

JRH

U. Ill v. Blonder

NOTES
NOTES

Re: Expert testimony on obviousness

138	PQ	663	at	665
147	F. 22	138	at	142
132	PQ	98	at	101 n(2)
35	F. Supp	198	at	211
145	PQ	67	at	72
150	PQ	95	at	95
123	PQ	108	at	110
114	PQ	94	at	95
85	PQ	94	at	99
73	PQ	385	at	387
104	PQ	261	at	267
146	PQ	47	at	51

Principal Case

265 F 902

155 F 2746

251 F 898

55 US 252

149794

Anti-trust Law

329P² 567 *Allen v. Seaco* - ^{viol. act} Sec. 2 - Attempt to monopolize - not necessarily successful -

328P² 265 *Pryor v. Farmer* - Tyres - per se violation

225P² Supp 762

246P² Supp 464 *US v. Fry* - Requirements K. -

723P² Supp. 677 *Angel v. Photo Eng.* - Patent Sec 8 - no in intimidation of customers - Conspiracy
5 USC /
See also - *Singhabe* - 158P² Supp 540; 262P² 824

62P² - 11 *Loew* - Tip in - movie dist. - seller with some economic power to restrain copy

42LE² - 98 *Seymour v. Union Oil* - Size of Compliance is unimportant -

5LE² 358 *Re. Lion & Bar* - Violation + damage all the is necessary.

5LE² 580
~~365 483~~
Taylor v. Nabulde - Requirements K. - held OK

J. Hoffman

191 P.S. 105

U.S. v. ALSCO

Tying agreement

US v. Crow Electric

96 P² 395
169 P Supp 1

Bl. H. v. Total

Tying is misuse even if
no 1st article tied

116 P² 456

Rodovich v NFL

Public wrong not necessary
Injury to individual in public wrong

316 P² 741

Kloris v Broadway Hotel

Boycott conspiracy -
size of complaint not material

Unfair Competition

Advertiser

False w/ regard to price

False w/ regard to payment

Threat

Litigation & news releases -

False patent making of entrance -

— fraud on P.O.

Hiring key personnel

Tie in sales - Meccoid

Intro Slides

Upper Comp has been described
of 5

Roger v. Stoddy

False

The ~~comp~~ cumulation result of these
actions by COTS was ~~to~~ ^{wrongfully} deny
BT an opportunity to compete for the
same revenue T.W. business, ~~as~~

It is well established that both
unfair competition and patent violation may be
~~the~~ ~~result~~ of ~~malice~~ by a series
of acts each of which in itself might ~~not~~
~~be~~ ~~for~~ ~~unfair~~ ~~competition~~ not constitute a serious
wrong.

Kobe v Dempsey, 198 P^{2d} 416 - regarding
patent + malice, inference re coverage ~~patent~~

Further, where act of comp. has the
purpose of ~~effecting~~ ~~the~~ ~~of~~ ~~establishing~~ ~~control~~ ~~the~~
key ~~control~~ or ~~control~~ violation

Callman, Comp. T.W. & Monopolies § 155
Halt - See 15.1c (Vol. 1, p 285-288)

Goodman

9-16 - Hensler & Smith

10-15 - web - punch
comp - mid.

17 - Thole in Smith

Hens - Two webs - move down post change
plate - drop flock - fig 1
blow flock - figs 3 & 4

Smith - Spring Pipe on roll - electrostatic
field - normal to surface

Thole - Apply insulation to ^{grounded} wires
draw upwardly through roller -
drop flock into ~~electrostatic~~ field ^{between} for
contact electrodes to surrounding wires.

Henselberger & Hill - Curvature w/ Hair

White - Clearer or Saverage roll for
spring or roving frame - roll with
pitch 45° to wire and to direction of flow

Durley - Dust roller - 150, 688 - Electrostatic flock
to web.

Thole - Vertical roller - flock from roll to web -
electrostatic

Stall - Long line to take - drop flock from
above roll - electrostatic

Adams - rubber backed wavy pile rolls.

Ranking - Coats of low pile.

Launder - fibres in plates sheet -
Some inclined - sheet sheet -
was electrostatic

Teging (Contract Case) 2830 5 27
Letch 302 458
Moulton Salt 314 05 488

General of the act described above
is constituting unfair competition, also
constitutes monopolistic practices.

It has been demonstrated that ~~the~~ ^{the}
patent in suit were procured by acting
fraud on the P.O. ~~Further filing on~~
~~app. on the Vd and in concept suggested by another~~
Isbill - in filing '31' official certificate
De heard reg - - -

Pages & C. - in filing app on Vd for Patent
antenna - knowing that it was suggested ^{to them} by another
The subsequent actions found in connection with
patent is an attempt to monopolize the
log printer. How TV rept antenna field
is a violation of Sec. 297 of Sherman Act.
15 USC 2, Walker Process Equip.
Food Machine, Chan Corp. - 382 US 172,
152 B2 247, 88 S Ct. 317 (1965)

The wrongful marking of antenna by FD
with pat. nos. which were admittedly not applic-
able is an action in restraint of trade -
under ~~S~~ 15 USC 1 - Cile Surgeon.

In connection with the antitrust aspect, it should be noted that in D. Ex. ⁴² B-101, it is conceded that "JFD Electroniss Corp." is "one of the world's largest producers of TV antennas"; and that the JFD ad, D. Ex. 42, J-6, identifies JFD as the "World's largest manufacturer of TV & FM antennas", a statement which Mr. Finkel testified at D. Ex. 42, page 22, was "accurate" and "true". The activities complained of ~~was~~ were, therefore, thus of the leading manufacturer and supplier in the field and were directed against BT, a brand newcomer to the commercial antenna market.

Adventis, felix p. 1
" 91

Mathews

Massachusetts, 1888.

frase din poem:

reîntrî, pe omul

tie în

False ^{patent} marking or overstate.

Signature v. Scholl - 158 F Supp 540

Kolb

Angel -

False as per -

London Kolb + Com. (Kob.)

Sent to third party sent to publisher

Robbin v. Peterson - 51 F² 174

Toulmin -

Ponay

Maytag - 35 F² 403

Hingway - Sugar Creek - 75 PA 193

Letter

Antitrust works v. American & Steam
70 F² 641

Cite Percy. CA 7

Fimbles dep. -

B4-B4A #23

of Boulder Dep. -

ity; proceedings open to
antitrust laws.
only.

visions the Sherman Anti-Trust
Act, and the Clayton Act of Oct.
15, 1914, of this title and sections

contracts or transactions, see
quatic products, see section 522

s monopolizing or restraining
of Title 7, Agriculture.
section 1221 et seq. of this

ating anti-trust laws, reference
Armed Forces.

etc., see section 5b of Title 49,

freight prohibited, see section

ation of anti-trust laws, see

Title 5, Executive Departments.

on or proceeding arising under
Judicial Procedure.

ed, see section 502(h) of Title

with manufacturers and others
d hog-cholera virus, see sec-

e with processors, producers,
in handling any agricultural
of Title 7.

le, see section 62 of this title.

s and violation of anti-trust
of business of offending cor-

on 47 of this title.

or wholesale price prohibited,

in import trade as unlawful,

sections 1012 and 1013 of this

Packers or live poultry dealers restraining commerce or creating a monopoly, see section 192 of Title 7, Agriculture.

Radio—
Competition in commerce, see section 314 of Title 47, Telegraphs, Telephones, and Radiotelegraphs.

Manufacture or sale, see section 313 of Title 47.

Refusal of license after revocation, see section 311 of Title 47.

Telecasting of professional sports contests, antitrust laws exemption, see chapter 32 of this title.

Tobacco control, compacts between States, see section 515 of Title 7, Agriculture.

§ 1. Trusts, etc., in restraint of trade illegal; exception of resale price agreements; penalty

Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal: *Provided*, That nothing contained in sections 1-7 of this title shall render illegal, contracts or agreements prescribing minimum prices for the resale of a commodity which bears, or the label or container of which bears, the trademark, brand, or name of the producer or distributor of such commodity and which is in free and open competition with commodities of the same general class produced or distributed by others, when contracts or agreements of that description are lawful as applied to intrastate transactions, under any statute, law, or public policy now or hereafter in effect in any State, Territory, or the District of Columbia in which such resale is to be made, or to which the commodity is to be transported for such resale, and the making of such contracts or agreements shall not be an unfair method of competition under section 45 of this title: *Provided further*, That the preceding proviso shall not make lawful any contract or agreement, providing for the establishment or maintenance of minimum resale prices on any commodity herein involved, between manufacturers, or between producers, or between wholesalers, or between brokers, or between factors, or between retailers, or between persons, firms, or corporations in competition with each other. Every person who shall make any contract or engage in any combination or conspiracy declared by sections 1-7 of this title to be illegal shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding fifty thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court. July 2, 1890, c. 647, § 1, 26 Stat. 209; Aug. 17, 1937, c. 690, Title VIII, 50 Stat. 693; July 7, 1955, c. 281, 69 Stat. 282.

Historical Note

1955 Amendment. Act July 7, 1955, substituted the words "fifty thousand dollars" for the figure "\$5,000" in the last sentence.
Legislative History: for legislative history and purpose of Act July 7, 1955, see 1955 U.S. Code Cong. and Adm. News, p. 2322.

1937 Amendment. Act Aug. 17, 1937, added two provisos.

ferences to which each would not otherwise be entitled. *Mid-South Distributors v. F. T. C.*, C.A.5, 1961, 287 F.2d 512, certiorari denied 82 S.Ct. 36, 368 U.S. 838, 7 L.Ed.2d 39.

A cooperative association must respect prohibitions of Robinson-Patman Act, sections 13 and 13a of this title, this section, and section 21a of this title, against discriminatory price differentials. 10.

This section stating that nothing in Robinson-Patman Act, sections 13 and 13a of this title, this section, and section 21a of this title, shall prevent cooperative association from returning to its members any part of association's earnings would not permit cooperative to violate provisions with respect to acquisition of products at a favorable and discriminatory price differential, though savings would be passed on to members. *American Motor Specialties Co. v. F. T. C.*, C.A.2, 1960, 278 F.2d 225, certiorari denied 81 S.Ct. 169, 364 U.S. 884, 5 L.Ed.2d 105.

5. Knowledge of illegality

This section stating that nothing in Robinson-Patman Act, sections 13 and 13a of this title, this section, and section 21a of this title, shall prevent cooperative association from returning to its members any part of the association's earnings does not prohibit imputing to cooperative knowledge possessed by membership for purposes of establishing knowing receipt of illegal discriminatory price advantage in violation of said act. *American Motor Specialties Co. v. F. T. C.*, C.A.2, 1960, 278 F.2d 225, certiorari denied 81 S.Ct. 169, 364 U.S. 884, 5 L.Ed.2d 105.

6. Orders of commission

Federal Trade Commission's cease and desist order against cooperative jobber groups buying automotive parts from manufacturer-suppliers at discriminatory prices did not deprive cooperatives of their right under this section to distribute net earnings to member-jobbers. *Mid-South Distributors v. F. T. C.*, C.A.5, 1961, 287 F.2d 512, certiorari denied 82 S.Ct. 36, 368 U.S. 838, 7 L.Ed.2d 39.

profit institutions from price dis-

sions
and 21a of this title, shall apply to their own use by schools, colleges, churches, hospitals, and charitable profit. May 26, 1938, c. 283, 52 Stat.

Notes of Decisions

Exemptions as increased by section 1
Governmental purchases 2

1. Exemptions as increased by section

This section having been enacted after adoption of section 13 of this title is to be construed as adding to existing exemptions, rather than as repealing exemptions by inference. *General Shale Products Corporation v. Struck Const. Co.*, D.C.Ky.1941, 37 F.Supp. 598, affirmed 132 F.2d 425, certiorari denied 63 S.Ct. 857, 318 U.S. 780, 87 L.Ed. 1148.

2. Governmental purchases

Where, at time of enactment of this section, section 13 of this title had been con-

strued by attorney general as not applying to governmental purchases, after enactment of this section said section 13 could not be construed as applying to a transaction involving a transfer of title to bricks from a Kentucky construction company to a municipal housing commission under a contract for a slum clearance project on ground that exemptions did not specifically include purchases by the government, state or city. *General Shale Products Corporation v. Struck Const. Co.*, D.C.Ky.1941, 37 F.Supp. 598, affirmed 132 F.2d 425, certiorari denied 63 S.Ct. 857, 318 U.S. 780, 87 L.Ed. 1148.

§ 14. Sale, etc., on agreement not to use goods of competitor

It shall be unlawful for any person engaged in commerce, in the course of such commerce, to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller, where the effect of such lease, sale, or contract for sale or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce. Oct. 15, 1914, c. 323, § 3, 38 Stat. 731.

Cross References

Administrative authority to enforce compliance with this section, see section 21 of this title.
Monopolizing trade, see section 2 of this title.

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Sec.

- 21a. Actions and proceedings pending prior to June 19, 1936; additional and continuing violations.
- 22. District in which to sue corporation.
- 23. Suits by United States; subpoenas for witnesses.
- 24. Liability of directors and agents of corporation.
- 25. Restraining violations; procedure.
- 26. Injunctive relief for private parties; exception.
- 27. Effect of partial invalidity.
- 28. Expedition of actions by United States involving general public importance.
- 29. Appeals to Supreme Court.
- 30. Depositions for use in suits in equity; proceedings open to public.
- 31. Panama Canal closed to violators of antitrust laws.
- 32. Immunity of witness.
- 33. Immunity extended to natural persons only.

§ 15. Suits by persons injured; amount of recovery

Any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefor in any district court of the United States in the district in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover threefold the damages by him sustained, and the cost of suit, including a reasonable attorney's fee. Oct. 15, 1914, c. 323, § 4, 38 Stat. 731.

Historical Note

Codification. This section applies to the provisions of this chapter generally and supersedes two former similar sections enacted by act July 2, 1890, c. 647, § 7, 26 Stat. 210 and act Aug. 27, 1894, c. 349, § 77, 28 Stat. 570, each of which were restricted in operation to the particular act cited.

Repeal. Section 7 of Act July 2, 1890, c. 647, 26 Stat. 210, which was superseded by this section, was repealed by Act July 7, 1955, c. 283, § 3, 69 Stat. 283. For effective date of repeal, see note set out under section 15b of this title.

Cross References

Jurisdiction of civil action or proceeding arising under commerce and antitrust regulations, see section 1337 of Title 23, Judiciary and Judicial Procedure.

Limitation of action, suspension of, see note under section 16 of this title.

Taxation of amounts received as damages or injuries under this section, see section 1306 of Title 26, Internal Revenue Code.

Venue and service of process in action against corporation, see section 22 of this title.

Venue of district courts, see section 1391 et seq. of Title 28, Judiciary and Judicial Procedure.

Federal Rules of Civil Procedure

Costs, see rule 54, 28 U.S.C.A.

Effect of rule 54 on this section, see note by Advisory Committee under said rule 54.

- I. GENERALLY 1
- II. RIGHT OF ACTION 1
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provement; that the patent's own disclosure is in broad terms and does not teach that cellulose nitrate and cellulose acetate are the only effective film-forming materials; that the claim was finally allowed because it was more specific as to the physical properties of the structures than the earlier claims; that throughout the prosecution of the patent Consolazio urged the novelty of his tablet in physical structure, operation and results; that the patent is not entitled to a range of equivalents which would embrace every material which might be used to form a thin permeable dialyzing film but only those which are cellulose nitrate, cellulose acetate, or factually equivalent thereto; that there was no disclaimer by the applicant as to choice of film-forming material; and that the district court gave undue and misdirected emphasis to the word "consisting" as used in the allowed claim.

