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PRESIDENT FRANKLIN PIERCE LAW CENTER HOUSE JUDICIARY COURTS AND INTELLECTUAL
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BODY:

Brief Summary of
Statement In Support Of H.R. 359
To Restore The Term Of United States Patents,
Before The Subcommittee On Courts And Intellectual Property Of
The House Committee On The Judiciary
November 1, 1995

By

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The 20-year patent life from application filing in the circumstances of pioneer and breakthrough and radically new technology inventions does not assure anything like the earlier 17 years of patent protection from date of grant that previously underpinned the greatness of America's innovation record -- a record not even approached by Europe or Japan with their 20 year mind set which unfortunately was copied into the GATT legislation.

The real world process of building competent and full ultimate patent claim protection from the first approximation at the time of the infant invention and its hurried filing in the Patent Office, coupled with the Patent Office paranoia for

haste rather than quality, often takes much more than just three years of patent application prosecution, leaving the inventors shortchanged on the earlier guaranteed 17 years, though to the delight and benefit of foreign competition.

I have reviewed three such pioneer inventions with which I have personally been involved -- power steering(now in everybody's car worldwide), crystal controlled electronics (now on everybody's wristwatch all over the world), and electronic flash photography (now on everybody's camera).

None of these breakthrough inventions could ever have developed in the explosive manner they actually did, under the current 20 year law, nor would they have even begun adequately to reward the respective inventors. Nor would some of my own inventions in radio navigation and other systems have fared well under the current GATT legislation.

Congress moreover promised the American people, including inventors, that the fast track GATT legislation would absolutely not extend beyond what the GATT treaty actually required--but H.R. 359 proves this to be another unkept promise of government, affording this subcommittee, by adoption of H.R. 359, the opportunity to keep faith with its citizens.

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Thank you Chairman Hyde for soliciting my views on H. R. 359 this morning.

I would like to speak about this bill to this committee from the perspective of four separate viewpoints of my lifetime experience:

(1) as an inventor and entrepreneurial founder of several companies, still successfully thriving and providing employment;

(2) as an educator and researcher in the field of patents;

(3) as an international patent and technology transfer lawyer who has had the wonderful lifetime experience of helping inventors launch new high technology companies for over four decades, at least one of which companies is now a Fortune 200 company; and

(4) as a concerned citizen quite disillusioned, as are many of our citizens, and in particular those in the independent inventor and entrepreneurial and small business communities, with the behavior and lack of sensitivity of the Congress in the area of new patent legislation.

Our Constitution foresightedly provided for "limited time" protection of the "rights" of an "inventor" to the inventor's "discoveries" -- and the Patent Laws enacted in pursuance of this Constitutional provision, have afforded inventors the way to protect the "discoveries" by the legal mechanism of patent claims; i.e. succinct paragraphs defining the metes and bounds of the novelty over the prior art-- the legal definition of the term "invention".

And here is the first of the inventor's dilemmas.

If the inventor claims too broadly and encroaches upon prior art anywhere in the world (much unknown and unknowable to the inventor), the Patent Office, or later the Courts, will reject the claims. If, on the other hand, the inventor claims too narrowly, the world becomes free to appropriate the "discovery" thus not protected to the full scope of what was actually invented.

Remember, now, that all the inventor and the patent attorney initially have before them in the rush promptly to get a filing date in the Patent Office, is the very preliminary "baby" --the first form or manifestation of the discovery. At this initial stage, there is inherently neither the clairvoyance or full understanding by either the inventor or attorney of the true significance or scope of the discovery, as crudely initially conceived and implemented.

And yet, it is in this posture that the inventor must define his patent claim at his or her peril.

This is particularly exacerbated in the case of pioneer or break- through inventions delving into the cutting edge of the real unknown.

Well--how, you may ask, did American inventors for 200 years succeed in getting the full protection which their inventions warranted?

It was because the clock on their ultimate 17 year patent term, did not start tolling upon the filing of the application; but, rather, only after the inventor had several years of back -and - forth dialog with the Patent Examiner (for which the inventor's patent life was not heretofore penalized), re-defining, correcting and amplifying the originally presented claims, both in the light of the prior art that the Examiner uncovered in his or her searches, and in light of the knowledge gained in the continued development of the actual prototypes -- that is, actually learning what really is important to making the invention commercial, and should thus be stressed in the ultimate patent claims to afford fair and proper scope to the claim definition of the full inventive concept underlying and involved in the initial discovery.

