong., 2d Sess. (1968).

adjourned with no resolution of the conflicting proposals.

With the commencement of the 91st Congress in 1969 and the new Nixon Administration, there occurred a significant non-event: the original Administration bill of the 90th Congress did not reappear. Rather, Chairman McClellan advanced a bill²² which closely resembled the private bar proposal of the earlier Congress. Several days later, Senator Dirksen introduced legislation²³ which was essentially the same as the bill he had introduced in the 90th Congress. For five months after the introduction of the McClellan bill, there was no Administration comment or overt attempt to reintroduce the Johnson Administration bill. The ABA and APLA took the opportunity to study the McClellan bill and lobby for modification to lower the substantive standards of patent law. On August 1, 1969, Senator McClellan introduced a new bill, S. 2756,²⁴ which raised highly significant issues not suggested by his earlier proposal in the same Congress.²⁵

With ABA and APLA support, two amendments to S. 2756 were introduced in April 1970 to deal with the application of the antitrust laws to the licensing of patents and the relationship of federal patent law to the state law of trade secrets.²⁶ Publicly, the Justice and Commerce Departments had no comment on either the amendments or S. 2756, although the subsequent public dispute between those two Departments²⁷ strongly suggests that disagreement existed even earlier. Because the Administration took no position, the

22. S. 1246, 91st Cong., 1st Sess. (1969).

23. S. 1569, 91st Cong., 1st Sess. (1969).

24. S. 2756, 91st Cong., 1st Sess. (1969).

25. S. 2756 suggested for the first time significant changes in Patent Code sections 102 (novelty), 103 (standard of invention), 120 (benefit of earlier filing date in the United States), and 282 (presumption of validity). The Department of Justice later testified that such changes "could subvert the Constitutional purposes of the patent system and unsettle over 120 years of judicial precedent." *Hearings on S. 643, S. 1253 and S. 1255 Before the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 92d Cong., 1st Sess., pt. 2, at 491 (1971).

26. S. 2756, Amendment No. 578, 91st Cong., 2d Sess. § 261 (1970), would allow a patent applicant or patentee not only the right to assign his application or patent by a written instrument, but also the option of granting a license to any part of his rights, regardless of anticompetitive impact or other violation of existing law. The amendment also set out the rights of the various parties after an assignment or grant of rights in terms that would modify or reverse several Supreme Court precedents. S. 2756, Amendment No. 579, 91st Cong., 2d Sess. § 301 (1970), was intended to make clear, in terms that again limited Supreme Court precedent, that the bill was not to preempt state and federal law regarding contracts, trade secrets, or unfair competition.

27. See note 33 *infra* & accompanying text.

bill did not proceed further in the 91st Congress.²⁸

Soon after Senator McClellan introduced S. 643,²⁹ a slightly modified version of S. 2756, early in the 92d Congress, the amendments regarding patent licensing³⁰ and state trade secret law³¹ were reintroduced. Hearings were conducted in May 1971 before the Senate Patents Subcommittee on the two amendments and other issues,³² one purpose of the hearings being to elicit agency comments. During the hearings, the inability of the Justice and Commerce Departments to agree regarding S. 643 and its amendments became clearly evident when each Department was allowed to present its own view rather than a single Administration position.³³ The Commerce Department supported S. 643 and modified versions of the amendments, while the Justice Department opposed the amendments and critical sections of S. 643.

After the hearings, the Subcommittee reported S. 643[C.P.],³⁴ an amended version of S. 643, to the full Senate Judiciary Committee. The revised bill did not adopt the patent-licensing amendment, and it substantially narrowed the trade secret amendment. It rejected the changes S. 643 would have made in existing law concerning the presumption of validity for issued patents,³⁵ the "obviousness" standard of invention,³⁶ the requirement of novelty,³⁷ the requirement of

28. Often in areas as complex and technically oriented as the patent system, the Congress is reluctant to move forward without at least receiving the opinions of affected executive branch agencies.

29. S. 643, 92d Cong., 1st Sess. (1971).

30. S. 643, Amendment No. 24, 92d Cong., 1st Sess. (1971), was identical to S. 2756, Amendment No. 578, 91st Cong., 2d Sess. § 261 (1970); see note 26 *supra*.

31. S. 643, Amendment No. 23, 92d Cong., 1st Sess. (1971); see note 26 *supra*.

32. *Hearings on S. 643, S. 1253, and S. 1255 Before the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 92d Cong., 1st Sess., pt. 1 (1971).

33. *Id.* at 229. On any given issue, an Administration normally seeks to present a uniform front. Espousal outside an Administration of conflicting views by two or more Departments is rare.

34. S. 643[C.P.], 92d Cong., 1st Sess. (1971).

35. *Id.* § 282.

36. *Id.* § 103. For an invention to be patentable, the improvement the invention makes over prior technology must not have been an obvious improvement. See *Graham v. John Deere Co.*, 383 U.S. 1, 19 (1966); Note, *After Blonder-Tongue: Back to the Laboratory To Find a Patent Validation System Even a Court Could Trust*, 16 WM. & MARY L. REV. 295, 319-21 (1975) [hereinafter cited as *After Blonder-Tongue*]. See generally Voorhees, *A Summary of Patent Law for the General Practitioner*, 20 DRAKE L. REV. 227 (1971).

37. S. 643[C.P.], 92d Cong., 1st Sess. § 102 (1971). A patent may not be obtained if the inventor derived the subject matter sought to be patented from another or if the invention previously was disclosed in certain ways. See Voorhees, *supra* note 36.

utility,³⁸ and the rules of discovery available in contests before the Patent Office.³⁹ The Subcommittee strengthened the required oath of invention and made submission of a patentability brief mandatory.⁴⁰ In addition, the Committee Print deleted from S. 643 an arbitration provision and a provision limiting the expanded application of collateral estoppel effected in *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation*.⁴¹ It also increased the opportunity for third parties to present evidence of patentability to the Patent Office while the patent application was pending.⁴²

The controversial nature of the changes made to S. 643 and of some of the provisions retained in S. 643[C.P.] combined with the lack of a unified Administration position to produce unfavorable conditions for Senate action. Thus the third Congress in succession failed to move patent reform beyond the Senate Judiciary Committee. In fact, patent reform was regressing. During the 90th Congress the Administration had been advocating its own package of reform measures; six years later it had neither a bill of its own⁴³ nor an official position on pending legislation.

On September 21, 1972, Senators McClellan and Scott, the ranking majority and minority members of the Senate Patents Subcommittee, jointly requested President Nixon to "direct the appropriate departments and agencies of the executive branch to undertake renewed efforts to formulate an Administration position on patent law revision."⁴⁴ They asked for some preliminary position by the

38. S. 643[C.P.], 92d Cong., 1st Sess. § 100 (1971). An invention is not patentable unless it is practically useful in a concrete, tangible form. See Voorhees, *supra* note 36.

39. S. 643[C.P.], 92d Cong., 1st Sess. §§ 23, 24 (1971).

40. *Id.* §§ 115, 131. Under the revised oath of invention the inventor and all those who substantially participated in prosecuting the application were required to set forth their actual knowledge about the originality of the invention.

41. 402 U.S. 313 (1971). Before *Blonder-Tongue*, the doctrine of collateral estoppel permitted a patentee whose patent had been invalidated in an infringement suit to initiate a subsequent suit against a different alleged infringer without being estopped by the prior adjudication of invalidity. Because the second alleged infringer was not a party to the first action, the requirement of mutuality prevented his benefitting from the prior holding of invalidity as a defense in the second suit. *Blonder-Tongue* largely overruled the outdated requirement of mutuality. See *After Blonder-Tongue*, *supra* note 36.

42. S. 643[C.P.], 92d Cong., 1st Sess. § 192 (1971).

43. Substitutes for the original Administration bill, S. 1042, had done no better in Congress because they, like S. 1042, had controversial sections which raised the standard of invention to reflect current information retrieval and technical standards.

44. Letter from Sen. John L. McClellan and Sen. Hugh Scott to President Richard M. Nixon, September 21, 1972.

time the 93d Congress convened in January.⁴⁵ Although it was to take one year and eight days for the Administration to return to the Senate with a new position, the stage had been set for the intricate machinations of patent reform during the 93d Congress.

PATENT REFORM IN THE 93D CONGRESS

Effort to reform patent law was more intense during the 93d Congress than in any Congress since the patent law was codified.⁴⁶ Introduced in the Senate were three major bills that presented clearly distinct approaches to the demonstrated need for reform. The reasons for the introduction of these bills, the tactics employed to gain acceptance in the Senate, and the Senate disposition of the bills well illustrate the legislative process.