The defendant's response is that the patent in suit is not a pioneer but is one which emerged in a crowded art; that the prior art discloses the presence of film-forming materials not only as coating for the entire tablet (Davenport No. 617,956; Donard No. 874,310; Miller No. 2,011,587, and Kuever No. 2,373,763), but as coating for individual particles which make up the tablet (Davenport, supra; Donard, supra; and Andersen No. 2,410,417); that the claim of the patent necessarily measures its invention; that the patentee narrowed his claim in the Patent Office in order to gain its allowance and cannot now, through the doctrine of equivalents, recapture what was disclaimed; that he is subject to file wrapper estoppel; and that in any event the use of the word "consisting" in the claim and its reference to cellulose acetate and cellulose nitrate is restrictive and operates to exclude all substances not belonging to that group.

The plaintiffs' answer to these positive arguments of the defendant is that the invention was a radically new approach to the problem; that the prior art revealed only thick impermeable, non-dialyzing coating placed on either tablets or their granules in order to achieve different results than those sought here; that whatever crowded character there was in the prior art did not relate to the substance of this invention; that the accused tablet does not eliminate any element of the patented combination but merely substitutes a different substance, equivalent in purpose and result, for cellulose acetate or cellulose nitrate; that this is a case for the application of the doctrine of equivalents; that the recital of specific materials in the claim was merely to satisfy formal requirements of the Patent Office; that the earlier re-

jected claims were just as broad as regarding the identity of the material forming material and hence its restriction could not have been the trigger which released the patent; that the novelty was in the physical structure and operation rather than in identity of the film; and that the inventive combination of the claim in suit is introduced by the word "comprising" and not by the word "consisting", and hence any rule of restriction applying to the use of the latter word is not applicable here.

We have spelled out these respective contentions because they clearly reveal the points of conflict between the litigants. The plaintiffs' case rests on the proposition—admittedly unavoidable so far as they are concerned—that the substance of the invention and the patent must be the claimed new approach to the problem of salt intake, namely, the commencement of salt release upon ingestion and the continuance of salt release at a controlled rate through the use of a thin permeable film enveloping the salt granules and subject to dialytic action. The defendant does not deny that the patent involves a film with characteristics of this kind. If then Consolazio's patent is valid and applies to all thin permeable dialyzing films, or at least to those which are factually equivalent to cellulose nitrate and cellulose acetate, it could follow that the accused tablet, with its substitution of "shellac", does not eliminate a combinational element and does not infringe. The case, therefore, pivots on the determination of just what the patent covers and comes down to the following:

Does the patent's sole allowed claim by its very language confine its reach to films of the cellulose acetate and cellulose nitrate group?

If so, is this a proper case for the application of the doctrine of equivalents and does that doctrine then afford this patent protection against the accused tablet?

We discuss these in order.

[2] 1. *The reach of the patent.* There are certain well established general rules which perhaps should be mentioned for background: (a) In determining whether an accused product infringes a patent "resort must be had in the first instance to the words of the claim". Graver Mfg. Co. v. Linde Co., 339 U.S. 605, 607, 85 USPQ 328, 330; General Bronze Corp. v. Cupples Products Corp., 8 Cir., 189 F.2d 154, 158, 89 USPQ 355, 357-358; Willis v. Town, 8 Cir., 182 F.2d 892, 893, 86 USPQ 138, 139. (b) If the "accused matter falls clearly within the claim, infringement is made out and that is the end of it". Graver Mfg. Co. v. Linde Co.

p. 607, 85 USPQ at 330. But, as this court has said, "that which is not infringed within the claims does not infringe". Street v. Apel 8 Cir., 239 F.2d 581, 589, 112 USPQ 76, 80-81. (c) The

[3] word "comprising" in the patent law is an open-ended word and one of enlargement and not of restriction. "Claim 17 includes the expression 'loose granules of a natural material of the group comprising wood and grain'. The word 'comprising' does not exclude other materials besides wood and grains". Ex parte Dotter, 12 USPQ 382, 383-4. (d) In contrast, the word "consisting" is one of restriction and exclusion. " * * * (T)he words 'consists of' in claim 3 limit the gases of the tube, so far as claim 3 is concerned, to argon and mercury vapor". Claude Neon Lights v. Rainbow Light, 2 Cir., 90 F.2d 959, 961, 34 USPQ 140, 142; Ex parte Dotter, supra; Ex parte Jones and Swezey, 66 USPQ 487, 488-9.⁵

The application of these rules to the plaintiffs' tablet and to the accused tablet is revealing. There is no question that the latter is, to use the words of the Consolazio claim, "an internally reinforced sodium chloride tablet"; that it has "compressed granules of sodium chloride"; that it has "an internally disposed cellular stroma of a thin, permeable, dialyzing film"; that the cells of the stroma contain the granules of sodium chloride; that "the sodium chloride is rendered slowly available when the tablet reaches the gastro-intestinal tract"; and that the "solution time of the sodium chloride in said tablet in the gastro-intestinal fluids" is within the time range stated in the patent.⁶ On the other hand, there is no argument either that the defendant's film of "shellac" is a material which is not from the cellulose acetate and cellulose nitrate group. There is thus not complete identity between the two tablets. Therefore, by this resort, as directed by Graver, to the words of the claim one cannot conclude that the "accused matter falls clearly within the claim" or that infringement automatically follows.⁷ The plaintiffs can prevail,

⁵ Compare Hoskins Mfg. Co. v. General Electric Co., N.D. Ill. 212 F. 422, 423, affirmed, 7 Cir., 224 F. 464, and In re Bertsch, COPA 132 F.2d 1014, 1019-20, 56 USPQ 379, 384.

⁶ The evidence indicated that a tablet's dissolution time was a factor within the control of any qualified chemist.

⁷ The claim's unusual use of the two contrasting words of art, "comprising" and "consisting", merits examination. The plaintiffs urge that the broader word "comprising" is here applicable to "the inventive combination of the claim in suit", that the word "consisting" appears in the claim to introduce the group and that it

therefore, on the infringement issue only if this is a proper case for the application of the doctrine of equivalents.

2. *Equivalency.* The plaintiffs, strongly urge that the combination of elements in the claim and in the accused tablet are, in any event, "factually identical" although "specifically different in chemical identity" (and each with no chemical reaction between the salt and the film) and that the doctrine of equivalents works to their benefit here.

[4] The doctrine is not new to the patent law. It found initial expression in another day⁸ and under a statute somewhat different in its requirements as to claims⁹ from the one which now prevails.¹⁰ Nevertheless, its age and the nature of the former statute do not deny the doctrine a modern application. Graver Mfg. Co. v. Linde Co., supra, 339 U.S. 605, 85 USPQ 328.

An equivalent was defined long ago.

" * * * (T)he substantial equivalent of a thing, in the sense of the patent law, is the same as the thing itself; so that if two devices do the same work

was added only to satisfy a formal requirement of the Patent Office. They also urge that the word "consisting" has two different uses in patents; that, on the one hand, it is employed to introduce a combination of elements (where the invention resides in the combination); and that it is also used, as here, to introduce an incidental recital of the group disclosed as operable for forming the stroma.

While the matter may not be free from doubt, we are inclined to feel that, as used in this claim, the term "comprising" relates only to the immediately ensuing phrase "compressed granules of sodium chloride". The semicolon following the quoted phrase otherwise occupies no intelligible place in the wording of the claim. It would follow that the broader word "comprises" does not carry over to and affect the definition of "the group". The word "consisting", with its narrower import, is then the verbal adjective defining the group. And on the authority of the cases above cited the group, as so defined, is cellulose acetate and cellulose nitrate and nothing more.

In any event, as stated above, we conclude that the language of the patent's sole claim reaches only to cellulose acetate and cellulose nitrate and that the defendant's tablet is outside its terms.

⁸ Winans v. Denmead, 1853, 15 How. 329, 343, 4.

⁹ The Patent Act of 1836, § 6, Ch. 357, 5 Stat. 117, required that the claim only "specify and point" out the invention.

¹⁰ 35 U.S.C.A. § 112 (The Act of July 19, 1952, Ch. 950, § 1 66 Stat. 793):

" * * * The specifications shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention. * * *"

valid but not infringed. The plaintiff has appealed from the holding of non-infringement. The defendant counter-claimed for a declaration of invalidity of the patent, and has appealed from the dismissal of his counterclaim.

Plaintiff and defendant are competitors in making and selling brushes, and plaintiff also manufactures brush-making machinery.

The Marks patent is a combination patent for a fully automatic machine for making brushes of the type commonly used in the household and in women's hair curlers. Judge Mishler's opinion clearly describes the Marks' machine as follows, 141 USPQ at 388:

"* * * the machine is designed to produce wire-twisted brushes of varying lengths not exceeding approximately 36". An upper and lower wire are continuously fed into the machine from two spools, the upper and lower wires engage pre-cut fibers or bristles fed from a hopper; the two wires holding the fibers or bristles in a more or less firm position, are then drawn into a pre-determined length; the wires holding the bristles are then twisted by a rotating chuck; the twisted-wire brush is then cut. The brush is then complete and ready for

ing the under wire and the upper wire with the spaced fibers therebetween to a selected length, means for twisting the wires to lock the fibers therebetween, and means for cutting the twisted wires to form the brush whereby the twisted wires are open at each end of the brush.

16. In a fully automatic machine for forming a brush, means for supporting an upper and a lower wire with leading portions substantially parallel and adjacent to each other, each wire being continuous with its leading portion having an exposed end, means for drawing the wires through the machine with said ends in the lead, means for feeding bristles onto the lower wire between it and the upper wire, means for twisting the wires to lock the bristles therebetween, and means for cutting the twisted wires to form the brush.

17. In a fully automatic machine for forming a brush, means for supporting an upper and a lower wire with leading portions substantially parallel and adjacent to each other, each wire being continuous with its leading portions having an exposed end, a reciprocable and rotatable chuck for gripping said ends of the wires, means for moving the chuck to pull the wires gripped thereby a predetermined distance, means for feeding bristles onto the lower wire between it and the upper wire as said wires are being pulled by the chuck, means for gripping the wires remote from the exposed ends, and means for rotating the chuck to twist the wires and lock the bristles therebetween.

² Appears at 229 F.Supp. 479, 141 USPQ 388.

packaging, except that in some varieties handles are added."

[1] The court found that the Marks machine was an advance over the prior art; that it produced brushes faster than any previous brush-making machine, did not require the degree of skill in its operation that machines then known demanded, substantially reduced the cost of making twisted-wire brushes, was commercially successful, and the need for a low-priced brush was heightened by the widespread use of twisted brushes in hair curlers. Such considerations are consistent with the standard of patentability in this circuit. See *Reiner v. I. Leon Co.*, 2 Cir., 285 F.2d 501, 504, 128 USPQ 25, 27-28, cert. den. 366 U.S. 929, 129 USPQ 502; *Lyon v. Bausch & Lomb Optical Co.*, 2 Cir., 224 F.2d 530, 535-37, 106 USPQ 1, 5-7, cert. den. 350 U.S. 911, 107 USPQ 362; *The Standard of Patentability—Judicial Interpretation of Section 103 of the Patent Act*, 63 Columbia L. Rev. 306, 313-16.

These findings of fact are not clearly erroneous, and we must accept them. We also accept the finding that "The means disclosed is not found in the teaching of any of the patents nor were the means obvious to one skilled in the art of brush-machine making." Accordingly, we agree with Judge Mishler's decision as to the validity of the patent.

[2] We do not agree with his holding of no infringement. The proper test of infringement is whether the claims involved read directly on the accused machine, for "the claims measure the invention." *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U.S. 405, 419; see *Smith v. Snow*, 294 U.S. 1, 11, 24 USPQ 26, 30; 3 Walker, Patents § 450, at 1681 (Diller ed.). In the case at bar the accused machine was the Briglia.³ Judge Mishler compared plaintiff's machine with defendant's or, which is really the same thing, compared plaintiff's claims with defendant's machine but limited the claims to a range of equivalency substantially defined by plaintiff's "best mode." Both tests are erroneous; the former because it begins with plaintiff's machine and not plaintiff's claims; the latter because it too narrowly construes the protected range of equivalency.

³ Defendant, who was then using a Marks machine, employed Briglia to invent a machine to supplant Marks'. In May 1960 Briglia filed a patent application and a patent (No. 3,112,947) was granted to him in 1963. Defendant owns the Marks' patent.

It is true that narrow patents in a crowded field are not accorded as broad a range of equivalence as are pioneer patents, 3 Walker, Patents § 475. But here both defendant and his expert testified that all of Marks' claims in suit could be read on the Briglia machine.

Nor could Briglia's simultaneous pulling and twisting the wires be conclusive evidence of non-infringement. Marks' claims did not limit these operations to separate steps, and there was testimony that the Marks machine could also so operate. The simultaneous operation was regarded as equivalent by defendant's expert, and the twisting operation was not only known to the prior art but was thought by the trial court to be "of no consequence * * *"

[3] Defendant is not saved by the difference in feeding wheels. Not only was defendant's mechanism thought equivalent to plaintiff's, but also both had been taught by the prior art. Besides, the mechanism was not the gist of Marks' novel combination as defined by the court.⁴

[4] The court placed no weight on any "presumption of non-infringement" attaching to Briglia's patent. Defendant would treat that patent as establishing "more than a presumption" that the accused machine does not infringe. But the statutory presumption of validity of a patent is limited only to the existence of a patentable improvement. *Cantrell v. Wallick*, 117 U.S. 689, 694. It need not be controlling once sufficient evidence of infringement of the basic patent has been introduced, as was done in the case at bar.

[5] While we must accept findings of fact which are not clearly erroneous, we are not so limited as to erroneous views of the proper legal tests of infringement. See *Up-Right, Inc. v. Saffway Products, Inc.*, 5 Cir., 315 F.2d 23, 137 USPQ 180; *Hansen v. Colliver*, 9 Cir., 282 F.2d 66, 127 USPQ 32. Here the finding of non-infringement was based on an unduly narrow definition of the patent's protection.

The decision as to validity of the patent and dismissal of the counterclaim is affirmed. The decision of non-infringement is reversed and the cause remanded for further proceedings consistent with this opinion.

⁴ His opinion (App. 10a) says, 141 USPQ at 159:

"The vital question is whether the means for feeding pre-cut fibers, more or less widely spaced between an upper and lower wire substantially parallel and contiguous with each other, was either suggested or obvious to one skilled in the art."

Court of Appeals, Seventh Circuit

THE V. L. SMITHERS COMPANY V. O'BRIEN et al., doing business as ILLINOIS WHOLESALE FLORIST

No. 14700 Decided Dec. 23, 1964

PATENTS

Particular patents—Absorbent Material

2,753,277, Smithers, Absorbent Material for Floral Arrangements, claims 1 to 3 not infringed.

Appeal from District Court for Southern District of Illinois, Mercer, Ch. J.; 141 USPQ 127.

Action by The V. L. Smithers Manufacturing Company against William P. O'Brien and William J. O'Malley, doing business as Illinois Wholesale Florist, for patent infringement. From judgment dismissing complaint, plaintiff appeals. Affirmed.

H. F. MCNENNY, Cleveland, Ohio, and WILLIAM C. NICOL, Peoria, Ill., for appellant.

JOHN REX ALLEN and JAMES R. SWEENEY, Chicago, Ill., for appellees.

Before HASTINGS, Chief Judge, and DUFFY and MAJOR, Circuit Judges.

MAJOR, Circuit Judge.

Plaintiff is the owner by assignment of United States Letters Patent No. 2,753,277, issued July 3, 1956, to Vernon L. Smithers, entitled "Absorbent Material for Floral Arrangements." Plaintiff is engaged in the manufacture and sale of the patent product namely a hydrophilic floral foam, which it markets under the trade name "Oasis."

Defendants, wholesale florists who sell a product manufactured by American Metaseal of Massachusetts, Inc., which is marketed under the trade names "Aquafoam" and "Quickee," are charged with infringement.

The District Court (Honorable Frederick O. Mercer presiding) on March 18, 1964, entered judgment from which this appeal comes, dismissing the action on the ground of non-infringement.

Plaintiff's principal grounds for reversal are that the District Court erred in its interpretation of the claims of the patent in suit and in its application of the law of equivalence and "file wrapper estoppel."