In passing the 20 year term of the GATT legislation, currently with us this reasonable opportunity to assure the inventor his or her due full protection has been seriously impaired -- junking a system, mind you, that has worked so well for two hundred years and has made America, not the rest of the 20 year term countries , the most successful innovators.

As if this is not debilitating enough, the Patent Office apparently sees only its bureaucratic mission, almost in a vacuum, and without any apparent sensitivity to the difficulties in the real world of the patent claim drafting and developing process. In that real world, the inventors must clairvoyantly create claim language, and the Patent Office merely criticizes, rejects, tears down and collects fees.

On top of this, the Patent Office has the current regulation that gives every patent applicant only one chance to respond after receiving the Patent Office search and to try in that brief interval satisfactorily to amend the claims for acceptance.

This indiscriminate practice of having the second Patent Office communication almost invariably a final rejection, shutting off the applicant puts the inventor in the dilemma of either giving up and abandoning the application or appealing to the Board of Appeals, and on what is still usually then a very incomplete dialog and prosecution record (folly, on its face). The applicant is therefore forced to refile the application as a "continuation(s)", paying a brand new patent filing fee, just for the privilege of having a second crack at amending the claims or otherwise understanding and overcoming the Examiner's criticisms, to satisfy both inventor and Examiner.

Since Congress, in its infinite wisdom, and unlike any other country in the world, developed or undeveloped, at least with which I am familiar, has seen fit to put the total financial support of the Patent Office on the collection of fees from, and on the backs of the inventors, it seems a bit like the pot calling the kettle black to hear the Patent Office whine about applicants "delaying", patent issuance with the filing of "continuation" applications!

Not only is the inventor, in the real world, actually forced into the "continuations" and thus penalized with additional Patent Office and legal costs, but the present GATT law further penalizes the inventor by shortening the life of the patent by the time involved in the "continuation" or "continuations". But "continuations" are not the only new fee-extracting and time-tolling players in the game. The Patent Office, particularly where several modifications are present in the application, or both articles and the method of making them are in the same patent application, often requires restriction or election of what part of the invention is to be pursued in this application, and what parts should be "divided" out and re-filed as separate "divisional application(s)" -- you guessed it, again, with new fees, new examination all over again, and more delays which, under the GATT bill, all toll from the original patent application filing date. So, also, if the inventor adds new improved materials to the "continuation" (a so-called "continuation-in-part") it is likely that even the new material, which should properly take the date of its addition, will be tainted with the twenty years from the original filing date.

While it is true that the current law providing 20 years from the application filing date does provide a mechanism for requesting patent life extensions, this leads only to more regulations and more new Procedures in the Patent Office to prove eligibility for an extension, and new costs for the inventors to support the processing of requests for extensions and for contesting such issues.

And we thought Congress and the Presidents of both parties wanted less regulation and cost cutting!

And all this because, contrary to their loud promises that implementing legislation under GATT would strictly be limited to compliance with the requirements of GATT and go no further -- a much heralded pledge by the President, House and Senate -- they apparently forgot about their pledge when it came to the 20 year term, and even slipped in a whole new system of provisional patents not in the slightest required by, or having anything whatsoever to do with GATT -- and also fraught with a myriad of new regulations and new costs to implement.

Who can inventors trust, if anyone, in government?

Until the recent rash of piecemeal patent law changes, our patent laws were well tailored and matched to the real world innovative needs of the creators of the new ideas and businesses. These recent piecemeal special interest changes, including the GATT patent law changes, are trying to fix something that not only is far from "Id broke", but that has been stunningly thriving. They are eroding away these well-proven rights and stimulations to small inventive businesses.

In days gone by, indeed, the difficulty of assuring an inventor proper claim protection in this difficult claim prosecution process, was recognized even by statutorily instituting a reissue proceeding! Even after the issuance of a patent, if the true inventive scope had still not been appreciated, claims may be broadened and reissued (though with protection for possible intervening rights of the public).

What a contrast is this earlier American Congressional philosophy for substance sake and for fairness to inventors, as compared with today's bureaucratic and typical European and Japanese form mind set, that has been adopted in our current 20 year law shackles.