His interest having been aroused by the controversy in 1971 over the patent-licensing and trade secret amendments to S. 643,⁴⁷ Senator Philip Hart,⁴⁸ a member of the Patents Subcommittee and Chairman of the Senate Subcommittee on Antitrust and Monopoly, injected into patent law reform an antitrust perspective with his introduction of S. 1321.⁴⁹ His bill contained no licensing provisions, but did include several provisions which dramatically would have changed existing patent law practice and procedure. Among these were a pre-issuance opposition procedure,⁵⁰ a "Public Counsel" in the Patent Office to oppose weak applications,⁵¹ full and specific public disclosure of the alleged invention,⁵² maintenance fees,⁵³ powers of subpoena,⁵⁴ and deposition procedures.⁵⁵ Never before had

45. *Id.*

46. See note 5 *supra* & accompanying text.

47. See notes 30, 31 *supra*.

48. Senator Philip A. Hart, Democrat, Michigan.

49. S. 1321, 93d Cong., 1st Sess. (1973).

50. *Id.* § 135. Under this provision, "any party" could notify the Commissioner of information bearing on the patentability of any claim after application but before the issuance of a patent.

51. *Id.* § 3(d). This provision was intended to ensure rigorous application of the patentability standards by allowing the Public Counsel to act as an advocate in an adversary process.

52. *Id.* §§ 112, 115. Section 112 required an applicant to file a complete description of his invention. Section 115 required the applicant to file an oath of invention stating that he was "aware of no prior public use or other material information which would adversely affect the issuance of the patent to him"

53. *Id.* § 41. This section required a patentee to pay a fee to maintain his patent beginning the fourth year after issuance of the patent.

54. *Id.* § 23. This section allowed any party at any time to apply to the presiding official of a Patent Office proceeding for subpoenas or other papers ordering discovery.

such an extensive compilation of reforms been put in one package.

Despite Senator Hart's comment while introducing his bill that patent law generally stimulated little public interest,⁵⁵ his proposal sparked a sharp adverse reaction from the private patent bar, many corporations, the American Patent Law Association, sections of the American Bar Association, and various local patent law groups.⁵⁷ Essentially, opponents argued that the bill was too far reaching for what were dismissed as small problems with the patent system and called for hearings on proposals which allegedly had never before been subjects of Congressional inquiry.⁵⁸ In an attempt to force Subcommittee action on his bill, Senator Hart received permission from Chairman McClellan to hold hearings on the five major topics.⁵⁹ During the three days of hearings at which a large number of witnesses testified, the remarkable point brought forth by the testimony was the total lack of agreement among the private bar, various corporate patent counsel, and inventors. The hearings ended without indicating any clear-cut path for future reform.

The second major patent reform bill of the 93d Congress resulted from the request by Senators McClellan and Scott for the Nixon

55. *Id.* § 24. This section empowered the Public Counsel to compel the giving of depositions for Patent Office proceedings.

56. "Mr. President, if we were measuring the 'potential boredom rate' of various topics for conversation on a scale of 1 to 100, patents would probably get a 99." 119 CONG. REC. S9101 (1973) (remarks of Senator Hart).

57. At this point the Administration still had neither a position on S.1321 nor a bill of its own. Later, the Administration did support publicly certain aspects of S.1321.

58. In fact, a number of these proposals, most notably those concerning maintenance fees, opposition proceedings, and public counsel previously had been the subject of either hearings or congressionally funded research studies. See, P. FREDERICO, RENEWAL FEES AND OTHER PATENT FEES IN FOREIGN COUNTRIES, STUDY NO. 17 OF THE SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE SENATE COMM. ON THE JUDICIARY, 85th Cong., 2d Sess. (1958); V. EDWARDS, PATENT OFFICE FEES—A LEGISLATIVE HISTORY, STUDY NO. 13 OF THE SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE SENATE COMM. ON THE JUDICIARY, 85th Cong., 2d Sess. (1958); P. FREDERICO, OPPOSITION AND REVOCATION PROCEEDINGS IN PATENT CASES, STUDY NO. 4 OF THE SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE SENATE COMM. ON THE JUDICIARY, 84th Cong., 2d Sess. (1956); V. BUSH, PROPOSALS FOR IMPROVING THE PATENT SYSTEM, STUDY NO. 1 OF THE SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE SENATE COMM. OF THE JUDICIARY, 84th Cong., 2d Sess. (1956); TEMPORARY NATIONAL ECONOMIC COMMITTEE, MONOGRAPH NO. 31, PATENTS AND FREE ENTERPRISE (1941).

59. *Hearings on S. 1321 Before the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 93d Cong., 1st Sess. (1973). The topics included the following: public adversary hearings, creation of the office of the Public Counsel, deferred examination of patent applications, revision of patent fees including the establishment of maintenance fees, administrative restructuring of the Patent Office including its establishment as an independent agency. *Id.*

Administration to take some position on patent reform.⁶⁰ Four months after that request, the Council on Economic Policy⁶¹ directed the Departments of Justice and Commerce to reconcile past differences and formulate a cohesive Administration approach. A working group met almost weekly for three months examining a broad range of issues⁶² raised by previous patent reform efforts, by Senator Hart, and by draft proposals being circulated by the private bar.⁶³ By mid-May 1973, several issues of critical importance remained unresolved by the group, necessitating arbitration by the White House through the Council on Economic Policy and the top officials of the two Departments involved. The Justice Department was represented by Assistant Attorney General for the Antitrust Division Thomas E. Kauper; the Commerce Department, by its General Counsel, Karl E. Bakke. Kenneth Dam, Executive Director of the Council on Economic Policy, mediated some of the differences that had been irreconcilable at earlier working-group sessions. Although the initial positions of the two Departments are not part of the public record, it is safe to assume that the issues which were not solved in 1971 still plagued the policymakers and that fresh disputes had arisen concerning Senator Hart's proposal.

Following submission of briefing papers on each issue in dispute,⁶⁴ meetings at the White House commenced in mid-July and continued throughout the summer on a frequent basis. By the time of the Hart hearings in September,⁶⁵ all but one of the issues had been resolved,⁶⁶ the patent licensing provision which had sparked so

60. See note 44 *supra*.

61. The Council on Economic Policy was the White House council which coordinated economic policy throughout the government. In 1973, George Schultz, former Secretary of the Treasury, was Chairman and Kenneth Dam was Executive Director.

62. See *Hearings on S. 1321, entitled "Patent Law Revision," Before the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 93d Cong., 1st Sess. 292 (1973).

63. The proposal being circulated by the American Patent Law Association later was introduced with minor changes by Senator James Buckley of New York as S.2930, 93d Cong., 2d Sess. (1974). See note 83 *infra* & accompanying text.

64. These briefing papers are classified as interagency contact not part of the public record and therefore are not available under the Freedom of Information Act, 5 U.S.C. § 552 (1970). The papers were prepared between mid-May and late June 1973, and each included hundreds of pages. Approximately fifty substantive and procedural issues were unresolved when White House arbitration began.

65. *Hearings on S. 1321, entitled "Patent Law Revision," Before the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 93d Cong., 1st Sess. 169, 179, 302 (1973).

66. *Id.* at 179.

much discussion in the 92d Congress remaining in dispute. At the hearings the Justice and Commerce Departments, speaking with one voice for the first time since 1969, announced that the Administration would introduce its own patent reform bill in the near future.⁶⁷ The five issues⁶⁸ which were the subject of the hearing were discussed by Administration representatives not only in terms of Senator Hart's bill, but also in terms of the anticipated Administration package. Concurrently, the Council on Economic Policy presented the issue on patent licensing to Cabinet officials who made the final determination that licensing was not to be a part of the Administration proposal. The basis for the decision not to alter present law concerning patent licensing is not known,⁶⁹ but the decision clearly ranks as one of the most important determinations of the Cabinet-level final arbitration preceding submission of the legislation.

During mid-September, Administration representatives requested Senator John McClellan, Chairman of the Subcommittee, and Senator Hugh Scott, the ranking minority member, to introduce the Administration's patent bill. After Senator McClellan declined, and after closely reviewing the elements of the bill, Senator Scott submitted the Administration's patent reform bill, S. 2504, in October 1974.⁷⁰ In his introductory remarks, he pointed out that substantive reform was needed because the basic structure of the patent system had not been changed since the Patent Act of 1836.⁷¹ He then noted his reservations about section 147 of the Administra-

67. *Id.* at 169.

68. See note 59 *supra*.

69. In his explanation of the Administration bill to Congress, President Nixon stated: In addition, the existing state of case law on antitrust standards for patent licensing that have been determined by the courts would not be changed. Some have argued that this case-by-case approach to patent licensing has increasingly eroded the value and reliability of the patent grant. Earlier this year, I requested that various proposals addressed to this issue be carefully studied and reviewed by the Secretary of Commerce, the Attorney General, and my chief advisers on economic policy. After much study, they concluded that there is no clearly demonstrated need or justification of any patent licensing proposals at this time. They also concluded that the legislation I recommend today will help counter the loss of public confidence by improving the reliability of patents that are issued.