The judgment followed an opinion rendered by Judge Mercer which embodies his findings of fact and conclusions of law. The V. L. Smithers Mfg. Co. v. O'Brien et al., 227 F.Supp. 472, 141 USPQ 127. In his opinion he dis-

ling, not so much from change in the law, but from change in economic fact. Not the least of these is the restless, undulating habits of our air-minded, air-traveling public, many of whom for sport, or pleasure, or business, or an aeronautical combination of them, hop across the nation relying, as they must, on dependable service at airports small and large. And it is here that modern, intense advertising creates the "image" upon which the public depends or may depend.¹⁵

The case must therefore be reversed and remanded to the District Court. The parties are to be free to offer additional evidence both on the aspect to "secondary meaning" of the mark as well as to the element of "likelihood of confusion."

Court of Appeals, Seventh Circuit

CLOUD et al. v. STANDARD PACKAGING CORPORATION

Nos. 15129-30 Decided Apr. 13, 1967

UNFAIR COMPETITION

1. Trade secrets — Confidential disclosure (§ 68.903)

Where facts show that disclosure is made in order to further a particular relationship, a relationship of confidence may be implied, e.g., disclosure to prospective purchaser to enable him to appraise value of secret; however, where no relationship existed between parties prior to disclosure, and although they had several discussions at later dates, defendants are not liable since there was no dealing from which relationship of confidence is reasonably to be implied.

PATENTS

2. Use and sale — Extent and character of use (§ 69.5)

Except for purely experimental use, public use may be defined as any utilization of invention by one other than inventor where user is under no limitation, restriction, or obligation of secrecy to inventor; also, ordinary use

¹⁵ Indeed, the New York Court of Appeals says it is no longer a world of contract, but rather "a world of advertising." *Randy Knitwear, Inc. v. American Cyanamid Co.*, — N.Y. —, — N.E.2d —, N.Y.Ct.App. [30 L.W. 1137, 2420].

of machine or practice of process in factory in usual course of producing articles for commercial purposes is not public use.

3. Use and sale—Extent and character of use (§ 69.5)

Use which is not secret is not public use under 35 U.S.C. 102(b) if it be experimental.

4. Patent grant—In general (§ 50.01)

Use and sale—Character of evidence to prove (§ 69.3)

Congressional policy in favor of seasonable disclosure of invention is implemented by judicial rules placing heavy burden, to prove that use was experimental, on inventor who permits public use of invention more than year before applying for patent.

5. Use and sale—Extent and character of use (§ 69.5)

Substantial production of packages on machine is not necessarily inconsistent with purpose of testing machine and packaging material.

6. Courts of Appeals—Issues determined (§ 29.10)

Pleading and practice in courts — Findings of fact and conclusions of law (§ 53.40)

It may be enough, on rare occasion, for trial court to take analytical steps mentally and give general expression to ultimate resolution as to validity of patent under 35 U.S.C. 103, but ordinarily it will be better to give verbal expression to each step; perhaps, where evidence of prior art comprises a number of patents and uncontradicted explanation thereof by one expert witness, appellate court could make the determination, but, in general, it is sounder procedure for initial determination to be made in trial court.

Particular patents—Packaging

2,486,760, Pfeiffer, Method of Packaging, judgment holding claims 1 to 3 valid but not infringed reversed.

2,546,059, Cloud, Method and Apparatus for Preparing and Using Sheet Material for Packaging Purposes, judgment holding claims 1 to 3 and 5 valid and infringed reversed.

2,888,787, Cloud, Method and Apparatus for Vacuum Packing in Plastic, judgment holding claims 8 to 11, 14 to 16, and 18 to 22 valid and infringed reversed.

Appeals from District Court for Northern District of Illinois, Wham, J.; 144 USPQ 172.

Action by William S. Cloud, Fred B. Pfeiffer, Jesse R. Crossan, Cloud Machine Corporation, and FMC Corporation against Standard Packaging Corporation for patent infringement and unfair competition. From judgment for plaintiffs in part and defendant in part, both parties appeal. Modified.

CHARLES F. MERONI and J. ARTHUR GROSS, both of Chicago, Ill., for plaintiffs.

STUART S. BALL, Chicago, Ill., and DANA M. RAYMOND, New York, N. Y., for defendant.

Before HASTINGS, Chief Judge, and KILEY and FAIRCHILD, Circuit Judges.

FAIRCHILD, Circuit Judge.

Action for injunction against and damages for infringement of patents and exploitation of information concerning an invention, confidentially acquired, and for assignment of a patent based on such information.

Speaking generally, the case relates to methods and machines, for vacuum packaging food, by which pockets are successively created in one strip of stretchable plastic film, and after insertion of food in each pocket, it is covered by and sealed to another strip of film, and air is evacuated from the pocket.

Plaintiffs William Cloud and others are the owners of, or otherwise interested in, three patents. Defendant Standard Packaging Corporation is the alleged infringer of plaintiffs' patents, and the owner of a patent allegedly based on information confidentially acquired. (There was diversity, as well as patent, jurisdiction.)

Plaintiffs' patents in suit are:

Pfeiffer '760: No. 2,486,760, issued November 1, 1949

Cloud '059: No. 2,546,059, issued March 20, 1951

Cloud '787: No. 2,888,787, issued June 2, 1959

Issues originally pleaded with respect to other patents are no longer in the case.

Defendant's patent which plaintiffs seek to have assigned to them is Mahaffy '828: No. 2,935,828, issued November 1, 1960.

The district court, after making detailed findings, 144 USPQ 172, rendered judgment that Pfeiffer '760 is valid (though not infringed); that Cloud '059 and Cloud '787 are valid, and certain claims thereof have been infringed by defendant by its machines 6-12 and 6-16, but not 6-14; that plaintiffs' cause of action for unfair competition is with-

out merit and is dismissed. The judgment awarded an injunction and an accounting.

Defendant appealed from the determination that Pfeiffer '760 is valid and that Cloud '059 and '787 are valid and infringed by machines 6-12 and 6-16, and from the award of relief. Plaintiffs appealed from the determination that Cloud '059 was not infringed by machine 6-14, from the dismissal of the cause of action for unfair competition and from the denial of relief in those respects.

The facts will appear in the discussions of the several issues on the appeal.

1. *Unfair competition.* The district court described this issue as follows, 144 USPQ at 173:

"whether there was any joint venture or confidential relationship between defendant and plaintiffs or any wrong-doing in the nature of betrayal of trust by defendant attending or following the inspection on April 7, 1955, by defendant's engineer, Reid Mahaffy, of the Cloud vacuum packaging process and machine then located in the Ostrow plant in San Francisco and described in the Cloud '787 patent that was applied for more than eighteen months later on January 11, 1957."

Portions of the findings relevant to this issue are as follows, 144 USPQ at 174, 175, 178, 179:

"72. During the early 1950's and prior to 1955, defendant was the acknowledged leader in the field of flexible vacuum packaging and its vacuum packaging materials and machines were in wide use throughout the country.

"73. In 1951, defendant was considering the feasibility of vacuum packaging luncheon meat in 3-D packages using an automatic vacuum packaging machine. The 3-D package then under consideration was substantially the same shape and size as the packages presently made on defendant's 6-12 machine.

"74. The project which ultimately resulted in defendant's 6-12 prototype machine was begun in 1953 and assigned Project No. 221-53-060.

"75. In 1954 defendant developed a Mylar-polyethylene packaging film for use in packaging luncheon meats and other food products. This film was available to defendant's customers in pouch form prior to April of 1955 and this composite film, as modified and improved from 1955 to 1957, is the film employed in defend-

ant's accused machines and for which they were designed.

"76. During 1954 defendant vacuum packaged luncheon meats experimentally in 3-D packages using its Mylar-polyethylene film and conducted a successful shipping test of some 200 of these packages but not following the methods set forth in Cloud '059 or '787 patents.

"77. By the end of 1954 the development of a machine for making the 3-D vacuum packaging from roll stock and stretching the film by vacuum forming was the project having highest priority in defendant's engineering department."

"22. While the Cloud machine had useful general application in the packaging field it was evident to the Clouds that if the machine could be successfully adapted for packaging meat and cheese there would be a much greater field of use of the method and machine. Hence, Cloud decided to and did ship the machine to California, in the forepart of March, 1955, to the packaging shop of Ostrow with whom Cloud arranged to have the machine experimentally operated by Cloud's employee Roselle who made periodic reports to Cloud.

"23. During the time the Cloud machine was in the Ostrow plant it was the sole property and under the control of Cloud the entire time; and Ostrow had at no time any rights by lease or otherwise in such machine and no right to display the machine to anyone for examination except by Cloud's consent. The machine was ultimately returned in 1956 to Cloud in Chicago because the application of it to packaging meat and cheese did not prove to be successful.

"24. The Cloud machine was installed at the Ostrow plant in 1955 on the same floor and in the same room where defendant's vacuum packaging machines were in operation but it was not disclosed to public inspection and examination."

"15. On or about March 2, 1955 defendant learned through its California salesman Plumley that an experimental continuous vacuum packaging machine of Cloud, the plaintiff here, was to be tested in the meat and cheese packaging plant of Ostrow at San Francisco, California.

"16. Defendant having learned of the intended installation of the Cloud experimental machine at Ostrow's and following its customary policy of keeping close watch on the development of packaging machines and the prospective market for packaging ma-

terials, sent their engineer Mahaffy to see their customer Ostrow and to see the Cloud machine, if permission could be obtained. Mahaffy arrived at Ostrow's plant on April 7, 1955, and a telephone call was made to William Cloud for permission for Ostrow to show the experimental machine to Mahaffy. Cloud gave such permission but there was no express or implied understanding or agreement between Cloud and Mahaffy. They discussed films and vacuum packaging. The defendant was the largest manufacturer or converter of packaging films in the United States and the evidence indicates that Cloud Sr. hoped that from such inspection of his machine at Ostrow's the defendant might be able to supply or develop a better film for his machine than the Pliofilm he had used up to that date."

"78. Prior to Mahaffy's visit to the Ostrow plant on April 7, 1955 there had been no communication between defendant and any of the Clouds."

"17. At a subsequent time a meeting was arranged through Mahaffy between Cloud Sr. and officials and employees of the defendant to be held at the Ambassador West Hotel in Chicago on April 18, 1955 during the packaging show in Chicago. Out of such meeting no further understanding, express or implied, developed and no relationship of trust or confidence was established at such meeting or at such further meetings and conferences that occurred thereafter.

"18. In his inspection of the Cloud machine at Ostrow's Mahaffy observed that it was using and was adapted to use Pliofilm and after such inspection he knew of no other film which would result in better packaging that could be used on the Cloud machine which he inspected. No such better film which the defendant believed could be used on said Cloud machine was later developed or learned about by the defendant, though in June, 1956, at plaintiff Cloud's request, defendant shipped newly-developed film to Cloud for experimental use on the Cloud machine.

"19. Defendant did not fail to keep any promise or comply with any arrangement between Cloud and defendant with reference to supplying a better film in so far as it lay within its power which would be usable on the Cloud machine seen by Mahaffy at Ostrow's."

"82. On April 20, 1955 Mahaffy visited W. S. and Charles Cloud at the Cloud Machine Company between 9:05 and 11:35 a.m., during which they

talked 'mostly about films.' During that visit the Clouds also took Mahaffy on a tour of their plant, showed him their drilling machines, lathes, and certain machines that they were in the process of constructing, and showed him a motion picture on orange wrapping machines. There was no vacuum packaging machine at the Cloud premises on April 20, 1955."

"84. In 1955 the Clouds approached Goodyear, Dow Chemical, Milprint, Kraft Foods and others in their search for improved and better films for use on the Cloud machine at the Ostrow plant. The Clouds were not communicating exclusively with defendant and were not relying on defendant in their search for a more satisfactory film.

"85. Plaintiff Cloud recognized that defendant's Mylar-polyethylene film then on the market would not work on the Cloud machine."

The court also found and concluded, 144 USPQ at 173-174:

"14. ***

"(d) That the evidence fails to establish or prove any joint venture or confidential relationship or relationship of trust attending or following inspection on April 7, 1955 by defendant's engineer Reid Mahaffy of the Cloud vacuum packaging process and machine then located by the Clouds at the Ostrow plant at San Francisco, California; that no such specified relationships grew out of subsequent meetings, conferences or communications between the parties.

"(e) That from such inspection of the Cloud machine at Ostrow's by Reid Mahaffy he gained ideas, concepts and understanding of the method and process of continuous roll fed vacuum packaging followed by said machine that were by him communicated to the defendant and used or adapted by defendant in producing and completing their machines 6-12 and 6-16. ***

"(f) Since there was involved no betrayal of trust or confidential relationship there was no wrongdoing constituting unfair competition in using or adapting the ideas and concepts gained from the inspection of the Ostrow machine except in so far as infringements of Cloud '059 patent and the later '787 patent resulted. ***"

Assuming that Mahaffy knew that the design of the Cloud machine was secret and that Ostrow had an obligation to

keep it in confidence, he nevertheless saw the machine with Cloud's permission. The gist of plaintiffs' claim is that Cloud permitted the inspection in confidence, solely in order that defendant could use the information to develop a type of film which would be appropriate for use in the machine, and that defendant's use of the information for any other purpose, particularly for developing a machine of its own, constituted a breach of confidence.

"One who * * * uses another's trade secret, without a privilege to do so, is liable to the other, if * * * (b) his * * * use constitutes a breach of confidence reposed in him by the other in disclosing the secret to him * * *." 1

"Likewise, the confidence does not arise if B has no notice of the confidential character of the disclosure. But no particular form of notice is required. The question is simply whether in the circumstances B knows or should know that the information is A's trade secret and that its disclosure is made in confidence." 2

The district court found in substance that there was no express notice to Mahaffy or defendant that the disclosure was made in confidence, for a limited purpose. The finding is amply supported and we do not understand that plaintiffs really contend otherwise. They appear to claim that under the circumstances the law will imply that the disclosure was in confidence for the limited purpose of cooperative effort by defendant. Using the Restatement phrase, the claim would be that Mahaffy and defendant *should have known* that the disclosure was made in confidence.

[1] Where the facts show that a disclosure is made in order to further a particular relationship, a relationship of confidence may be implied, e.g. disclosure to a prospective purchaser to enable him to appraise the value of the secret, disclosure to a prospective lender to assure him of the prospects of the borrower's business, disclosure to agent, partner, or joint adventurer.³ Here, however, no relationship between the parties existed prior to or at the time of the disclosure to Mahaffy, and although

1 IV Restatement, Torts, § 757 (1939).

2 Id., Comment j, p. 14.

3 IV Restatement, Torts, § 757, Comment j. See *Hoeitke v. C. M. Kemp Mfg. Co.* (4th Cir. 1935), 30 F.2d 912, 923, 26 USPQ 114, 126, cert. den. 298 U. S. 673 (1936); *Smith v. Dravo Corp.* (7th Cir. 1953), 203 F.2d 369, 376, 97 USPQ 98, 103-104.

they had several discussions, at later dates, of the problems involved, we find no dealing from which a relationship of confidence is reasonably to be implied.

Invalidity of Cloud '787 because of prior public use. 35 U.S.C.A. § 102 provides that a person shall be entitled to a patent unless "(b) the invention was * * * in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States." The application for Cloud '787 was filed January 11, 1957. The machine previously referred to was in use at Ostrow's from March, 1955, to the summer of 1956. This machine is the same as the illustration in figures 1-16 of the patent. Defendant claims that the patent is invalid because the machine was in public use while at Ostrow's, or at least its use became a public use more than one year before January 11, 1957.

In addition to the findings already quoted, the district court found as follows, 144 USPQ at 175:

"25. During the year 1955, and more than one year prior to the filing date of the Cloud '787 patent on January 11, 1957, the Cloud machine at the Ostrow plant produced 50,000 packages that were sold by Ostrow in retail food stores in the San Francisco area in furtherance of the experimental use of the machine from which neither the Clouds nor any of the plaintiffs received any rentals or profits or expected to.