America, in my view, distinctly does not owe its prior greatness to such small-minded bureaucratic thinking.

As for entrepreneurial and business - start up considerations, I have been involved in researches over the years at the Academy of Applied Science, MIT, the PCT Research Foundation and in my own law practice, which have confirmed the findings of others that, even under the tried and true guaranteed 17-year patent term from date of patent issuance, the average number of years consumed in the real-world experience to launch and then start to get a return on commercializing of an invention, is at least 7-9 years from date of patent ant (not application filing),

And for break - through or pioneer technology, from 12-15 years from date of issue; with some patents actually expiring before commercialization is attained!

From my firm's clients and first-hand experience, here are a few striking examples:

1. Independent Inventor Francis W. Davis -- inventor of hydraulic power steering (who became my client and dear friend considerably after this basic invention).

First steering gear coupling patent 1,572,519 expired 1943- and open center valve power steering patent 1,790,620 expired 1948. The Davis power steering was not adopted by GM until the late 1950's and licensed from Davis under a later, still live improvement patent.

Commercial significance: "Daniel V. DeSimone, director of the Office of Invention and Innovation, United States Dept. of Congress, appearing before a U.S. Senate Judiciary Committee, May 18, 1965, stated "What has the power steering gear meant in terms of gross national product? I am unable to compute the figure, but it is certainly substantial. In 1964, for example, 3 1/2 million gears were sold. This amounted to a gross sales volume, including the necessary accessories, of roughly 350 million dollars. Crank that figure into the economy and the resultant GNP, employment, etc., are substantial by any measure,""

(Page 156, The Unreasonable American, Francis W. Davis, Inventor of Power Steering, Houston Branch and Wendall Smith - Acropolis Books Academy of Applied Science 1968).

2. Independent Inventor George W. Pierce (Harvard University) - inventor of the crystal - controlled electronic oscillator. (Professor Pierce was originally a client of my father and law partner, David Rines, and I was privileged, on joining my father, to conduct Pierce's patent infringement litigation countrywide, and ultimately successfully).

Basic patent application filed Feb. 25, 1924 and, after much prosecution and appellate process in the Patent Office, and several patent interferences, also appealed to the Courts, (contests stimulated by others who saw Professor Pierce's scientific publications), issued as a patent on October 18, 1938 (over fourteen years after filing) as patent 2,133,642.

Commercial significance

Launched the frequency - controlled standard business of General Radio Company (now GenRad); and through licenses to AT&T, Western Electric, Bendix, GE, the U.S. government and many others, ushered in the modern era of crystal-oscillator frequency control which is at the heart of FM, television, mobile communications, and is today used on nearly everyone's quartz-, controlled wrist watch throughout the world.

It is impossible to assess the precise trillion dollar figures and hundreds of thousands of jobs spawned by this breakthrough invention.

3. Independent Inventor Harold E. Edgerton (M.I.T.) - electronic Pash photography; stroboscopes. (The late "Doc" Edgerton became a client of my father, while "Doc" was an assistant professor at M.I.T. Again, I was privileged, on joining my father's practice, to become "Doc's" patent lawyer and the first patent lawyer of his post- war developed company EG&G, later discussed, and the litigator of his patents).

While originally filed on May 9, 1932, one of Edgerton's basic patents, because of difficult Patent Office prosecution and appeals, and because of interference contests with other would-be inventors, stimulated by Professor Edgerton's scientific publications, did not issue until over 7 years later on December 5, 1939 as patent 2,181,879.

Commercial significance:

EG&G, now a Fortune 200 company, launched out of the electronic flash inventions of "Doc" Edgerton and his former students Ken Germeshausen and Herb Grier, has given employment to tens of thousands in the U.S. and world wide.

The war-time advantage given our country by these electronic pulse inventions in the development of atomic weaponry and radar is enormous (Edgerton et al, incidentally, giving the U.S. government free license during the war, though collecting licensing fees for usage after the war).

Licenses granted to Eastman Kodak, Polaroid, General Radio, General Electric, Sylvania, and a myriad of new and developing photographic equipment manufacturers, not only provided funds for the launching of EG&G, but gave rise to the electronic flash universally used on the world's cameras of today, and the strobe lighting systems of today's world airports.