9 WEEKLY COMP. OF PRES. DOC. 1198, 1201-02 (1973).

70. S. 2504, 93d Cong., 2d Sess. (1974). See 119 CONG. REC. S18,133 (daily ed. Oct. 1, 1973).

71. 119 CONG. REC. S18,140 (daily ed. Oct. 1, 1973).

tion bill,⁷² however, and observed that he could consider S. 2504 along with other ideas "to determine the best possible future course"⁷³ for patent reform. The implication of this statement was that Senator Scott was willing to entertain and even support substantive changes to S. 2504 despite his general sponsorship of the bill.

Almost immediately after referral of the bill to the Subcommittee on Patents, Trademarks, and Copyrights in October 1973, widespread interest in it was evidenced in the press and from patent groups.⁷⁴ In a speech to the American Patent Law Association on October 11, 1973, Karl E. Bakke, General Counsel of the Commerce Department, made the following observations concerning the Administration bill:

The Administration's bill, embodying the result of innumerable painstaking dialogues between the Departments of Commerce and Justice, with mediation and conciliation by senior White House policy advisors as needed, is one that both the Attorney General and Secretary [of Commerce] Dent are personally committed to.

In this connection, I know some, if not most, of you are disappointed that proposals to clarify and stabilize the interface between the antitrust laws and patent licensing provisions have not been included. I share that disappointment, but will tell you frankly I didn't have what it took to carry the burden of persuasion in this area. The failure was not one of eloquence, but in hard supporting facts. I can't disagree with the Administration decision on this point.⁷⁵

Mr. Bakke's comments reflected the concerns of those who were interested in limiting the scope of the American antitrust laws, the opinion that the bill in some ways would effect more sweeping patent reform than earlier bills sanctioned by the executive branch,

72. "Section 147 of the bill adds another appellate layer to existing procedures by providing for an appeal to the circuit court of appeals following an appeal to the Patent Court. This appears to me to be totally unnecessary and I would hope the Subcommittee would look at this provision carefully. Since this is an administration proposal I have left the provision in the bill but I did want my colleagues to be aware of my position regarding section 147." *Id.* at S18,141.

73. *Id.* at S18,140.

74. See, e.g., *BUSINESS WEEK*, Oct. 6, 1973, at 46; *N.Y. Times*, Nov. 24, 1973, at 43, col. 7; *Washington Post*, Sept. 17, 1973, at 3.

75. Address by Karl E. Bakke, Sheraton Park Hotel, Washington, D.C., Oct. 11, 1973.

and the desire for public hearings on the Administration bill before the Subcommittee reviewed it. Following public disclosure of Senator McClellan's intent to convene an executive session of the Subcommittee to consider general reform of the patent law,⁷⁶ comment by private inventors, members of the patent bar, organizations with an interest in patent reform, and corporations increased markedly.⁷⁷

The introduction of S. 2504 sparked reaction by both foreign and domestic private interest groups. Senator Scott, during January 1974, received extensive comments from the Council of European Industrial Federations,⁷⁸ the Union of Industries of the European Community,⁷⁹ Bundesverband der Deutschen Industrie,⁸⁰ and Ambasciate D'Italia.⁸¹ These communications discussed sections of the legislation which the transmitting agencies believed would affect international patent relations and policies. Within the United States, conferences were held by private groups to develop a consensus among members who wished to advise Congress on patent re-

76. Letter from Senator John L. McClellan to Senator Hugh Scott, Oct. 25, 1973.

77. Between October 1973 and February 1974, when S. 2504 was to be amended by the Subcommittee, a tremendous volume of material was received by Subcommittee members on the legislation. Many of the analyses were section-by-section commentaries with suggested legislative language. Some were extensive compilations of comments hundreds of pages in length. The following list is but a sampling of the sources of in-depth studies transmitted to Subcommittee members: Corporations—Merck & Company Inc., Monsanto, Avco, Zenith, IBM, Bell Telephone Company, Xerox, Kodak, Esso Research and Engineering Company, 3M Company, Dow Chemical Company, General Electric, Burlington Industries Inc., American Cyanamid Company, Dupont, PPG Industries, U.S. Steel Corporation, Rohm and Haas Company; other groups—American Society of Inventors Inc., American Patent Law Association, American Bar Association (Section on Patents, Trademarks, and Copyrights), National Council of Patent Law Associations, Federal Bar Association, National Association of Manufacturers, National Chamber of Commerce, Bar Association of the District of Columbia, American Chemical Society, Manufacturing Chemists Association, Philadelphia Patent Law Association, Cleveland Patent Law Association, Los Angeles Patent Law Association, Michigan Patent Law Association, New York Patent Law Association, Patent Law Association of Chicago, St. Louis Bar Association, Virginia Bar Association, New Jersey Bar Association, State Bar of Texas, Patent Law Association of San Francisco, Indiana State Bar Association, Peninsula Patent Law Association, Dayton Patent Law Association, Rochester Patent Law Association, Houston Patent Law Association. Besides these organizations, individual inventors and members of the patent bar provided comments. By February the comments with attachments overflowed a three-foot file drawer.

78. Letter from Francois P. Panel, President of the Patent Working Group of the Council of European Industrial Federations to Senator Hugh Scott, Jan. 20, 1974.

79. Letter from H.M. Claessens, Secretary General, Union des Industries de la Communauté Européenne to Senator Hugh Scott, Jan. 15, 1974.

80. Letter from Dr. H. Wagner and Dr. H.H. Eberstein, Bundesverband der Deutschen Industrie E.V. to Senator Hugh Scott, Jan. 17, 1974.

81. Memorandum from Ambasciate D'Italia to Senator Hugh Scott, Jan. 28, 1974.

form.⁸² Compilations of the results of the conferences were made available to the Subcommittee members and the Administration, and private lobbyists and, by request, Administration members met frequently with Subcommittee members, their staffs, and the Subcommittee staff.

On January 31, 1974, Senator James Buckley of New York introduced the third major patent reform bill of the 93d Congress.⁸³ This bill was derived from a proposal originally advanced by the American Patent Law Association⁸⁴ and had been circulated informally to members of the Congress for several months prior to introduction. It was a far less ambitious legislative reform of the patent system than those sponsored by Senators Scott or Hart. In his introductory remarks Senator Buckley explained that the two previous bills contained "costly, substantive as well as procedural provisions" which he felt went too far.⁸⁵

Of the three bills, the Subcommittee decided that Senator Scott's would be used as the basis for the attempt to report a bill to the full Judiciary Committee. In late January under direction of their respective Senators, staff legislative aides of Subcommittee members began to analyze the recommendations that the Subcommittee had received during the preceding three months concerning the bill. In the course of staff meetings held several times each week, it became increasingly clear, as controversial issues arose, that differences existed among Subcommittee members. Senators Scott, Hart, and Burdick tended to favor the approach of the Scott bill, S. 2504, while Senators McClellan and Fong preferred the direction taken by Senator Buckley. At this time, the Administration actively and publicly supported S. 2504.

In an effort to find a ground for agreement Senators McClellan and Scott, as Chairman and ranking Republican member of the Subcommittee, sent a letter to President Nixon on March 25, 1974, requesting him to authorize the recently appointed Commissioner of Patents, C. Marshall Dann,⁸⁶ to comment on S. 2504 and the

82. For example, the National Council of Patent Law Associations met in Arlington, Virginia on January 9, 1974, and the Federal Bar Association met in Washington, D.C. on January 10, 1974.

83. S. 2930, 93d Cong., 2d Sess. (1974).

84. 120 CONG. REC. S859 (daily ed. Jan. 31, 1974).

85. *Id.*

86. C. Marshall Dann had been confirmed as Commissioner by the Senate in February. 120 CONG. REC. S1593 (daily ed. Feb. 7, 1974).

proposed modifications.⁸⁷ Ronald B. Brooks, Executive Director of the Council on Economic Policy, replied to Senator Scott in early April recommending that the Subcommittee on Patents mark up and report an amended version of S. 2504 and promising that when the markup was completed the Administration would comment on any changes, with Commissioner Dann playing "a leading role" in the response.⁸⁸

Since the Patent Commissioner would not be permitted to comment as an individual to the Subcommittee members during the markup, the Subcommittee proceeded and by early May had finished the markup. Following a number of close votes on controversial issues, the Subcommittee had done major surgery on the original S. 2504 to produce a far more complete, improved, and comprehensive patent reform package, S. 2504[C.P.],⁸⁹ which was sent to the Judiciary Committee for review.

On May 14, 1974, Senator McClellan transmitted a copy of S. 2504[C.P.] to Secretary of Commerce Frederick B. Dent⁹⁰ and expressed "significant reservations concerning the Administration Bill as introduced, and as reported by the Subcommittee."⁹¹ After referring to the March 25, 1974, letter to the President⁹² and the reply from the Executive Director of the Council on Economic Policy,⁹³ he requested initiation of the Commissioner of Patents' review of the legislation which had been promised in that correspondence.⁹⁴ The Administration then began an extensive review of the legislation with the active participation of Commissioner Dann.