"26. In the experimental packaging on the Cloud machine at Ostrow's it was necessary to send out thousands of vacuum packaged products to the stores marketing such products so as to obtain results, over a period of time, on so-called 'shelf life' of the products. Many were returned as 'leakers' and as being unsatisfactory. The results of the tests proved so unsatisfactory that Ostrow eventually stopped using the machine and Cloud asked him to return the machine."

The court also found and concluded; 144 USPQ at 174:

"14. * * *

"(g) That the use of the Cloud machine at Ostrow's was not a public or commercial use nor under lease or offer of lease but was an experimental and secret use which did not bar the issuance of Cloud '787 patent though the application therefor was made more than a year after the Cloud machine was put into experimental use at Ostrow's.

"(h) That the use at Ostrow's did not cease to be experimental in char-

acter prior to one year before application for Cloud '787 patent was filed in the Patent Office."

The finding that the use at Ostrow's was secret is open to serious question. There was no express agreement or direction as to secrecy except Mr. Cloud's generalized statement, testified to by him, "We asked him to keep these machines of ours in confidence." Although Ostrow did not permit Mahaffy to inspect the machine until Cloud gave consent, Ostrow showed it to at least one other employee of defendant without permission. It was installed in a room with other Cloud machines and two of defendant's machines, and there is no evidence that employees of Ostrow were instructed to maintain any secrecy.

[2] Except for purely experimental use, "Public use" may properly be defined as any utilization of the invention by one other than the inventor where the user is under no limitation, restriction or obligation of secrecy to the inventor."⁴ In addition, "The ordinary use of a machine or the practice of a process in a factory in the usual course of production articles for commercial purposes is a public use."⁵

[3] But even if the use at Ostrow's was not secret, the district court also found the use "experimental." Under the judicial interpretations of the concept of "public use" in 35 U.S.C.A. § 102 (b) a use which is not secret is not a "public use" under the statute if it be experimental.

"A use for experimental purposes is not a public use if it is conducted in good faith for the purpose of testing the qualities of the invention and for no other purpose not naturally incident to that."⁶

[4] Congressional policy in favor of seasonable disclosure of invention is implemented by judicial rules placing a

⁴ Randolph v. Allis-Chalmers Mfg. Co. (7th Cir. 1959), 264 F.2d 533, 535, 120 USPQ 512, 513. Accord, Watson v. Allen (D. C. Cir. 1958), 254 F.2d 342, 345, 117 USPQ 68, 70.

⁵ Electric Storage Battery Co. v. Shimadzu (1939), 307 U.S. 5, 20, 59 S. Ct. 675, 83 L. Ed. 1071, 41 USPQ 155, 161.

⁶ Hobbs v. Wisconsin Power & Light Co. (7th Cir. 1957), 250 F.2d 100, 108, 115 USPQ 371, 377, cert. den. 356 U.S. 932, 117 USPQ 497 (1958). Accord, A. Schrader's Sons v. Wein Sales Corp. (2d Cir. 1925), 9 F.2d 306, 308; Aerovox Corp. v. Polymet Mfg. Corp. (2d Cir. 1933), 67 F.2d 860, 861, 20 USPQ 119, 120; Watson v. Allen, supra, note 4; Randolph v. Allis-Chalmers Mfg. Co., supra, note 4; George R. Churchill Co. v. American Buff Co. (7th Cir. 1966), 365 F.2d 129, 134, 150 USPQ 417, 421.

heavy burden of proof on an inventor who permits a public use of his invention more than one year before applying for a patent. "Once a single public use of the operative device embodying the claimed invention * * * had been shown the plaintiff had the burden of establishing by full, convincing and unequivocal proof that the use was part of a bona fide program of experimentation."⁷

The district court was satisfied that plaintiffs had carried their burden. Reviewing this finding, with the foregoing rule in mind, we consider that it was not clearly erroneous. It is true that plaintiffs' position is somewhat weaker as to use after November 1, 1955. On that date, Cloud wrote to Roselle, his employee who was operating the machine at Ostrow's plant, "I don't think the machine can be considered an experiment any more" and that "the machine has been there long enough for them [Ostrow and his employees] to take over." Roselle left December 1. At the trial Cloud explained that he meant the machine was operating well, mechanically. The machine remained until he recalled it in the summer of 1956.

[5] We do not think that such change as occurred November or December 1 necessarily terminated the experimental nature of the use, so that it became a public use under the statute. At least one modification was made in it later, at Cloud's direction, changing the method of sealing packages. Locating a better type of film was a major concern during this period. Cloud was using pliofilm on the machine, and although it had certain properties which made it desirable for this process, it tended to admit air to the food after a short interval. The substantial production of packages on this machine is not necessarily inconsistent with the purpose of testing the machine and the pliofilm. The learned district judge considered the evidence convincing on this point, and we cannot say as a matter of law that it was not.

3. *Alleged lack of invention because of obviousness.* Defendant averred that the differences between the subject matter sought to be patented and the prior art were such that the subject matter

would have been obvious to a person having ordinary skill in the art. Defendant offered expert testimony and a number of patents tending to establish prior art.

The district court wrote no opinion, nor did it define in its findings or conclusions what it considered the invention which was the subject matter of any of the patents in suit. It made no finding describing the prior art, nor determining that the subject matter was or was not obvious to a person having ordinary skill in the art. The court did find that the 17 patents relied on by defendant did not anticipate the claims in suit, but there is no finding nor conclusion touching upon obviousness except as might be implied by the finding or conclusion that the patents are presumed to be valid, and that defendant has not met the burden of proving invalidity. Lack of more meticulous attention to the issue under sec. 103 (alleged obviousness) probably resulted from a degree of pre-occupation at the trial with the more dramatic claim of unfair competition.

The analytical steps which a court must take in order to determine the issue of validity under sec. 103 have been clearly described:

"* * * Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. * * *"⁸

[6] It may be enough, on rare occasion, for a trial court to take such steps mentally and give general expression to the ultimate resolution. Ordinarily it will be better to give verbal expression to each. Perhaps in this case, where the evidence of prior art comprises a number of patents and the uncontradicted explanation thereof by one expert witness, this appellate court could make the determination at the present stage without trespassing upon the area of fact finding.⁹ But, in general, and we think in this case as well, it is sounder procedure for the initial

⁷ *George R. Churchill Co. v. American Buff Co.*, supra note 6; *Accord, A. Schrader's Sons v. Wein Sales Corp.*, supra note 6; *Aerovox Corp. v. Polymet Mfg. Corp.*, supra note 6; *Randolph v. Allis Chalmers Mfg. Co.*, supra note 4, at 536, 120 USPQ at 513-514; *Koehring Co. v. National Automatic Tool Co., Inc.* (7th Cir. 1966), 362 F.2d 100, 104, 149 USPQ 887, 890.

⁸ *Graham v. John Deere Co.* (1966), 383 U.S. 1, 17, 86 S. Ct. 684, 15 L. Ed. 2d 545, 148 USPQ 459, 467.

⁹ See, for a discussion of issues of fact and law with respect to validity of patents, and the function of the appellate court in reviewing trial court determinations, *Armour & Co. v. Wilson & Co.* (7th Cir. 1960), 274 F.2d 143, 151-156, 124 USPQ 115, 121-125.

determination to be made in the trial court. That court has advantages not only in determining credibility of those it sees and hears, but it has much greater flexibility, where it deems it desirable, to call counsel before it for colloquy, or to order supplementation of the evidence.¹⁰ And where the determination of this type of issue is first made in the court of appeals, there is no court where the parties can obtain review as a matter of right.

We refrain, therefore, from attempting to decide the matter at this stage, and direct further proceedings, in the district court to determine the challenge to all these patents for obviousness under 35 U.S.C.A. § 103. The district court must also be free to determine or redetermine other issues, related to or dependent upon that one. These are the issue, raised by defendant, whether Cloud '787 particularly points out and distinctly claims the subject matter as required by 35 U.S.C.A. § 112, and the issue of infringement of any of the three patents by defendant's machines 6-12, 6-14, or 6-16.

Insofar as the judgment dismissed plaintiffs' cause of action for unfair competition and determined that Patent No. 2,888,787 is valid against a challenge under 35 U.S.C.A. § 102 (b) (public use), it is affirmed. Insofar as the judgment determined other issues of validity and issues of infringement and awarded relief to plaintiffs, it is reversed and the cause is remanded for further proceedings consistent with this opinion.

Court of Appeals, Eighth Circuit

HAMPTON et al. v. BLAIR MANUFACTURING COMPANY

No. 18465 Decided Apr. 5, 1967

UNFAIR COMPETITION

1. Bankruptcy (§ 18.)

Bankruptcy court has ancillary jurisdiction to consider petition, filed by purchaser of debtor's assets, seeking to enjoin debtor's former sales manager

¹⁰ An expression of the desirability of an initial determination of validity issues in the trial court rather than the appellate court is found in an opinion by Circuit Judge Hastie in *Sutherland Paper Co. v. Grant Paper Box Co.* (3d Cir. 1950), 183 F.2d 926, 935, 86 USPQ 337, 345, cert den. 340 U.S. 906, 87 USPQ 432 (1950).

from using copies of debtor's blue prints (which were included in sale to petitioner) in competition with petitioner.

2. Appearance of goods or labels—In general (§ 68.201)

Trade secrets — In general (§ 68.901)

Although debtor's former sales manager, after sale of debtor's assets to petitioner, cannot be permanently enjoined from copying debtor's unpatented implements, his conduct is surreptitiously copying debtor's blue prints and his failure to obey orders of bankruptcy court to turn over blue prints and not use them warrants equitable relief; since use of blue prints accelerated time in which he was able to produce implements, court is justified in restraining their production for the period that would have been required to reproduce them without aid of blue prints.

3. Bankruptcy (§ 18.)

Fraud, deception and palming off (§ 68.55)

Issue as to whether debtor's former sales manager unfairly competed (palmed off) with purchaser of debtor's assets does not fall within summary jurisdiction of bankruptcy court.

Appeal from District Court for District of Nebraska, Delehant, J.

Petition by Blair Manufacturing Company against Emmett Hampton and Hampton Distributing Company in bankruptcy proceeding. From order enjoining respondents from manufacturing certain implements, respondents appeal. Modified.

CLAYTON H. SHROUT, HANLEY, NESTLE & CAPORALE, both of Omaha, Neb., for appellants.

LYLE E. STROM, CHARLES A. SCHORR, and FITZGERALD, BROWN, LEAHY, MCGILL & STROM, all of Omaha, Neb., for appellee.

Before VAN OOSTERHOUT, BLACKMUN, and MEHAFFY, Circuit Judges.

VAN OOSTERHOUT, Circuit Judge.

This is a timely appeal by respondents Emmett Hampton and Hampton Distributing Company, a corporation, hereinafter sometimes jointly called Hampton, from the portion of final order of the District Court permanently enjoining Hampton, reading as follows:

"2. That the respondents, and each of them, the agents, servants and employees of the respondents, and

Rule 25 RULES OF CIVIL PROCEDURE

Supreme Court Constructions

- Anderson v. Yungkaw, 1947, 67 S.Ct. 428, 329 U.S. 482, 91 L.Ed. 436.
Land v. Dollar, 1947, 67 S.Ct. 1009, 330 U.S. 731, 91 L.Ed. 1209.
Fleming v. Mohawk Wrecking & Lumber Co., 1947, 67 S.Ct. 1129, 331 U.S. 111, 91 L.Ed. 1375.
Snyder v. Buck, 1950, 71 S.Ct. 93, 340 U.S. 15, 95 L.Ed. 15.

V. DEPOSITIONS AND DISCOVERY

Rule 26.

DEPOSITIONS PENDING ACTION

(a) **When Depositions May be Taken.** Any party may take the testimony of any person, including a party, by deposition upon oral examination or written interrogatories for the purpose of discovery or for use as evidence in the action or for both purposes. After commencement of the action the deposition may be taken without leave of court, except that leave, granted with or without notice, must be obtained if notice of the taking is served by the plaintiff within 20 days after commencement of the action. The attendance of witnesses may be compelled by the use of subpoena as provided in Rule 45. Depositions shall be taken only in accordance with these rules, except that in admiralty and maritime claims within the meaning of Rule 9(h) depositions may also be taken under and used in accordance with sections 863, 864, and 865 of the Revised Statutes (see note preceding 28 U.S.C. § 1781). The deposition of a person confined in prison may be taken only by leave of court on such terms as the court prescribes. As amended Dec. 27, 1946, eff. March 19, 1948; Feb. 28, 1966, eff. July 1, 1966.

(b) **Scope of Examination.** Unless otherwise ordered by the court as provided by Rule 30(b) or (d), the deponent may be examined regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action, whether it relates to the claim or defense of the examining party or to the claim or defense of any other party, including the existence, description, nature, custody, condition and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of relevant facts. It is not ground for objection that the testimony will be inadmissible at the trial if the testimony sought appears reasonably calculated to lead to

DEPOSITIONS AND DISCOVERY Rule 26

the discovery of admissible evidence. As amended Dec. 27, 1946, eff. March 19, 1948.

(c) **Examination and Cross-Examination.** Examination and cross-examination of deponents may proceed as permitted at the trial under the provisions of Rule 43(b).

(d) **Use of Depositions.** At the trial or upon the hearing of a motion or an interlocutory proceeding, any part or all of a deposition, so far as admissible under the rules of evidence, may be used against any party who was present or represented at the taking of the deposition or who had due notice thereof, in accordance with any one of the following provisions:

(1) Any deposition may be used by any party for the purpose of contradicting or impeaching the testimony of deponent as a witness.

(2) The deposition of a party or of any one who at the time of taking the deposition was an officer, director, or managing agent of a public or private corporation, partnership, or association which is a party may be used by an adverse party for any purpose.

(3) The deposition of a witness, whether or not a party, may be used by any party for any purpose if the court finds: 1, that the witness is dead; or 2, that the witness is at a greater distance than 100 miles from the place of trial or hearing, or is out of the United States, unless it appears that the absence of the witness was procured by the party offering the deposition; or 3, that the witness is unable to attend or testify because of age, sickness, infirmity, or imprisonment; or 4, that the party offering the deposition has been unable to procure the attendance of the witness by subpoena; or 5, upon application and notice, that such exceptional circumstances exist as to make it desirable, in the interest of justice and with due regard to the importance of presenting the testimony of witnesses orally in open court, to allow the deposition to be used.

(4) If only part of a deposition is offered in evidence by a party, an adverse party may require him to introduce all of it which is relevant to the part introduced, and any party may introduce any other parts.

Substitution of parties does not affect the right to use depositions previously taken; and, when an action in any court of the United States or of any state has been dismissed and another action involving the same subject matter is afterward brought

Rule 26 RULES OF CIVIL PROCEDURE

between the same parties or their representatives or successors in interest, all depositions lawfully taken and duly filed in the former action may be used in the latter as if originally taken therefor.

(e) **Objections to Admissibility.** Subject to the provisions of Rules 28(b) and 32(c), objection may be made at the trial or hearing to receiving in evidence any deposition or part thereof for any reason which would require the exclusion of the evidence if the witness were then present and testifying. As amended Jan. 21, 1963, eff. July 1, 1963.

(f) **Effect of Taking or Using Depositions.** A party shall be deemed to make a person his own witness for any purpose, taking his deposition. The introduction in evidence of the deposition or any part thereof for any purpose other than that of contradicting or impeaching the deponent makes the deponent the witness of the party introducing the deposition, but this shall not apply to the use by an adverse party of a deposition as described in paragraph (2) of subdivision (d) of this rule. At the trial or hearing any party may rebut any relevant evidence contained in a deposition whether introduced by him or by any other party.

1963 Amendment

Inserted "28(b)" near the beginning of subdivision (e).

1966 Amendment

Added the exception clause at the end of the penultimate sentence of subdivision (a).