The bringing of these enormous contributions to American society, business and job-making by these three illustrative pioneer independent inventors alone, is proof that our original system with a firm 17 years from grant, and not the new total 20 - year shackle (despite a possibility for fighting for extensions) was well totally suited to accomplish these great results. Their dogged patent application prosecution to the attaining of their deserved broad protection, and the defeating of conflicting challenges to their entrepreneurship to-gain clear title for the development of their businesses and/or licensees' businesses, could not, in my view, have been accomplished under our 20-year present law with its pre-set Procrustean time limitations.

If, indeed, hurry-up prosecution -- the God of the current GATT legislation and of the Patent Office -- is to continue as the standard for American inventors and entrepreneurs, clearly the 20 year shackles have taken away much needed and previously available time from at least the independent and small company inventors-- certainly the break-through or pioneer inventors-- and the new start-up or expanding small entrepreneurial high technology businesses; concerned not with bureaucratic speed, but with careful and thorough patenting with its attendant economic advantages and results.

While I consider that my own inventions blanch in comparison with the giants, above, may I call your attention to the fact that there were only three years left on the life of my high power pulsing patent 2,786,132, issued March 19, 1957, when our company, Megapulse Inc. of Bedford, Massachusetts, succeeded in its first commercial realization of solid-state Loran-C navigation transmitters. Even this short life, however, provided the impetus and credibility for the developing of this company (in which I currently serve as Vice-Chairman and counsel) into the world's leading manufacturer of this type of navigation equipment, and with employment at peak times of up to about 200 engineers and workers, and now with joint ventures in Russia and China. My patent application was filed November 21, 1946 and it took eleven years finally to get from the Patent Office the broad claims to which I was entitled, including by appeal, and which secured Megapulse's position and enabled the first sale.

We'd clearly never have left the ground under the 20-year rule.

And there are other reasons why indiscriminate 20-year from filing shackles are inappropriate. (See attached New York Times October 9, 1964 article: A Submarine Detection System Wins a Patent After 21 years" -- attached).

Earlier wiser and more real-world - tested heads than apparently appear on today's horizon, have understood the validity of an old adage -- haste makes waste.

Now, turning lastly, as an independent inventor and entrepreneur, as an educator, as a patent lawyer, and as a humble citizen, there is another reason for restoring the 17-year from grant term, while still admirably complying with all that GATT actually required of us, as can be well accomplished under H.R.359.

As before mentioned, Congress (and the President) represented widely to the American people that, in return for "Fast-track", no debate legislation under GATT, the legislation would be strictly restricted to precisely what was demanded by the GATT undertakings, with the assurance that absolutely nothing outside such mandatory legislation would be slipped into the legislative provisions.

Either not aware of this solemn promise to the American public, or in blatant, callous and defiant disregard thereof, and breaking trust with the American public and particularly the inventors and smaller entrepreneurs, both the Patent Office promoters of the GATT patent legislation and your predecessors on this subcommittee, led the Congress into passing GATT patent legislation that, as H.R. 359 proves, went far beyond what GATT actually required of patent term particulars, and even created and slipped in a brand new provisional patent system, a Patent Office concoction having nothing to do with, and absolutely not mandated by, GATT treaty undertakings.

Now we witness, as a consequence, more regulations in the Patent Office and more costs, despite the other unkept promises of the Congress --in both parties -- that they want less regulation and less cost.

Do you wonder why we inventors, and probably the whole rest of the American public, no longer feel we can trust government - or, sadly, any longer trust the Patent Office into whose hands we have heretofore entrusted our innermost secrets?

So here is your chance, Mr. Chairman, for your sub-committee not only to adopt H.R. 359 because, on its merits, it is better for the inventive and entrepreneurial communities as a whole, as I hope has been demonstrated above, but to say to the inventors, their lawyers and backers, and the whole American people: "We in Congress made a mistake in not honoring our pledge not to slip in extraneous legislation not actually demanded by GATT; and we are anxious to regain the confidence of our people to show we can be truthful and trusted."

This can be a significant and affirmative start on the road of rebuilding our trust in you -- and I hope this sub-committee and your colleagues are big enough to seize this opportunity and to recommend H.R. 359.

Thank you.

LANGUAGE: ENGLISH

LOAD-DATE: November 1, 1995