87. Letter from Senator John L. McClellan and Senator Hugh Scott to President Richard M. Nixon, Mar. 25, 1974. Senators Scott and McClellan received an acknowledgment from Tom C. Korologos, Deputy Assistant to the President, stating that the Senators' letter would be called to the President's attention in the near future. Letter from Tom C. Korologos to Senators McClellan and Scott, Mar. 26, 1974.

88. Letter from Ronald B. Brooks to Senator Scott, Apr. 8, 1974.

89. S. 2504[C.P.], 93d Cong., 2d Sess. (1974).

90. After the public distribution of S. 2504[C.P.], the Subcommittee members once again received extensive comments from members of the patent bar, corporations, and many others who had written earlier. As before, many preferred the approach of S. 2930 to that of S. 2504, although most who expressed an opinion found S. 2504[C.P.] to be an improvement over S. 2504.

91. Letter from Senator John L. McClellan to Secretary of Commerce Frederick B. Dent, May 14, 1974.

92. See note 87 *supra*.

93. See note 88 *supra*.

94. Letter from Senator John L. McClellan to Secretary of Commerce Frederick B. Dent, May 14, 1974.

Senator McClellan transmitted to the other Subcommittee members on June 27, 1974, his individual views⁹⁵ which would accompany a draft report on S. 2504[C.P.] to be used by the Judiciary Committee in studying the bill. He noted that the bill had been drafted without proper consultation by the Department of State, members of the patent bar, members of the federal courts, and especially the Commissioner of Patents, concluding:

S. 2504 fails to promote—in fact, will retard—the objectives of patent law revision set forth in the Report of the President's Commission on the Patent System. It discards beneficial provisions of predecessor bills and substitutes new concepts that will create endless uncertainty and delay. It will encourage greater reliance on trade secrets to the detriment of the public. It will significantly add to the costs of those who utilize the patent system, and to those of the Government, while conferring limited benefits.⁹⁶

A segment of the business community desired to see an accommodation between the patent bar and business to allow Senate passage during the 93d Congress. An ad hoc group of corporate patent counsel⁹⁷ met on several occasions during June and July to examine S. 2504[C.P.]. At a final meeting held in Washington, D.C., on July 16, 1974, the group wrote a series of amendments that came to be known as the "Corporate Counsel Markup" of S. 2504[C.P.]. Their position was that corporations supporting the group would endorse the bill publicly if the suggested amendments were accepted by the Judiciary Committee.⁹⁸

During the time of the work of the ad hoc corporate counsel group, the Administration replied formally to Senator McClellan's May 14 request for Commissioner Dann to comment on S. 2504[C.P.].⁹⁹

95. "Individual Views of Senator John L. McClellan" sent to Senator Hugh Scott's Office, June 27, 1974.

96. *Id.*

97. The idea for an ad hoc group arose following a speech by Bernard Nash, Assistant Counsel to the Senate Subcommittee on Antitrust and Monopoly, for Senator Philip Hart, at the semi-annual meeting of the Association of Corporate Patent Counsel on June 3, 1974, in Rhode Island.

98. Previously, there had been relatively few corporations totally embracing S. 2504 or S. 2504[C.P.], but by late July, a number of corporations, including General Electric, Monsanto, Merck & Company Inc., Zenith, Avco, Firestone, and Honeywell Inc. had indicated general assent.

99. Letter from Commissioner of Patents C. Marshall Dann to Senator John L. McClellan, July 3, 1974.

Included in this response from Commissioner Dann was a 17-page analysis of proposed amendments.¹⁰⁰ The letter represented a formal approval of S. 2504[C.P.], although the submission of proposed amendments seemed to indicate a less than complete endorsement by the Patent Commissioner of the bill.¹⁰¹ This letter was supplemented by an additional letter of July 29, 1974, from Commissioner Dann transmitting 15 more technical amendments to S. 2504[C.P.].¹⁰²

On July 31, Senators Hart and Scott informally proposed further amendments to S. 2504[C.P.], embracing many of the changes advanced by Commissioner Dann, parts of the "Corporate Counsel Markup," and recommendations of Senator Fong and Senator McClellan which had not been accepted in earlier negotiations.¹⁰³ The letter stated in part:

In general, we are prepared to accept the over-whelming bulk of the recommendations if you also find them reasonable. We express the same hope you have on several occasions that a responsible and effective patent bill should be reported this session. It is our understanding a bill including these changes would receive support from many responsible Corporations, portions of the Patent Bar, private inventors, and would be in the best interest of the general public and consumers.

As we all know, more than four years of work have gone into bringing patent reform to this point. Even though time is growing short, and it seems likely the House will not pass a patent bill this session, we do believe there are good reasons for Senate action. If S. 2504 can clear the Senate this year, it would assure a good chance for early Senate passage next Congress and expeditious House action. To achieve this, S. 2504 would have to be ready for floor action within the next several weeks.¹⁰⁴

100. *Id.*

101. Although there is little substantial evidence to support such speculation, the position taken by Commissioner Dann may have been the result of a compromise between the position of the Department of Commerce and that of the Department of Justice. If so, this compromise would reflect ongoing disagreement in the executive branch concerning S. 2504 and S. 2504[C.P.].

102. Letter from Commissioner of Patents C. Marshall Dann to Senator John L. McClellan, July 29, 1974.

103. Letter from Senators Philip A. Hart and Hugh Scott to Senator John L. McClellan, with a copy to Senator Hiram L. Fong, July 31, 1974.

104. *Id.*

Unfortunately, the events of the following days made these efforts unproductive. Within a week, President Nixon had resigned and both the Congress and the Administration were caught up in a whirlwind of changes which placed patent reform on the back burner.¹⁰⁵

PATENT LEGISLATION IN THE 94TH CONGRESS

The extensive work product and momentum for patent reform of the 93d Congress remained when the 94th Congress convened on January 14, 1975. No changes having occurred in the membership of the Senate Judiciary Subcommittee on Patents, Trademarks, and Copyrights, efforts toward patent reform began immediately in the Senate.

Chairman McClellan introduced his own patent reform package, S. 23.¹⁰⁶ This bill closely tracked S. 2504[C.P.] of the 93d Congress with the addition of the amendments proposed by the Administration in July 1974. It differed, however, from the Administration position on several major points. For example, Senator McClellan favored promoting the Commissioner to an Assistant Secretary of Commerce,¹⁰⁷ although limiting him to "not more than two Assistant Commissioners"¹⁰⁸ in addition to the Solicitor.¹⁰⁹ S. 23 contained several changes to section 102 of the patent code dealing with "novelty and bars to patent,"¹¹⁰ but did not change the much-litigated and well-understood section 103 which sets out the standard of invention necessary for the issuance of a patent.¹¹¹ Senator McClellan also favored amending section 112, involving the statutory requirement for disclosure;¹¹² section 135, outlining opposition proceed-

105. The final event of the 93d Congress affecting patent reform was the introduction of S. 4259, 93d Cong., 2d Sess. (1974), by Senator Fong on December 19. S. 4259 represented Senator Fong's personal approach to patent reform which more closely resembled S. 2930 than S. 2504 or S. 1321.

106. S. 23, 94th Cong., 1st Sess. (1975).

107. *Id.* § 3(a)(1).

108. *Id.* § 3(c).

109. *Id.* § 3(d).

110. S. 23, 94th Cong., 1st Sess. § 102 (1975), amending 35 U.S.C. § 102 (1970). See note 37 *supra*.

111. S. 23, 94th Cong., 1st Sess. § 103 (1975), amending 35 U.S.C. § 103 (1970). See note 36 *supra*.

112. S. 23, 94th Cong., 1st Sess. § 112 (1975), amending 35 U.S.C. § 112 (1970). Senator McClellan would require more detailed disclosure in the specification filed by the applicant for a patent.

ings;¹¹³ and sections 191 to 194, providing the option to an applicant to defer examination of his application for a patent.¹¹⁴

Two other reform bills also were introduced upon the convening of the 94th Congress. Senator Hiram Fong reintroduced the bill¹¹⁵ that he had introduced in the 93d Congress less than a month earlier. Soon afterward, Senator Philip Hart sponsored S. 473,¹¹⁶ which did not contain as many far-reaching and innovative reforms as his more controversial S. 1321 of the 93d Congress. Possibly the restraint evidenced in S. 473 was a sign of Senator Hart's willingness to accommodate other members of the Subcommittee in an attempt to move patent reform forward.¹¹⁷

At the request of the Administration, Senator Scott met on January 16 with Secretary of Commerce Frederick B. Dent, Assistant Director of the Office of Management and Budget Walter Scott, Patent Commissioner C. Marshall Dann, Michael Kirk of the Patent Office, and General Counsel of the Commerce Department Karl E. Bakke. Senator Scott agreed, at the Secretary's request, to reintroduce the Administration bill on the condition that he would not feel compelled to support each section of the legislation, stressing the need for accommodation to encourage swift Senate action. The Secretary then advised Senator Scott that he would receive the bill in the near future.