Supreme Court Constructions

Palmer v. Hoffman, 1943, 63 S.Ct. 477, 318 U.S. 109, 87 L.Ed. 645.
Hickman v. Taylor, 1947, 67 S.Ct. 385, 329 U.S. 495, 91 L.Ed. 451.
Conley v. Gibson, 1957, 78 S.Ct. 99, 355 U.S. 41, 2 L.Ed.2d 80.
Societe Internationale Pour Participations Industrielles et Commerciales, S. A. v. Rogers, 1958, 78 S.Ct. 1087, 357 U.S. 197, 2 L.Ed.2d 1255.
Schlagenhauf v. Holder, 1964, 85 S.Ct. 234, 379 U.S. 104, 13 L.Ed.2d 152.

Rule 27.

DEPOSITIONS BEFORE ACTION OR PENDING APPEAL

(a) Before Action.

(1) *Petition.* A person who desires to perpetuate his own testimony or that of another person regarding any matter that may be cognizable in any court of the United States may file a verified

ing in trademark significance as applied to appellee's goods.

[3] In the proceedings below, appellant made of record a copy of one of appellee's predecessor's promotional brochures wherein the registration legend is used in association with the mark, "POLYCOPY", notwithstanding appellee does not own a federal registration for said mark, which shows a photocopying machine with the notation thereon "CORMAC POLY COPIER" rather than "CORMAC POLYCOPY." Appellant contends that on the basis of these disclosures alone, the board should have sustained the opposition and refused the registration sought by appellee.

The board took the position that inasmuch as these matters involved *ex parte* questions, they could afford no proper basis for entry of judgment in favor of opposer on the *inter partes* issues of the pending proceeding. The board stated:

"It further may be noted that if, in considering an *inter partes* case involving an application, facts appear which may render the mark of the applicant unregistrable, the Board under Rule 2.131 can only recommend that if the applicant finally prevails in the proceeding, registration be withheld pending a reexamination by the Examiner of Trademarks in light of such facts. Accordingly and in view of the aforementioned disclosures, should applicant ultimately prevail on the *inter partes* issues herein, it is recommended that the Examiner of Trademarks reexamine applicant's right of registration in light thereof."

We do not perceive any error, reviewable by us, relating to the board's disposition of this issue. In fact, the board has made no appealable determination of this specific issue but has simply invoked an applicable administrative rule.

Upon consideration of the record before us, the contentions advanced and the argument of counsel, we find no re-

versible error on the part of the board in dismissing the opposition. The decision of the board is affirmed.

Affirmed.

MARTIN, Judge (dissenting).

One conversant with photography might feel confident that the ordinary purchasers of the goods in question would not be confused. However, I feel that the ordinary purchasers would not be so conversant, and thus there is a likelihood of confusion between the marks when used on the goods of the parties.



52 CCPA

Application of Walter Luttrell GRAF.

Patent Appeal No. 7343.

United States Court of Customs
and Patent Appeals.

April 15, 1965.

Proceedings on application, Serial No. 112,160, for a patent. The Patent Office rejected the claims, and applicant appealed. The Court of Customs and Patent Appeals, Martin, J., held that application for claimed invention relating to an improvement in process of spinning hollow filament viscose yarns was properly rejected as an obvious variation of combination of two references.

Affirmed.

1. Patents ⇐18

Obviousness does not require absolute predictability.

2. Patents ⇐18

Conclusion required under statutory section relating to obviousness must be grounded on weighing of all the facts. 35 U.S.C.A. § 103.

3. Patents $\text{C}-18$

Application for claimed invention relating to an improvement in process of spinning hollow filament viscose yarns was properly rejected as an obvious variation of combination of two references. 35 U.S.C.A. § 103.

Rudolph S. Bley, Elizabethton, Tenn. (James H. Ewing, Washington, D. C., of counsel), for appellant.

Clarence W. Moore, Washington, D. C. (J. E. Armore, Washington, D. C., of counsel), for the Commissioner.

Before WORLEY, Chief Judge, and RICH, MARTIN, SMITH, and ALMOND, Judges.

MARTIN, Judge.

Appellant filed an application serial No. 112,160 on May 15, 1961 for an improvement in the process of spinning hollow filament viscose yarns, which application was a continuation-in-part of an application serial No. 834,673 filed August 19, 1959. The board sustained the examiner's final rejection of all the claims in the case, process claims 1-7, as obvious variations of a combination of two references. That adverse decision is the subject of this appeal.

As appellant discloses, it is well known in the art to produce hollow rayon filaments by extruding a viscose¹ solution containing an alkali metal carbonate into an acid bath, wherein the carbonate decomposes to form carbon dioxide. The carbon dioxide inflates the spun viscose stream to make a hollow filament.² As shown by appellant's example 1, when carbonate-type viscose is extruded through a spinneret having round orifices into a particular spinning bath, a fabric woven and dyed from the yarn thus produced was judged to exhibit "commercially unacceptable" uniformity of dye-

1. Ordinary viscose is a cellulosic product, being an alkaline solution of the aged reaction product of alkali cellulose with carbon disulfide.

ing, numerous dark flashes occurring throughout the fabric.

In appellant's process such uneven dyeing is reduced by extrusion of the carbonate-type viscose through slot-shaped spinneret orifices, in which the ratio of length to width is greater than about 5. Appellant states that the more even dyeing obtained:

"* * * is apparently due to the fact that the cross-sections of filament are more uniform, i. e. filaments with abnormal cross-sections are substantially eliminated. * *"

A representative claim reads as follows:

"1. In a process for the formation of a hollow filament of viscose rayon by extruding viscose containing an alkali metal carbonate through a spinneret into a sulfuric acid coagulating and regenerating bath, the improvement which comprises extruding the viscose through the spinneret to form a viscose stream having a slot-shaped cross section at the exit of the spinneret orifice, the said cross section having a width of from about 0.0025 to about 0.005 inch with the ratio of the length to width being above about 5."

The remaining claims more specifically define the length to width ratio of the rectangular orifices and the composition of the viscose. Appellant does not predicate patentability on such additional limitations.

The references relied on are:

Picard	1,831,030	Nov. 19, 1931
Brumberger	1,994,659	June 26, 1934

Picard was cited by appellant in his specification as an example of the carbonate-type viscose used to make hollow filaments. Picard states his hollow filaments are "endowed with a higher covering

2. Normally the filament subsequently collapses; appellant is concerned with the collapsed hollow filament yarns.

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Luttrell GRAF, o. 7343.

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55.

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ider statutory nness must be all the facts.

power,"³ but does not disclose the shape of the orifice used in his spinneret. Brumberger shows a spinneret with rectangular or slot-shaped orifices having length to width ratios greater than 5. Brumberger states his spinneret is useful in:

"* * * all processes for the manufacture of artificial multi-filament yarns, such as the cupra-ammonium, viscose, cellulose-acetate, cellulose-nitrate, and any other processes where cellulose and its derivatives are used to produce multi-filament yarns."

The examples specifically described in Brumberger use ordinary viscose which does not contain a carbonate, and accordingly would produce a flattened solid viscose rayon filament. Brumberger teaches that by the use of rectangular orifices, cellulosic yarns having greater covering power will be produced, and that the harshness or softness of the yarns can be controlled by variations in the size or shape of the orifices.

The examiner rejected the claims as unpatentable over Picard in view of Brumberger, seeing no "invention" in carrying out the Picard process using the rectangular orifices of Brumberger. The board considered the rejection as one of obviousness, stating:

"It is obvious to one skilled in the art who wanted the greater covering power of the filaments obtained by Picard and either the additional covering power of Brumberger's ribbon-like filaments or their greater harshness or softness, depending on the denier, that such results could be obtained by using the spinnerets of Brumberger in the spinning process of Picard.

* * * * *

"We think it is obvious that Picard's filaments could be made in

3. Covering power appears to refer to the increase in surface of such filaments. This view seems consistent with the following comment by Avram in his book *The Rayon Industry*, 2nd Edition, 1929, D. Van Nostrand Co., N.Y., at p. 225:

ribbon-like form as taught by Brumberger and the desirability of doing this is also obvious."

Appellant argues that it was to be expected that the use of the Brumberger spinneret in the Picard process would give yarn having very poor dyeing properties since *each* process was known to produce yarn which dyes non-uniformly. Appellant's only support for the argument lies in the following statements in his specification:

"* * * This result [more uniform dyeing] is surprising since, as is well known to those skilled in the art, the substitution of slot-shaped orifices for round orifices in conventional viscose spinning leads to difficulty in controlling uniformity of dyeing due to the fact that the shape of the filament cross-section tends to vary more with slot-shaped orifices than with round orifices."

[1] In effect, the improvement in uniformity of dyeing is to be looked on by us as an unexpected result. In response to the board, appellant argues that the art does not disclose what effect the use of the Brumberger spinneret in the Picard process would have on the covering power and harshness or softness of hollow filament yarns. In our view, that response carries little weight since the rejection is not for lack of novelty under section 102, but for obviousness under section 103. "Obviousness does not require absolute predictability." In re Moreton, 288 F.2d 940, 943, 48 CCPA 928, 933.

While appellant states that the prior art knew the filament cross-section of *ordinary* viscose spun through a *rectangular* orifice would tend to vary, appellant's specification does not aid us by showing an example of such filaments, nor has any affidavit been submitted to clarify that property of the Brumberger-

"* * * The increase in surface of such filaments [hollow rayon filament] gives an increased covering power with greater softness and less luster than solid Rayon filaments."

type flattened filament. As to the various types of cellulosic filaments produced by the use of *rectangular* spinneret orifices, Brumberger states that they have "a cross-section of very long and thin shape," "generally a rectangle bent somewhat or folded over on itself," and "of the same general shape and relative proportions as the orifices producing the filaments." Brumberger contrasts such shape to the irregularities in ordinary viscose spun through round orifices:

" * * * circular orifices * * * [form] filaments having a cross section usually round, but sometimes a cross section may have been of horse-shoe shape or kidney shape, or the like."

The solicitor contends that the reasonable inference of that disclosure of Brumberger is that the flattened solid viscose filaments have a uniform cross-section, and thus more uniform dyeing would be expected; consequently one wishing to produce better dyeing in hollow filaments would use the rectangular orifices of Brumberger.

Except for that inference, the Patent Office has not challenged appellant's statement of what the prior art knew of the irregularities in a flattened solid viscose filament. Indeed, the board assumed arguendo the correctness of appellant's statement of irregularity in such filaments, but did not find it conclusive of non-obviousness. Thus that assertion in appellant's specification that flattened solid ordinary viscose filaments "tend to vary" in cross-section must be considered in our determination of obviousness or non-obviousness under section 103.

[2] While a selection of certain facts in this case tend to a conclusion of non-obviousness and others taken alone may show obviousness, the conclusion required under section 103 must be grounded on a weighing of all the facts.

[3] Upon review of the weight accorded *all* the evidence below, we do not think the board erred. We think there is adequate reason to conclude that the

claimed process would be obvious to one of ordinary skill in this art in view of the teachings of the references. While merely for the purpose of obtaining uniformity of dyeing, the process may appear to be non-obvious, such a view does not accord weight to *all* the facts. Obviousness is not to be determined on the basis of purpose alone. As against appellant's "showing" that slot-shaped orifices result in flattened solid ordinary viscose filaments the cross-sections of which "tend to vary," we must consider Brumberger's teaching that his slot-shaped orifices are useful for "all processes for the manufacture of artificial multi-filament yarns," and that the shape of his filaments conforms to that of the rectangular orifices used, in contrast to the shape produced by round orifices. Further, one in this art could equally choose to obtain the property of greater covering power for the Picard carbonate-type viscose filaments by using rectangular-shaped orifices as taught by Brumberger. This is particularly the case since Picard, like Brumberger, is interested in the production of filaments "endowed with a higher covering power, * * *." As the board stated:

" * * * undyed filaments are still a useful product or the filaments could be colored, as they often are, by putting a dye or pigment in the spinning solution. As described by appellant, the dyeing problem is one of after-dyeing spun filaments."

The process as claimed does not admit of a purpose which would make it unobvious per se, and the degree of improved uniformity in dyeing in subsequent processing, "apparently due to the fact that the cross-sections of filament are more uniform," is not sufficient to tip the balance in appellant's favor. Nor on such facts are we in doubt such that it should be resolved in favor of appellant. For the foregoing reasons we *affirm* the decision of the board.

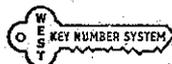
Affirmed.

RICH, J., concurs in the result.

facts of record do not supply a reasonable factual basis upon which to support the board's affirmance of the examiner's finding of obviousness of the claimed invention.² The decision of the board is therefore reversed.

Reversed.

WORLEY, C. J., concurs in the result.



54 CCPA

**Application of CHI K. DIEN.
Patent Appeal No. 7686.**

United States Court of Customs
and Patent Appeals.

Feb. 9, 1967.

Proceeding on application for patent in which the applicant appealed from decision of Patent Office, Serial No. 64,307, rejecting claims 1-19 of application. The Court of Customs and Patent Appeals, Rich, J., held that patent office improperly rejected, on ground of obviousness, claims 1-19 of application of patent relating to an improvement in process of preparing quinacridones.

Reversed.

Worley, C. J., dissenting.

Patents ⇐18

Patent office improperly rejected, on ground of obviousness, claims 1-19 of application of patent relating to an

2. The solicitor argues in his brief:

It is * * * submitted that even if the Court considers the comparative data to render claims 2, 3, 4, 7, 8 and 9, unobvious under 35 U.S.C. § 103, such data are not sufficiently representative of the properties of the compounds embraced by the claimed genus, as to render claim 1 similarly unobvious.

The examiner and the board made no such objection. Rather, the appealed

improvement in process of preparing quinacridones.

I. Harry Rosenberg, New York City, for appellant.

Joseph Schimmel, Washington, D. C. (Raymond E. Martin, Washington, D. C., of counsel), for the Commissioner of Patents.

Before WORLEY, Chief Judge, RICH, SMITH and ALMOND, Judges, and Judge WILLIAM H. KIRKPATRICK.*

RICH, Judge.

This appeal is from a decision of the Patent Office Board of Appeals,¹ adhered to on reconsideration, affirming the rejection of claims 1-19 of application serial No. 64,307, filed October 24, 1960, entitled "Preparation of Quinacridones." No claim has been allowed.

The invention is an improvement in the process of preparing quinacridones. These compounds are prepared from 2,5-diarylamino-terephthalic acids in a condensation reaction in which two molecules of water are eliminated and two interior rings are formed. The process is known as a double ring-closure. "Ring-closing agents" may be employed. Appellant has discovered that improved ring-closure is effected by the use of polyphosphoric acid (PPA) as a ring-closing agent. The improved process is marked by very high yields (e. g., 98%), product purity and other technological conveniences.

Claim 1 is typical:

1. The improvement in the process of preparing a quinacridone by ring-closure of a 2,5-diarylamino-tereph-

claims were considered together below and we therefore decline to consider the relevancy and weight of the above reasoning in regard to the obviousness of appealed claim 1.

* Senior District Judge, Eastern District of Pennsylvania, sitting by designation.

1. Consisting of Duncombe, Examiner-in-Chief, author of the opinion, and Behrens and Wyman, Acting Examiners-in-Chief.

Cite as 371 F.2d 886 (1967)

thalic compound, which comprises carrying out ring-closure of the 2,5-diaryl-amino-terephthalic compound with the aid of a polyphosphoric acid as a ring-closing agent.

The other claims are drawn to various modifications of the process of claim 1.

Claims 11-15 include a dilution of the reaction mixture with water. Claims 5-15 and 16-19 limit the 2,5-diaryl-amino-terephthalic compounds to acids and esters respectively.