Nine weeks later Senator Scott received the bill from Secretary Dent. Why such a long period elapsed between the meeting of January 16 and the official transmission of the legislation on March 20 still is not clear. It appears that some individuals within the Administration during this period once again attempted to raise controversial issues which had been arbitrated earlier and already agreed to at the White House. Senator Scott had expressed to Secretary Dent

113. S. 23, 94th Cong., 1st Sess. § 135 (1975), *amending* 35 U.S.C. § 135 (1970). This section provided for an opposition proceeding based on information brought to the attention of the Commissioner by any person within 12 months after issuance of a patent.

114. S. 23, 94th Cong., 1st Sess §§ 191-94 (1975), *amending* 35 U.S.C. §§ 191-94 (1970). These sections provided that examination of an application for a patent would be deferred automatically unless the applicant requests immediate examination or search and pays the necessary fees. Under present law, there are no such provisions.

115. S. 214, 94th Cong., 1st Sess. (1975). *See* note 105 *supra*.

116. S. 473, 94th Cong., 1st Sess. (1975).

117. Senator Hart stated when introducing his bill: "I believe we are close to a consensus on the subcommittee and hope that the 94th Congress will enact legislation modernizing the Patent Code." 121 CONG. REC. S1482 (daily ed. Jan. 29, 1975).

at the January 16 meeting his hope that the bill he would receive would be influenced by the numerous suggestions advanced by the public during the study of S. 2504 during the 93d Congress; apparently in response to this request, the proposed bill reflected the changes to S. 2504 which had been contained in the official Administration suggestions of July 1974, and in general reflected adoption of the previous Administration's position by the Ford Administration.

Senator Scott introduced the Administration bill on March 24, 1975, as S. 1308.¹¹⁸ In remarks on the Senate floor, he referred to it as "the end product of more than 2 ½ years of effort," and revealed that it contained portions of S. 2504, S. 2504[C.P.], and other Administration input.¹¹⁹ His expressed hope was that the Subcommittee could review it along with the bills previously introduced by Senators McClellan, Hart, and Fong to find the best possible legislation during the term of the 94th Congress.¹²⁰

COMPROMISE IN THE SUBCOMMITTEE

On May 1 the Subcommittee chose to use Chairman McClellan's bill, S. 23, as the basis for reaching the Subcommittee's position. During this continuing process of accommodation and compromise, the objective of the Administration and Senator Scott was to incorporate certain key provisions from S. 1308 into the Subcommittee's ultimate bill. In addition to the particular merits of the reforms that would be effected, these provisions from S. 1308 evidence the important common virtue that they are themselves studied compromises of the differing approaches toward the four principal goals of patent reform. Specifically these goals are increased quality and reliability for United States patents, accelerated and improved disclosure of new technology, simplification of procedures for obtaining patents, and maintenance of the present substantive standards of patentability.

The patent clause of the United States Constitution authorizes Congress "To Promote the Progress of Science and useful Arts, by securing for limited Times to . . . Inventors the exclusive Right to their Discoveries"¹²¹ Under the statutory system devised to

118. S. 1308, 94th Cong., 1st Sess. (1975).

119. 121 CONG. REC. S4931 (daily ed. Mar. 24, 1975).

120. *Id.* at S4932.

121. U.S. CONST. art I, § 8, cl. 8.

effectuate the patent clause, the inventor of a device that is new, useful, and a truly inventive step beyond that which was known previously, is granted by the government a privilege which affords to the inventor, for a limited time, a private legal cause of action against others who make unauthorized use of the invention.¹²² This constraint upon the American commitment to open markets and free competition is compensated by the benefit to the public in the form of disclosure of new inventions that otherwise might have been kept secret for economic exploitation.¹²³ The physical and temporal scope of protection should be no broader and no longer than that necessary to serve the public interest in bringing forth inventions inasmuch as the power of Congress to grant patents is limited to that purpose.¹²⁴ The guidelines for the Administration's proposed reform included those constitutional purposes for the patent system. Moreover, the proposal was drafted with the expectation that alterations in procedure would breed less litigation regarding the effects of the changes than would modifications in the substantive law of patents, particularly if the adopted procedures were patterned upon the time-tested Administrative Procedure Act.¹²⁵

Improvement of the Quality and Reliability of United States Patents

Foremost among the four major goals of patent reform has been the improvement of the quality and reliability of United States patents.¹²⁶ This improvement can be accomplished by enhancing the

122. 35 U.S.C. §§ 101, 102, 103, 281 (1970).

123. "As a reward for inventions and to encourage their disclosure, the United States offers a seventeen-year monopoly to an inventor who refrains from keeping his invention a trade secret. But the *quid pro quo* is disclosure of a process or device in sufficient detail to enable one skilled in the art to practice the invention once the period of the monopoly has expired" *Universal Oil Prods. Co. v. Globe Oil & Ref. Co.*, 322 U.S. 471, 484 (1944). See *Graham v. John Deere Co.*, 383 U.S. 1, 9 (1966).

124. U.S. CONST. art. I, § 8; *Graham v. John Deere Co.*, 383 U.S. 1, 5 (1966); *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 471, 484 (1917).

125. 5 U.S.C. §§ 551-59, 701-06 (1970).

126. See SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE SENATE COMM. OF THE JUDICIARY, TO PROMOTE THE PROGRESS OF USEFUL ARTS, REPORT OF THE PRESIDENT'S COMMISSION ON THE PATENT SYSTEM, S. DOC. NO. 5, 90th Cong., 1st Sess. 3 (1967); Presidential Message of Feb. 21, 1967, H.R. Doc. No. 59, 90th Cong., 1st Sess. IV (1967); *Hearings on S. 643, S. 1253, and S. 1255 Before the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 92d Cong., 1st Sess. 265 (1971) (statement of Assistant Attorney General Richard W. McLaven).

public confidence in the Patent Office and by improving the information used in the patent approval procedure to increase the likelihood that the patent will be upheld in any subsequent litigation.¹²⁷

The Administration supports several changes, some novel and some suggested in earlier bills, to enhance the public confidence in the Patent Office. Under existing law,¹²⁸ and most earlier bills,¹²⁹ the Commissioner of Patents was subordinated in a number of specific ways to the Secretary of Commerce. S. 1308 eliminates that subordination¹³⁰ and expands the role of the Commissioner by making him responsible for the administration of the Office,¹³¹ for the appointment of officers such as the Deputy and Assistant Commissioners and the Solicitor,¹³² and for prescribing regulations governing potential conflicts of interest for all officers and employees of the Office.¹³³

The status of the Patent Office can be enhanced further by the conferring of additional powers upon the Office. As would other reformers,¹³⁴ the Administration would give the Patent Office the

127. To enforce his patent right to exclusive use, a patentee may bring a civil action against an infringer. 35 U.S.C. § 281 (1970). If a patentee brings such a suit, however, he subjects his patent to scrutiny for determination of validity if the alleged infringer raises as his defense the invalidity or misuse of the patent. 35 U.S.C. § 282 (1970). Although present law gives to a patent the presumption of validity against the defense of invalidity in an infringement action, 35 U.S.C. § 282 (1970), this presumption can be overcome. See *After Blonder-Tongue*, *supra* note 36. See also, *Picard v. United Aircraft Corp.*, 128 F.2d 632 (2d Cir. 1942) (L. Hand & Frank, J.J., concurring); Voorhees, *supra* note 36; *Symposium on Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation—The Decision and Its Implications*, 1971 AM. PAT. L. ASS'N BULL. 718; Comment, *Blonder-Tongue Bites Back: Collateral Estoppel in Patent Litigation—A New Look*, 18 VILL. L. REV. 207 (1972). Cf. Horn & Epstein, *The Federal Courts' View of Patents—A Different View*, 55 J. PAT. OFF. SOC'Y 134 (1973).

128. 35 U.S.C. § 3 (1970).

129. See S. 2930, 93d Cong., 2d Sess. § 3 (1974); S. 643, 92d Cong., 1st Sess. § 3 (1971); S. 2756, 91st Cong., 1st Sess. § 3 (1969); S. 1246, 91st Cong., 1st Sess. § 3 (1969); S. 3892, 90th Cong., 2d Sess. § 3 (1968); S. 1042, 90th Cong., 1st Sess. § 3 (1967).

130. S. 1308, 94th Cong., 1st Sess. § 3 (1975). S. 2504, 93d Cong., 2d Sess. § 3 (1974), subordinated the Commissioner of Patents to the Secretary of Commerce, but S. 2504 [C.P.], 93d Cong., 2d Sess. § 3 (1974), eliminated the subordination. Senator Fong's previous bill, S. 4259, 93d Cong., 2d Sess. § 3 (1974), and his current bill, S. 214, 94th Cong., 1st Sess. § 3 (1975), retained the subordination. Senator Hart's initial bill, S. 1321, 93d Cong., 1st Sess. (1973), was the first bill to eliminate the subordination. His current bill also specifically requires the Patent Office to act "independently" of the Department of Commerce in its "rule-making, investigatory, and adjudicatory functions, including judicial proceedings." S. 473, 94th Cong., 1st Sess. § 1 (1975).