The examiner relied on the following references:

Struve	2,821,530	Jan. 28, 1958
DuPont (British)	805,247	Dec. 3, 1958
Liebermann, 18	Liebig's Annalen der Chemie 245-50	(1935)
Uhlig, 66	Angewandte Chemie 435-36	(1954)
Brockmann et al., 89	Berichte Deut. Chem.	1379-97 (1956)

Liebermann discloses the basic reaction. The yields are described as less than satisfactory and the purification of the products as difficult. Ring-closing agents employed include zinc chloride, phosphorous pentachloride, aluminum chloride, aqueous hydrobromic acid, hydrogen bromide in glacial acetic acid, and phosphorous pentoxide in tetralin or *cymene*. With the latter, a yield of 44% is reported.

Uhlig discloses the use of PPA as a "new cyclization agent in preparative organic chemistry" and reports "surprisingly high cyclic compound yields." Uhlig teaches that all cyclization reagents, previously used, including phosphorous pentoxide, are "surpassed by PPA in many respects."

Brockmann et al. disclose the use of PPA in the preparation of acridones.

The DuPont patent discloses a preparation of a quinacridone in which the reagents are diluted with water. The Struve patent teaches a process for the preparation of quinacridones from esters. Our resolution of this case renders consideration of the latter two references unnecessary.

The only issue is whether the improved process as a whole would have been obvious to one of ordinary skill in the art at the time the invention was made by appellant.

The examiner summarized his rejection of appellant's claims as follows:

All the claims stand rejected as unpatentable over Liebermann and Struve, of record, in view of Uhlig and the British Du Pont patent. The basis of the rejection is 35 U.S.C. 103. It is considered that a chemist of ordinary skill would be led by the Uhlig reference to try polyphosphoric acid in the cyclization process of Liebermann, since the cyclization reagents used by Liebermann, though operative, leave much to be desired, and since Uhlig states that P.P.A. has been found to offer many advantages over other previously used reagents. The mere fact that the results to be obtained are not absolutely predictable does not make its successful use unobvious. In re Wietzel et al., 400 O.G. 463. In re Moreton, [288 F.2d 940, 48 CCPA 928,] 129 U.S.P.Q. 288.

It being considered obvious to try P.P.A. in the cyclization step, it is further considered obvious to treat the resulting acid reaction mixture in the conventional manner, i. e. by dilution with water, to obtain the product in pigmentary form. The British Du Pont patent is cited to show that the step is in fact obvious to the chemist of ordinary skill. [Emphasis ours.]

The board agreed with the examiner:

The stated position of the Examiner is that a chemist would be led by the Uhlig reference to utilize polyphospho-

ric acid in the cyclization process of Lieberman[n], in place of the cyclizing reagents disclosed by Lieberman[n] since the reagents of Lieberman[n], although operative, leave much to be desired and Uhlig states that polyphosphoric acid has been found to offer many advantages over previously utilized reagents. * * *

* * * We are in full agreement with the Examiner's view that the fact that Lieberman[n]'s cyclizing reagents were not entirely satisfactory would be an incentive to one skilled in the art to use other cyclizing reagents in Lieberman[n]'s process as they become available, and in view of the Uhlig disclosure we are of the opinion that it would be obvious to a chemist to use polyphosphoric acid in that reaction, since Uhlig specifically teaches that polyphosphoric acid is a cyclizing reagent in organic chemical reactions.

It is seen that the board's conclusion is built on the unsatisfactory nature of the Liebermann process and the enthusiastic tenor of Uhlig's report. But the mere existence of an unsatisfactory process and the attendant incentive to seek improvement do not negative patentability. We think that one cannot fairly infer obviousness from the inadequacies of the prior art. The issue here is whether the elimination of those inadequacies by the means disclosed by appellant would have been obvious to one of ordinary skill—whether the Uhlig disclosure would have made it *obvious* that the substitution of PPA for phosphorous pentoxide would change a generally unsatisfactory process into an excellent one.

We do have, on the one hand, Uhlig's comments: "[C]yclization experiments with polyphosphoric acid * * * [result] in surprisingly high cyclic compound yields. All reagents used hitherto for * * * [cyclization reactions] such as AlCl_3 , FeCl_3 , BF_3 , SnCl_4 , H_2SO_4 , H_2F_2 , P_2O_5 , $\text{HCOOH-H}_3\text{PO}_4$, and H_2SO_4 —

2. The solicitor points to the reported preparation of 3', 4-diketo-1, 2, 3, 4-tetrahydro-1, 2-cyclopentenophenanthrene and 3', 4-diketo-7-methoxy-1, 2, 3, 4-tetrahy-

H_3PO_4 , are surpassed by 'PPA' in many respects." On the other hand we have the countervailing considerations which would influence one of ordinary skill in the art in his evaluation of this intelligence. The generality of Uhlig's disclosure indicates the inappropriateness of literalism in its reading—the quotations relied on are but parts of the first two sentences of an article which later discusses the merits of PPA in detail, never referring to processes analogous to appellant's invention. Furthermore, the "surprisingly high" yields reported in the body of the article seem to be increases on the order of 15-25%—considerably less than appellant's increase of more than 100%. A skilled worker in the art would also be aware of the chemical similarity of PPA and phosphorous pentoxide and might well infer that the special problems in the Liebermann process would recur when PPA was used. He certainly would be cognizant of the extra difficulty associated with closure of the second ring in double-ring closure reactions and would not assume that the Uhlig catalogue of successful *single-ring* closures presaged success in *double-ring* closure. He would note that the only reactions involving five-ring compounds reported by Uhlig were not dehydration reactions, as are those of the invention. Nor from them would he derive an expectation of such increased yields since the yields reported in the preparation of five-ring compounds average *less than* those of the old Liebermann process.²

In the face of these considerations we conclude that only illusory support for the board's position can be derived from the Uhlig article.

The board felt "strengthened" in its view by the disclosure of Brockmann et al. that acridones had been successfully synthesized with PPA. That synthesis too involves single-ring closure. Appellant protests again that the problem is in the second-ring closure and points out

dro-1, 2-cyclopentenophenanthrene. Yields are reported as about 60% and 20% respectively.

Cite as 371 F.2d 889 (1967)

that several reagents effective for single-ring closure are ineffective for double-ring closure. This rebuttal seems convincing to us. The solicitor does not rely heavily on Brockmann et al.

We therefore reverse the rejection of claims 1-10. The solicitor concedes that such a reversal is dispositive of the appeal as to all claims. Accordingly the rejection of claims 1-19 is reversed.

Reversed.

SMITH, Judge (concurring).

The examiner, in applying section 103, cast his inquiry in terms of "obvious to try." The board while not using this terminology has employed the rationale of the examiner's statement in analyzing the issue presented under section 103. The solicitor abjures it here.

There is, of course, nothing in the statute which permits application of such a test. In re Tomlinson, 363 F.2d 928, 53 CCPA 1421 (1966); In re Henderson, 348 F.2d 550, 52 CCPA 1656 (1965); In re Huellmantel, 324 F.2d 998, 51 CCPA 845 (1963); see In re Fay, 347 F.2d 597, 52 CCPA 1488 (1965). It not only involves an analysis for which there is no authorization but it precludes a consideration of the invention as a whole for which there is an explicit statutory directive.

Considering the subject matter as a whole in view of the prior art of record, I agree with the majority that the claimed invention is unobvious.

WORLEY, Chief Judge (dissenting).

Viewing the references relied upon, particularly the Uhlig disclosure that yields of 90-99% may be obtained and "no undesired secondary reactions need be feared" when polyphosphoric acid is employed in place of, e. g. phosphorous pentoxide, as a ring closing agent in analogous reactions, I am satisfied the board has considered the subject matter as a whole and committed no reversible error in rejecting the claims. I would affirm.

54 CCPA

Application of Kenneth E. McCONNAUGHAY.

Patent Appeal No. 7619.

United States Court of Customs
and Patent Appeals.

Feb. 9, 1967.

Proceeding on application for patent. From decision of Board of Patent Appeals affirming examiner's rejection, Serial No. 36,736, applicant appealed. The United States Court of Customs and Patent Appeals, Worley, C. J., held that claims 1, 3 and 4 of application for patent for asphaltic emulsion and method of making it were properly rejected for obviousness in view of prior art.

Affirmed.

Patents \Leftrightarrow 18

Claims 1, 3 and 4 of application for patent for asphaltic emulsion and method of making it were properly rejected for obviousness in view of prior art. 35 U.S.C.A. § 103.

J. Austin Stone, Washington, D. C. (Jack W. Hanley, Indianapolis, Ind., of counsel), for appellant.

Joseph Schimmel, Washington, D. C. (Raymond E. Martin, Washington, D. C., of counsel), for the Commissioner of Patents.

Before WORLEY, Chief Judge, and RICH, MARTIN, SMITH, and ALMOND, Judges.

WORLEY, Chief Judge.

This appeal is from the decision of the Board of Appeals affirming the rejection of claims 1, 3 and 4 in appellant's application¹ for "Asphaltic Emulsion and Method of Making it."

The subject matter is reflected in claim 1:

1. An asphaltic paving emulsion, consisting essentially of a mixture of

1. Serial No. 36,736, filed June 17, 1960.

48 CCPA

Application of Douglas H. MORETON.

Patent Appeal No. 6667.

United States Court of Customs
and Patent Appeals.

April 14, 1961.

Proceeding on an appeal from a decision of the Patent Office Board of Appeals, rejecting claims in application, Serial No. 341,348. The United States Court of Customs and Patent Appeals, Rich, J., held that claims 5 and 12 of application for patent on a fluid lubricant and/or hydraulic fluid were properly rejected for lack of invention over prior art.

Affirmed.

1. Patents ⇐18

When patent application is based on combination of components, question is whether combination was obvious to person having ordinary skill in art and assumed to be familiar with teachings of references relied on. 35 U.S.C.A. § 103.

2. Patents ⇐16.31

Claims 5 and 12 of application for patent on a fluid lubricant and/or hydraulic fluid were properly rejected for lack of invention.

3. Patents ⇐18

When knowledge of art suggests certain compounds as useful for improvement, possibility of failure does not render their successful use unobvious within statute denying patent for combination which was obvious to person having ordinary skill in art. 35 U.S.C.A. § 103.

Francis C. Browne, William E. Schuyler, Jr., Andrew B. Beveridge, Joseph A. DeGrandi, Washington, D. C., and Gerald H. Peterson, Santa Monica, Cal., of counsel, for appellant.

* United States Senior District Judge for the Eastern District of Pennsylvania, designated to participate in place of Judge

Clarence W. Moore, Washington, D. C. (J. Schimmel and Jack E. Armore, Washington, D. C., of counsel), for the Commissioner of Patents.

Before WORLEY, Chief Judge, and RICH, MARTIN, and SMITH, Judges, and Judge WILLIAM H. KIRKPATRICK.*

RICH, Judge.

This appeal is from the decision of the Patent Office Board of Appeals affirming the rejection of all claims in the application of Douglas H. Moreton, Ser. No. 341,348, filed March 9, 1953, entitled "Tetra (Octyl) Orthosilicate Hydraulic Fluid." The only claims before us are 5 and 12. The sole issue is patentability in view of the following references:

Watson	2,549,270	Apr. 17, 1951
Morgan	2,643,263	June 23, 1953
		filed Sept. 22, 1950
da Fano	2,726,213	Dec. 6, 1955
		filed Feb. 18, 1950

The invention is a fluid lubricant and/or hydraulic fluid suitable for use, for example, in aircraft hydraulic systems over the wide temperature range of -80°F. to 400°F., or even higher. The specification states that fluid for such use

"in addition to having the usual combination of properties making it a good lubricant or hydraulic fluid should also have a relatively low viscosity at extremely low temperatures and an adequately high viscosity at relatively high temperatures and, in addition, must have adequate stability at the high operating temperatures of use. Still further, it is important that such a composition have low volatility and especially have a balanced volatility, that is, an important component should not volatilize away from the composition."

O'Connell, pursuant to provisions of Section 294(d), Title 28 U.S.C.

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Cite as 288 F.2d 940 (1961)

Washington, D. C.
 Clark E. Armore,
 Counsel), for the
 Appellant.

Chief Judge, and
 SMITH, Judges,
 H. KIRKPATRICK

The decision of the
 Appeals affirming
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 peal of Moreton, Ser.
 No. 9, 1953, en-
 titled Orthosilicate Hy-
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Apr. 17, 1951
 June 23, 1953
 Dec. 22, 1950
 Dec. 6, 1955
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 tion 101, U.S.C.

Appellant claims to have produced such a fluid by combining with a tetra (octyl) orthosilicate, which is a lubricant fluid, "a suitable polyalkyl methacrylate in which the alkyl groups have a number of carbon atoms within the range of 8 to 14" as a viscosity index improving agent. The only polyalkyl methacrylate exemplified and claimed, however, is, specifically, poly decyl methacrylate (10 carbon atoms) having a molecular weight within the range of 2,000 to 14,000. In the examples and in claim 5 it is stated to have an average molecular weight of 8,500.

Appellant's brief, paraphrasing the specification, states, as being a part of his discovery, that "tetra (octyl) orthosilicates such as * * * tetra 2-ethylhexyl, have a combination of most of the properties suitable for use as a hydraulic fluid * * * except that these orthosilicates are unsatisfactory since the slope of the viscosity-temperature curve over the wide temperature range of -80°F. to 400°F. is too great¹ and the viscosity above 210°F. is unsatisfactorily low." [Our emphasis.] The remainder of the inventive act is said to reside in the further discovery that addition of the aforesaid poly decyl methacrylate remedies these shortcomings when used in admixture with the orthosilicate in an amount of from 0.2 to 10 per cent of the orthosilicate, the resulting fluid being "ideal."

[1] The appealed claims are directed to fluids composed of the two components, claim 12 being generic to tetra

1. An explanation in the da Fano reference will make this jargon intelligible:

"Most liquids have the property of becoming viscous or thick when their temperature is lowered, and of becoming thin or less viscous as their temperature is raised. If the temperature-viscosity relationship is plotted on an A.S.T.M. viscosity-temperature chart (D 341-43), with the temperature in degrees F. on the abscissa and the viscosity (expressed in centistokes) on the ordinate, a substantially straight line usually results. The slope of this curve is an indication of the temperature-viscosity relation-

(octyl) orthosilicates and poly decyl methacrylate in the 2,000-14,000 molecular weight range while claim 5 is specific to tetra (2-ethylhexyl) orthosilicate and the same methacrylate with the added limitation that its average molecular weight is 8,500. The question is whether this claimed combination of components "would have been obvious at the time the invention was made to a person having ordinary skill in the art" and assumed to be familiar with the teachings of the references relied on, 35 U.S.C. § 103. We might add, in view of appellant's arguments, that in answering this question we should and do take into account, insofar as the record and our ability enable us to do so, the knowledge one of ordinary skill in the art would have had of the problems and uncertainties in the art so as to avoid the pitfall of hindsight wisdom in passing on the issue of obviousness.

As a starting point, the Morgan patent disclosed—and appellant admits it—the utility of tetra (octyl) orthosilicates, including the specific tetra (2-ethylhexyl) orthosilicate of claim 5, as hydraulic fluid for aircraft and other uses. Appellant, therefore, cannot claim this as a part of his discovery, though his specification appears to do so. If he did discover such utility, so much of the discovery admittedly lacked novelty.

It is argued that Morgan does not recognize that the slope of the viscosity-temperature curve over the range -80°F. to 400-500°F. and the viscosity above 210°F. are unsatisfactory, or suggest

ship. It is apparent that if the viscosity were not changed at all with a change in temperature, the plotted curve would be horizontal or flat. The less the slope of the plotted curve deviates from a flat position, the better is the temperature-viscosity relationship."

This also serves to indicate that the problem on which appellant was working was one with which the art was quite familiar. The use of the word "better" shows that others were in quest of means to reduce the slope of temperature-viscosity curves, as da Fano was.

any agent to improve the matter. The Morgan patent states:

"The liquids of the present invention are particularly suited for these uses [hydraulic fluids in aircraft, torque transfer devices, fluid transmissions, shock absorbers and as lubricants] because of their fluidity over wide temperature ranges; their resistance to hydrolysis and oxidation; and their lubricity."