131. S. 1308, 94th Cong., 1st Sess. § 3(a)(1) (1975).

132. *Id.* § 3(b), (d), (e).

133. *Id.* § 4.

134. Senator McClellan would require some showing of good cause before a subpoena would be issued. S. 23, 94th Cong., 1st Sess. § 23(a) (1975). The Fong bill would require issuance

power to issue subpoenas and to take discovery¹³⁵ subject to the Federal Rules of Civil Procedure.¹³⁶ It has been claimed that presently "[e]very federal agency except the Patent Office . . . has, by rule or statute . . . subpoena power to compel relevant testimony and document submission."¹³⁷ Another power heretofore lacking in the Patent Office¹³⁸ but granted by S. 1308 is the authority to establish its own fees "designed to effect an overall recovery of 50 per centum of the cost of the Office."¹³⁹ Not only would the Office be authorized to recover costs by charging traditional filing and examination fees, but it also would increase its efficiency by effectively eliminating economically unproductive patents through the requirement that maintenance fees be paid during the life of the patent.¹⁴⁰ The concept of the maintenance fee was advocated in the 93d Congress in the bills sponsored by Senators Hart¹⁴¹ and Scott,¹⁴² and each of the four patent reform bills of the 94th Congress has a provision for maintenance fees.¹⁴³

Public confidence in the operations of the Patent Office also would be enhanced by a requirement¹⁴⁴ for the Office to conduct its affairs more in accord with long-established procedures of other administrative agencies adhering to the Administrative Procedure Act.¹⁴⁵ This provision first appeared in the Administration bill of the

through a United States district court. S. 214, 94th Cong., 1st Sess. § 24 (1975).

135. S. 1308, 94th Cong., 1st Sess. § 23(a) (1975). S. 1308 would allow any member of the Board of Examiners-in-Chief to issue a subpoena ex parte to the Solicitor, to parties to interference or priority-of-invention proceedings, or, upon some good cause, to parties to opposition proceedings.

136. S. 1308, 94th Cong., 1st Sess. § 23(c)(1) (1975). See FED. R. CIV. P. 26-37.

137. *Hearings on S. 1321 Before the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 93d Cong., 1st Sess. 89 (1973) (statement by Edward S. Irons, patent attorney, Washington, D.C.). Mr. Irons, in testimony, continued: "The Patent Office lacks even the power to compel patent applicants to disgorge relevant facts of which they may be possessed." *Id.* His general testimony includes some of the strongest and most telling criticisms of Patent Office procedures.

138. Section 41 of the Patent Code established fixed fees to be charged by the Patent Office with no specific reference to a relationship of recovery of fees to cost of operation. 35 U.S.C. § 41 (1970).

139. S. 1308, 94th Cong., 1st Sess. § 41 (1975).

140. *Id.* § 41(f).

141. S. 1321, 93d Cong., 1st Sess. § 41(c) (1973).

142. S. 2504, 93d Cong., 2d Sess. § 41(f) (1974).

143. S. 23, 94th Cong., 1st Sess. § 41(f) (1975); S. 214, 94th Cong., 1st Sess. § 43 (1975); S. 473, 94th Cong., 1st Sess. § 41(f) (1975); S. 1308, 94th Cong., 1st Sess. § 41(f) (1975).

144. S. 1308, 94th Cong., 1st Sess. § 1 (1975).

145. 5 U.S.C. §§ 551-559, 701-706 (1970). No similar requirement is imposed by S. 23, the

93d Congress, S. 2504,¹⁴⁶ and has been included in Senator Hart's bill in the 94th Congress.¹⁴⁷ Increased public confidence also should result from the requirement that the applicant have the burden of justifying the grant¹⁴⁸ and from adding to the adversary nature of Patent Office proceedings by giving the Patent Office Solicitor discretion to participate in approval proceedings¹⁴⁹ and to investigate possible violations of the Patent Code.¹⁵⁰

In addition to enhancing public confidence in the Patent Office procedure, S. 1308 seeks to increase judicial confidence in the patent by requiring a more complete record of the examination of a patent application.¹⁵¹ Under section 132, for example, the Commissioner may require that a written record be made of oral communications made to an examiner.¹⁵² Additionally, the examiner must state for the record his grounds for action taken on a patent application.¹⁵³ Furthermore, amendments to applications which enlarge the scope of patent claims must be identified specifically.¹⁵⁴

Furthermore, the Administration proposal would increase the adversary nature of the patent approval process by allowing a primary examiner or the Board of Examiners-in-Chief to request that the Solicitor participate in any proceeding in order to protect the public interest.¹⁵⁵ The Solicitor also has the authority to defend appeals pending before the Board of Examiners-in-Chief,¹⁵⁶ to exercise all rights that any other party can, including those of taking depositions and testimony,¹⁵⁷ and to conduct investigations to discover violations of the patent laws, rules, or regulations.¹⁵⁸ The concept of an institutionalized adversary to the applicant appeared in Senator Hart's bill of the 93d Congress where a similar function

bill selected for Subcommittee markup. In the belief that post-reform litigation could be reduced by incorporation of familiar Administrative Procedure Act procedures, however, the Administration is seeking inclusion of such a provision.

146. S. 2504, 93d Cong., 2d Sess. § 1 (1974).

147. S. 473, 94th Cong., 1st Sess. § 1 (1975).

148. S. 1308, 94th Cong., 1st Sess. § 137 (1975).

149. *Id.* § (3)(d)(1).

150. *Id.* § 24.

151. *Id.* § 132.

152. *Id.* § 132(b)(3).

153. *Id.* § 132(c).

154. *Id.* § 132(e).

155. *Id.* § 3(d)(1).

156. *Id.* § 3(d)(2).

157. *Id.* § 3(d)(3).

158. *Id.* § 3(d)(4).

would have been performed by a "Public Counsel."¹⁵⁹ The ability of the Solicitor under S. 1308, however, to initiate appeals in favor of the public interest before a patent has been issued is more limited than that which would have been given by Senator Hart's bill¹⁶⁰ and is much closer to the authority to initiate appeals in Senator McClellan's current proposal.¹⁶¹

One final manner in which the Administration proposal would improve the procedure for granting patents is by ensuring that the decision to reject or approve an application is based upon more and better information.¹⁶² Section 122 provides for publication of patent applications once issuance of a patent is requested,¹⁶³ and section 135 allows three months after publication for "any person" to notify the Commissioner of any information relevant to the merit of the applicant's claims.¹⁶⁴ This method for increasing information in opposition proceedings lies between Senator Hart's stronger bill of the 93d Congress, which made applications public¹⁶⁵ and allowed notification anytime before issuance,¹⁶⁶ and the more cautious approach of Senator McClellan, who would keep applications secret for 18 months¹⁶⁷ and allow notification of the Commissioner only after issuance.¹⁶⁸

The Administration proposal for opposition proceedings prior to issuance of a patent is designed specifically to increase judicial con-

159. S. 1321, 93d Cong., 1st Sess. § 3(d)(1973).

160. *Id.* § 3(d)(2).

161. S. 23, 94th Cong., 1st Sess. § 3(d) (1975).

The Hart bill differed from S. 1308 and from Senator McClellan's S. 23 in that under Hart's bill intervention by the Solicitor was discretionary whereas under the other two bills intervention would occur only upon request.

162. It must be emphasized that even though the Patent Office should behave more in the pattern of a typical administrative agency, the traditional role of the federal courts as final arbiters of patent validity must be retained. Rather than performing a secondary review of administrative action by the Patent Office, courts must consider *de novo* factors affecting patentability (such as prior use or sale) that never may have been considered by the Patent Office. Indeed the Patent Office, even with the proposed reforms, is ill equipped to discover those factors on its own. See Woodward, *A Reconsideration of the Patent System as a Problem of Administrative Law*, 55 HARV. L. REV. 950, 959 (1942).

163. S. 1308, 94th Cong., 1st Sess. § 122 (1975).

164. *Id.* § 135.

165. S. 1321, 93d Cong., 1st Sess. § 122 (1973).

166. *Id.* § 135.

167. S. 23, 94th Cong., 1st Sess. § 122 (1975).

168. *Id.* § 135. Senator McClellan's bill would allow information regarding the merits of the application to be submitted to the Commissioner within 12 months after issuance of the patent. *Id.*

fidence in the validity of issued patents.¹⁶⁹ By allowing opposition before issuance, section 135 subjects patent applications to increased scrutiny to ensure that the exclusive right conferred by a patent is as narrow as is proper. If no opposition were to be possible until after issuance, there could be simultaneous court litigation and Patent Office reexamination causing confusion and ousting the federal courts from their proper role as final arbiters of patentability.¹⁷⁰ Section 135 minimizes harassment of an applicant while encouraging those who oppose issuance to present evidence which perhaps would not be available otherwise to the Patent Office.¹⁷¹

Furthermore, the Administration advocates a variety of proposals to ensure that the applicant fulfills the usual duties and responsibilities of persons submitting *ex parte* information to the government. For example, a review for completeness of a patent application to ascertain whether the application taken as a whole is misleading is required at or near the time the patent issues to assure that all pertinent information is brought to the attention of the Patent Office while it retains jurisdiction over the application.¹⁷² This duty is reinforced by requiring the early filing of a patentability memorandum.¹⁷³

Acceleration and Improvement of Disclosure of New Technology

The second major goal of comprehensive patent reform is accelerated and improved disclosure of new technology. The basic premise of the patent system is that the *quid pro quo* for protection of an invention is the disclosure of the techniques and elements of the invention to allow others to build upon the invention and enjoy its

169. See note 127 *supra*. Because Senator McClellan would delay opposition proceedings until after issuance of the patent, see note 168 *supra* & accompanying text, the time for beginning those proceedings continues as one of the unresolved issues of patent reform for Congress.

170. See note 162 *supra*.

171. The Administration bill would provide better information for the patent system by other provisions as well. To assure the availability of adequate technical and scientific data, the Patent Office is to maintain a current and complete library, S. 1308, 94th Cong., 1st Sess. § 6(a) (1975), with the help of other government agencies, *id.* § 6(b). Better liaison is to be established with international organizations to increase the availability of understandable translated foreign technology. *Id.* § 9(c). The Patent Office is instructed specifically to engage in research and development to prepare for future information needs and to improve the ability of the Office to search for prior art. *Id.* § 10.

172. *Id.* § 115(a).

173. *Id.* § 131(b).

full use when the patent expires.¹⁷⁴ Even before expiration of a patent, disclosure should be adequate to provide opportunity for further improvement in, and cross-fertilization of, technologies. Precise delineation of what is protected by the patent can provide others with greater certainty in determining whether to proceed with new ventures, while imprecise knowledge of the protected invention encourages litigation and may frustrate legitimate business endeavors.

Although present law requires the disclosure of the "best mode" of carrying out an invention,¹⁷⁵ applicants may satisfy this requirement by presenting an operative example of the invention.¹⁷⁶ While an operative example may aid in demonstrating utility,¹⁷⁷ it does not necessarily disclose the "best mode . . . of carrying out"¹⁷⁸ the claimed invention. While several bills introduced during the past 10 years have suggested an increase in the number and specificity of the requirements for disclosure,¹⁷⁹ none of the suggestions adequately dealt with the problem of the submission of a mere operative example. S. 1308, however, would add meaning to the best-mode standard by requiring disclosure sufficient to enable one with ordinary skill in the art to utilize the invention within the trade or industry,¹⁸⁰ thereby encouraging submission of the best model for practical use.

By a provision first suggested in the Administration bill of the 93d Congress,¹⁸¹ S. 1308 would require that the specification of invention include a written description "of the novel and unexpected properties or results, and the old but superior properties or results, on which the applicant will rely in seeking [or] upholding the grant of the patent."¹⁸² This provision appears necessary in light of decisions allowing applicants to claim as a patentable product one

174. See note 123 *supra* & accompanying text.

175. 35 U.S.C. § 112 (1970).

176. MANUAL OF PAT. EXAMINING PROC. § 608.1(h) (1974).

177. See note 38 *supra*; 37 C.F.R. § 1.92 (1974) (working model may be required by Patent Office).

178. 35 U.S.C. § 112 (1970).

179. See, e.g., S. 23, 94th Cong., 1st Sess. § 112 (1975); S. 473, 94th Cong., 1st Sess. § 112 (1975); S. 2504, 93d Cong., 2d Sess. § 112 (1974); S. 1321, 93d Cong., 1st Sess. § 112 (1973).

180. S. 1308, 94th Cong., 1st Sess. § 112(b) (1975).

181. S. 2504, 93d Cong., 2d Sess. § 112 (1974).

182. S. 1308, 94th Cong., 1st Sess. § 112(a)(2) (1975). Significantly, Senator McClellan's bill omits the need for the patentee seeking to uphold his patent in court to rely upon novel results cited to the Patent Office. See S. 23, 94th Cong., 1st Sess. § 112 (1975).

which was a combination of old or known products but which had novel or unexpected properties in its new use.¹⁸³ To the extent that such an invention is patentable, its novel or unexpected properties or results should be disclosed fully to the Patent Office and public to provide the proper *quid pro quo*.¹⁸⁴ Any other new use of the old product not yet discovered is patentable, and potential discoverers of new uses should not be forced to speculate about what new uses already are patented. Furthermore, a court subsequently adjudicating validity of the patent as issued must know upon which "novel or unexpected properties or results"¹⁸⁵ the applicant originally relied. Without specific disclosure in connection with the patent application, the patentholder later could justify issuance of the patent by citing a new use subsequently discovered by himself or even someone else, thus unfairly and improperly upholding the validity of the patent.¹⁸⁶

Other Leading Goals of Comprehensive Patent Reform

The Administration advocates several provisions aimed at the third goal of patent reform, simplification of the procedure for obtaining a patent. For example, section 111(a) of the Administration bill allows not only the actual inventor, but also the owner (by assignment or otherwise) of the subject matter sought to be patented to file a patent application.¹⁸⁷ The bill also simplifies the procedure for correcting an error or mistake in naming an individual as inventor.¹⁸⁸

Particularly in view of the procedural changes contemplated, a final goal to be considered in undertaking comprehensive patent reform is to avoid lowering the substantive standards of patentabil-

183. See, e.g., *Jeoffroy Mfg., Inc. v. Graham*, 219 F.2d 511 (5th Cir. 1955), *cert. denied*, 350 U.S. 826 (1955); *Robertson Rock Bit Co. v. Hughes Tool Co.*, 176 F.2d 783, 790 (5th Cir. 1949).

184. See note 123 *supra*.

185. S. 1308, 94th Cong., 1st Sess. § 112 (1975).

186. An apparent attempt to rely upon a new use discovered after the application was thwarted by the Court in *Lincoln Co. v. Stewart-Warner Corp.*, 303 U.S. 545, 550 (1938), the Court stating: "[T]he respondent . . . urges that . . . the [invention] performs a new and different function The suggestion seems to be an afterthought. No such function of the [invention] is hinted at in the specifications of the patent. If this were so vital an element in the functioning of the apparatus it is strange that all mention of it was omitted." See also *Graham v. John Deere Co.*, 383 U.S. 1, 25 (1965).

187. S. 1308, 94th Cong., 1st Sess. § 111(a) (1975).

188. *Id.* §§ 111(g), 256.

ity. When the Administration bill¹⁸⁹ was introduced into the 93d Congress, President Nixon emphasized the importance of "maintain[ing] present standards for the awarding of patents, including the requirement that inventions serve a useful purpose. One of the virtues of the American patent system is its emphasis upon practicality—its demands that ideas be reduced to a tangible form having a known usefulness before the public should grant a monopoly on the concept to the applicant."¹⁹⁰

One example of the concern for maintaining the substantive standards of patentability is the retention in the current Administration bill of the present requirement that all jointly named inventors contribute to each claim of the patent application.¹⁹¹ Most other patent reform bills¹⁹² have suggested eliminating this requirement by, for example, provisions allowing joint application when "two or more individuals have jointly made inventive contributions to the subject matter of at least one claim of an application"¹⁹³ Eliminating the present requirement, however, would lower the standard of invention, muddle the prosecution of the application for, and litigation of, a patent and create a bias against individual inventors.

The current standard of invention for issuance of a patent might be lowered by eliminating the requirement of contribution to each claim. If several inventors collaborated to produce an invention, each individual might work on a different aspect of the invention and make an obvious (and therefore unpatentable¹⁹⁴) advance over prior art. The aggregate of the several advances, however, may appear to be a patentable nonobvious advance. Under present law,

189. S. 2054, 93d Cong., 2d Sess. (1974).

190. 9 WEEKLY COMP. PRES. DOC. 1198, 1201 (1973).

191. S. 1308, 94th Cong., 1st Sess. § 116 (1975). Because presently each claim is examined separately by the Patent Office and each invention must be made by two or more persons to apply jointly for a patent, 35 U.S.C. § 116 (1970), no patent will issue for a claimed invention unless all named inventors have contributed to each claim of the invention. The reason for the specific statement in S. 1308 requiring joint applicants to have contributed to each claim, *see* S. 1308, 94th Cong., 1st Sess. § 16(a) (1975), is that the inclusion of a provision allowing a corporation to file for a patent, *see id.* § 111(a), created the need to emphasize the substance of present law, namely, that a corporate applicant may name joint inventors only if each inventor has contributed to each claim.