As to the specific compound tetra (2-ethylhexyl) orthosilicate, the following disclosure is made by Morgan:

"Tetra 2-ethylhexyl orthosilicate has a boiling point in the range of 191-192°C. at .9 mm. mercury pressure which is approximately 690°F. at 760 mm. of mercury pressure. Its viscosity at 210°F. approaches 2.36 centistokes, at 100°F. approaches 6.83 centistokes, and at -40°F. approaches 260 centistokes. Its pour point is below -100°F. and no crystallization was noted at the lowest temperatures available using Dry Ice."

Whether or not Morgan states the shortcomings of the viscosity characteristics of this specific material claimed by appellant as one of his components, he made no secret of what those characteristics are and set them forth for all the world to see and to decide whether or not they are satisfactory for any given purpose.

We feel constrained to hold that the prior art possessed quite full knowledge of the use of appellant's orthosilicate component as hydraulic fluid and of its viscosity-temperature behavior. This brings the question of patentability of the claimed invention down to the obviousness of adding to the orthosilicate component the claimed methacrylate component as a viscosity index improving agent, i. e., to decrease the slope of the viscosity-temperature curve over the stated temperature range and to increase the viscosity above 210°F., these being the alleged shortcomings to be remedied

in order to achieve a more perfect hydraulic fluid.

Viscosity improving agents likewise were not unknown to the art when this invention was made. da Fano was in search of a hydraulic fluid with a flatter temperature-viscosity curve and discloses that he achieved an increase in flatness by using a mixture of (1) a viscous polymeric material with (2) a non-viscous monomeric material. His monomeric material is an orthosilicate or hydroxysilicate, i. e., a monomeric silicic acid ester. One polymeric material he discloses is "polymerized methyl acrylic acid ester, available as 'Acryloid HF855,'" a 55% solution of "polymerized methyl ester of acrylic acid (also sometimes termed 'polymethyl acrylate' or 'polymerized methyl acrylic acid ester') in 200°F. minimum flash oil." da Fano acknowledges the use of silicoorthoesters as hydraulic fluids as in the prior art but regards them as unsatisfactory because their temperature-viscosity curves are "not low enough." His advance was the combining with them of polymethyl acrylate, in order, among other things, to flatten out the curves. His figures show that he met with some success. Admittedly he does not disclose appellant's specific orthosilicates but rather cresyl tri-isopropyl orthosilicate with a statement that

"The silicates may be aryl, alkyl or aralkyl orthosilicates in which the radicals may be phenyl, naphthyl, anthracyl, diamylphenyl, xylenyl, cresyl, or methyl, ethyl, propyl, isopropyl, tertiary butyl and mixed aryl and/or alkyl radicals."

The Watson patent is also concerned with hydraulic fluids with an improved viscosity index or flat temperature-viscosity curves and, like da Fano, with hydraulic fluids in admixture with viscosity improving agents. The first thing Watson says is that various phosphate liquids have been suggested as hydraulic fluids, including tricresyl phosphates, which however, "show a low response to viscosity index improvers such as the polymerized methacrylic acid esters."

Cite as 288 F.2d 940 (1961)

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Next he proposes the use of a particular mixture of "tricresyl phosphates with alkyl phosphates wherein the alkyl groups each have four to eight carbon atoms, the above mixture being improved by the addition of *viscosity index improvers, especially polymerized esters of methacrylic acid*, as more particularly described hereinafter." [Emphasis ours.] After describing in detail his tricresyl and trialkyl phosphates, the specification then includes the following:

"Viscosity Index Improving Agents

"The agents to be used in the present compositions include polymerized esters of the acrylic acid series, such as acrylic acid esters and, *more preferably, methacrylic acid esters*. The latter are readily available as commercial products and are sold under the trade-name "Acryloid." The esters to be used should have *molecular weights from about 5,000 to about 25,000 preferably 5,000 to 15,000*. It will be understood that this is an average figure for the mixture of polymers, which is always present. [Emphasis ours.]

"The acids should be esterified with aliphatic alcohols having two to fifteen carbon atoms, and the polymers may be homopolymers of a single ester or may be copolymers of a mixture of such esters. The term 'polymerized esters' will be understood to include both of these types."

There are two specific examples of hydraulic fluids in each of which "Acryloid HF855," the same material mentioned by da Fano, is included, 4% by weight in one example and 5% by weight in the other. (From the total disclosure we judge we should consider about half of that amount to be kerosene carrier for the polymer.)

It is not clear what "Acryloid HF855" is. Watson's disclosure would indicate it is a methacrylic acid ester polymer while da Fano specifies that it is a polymethyl acrylate. Whatever it is, Watson and da Fano both suggest its use

and Watson specifically suggests in addition that methacrylic acid esters of appellant's type are viscosity index improving agents.

It is our view that the board was entirely justified in concluding that "While Watson does not specifically disclose poly decyl methacrylate he does clearly indicate that the esterifying alcohol may have two to fifteen carbon atoms so that the decyl methacrylate would be within the scope of Watson's disclosure." Indeed, we would go further and say that the Watson patent would clearly suggest that the specific poly decyl methacrylate of claim 5 would have utility as a viscosity improving agent, taking into account the fact that that claim names an average molecular weight of 8,500, right in the middle of Watson's disclosed range.

[2] With this much knowledge in the art we are unable to see anything unobvious in using this material to improve the viscosity index or temperature-viscosity curve of the old orthosilicate hydraulic fluids as disclosed by Morgan, by anyone aware of the fact that they needed improving or desirous of improving them.

Appellant bases considerable argument on a reference no longer relied on by the Patent Office, an article by Glavis, 42 Ind. & Eng. Chem. 2441, Dec. 1950. It is said to show that the addition of viscosity improving agents to lubricants does not give predictable results and that with Watson's tri-aryl phosphates specifically there is a marked difference between the results obtained with the polyacrylic esters of da Fano and the methacrylic esters of Watson, the differences being operability versus inoperability.

[3] What this amounts to is an argument that if one slavishly following the prior art, albeit with a little educated imagination, will sometimes succeed and sometimes fail, then he is always entitled to a patent in case of success. This is not the intention behind 35 U.S.C. § 103. Obviousness does not require absolute predictability. Where, as here,

the knowledge of the art clearly suggests a certain class of compounds, materials actually known by the term "viscosity improving agents," as useful to improve the viscosity index of a certain group of hydraulic fluid lubricants, the mere possibility of failure does not render their successful use "unobvious."

Appellant has not shown the production of anything unexpected here. Though he lauds his own invention as a "surprising discovery," all that his examples purport to show is a satisfactory hydraulic fluid with improved viscosity curve characteristics. No curves are shown and no data are given. Nothing surprising is demonstrated. To this much of an invention the prior art clearly pointed.

The decision of the board is affirmed. Affirmed.



48 CCPA

KING-KUP CANDIES, INC., Applicant-Appellant,

v.

KING CANDY COMPANY, Opposer-Appellee.

Patent Appeal No. 6633.

United States Court of Customs
and Patent Appeals.

April 14, 1961.

Appeal by applicant from a decision of Patent Office, Opposition No. 37,239, sustaining opposition to registration of trademark "King-Kup". The United States Court of Customs and Patent Appeals, Kirkpatrick, Judge, held that registration was properly denied to ap-

1. United States Senior District Judge for the Eastern District of Pennsylvania, designated to participate in place of

plicant candymaker because of confusing similarity with registered trademark "King's" of opposing candy manufacturer.

Affirmed.

Smith and Martin, Judges, dissented.

1. Trade-Marks and Trade-Names and Unfair Competition ¶43.8

Application for registration by candymaker of trademark "King-Kup" was properly rejected as confusingly similar to opposing candymaker's registered trademark "King's".

2. Trade-Marks and Trade-Names and Unfair Competition ¶8

Fact that king-cup was recognized word for common wild flower did not render its use in candy business, in which "cup" is a descriptive term, fanciful or arbitrary.

William Steell Jackson & Sons, Philadelphia, Pa. (Edward Lovett Jackson and Joseph Gray Jackson, Philadelphia, Pa., and John B. Armentrout, Washington, D. C., of counsel), for appellant.

Mason, Fenwick & Lawrence, Washington, D. C. (Edward G. Fenwick, Jr., and G. Cabell Busick, Washington, D. C., of counsel), for appellee.

Before WORLEY, Chief Judge, RICH, MARTIN and SMITH, Judges, and Judge WILLIAM H. KIRKPATRICK.¹

KIRKPATRICK, Judge.

This is an appeal by the applicant, King-Kup Candies, Inc., from the decision of the Trademark Trial and Appeal Board sustaining an opposition to the registration of the trademark, "King-Kup."

The opposer is King Candy Company, registrant of "King's" and "King's for American Queens," and its priority is not disputed.

Judge O'Connell, pursuant to provisions of Section 294(d), Title 28 U.S.C.

Law re Expert - Skilled worker CCPA

Jane Weber et al - 144 USPO 495

Hysman v Bender - 144 USPO 555

→ Jane Lovisi et al - 144 USPO 646

Mr. Phillips

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48 CCPA

Application of Douglas H. MORETON.

Patent Appeal No. 6667.

United States Court of Customs and Patent Appeals.

April 14, 1961.

Proceeding on an appeal from a decision of the Patent Office Board of Appeals, rejecting claims in application, Serial No. 341,348. The United States Court of Customs and Patent Appeals, Rich, J., held that claims 5 and 12 of application for patent on a fluid lubricant and/or hydraulic fluid were properly rejected for lack of invention over prior art.

Affirmed.

1. Patents ⇐18

When patent application is based on combination of components, question is whether combination was obvious to person having ordinary skill in art and assumed to be familiar with teachings of references relied on. 35 U.S.C.A. § 103.

2. Patents ⇐16.31

Claims 5 and 12 of application for patent on a fluid lubricant and/or hydraulic fluid were properly rejected for lack of invention.

3. Patents ⇐18

When knowledge of art suggests certain compounds as useful for improvement, possibility of failure does not render their successful use unobvious within statute denying patent for combination which was obvious to person having ordinary skill in art. 35 U.S.C.A. § 103.

Francis C. Browne, William E. Schuyler, Jr., Andrew B. Beveridge, Joseph A. DeGrandi, Washington, D. C., and Gerald H. Peterson, Santa Monica, Cal., of counsel, for appellant.

* United States Senior District Judge for the Eastern District of Pennsylvania, designated to participate in place of Judge

Clarence W. Moore, Washington, D. C. (J. Schimmel and Jack E. Armore, Washington, D. C., of counsel), for the Commissioner of Patents.

Before WORLEY, Chief Judge, and RICH, MARTIN, and SMITH, Judges, and Judge WILLIAM H. KIRKPATRICK.*

RICH, Judge.

This appeal is from the decision of the Patent Office Board of Appeals affirming the rejection of all claims in the application of Douglas H. Moreton, Ser. No. 341,348, filed March 9, 1953, entitled "Tetra. (Octyl) Orthosilicate Hydraulic Fluid." The only claims before us are 5 and 12. The sole issue is patentability in view of the following references:

Watson	2,549,270	Apr. 17, 1951
Morgan	2,643,263	June 23, 1953
		filed Sept. 22, 1950
da Fano	2,726,213	Dec. 6, 1955
		filed Feb. 18, 1950

The invention is a fluid lubricant and/or hydraulic fluid suitable for use, for example, in aircraft hydraulic systems over the wide temperature range of -80°F. to 400°F., or even higher. The specification states that fluid for such use

"in addition to having the usual combination of properties making it a good lubricant or hydraulic fluid should also have a relatively low viscosity at extremely low temperatures and an adequately high viscosity at relatively high temperatures and, in addition, must have adequate stability at the high operating temperatures of use. Still further, it is important that such a composition have low volatility and especially have a balanced volatility, that is, an important component should not volatilize away from the composition."

O'Connell, pursuant to provisions of Section 294(d), Title 28 U.S.C.

Appellant claims to a fluid by combining orthosilicate, which "a suitable polyalkyl which the alkyl group of carbon atoms will 8 to 14" as a viscosity agent. The only poly exemplified and claim specifically, poly decyl carbon atoms) having within the range of 2 the examples and in claim to have an average of 8,500.

Appellant's brief, in specification, states, as his discovery, that "orthosilicates such as ethylhexyl, have a combination of the properties suitable for hydraulic fluid * * * these orthosilicates are since the slope of the viscosity curve over the wide range of -80°F. to 400°F. and the viscosity above satisfactorily low." [O The remainder of the brief said to reside in the fact that addition of the aforementioned methacrylate remedies things when used in admixture with orthosilicate in an amount to 10 per cent of the orthosilicate resulting fluid being "ideal"

[1] The appealed claim is directed to fluids composed of the orthosilicate and methacrylate, claim 12 being general.

1. An explanation in the data presented will make this jargon intelligible. "Most liquids have the property of becoming viscous or thick when the temperature is lowered, and of becoming less viscous as their temperature is raised. If the temperature-viscosity relationship is plotted on an appropriate viscosity-temperature chart (with the temperature in degrees on the abscissa and the viscosity in centistokes) on the ordinate, a substantially straight line usually results. The slope of this curve is an index of the temperature-viscosity

Appellant claims to have produced such a fluid by combining with a tetra (octyl) orthosilicate, which is a lubricant fluid, "a suitable polyalkyl methacrylate in which the alkyl groups have a number of carbon atoms within the range of 8 to 14" as a viscosity index improving agent. The only polyalkyl methacrylate exemplified and claimed, however, is, specifically, poly decyl methacrylate (10 carbon atoms) having a molecular weight within the range of 2,000 to 14,000. In the examples and in claim 5 it is stated to have an average molecular weight of 8,500.

Appellant's brief, paraphrasing the specification, states, as being a part of his discovery, that "tetra (octyl) orthosilicates such as * * * tetra 2-ethylhexyl, have a combination of most of the properties suitable for use as a hydraulic fluid * * * except that these orthosilicates are unsatisfactory since *the slope of the viscosity-temperature curve over the wide temperature range of -80°F. to 400°F. is too great*¹ and the *viscosity above 210°F. is unsatisfactorily low.*" [Our emphasis.] The remainder of the inventive act is said to reside in the further discovery that addition of the aforesaid poly decyl methacrylate remedies these shortcomings when used in admixture with the orthosilicate in an amount of from 0.2 to 10 per cent of the orthosilicate, the resulting fluid being "ideal."

[1] The appealed claims are directed to fluids composed of the two components, claim 12 being generic to tetra

1. An explanation in the da Fano reference will make this jargon intelligible: "Most liquids have the property of becoming viscous or thick when their temperature is lowered, and of becoming thin or less viscous as their temperature is raised. If the temperature-viscosity relationship is plotted on an A.S.T.M. viscosity-temperature chart (D 341-43), with the temperature in degrees F. on the abscissa and the viscosity (expressed in centistokes) on the ordinate, a substantially straight line usually results. The slope of this curve is an indication of the temperature-viscosity relation-

(octyl) orthosilicates and poly decyl methacrylate in the 2,000-14,000 molecular weight range while claim 5 is specific to tetra (2-ethylhexyl) orthosilicate and the same methacrylate with the added limitation that its average molecular weight is 8,500. The question is whether this claimed combination of components "would have been obvious at the time the invention was made to a person having ordinary skill in the art" and assumed to be familiar with the teachings of the references relied on, 35 U.S.C. § 103. We might add, in view of appellant's arguments, that in answering this question we should and do take into account, insofar as the record and our ability enable us to do so, the knowledge one of ordinary skill in the art would have had of the problems and uncertainties in the art so as to avoid the pitfall of hindsight wisdom in passing on the issue of obviousness.

As a starting point, the Morgan patent disclosed—and appellant admits it—the utility of tetra (octyl) orthosilicates, including the specific tetra (2-ethylhexyl) orthosilicate of claim 5, as hydraulic fluid for aircraft and other uses. Appellant, therefore, cannot claim this as a part of his discovery, though his specification appears to do so. If he did discover such utility, so much of the discovery admittedly lacked novelty.