192. *See, e.g.*, S. 23, 94th Cong., 1st Sess. § 116 (1975); S. 214, 94th Cong., 1st Sess. § 116 (1975); S. 4259, 93d Cong., 2d Sess. § 116 (1974); S. 1246, 91st Cong., 1st Sess. § 116 (1969); S. 3892, 90th Cong., 2d Sess. § 116 (1968).

193. S. 23, 94th Cong., 1st Sess. § 116(a) (1975).

194. 35 U.S.C. § 103 (1970).

because the individual inventors would not be able to file a joint application, no patent would issue for the aggregate invention. If the requirement of contribution to each claim by every inventor were eliminated, however, the individual inventors or their corporate employer could obtain a patent for the aggregate invention.¹⁹⁵

Moreover, application for and litigation of patents could be muddled by eliminating the present requirement of joint inventorship. Without that requirement, it would be difficult to ascertain what prior art should be relevant to which of the joint inventors.¹⁹⁶ Only through expensive discovery in litigation might the true inventorship of each claim be established; yet, by the time litigation commences, documentation of which joint patentholder was responsible for which portion of the aggregate invention could be lost or destroyed. Finally, a bias against individual inventors might result from eliminating the requirement that each inventor contribute to each claim. Individuals not working under one auspice would not be able to aggregate routine advances to make a patentable invention, and one person's work could be cited as prior art against the next person's successive incremental improvement. Without the present requirement, however, a joint inventor might share in a patent despite his having contributed no more than a routine advance, and his co-inventors' work might not be cited against him.

OBSERVATIONS FROM THE HILL

The path of any comprehensive reform legislation is inevitably long and difficult. A study of the course of patent reform efforts over the last decade is particularly illustrative of the roles of the principal participants in the legislative process: the executive branch,

195. Similarly, one person might make a patentable advance, and another person a trivial improvement over that. If the two inventors could file jointly, a patent could issue for the invention resulting from both advances, whereas under present law, the trivial advance would not be patentable. In *Atlantic Works v. Brady*, 107 U.S. 192 (1883), the Court explained that it would harm technological growth to grant patents on any routine or trivial technological improvement. The Court noted that the progress of the useful arts advances by a series of small steps, each of which follows from similar prior steps and prepares the way for the next. To grant a monopoly over any such slight advance, where no more than ordinary mechanical or engineering skill is shown, "tends to obstruct more than stimulate invention" for it impedes incremental improvements by placing a toll upon utilization of what has gone before to devise what is to come. *Id.* at 200.

196. The present "novelty" requirement, 35 U.S.C. § 102 (1970), prohibits the patenting of developments dedicated to the public by others, although the inventor also may not patent advances that he publicized himself more than one year prior to his patent application, *id.* § 102(b).

pressure groups, and the legislative branch. The present Administration's patent reform bill is itself a compromise package and undoubtedly will contribute to the compromise package that Congress ultimately will enact.

The Role of the Executive Branch

In analyzing the role of the executive branch in the legislative process, it is important to realize from the outset that no Administration is a one-minded monolith. A position taken by an Administration on any particular issue is necessarily a delicately constructed compromise among many diverse points of view. Although a unified position regarding patent reform finally emerged and now is supported by the Administration, the agreement was preceded by nearly continuous conflict between the Commerce and Justice Departments.

Each Department has special interests concerning patent reform. The Department of Commerce has jurisdiction over the Patent Office¹⁹⁷ and feels it has a better understanding of the administrative needs of the Office than does any other governmental body; moreover, it has an interest in representing its primary constituency, the American business community. The concern of the Justice Department's Antitrust and Civil Divisions is different from that of the Commerce Department. These two Divisions deal with patents after they issue and normally in court. They are concerned with legal and economic problems associated with patents or their commercial utilization, problems such as fraud, misuse, insufficient search, and marketing abuse.

The difference in viewpoints of these two Departments accounted for much of the conflict within the executive branch concerning patent reform. The Justice Department argued for a more comprehensive change in the present law to tighten the procedure for granting patents. During recent years federal courts, often pointing to the lack of information before the Patent Office at the time of its patentability decisions, have demonstrated an inclination to invalidate patents.¹⁹⁸ Consequently, the Justice Department sought more specific disclosures,¹⁹⁹ more specific oaths or statements by applicants

197. 35 U.S.C. §§ 1, 3, 6 (1970).

198. See note 127 *supra*.

199. See note 186 *supra* & accompanying text.

and their attorneys,²⁰⁰ and pre-issuance opposition proceedings to effect greater disclosure.²⁰¹ The Commerce Department tended to oppose detailed statutory requirements, preferring to allow greater discretion to the Commissioner of Patents.

After promises of agreement are obtained through White House arbitration, such intramural disputes usually are subsumed in a unified Administration position, although the contesting parties may continue to advance their respective arguments internally. On the issue of patent reform it seems clear that the Commerce and Justice Departments must each have lost some issues and won others.²⁰² Thus, even though the executive branch now presents a unified position on patent reform, disagreements undoubtedly remain which could resurface. Given the strong executive branch support of S. 1308 by President Ford's Administration, however, a break in the present united front seems unlikely.²⁰³

The Role of Interest Groups

Throughout the protracted debate concerning patent reform, a stream of ideas, amendments, and criticisms has been directed at the decisionmakers from sources outside government. Because the public generally is uninterested in the subject of patent reform,²⁰⁴ comment primarily has been from patent lawyers. The lobbying patent bar has been both articulate and well organized, acting through the offices of major corporations that depend upon patent protection, through professional patent groups and societies, and through individual patent lawyers representing individual inventors. The patent bar has worked with both local groups and national organizations such as the National Association of Manufacturers and the National Chamber of Commerce, the American Patent Law Association, and sections of the American Bar Association. On the

200. Cf. 35 U.S.C. § 115 (1970).

201. See notes 164-69 *supra* & accompanying text.

202. Perusal of the public speeches and congressional testimony by representatives of the Commerce and Justice Departments over the past decade of debate concerning patent reform will suggest the range of disagreements between the Departments.

203. The delay in resubmission of the Administration patent reform proposal to the 94th Congress suggests that the Ford Administration did reevaluate its official position, but that it decided after that review to adhere to the position previously taken by President Nixon and his Administration.

204. See note 56 *supra*. In this sense, patent reform has been an unusual issue, since the general public can have a significant impact on the content of most legislation.

local level, patent lawyers in private practice have been particularly vocal because their entire livelihoods may depend upon continuance of the patent system.

Generally, the patent lobby has favored minor changes rather than the more innovative ideas such as pre-issuance opposition proceedings, maintenance fees, and deferred examination of patent applications. Although not all of the more sweeping proposals are necessarily beneficial, the patent bar has exhibited a general reluctance to consider substantial change which the Administration has recommended to improve the quality of issued patents. This reluctance has been evidenced by repeated attempts to have Congress accept specific legislation drafted wholly or largely by professional patent organizations and reject bills written by the government agencies responsible for the public consequences of the patent system. These active lobbying efforts have included some extremely valuable detailed analyses sent to Senators and Congressmen. Correspondence has been augmented by frequent visits to legislators and their staff by members of the patent bar, and by calls from officers of large corporations explaining how important certain bills are to their corporations. When all of these pressures are brought to bear on an issue as relatively narrow as patent reform, they can have a significant impact.

The Role of Congress

The task of Congress is to formulate a legislative package that makes sense of the multiple factors involved and best serves the public interest and the nation's complex economic system. Often, as with the issue of patent reform, there are strong countervailing pressures. The executive branch may seek blanket acceptance of its proposal while interest groups are adamant that entirely different legislation be enacted. As with the patent legislation, Congress may move independently after reviewing the various alternatives.

Certainly Congress should not blindly accept legislation drafted wholly outside the confines of Capitol Hill, because the hearing and study process of the legislative branch is particularly helpful for issues as complex as patent reform. Although bills drafted by an interest group almost certainly will be slanted toward the particular needs of, and economic benefit to be gained by, that group, some members of the patent bar and representatives of corporations have insisted that Congress accept the bill drafted by the patent bar on

the ground that those who use and profit from the law daily know it best and should, therefore, dictate what changes are to be made. The authors feel strongly that this posture should be rejected by legislators, no matter what the legislation might concern. If it were to prevail generally, patent lawyers would write patent law, bankers would write banking legislation, and each special group could veto legislation it does not like. Unfortunately, the Congress defers in far too many cases, and bad law all too frequently results. The legislative branch is composed of generalists from varying backgrounds who daily make policy decisions in a multitude of complex areas based on the best possible evidence available—that is the way the system must function. Special interests may offer helpful reactions, but they must not be permitted to usurp the legislative function by being permitted to write the rules of the game governing a complex society.

The long-awaited patent reform bill, if it emerges, hopefully will be a compromise measure which will strengthen the patent system in a meaningful way. The thousands of man-hours expended in the last 20 years by all parties will be for naught, unless Congress itself makes the necessary difficult choices.