It is argued that Morgan does not recognize that *the slope of the viscosity-temperature curve over the range -80°F. to 400-500°F. and the viscosity above 210°F. are unsatisfactory*, or suggest

ship. It is apparent that if the viscosity were not changed at all with a change in temperature, the plotted curve would be horizontal or flat. The less the slope of the plotted curve deviates from a flat position, the better is the temperature-viscosity relationship." This also serves to indicate that the problem on which appellant was working was one with which the art was quite familiar. The use of the word "better" shows that others were in quest of means to reduce the slope of temperature-viscosity curves, as da Fano was.

any agent to improve the matter. The Morgan patent states:

"The liquids of the present invention are particularly suited for these uses [hydraulic fluids in aircraft, torque transfer devices, fluid transmissions, shock absorbers and as lubricants] because of their fluidity over wide temperature ranges; their resistance to hydrolysis and oxidation; and their lubricity."

As to the specific compound tetra (2-ethylhexyl) orthosilicate, the following disclosure is made by Morgan:

"Tetra 2-ethylhexyl orthosilicate has a boiling point in the range of 191-192°C. at .9 mm. mercury pressure which is approximately 690°F. at 760 mm. of mercury pressure. Its viscosity at 210°F. approaches 2.36 centistokes, at 100°F. approaches 6.83 centistokes, and at -40°F. approaches 260 centistokes. Its pour point is below -100°F. and no crystallization was noted at the lowest temperatures available using Dry Ice."

Whether or not Morgan states the shortcomings of the viscosity characteristics of this specific material claimed by appellant as one of his components, he made no secret of what those characteristics are and set them forth for all the world to see and to decide whether or not they are satisfactory for any given purpose.

We feel constrained to hold that the prior art possessed quite full knowledge of the use of appellant's orthosilicate component as hydraulic fluid and of its viscosity-temperature behavior. This brings the question of patentability of the claimed invention down to the obviousness of adding to the orthosilicate component the claimed methacrylate component as a viscosity index improving agent, i. e., to decrease the slope of the viscosity-temperature curve over the stated temperature range and to increase the viscosity above 210°F., these being the alleged shortcomings to be remedied

in order to achieve a more perfect hydraulic fluid.

Viscosity improving agents likewise were not unknown to the art when this invention was made. da Fano was in search of a hydraulic fluid with a flatter temperature-viscosity curve and discloses that he achieved an increase in flatness by using a mixture of (1) a viscous polymeric material with (2) a non-viscous monomeric material. His monomeric material is an orthosilicate or hydroxysilicate, i. e., a monomeric silicic acid ester. One polymeric material he discloses is "polymerized methyl acrylic acid ester, available as 'Acryloid HF855,'" a 55% solution of "polymerized methyl ester of acrylic acid (also sometimes termed 'polymethyl acrylate' or 'polymerized methyl acrylic acid ester') in 200°F. minimum flash oil." da Fano acknowledges the use of silicoorthoesters as hydraulic fluids as in the prior art but regards them as unsatisfactory because their temperature-viscosity curves are "not low enough." His advance was the combining with them of polymethyl acrylate, in order, among other things, to flatten out the curves. His figures show that he met with some success. Admittedly he does not disclose appellant's specific orthosilicates but rather cresyl tri-isopropyl orthosilicate with a statement that

"The silicates may be aryl, alkyl or aralkyl orthosilicates in which the radicals may be phenyl, naphthyl, anthracyl, diamylphenyl, xylenyl, cresyl, or methyl, ethyl, propyl, isopropyl, tertiary butyl and mixed aryl and/or alkyl radicals."

The Watson patent is also concerned with hydraulic fluids with an improved viscosity index or flat temperature-viscosity curves and, like da Fano, with hydraulic fluids in admixture with viscosity improving agents. The first thing Watson says is that various phosphate liquids have been suggested as hydraulic fluids, including tricresyl phosphates, which however, "show a low response to viscosity index improvers such as the polymerized methacrylic acid esters."

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Next he proposes the use of a particular mixture of "tricresyl phosphates with alkyl phosphates wherein the alkyl groups each have four to eight carbon atoms, the above mixture being improved by the addition of *viscosity index improvers, especially polymerized esters of methacrylic acid*, as more particularly described hereinafter." [Emphasis ours.] After describing in detail his tricresyl and trialkyl phosphates, the specification then includes the following:

"Viscosity Index Improving Agents

"The agents to be used in the present compositions include polymerized esters of the acrylic acid series, such as acrylic acid esters and, *more preferably, methacrylic acid esters*. The latter are readily available as commercial products and are sold under the trade-name "Acryloid." The esters to be used should have *molecular weights from about 5,000 to about 25,000 preferably 5,000 to 15,000*. It will be understood that this is an average figure for the mixture of polymers, which is always present. [Emphasis ours.]

"The acids should be esterified with aliphatic alcohols having two to fifteen carbon atoms, and the polymers may be homopolymers of a single ester or may be copolymers of a mixture of such esters. The term 'polymerized esters' will be understood to include both of these types."

There are two specific examples of hydraulic fluids in each of which "Acryloid HF855," the same material mentioned by da Fano, is included, 4% by weight in one example and 5% by weight in the other. (From the total disclosure we judge we should consider about half of that amount to be kerosene carrier for the polymer.)

It is not clear what "Acryloid HF855" is. Watson's disclosure would indicate it is a methacrylic acid ester polymer while da Fano specifies that it is a polymethyl acrylate. Whatever it is, Watson and da Fano both suggest its use

and Watson specifically suggests in addition that methacrylic acid esters of appellant's type are viscosity index improving agents.

It is our view that the board was entirely justified in concluding that "While Watson does not specifically disclose poly decyl methacrylate he does clearly indicate that the esterifying alcohol may have two to fifteen carbon atoms so that the decyl methacrylate would be within the scope of Watson's disclosure." Indeed, we would go further and say that the Watson patent would clearly suggest that the specific poly decyl methacrylate of claim 5 would have utility as a viscosity improving agent, taking into account the fact that that claim names an average molecular weight of 8,500, right in the middle of Watson's disclosed range.

[2] With this much knowledge in the art we are unable to see anything unobvious in using this material to improve the viscosity index or temperature-viscosity curve of the old orthosilicate hydraulic fluids as disclosed by Morgan, by anyone aware of the fact that they needed improving or desirous of improving them.

Appellant bases considerable argument on a reference no longer relied on by the Patent Office, an article by Glavis, 42 Ind. & Eng. Chem. 2441, Dec. 1950. It is said to show that the addition of viscosity improving agents to lubricants does not give predictable results and that with Watson's tri-aryl phosphates specifically there is a marked difference between the results obtained with the polyacrylic esters of da Fano and the methacrylic esters of Watson, the differences being operability versus inoperability.

[3] What this amounts to is an argument that if one slavishly following the prior art, albeit with a little educated imagination, will sometimes succeed and sometimes fail, then he is always entitled to a patent in case of success. This is not the intention behind 35 U.S.C. § 103. Obviousness does not require absolute predictability. Where, as here,

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the knowledge of the art clearly suggests a certain class of compounds, materials actually known by the term "viscosity improving agents," as useful to improve the viscosity index of a certain group of hydraulic fluid lubricants, the mere possibility of failure does not render their successful use "unobvious."

Appellant has not shown the production of anything unexpected here. Though he lauds his own invention as a "surprising discovery," all that his examples purport to show is a satisfactory hydraulic fluid with improved viscosity curve characteristics. No curves are shown and no data are given. Nothing surprising is demonstrated. To this much of an invention the prior art clearly pointed.

The decision of the board is affirmed. Affirmed.



48 CCPA
KING-KUP CANDIES, INC., Applicant-Appellant,

v.

KING CANDY COMPANY, Opposer-Appellee.

Patent Appeal No. 6633.

United States Court of Customs and Patent Appeals.

April 14, 1961.

Appeal by applicant from a decision of Patent Office, Opposition No. 37,239, sustaining opposition to registration of trademark "King-Kup". The United States Court of Customs and Patent Appeals, Kirkpatrick, Judge, held that registration was properly denied to ap-

1. United States Senior District Judge for the Eastern District of Pennsylvania, designated to participate in place of

plicant candymaker because of confusing similarity with registered trademark "King's" of opposing candy manufacturer.

Affirmed.

Smith and Martin, Judges, dissented.

1. Trade-Marks and Trade-Names and Unfair Competition $\text{C}\rightarrow\text{43.8}$

Application for registration by candymaker of trademark "King-Kup" was properly rejected as confusingly similar to opposing candymaker's registered trademark "King's".

2. Trade-Marks and Trade-Names and Unfair Competition $\text{C}\rightarrow\text{8}$

Fact that king-cup was recognized word for common wild flower did not render its use in candy business, in which "cup" is a descriptive term, fanciful or arbitrary.

William Steell Jackson & Sons, Philadelphia, Pa. (Edward Lovett Jackson and Joseph Gray Jackson, Philadelphia, Pa., and John B. Armentrout, Washington, D. C., of counsel), for appellant.

Mason, Fenwick & Lawrence, Washington, D. C. (Edward G. Fenwick, Jr., and G. Cabell Busick, Washington, D. C., of counsel), for appellee.

Before WORLEY, Chief Judge, RICH, MARTIN and SMITH, Judges, and Judge WILLIAM H. KIRKPATRICK.¹

KIRKPATRICK, Judge.

This is an appeal by the applicant, King-Kup Candies, Inc., from the decision of the Trademark Trial and Appeal Board sustaining an opposition to the registration of the trademark, "King-Kup."

The opposer is King Candy Company, registrant of "King's" and "King's for American Queens," and its priority is not disputed.

Judge O'Connell, pursuant to provisions of Section 294(d), Title 28 U.S.C.

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Argument for Reopening Defendant's Case in Chief

Defendant respectfully requests the privilege of reopening its case in chief for the purpose of examining Dr. Paul E. Mayes as an adverse witness.

Before discussing the legal propriety of ~~submitting~~ this request, I would like to clarify the need for it as a practical matter of proof, the nature of the facts to be proved, and the factors that establish Dr. Mayes as an adverse witness whom defendant should be permitted to examine as such, as Rule 43(b) has repeatedly been interpreted.

The Facts to Be Proved

The pleadings raise three separate issues on which the live testimony of Dr. Mayes in Court is vital. These are:

1. The Mayes et al. patent in suit was procured by filing in the Patent Office an affidavit by Dr. Mayes which, although technically true and possibly executed quite innocently by Dr. Mayes, was grossly misleading and deceptive to the Patent Office and induced the withdrawal of a rejection of the claims of Mayes et al.

that had been based on the prior invention of Ibbell.

Only Dr. Mayes and the attorney for the Foundation, who handled that matter in the capacity also of an attorney for Mayes and Carvel, could know some of the important facts. Since the attorney is protected by the attorney-client privilege, only Dr. Mayes can be expected to reveal those facts on the witness stand. We hope and trust that such facts, many of which Dr. Mayes has already testified to most candidly in depositions, will leave him free of any suspicion of wrongdoing or improper motives. However, it is in the public interest, as well as the interest of defendant, that the wrongful procurement of the Mayes et al. patent in suit be exposed.

2. The Mayes et al. reissue patent was procured by filing a reissue application oath that supported, at best, only the grant of a narrowing reissue. However, through some over-

sight by the Patent Office,
a broadened reissue resulted.
As can practically be shown
only by the testimony of
Dr. Mayes, and again pre-
sumably through no fault
of his own, there was no
basis in fact ^{or law} for a broadened
reissue, and the reissue
patent in suit is invalid
for that additional reason.

3. Mayes and Carol did not
themselves invent the subject
matter of their reissue patent
in suit, but derived the
alleged invention from
a Mr. Turner of Wright Air
Development Center. All
that is necessary to prove
this ground of invalidity
of the Mayes et al. patent
in suit has been candidly
testified to by Dr. Mayes
in a deposition in a differ-
ent suit and need only
be repeated here. He is the
only person in this section
of the country, if not the
only person anywhere, who
can give the required
testimony on the controlling
facts. The conclusion of lack
of originality will follow as
a matter of law for which

Dr. Mayes could not be expected to be at fault.

The Law as to the Adverse Witness Character of Dr. Mayes

If it was not clear when Dr. Mayes was first called as defendant's witness, it has since been made clear and can be made even clearer, that Dr. Mayes is an adverse witness within the frequently construed meaning of Rule 43 (2) F.R.P.C.

The present liberal view of Rule 43 (2) was perhaps best summarized in the often cited case of --

Newark Insurance Co. v. Sertain

20 F.R.D. 583 at pages 586-7

D.C., N.D. Calif., 1957

[Read from page 586 as marked.

Also page 587]

As to the propriety of reopening defendant's case in chief, the present situation finds a close parallel in --

Gallis v. Peck Co.

264 F.2d 463 at page 665

C.D. 2, 1959

In that case, Judge Learned Hand said:
[Read from pages 665-6]

FACTS Dr. Mayes, though he did not so state when questioned about his position and responsibilities when first called by defendant, is the ASSOCIATE DIRECTOR of the Antenna

Laboratory of the University of Illinois, for whose benefit the University of Illinois Foundation exists.

Dr. Mayes was employed at the University to develop the subject matter of the reissue patent in suit for commercial use under a grant from the Foundation, to which he and Carol assigned that patent for commercial exploitation.

Dr. Mayes had primary responsibility in the publication review process at the University for the Antenna Laboratory when certain critical reports of the Laboratory were prepared and published [Finnig dep., pp. 20-21].

Throughout this litigation and the several other suits on the same patents, Dr. Mayes has served as the technical consultant to the attorneys for the Foundation on all technical matters arising in the course of that litigation. He testified for the Foundation as an expert witness in its suit on the Isbell patent against Wiregard Co. He was named prior to the present trial as a witness to be called by the Foundation in this suit, and he has now finally been called by the Foundation to testify as one of its experts.

Perhaps of greatest practical importance, Dr. Mayes has a financial interest in this case identical in kind with that of the plaintiff.

Finally, in depositions in this case and in the *Furney Co.* case pending before Judge Lynch, the present plaintiff, without objection, permitted its opponents to call and cross examine Dr. Mayes as an adverse witness. Thus, defendant had every reason to expect to be able to do so again at this trial, and relied upon its right to do so. It would seem, therefore, that plaintiff has waived any right it might otherwise have had to object to such further examination of Dr. Mayes at this trial.

In the light of all of those circumstances, a few additional decisions applying and interpreting Rule 43(b) should now be noted.

Independent Productions Corp. et al.

vs.

Loew's, Inc., et al.

24 F.R.D. 19 at pages 24-26

D.C., N.D. N.Y., 1959

involved a right to use a deposition of a witness at the trial under Rule 26(d) 2 involving similar considerations and rule language to Rule 43(b).
[Read as marked from pages 24-26]

See also --

Degelos v. Fidelity & Casualty Co. of N.Y.

6 F.R. Serv. 2d, 43 b. 2, Case 1

C. A. 5, 1963

[Read headnote]

Maryland Casualty Co. v. Kador

21 F.R. Serv. 43 b. 23, Case 1

225 F.2d 120

C. A. 5, 1955

[Read headnote]

Chumblin v. Alabama Power Co.

10 F.R. Serv. 2d 43 b. 2 Case 1

362 F.2d 161

C. A. 5, 1966

[Read headnote]

Skogen v. Dow Chem. Co.

10 F.R.S. 2d 434.2, Case 3

C.A. 8, 1967

[Read headnote]

Tire & Rubber Co., D.C., 18 F.R.D. 51;⁵ and Klop v. United Fruit Company, D.C., 18 F.R.D. 310.⁶

[1] There is discussed in these cases the liberal and the restricted definition of the term "managing agent". No useful purpose would be served by continuing this discussion here. The reasons for adopting the liberal view are set forth in the authorities cited, and they are, in my opinion, applicable here. In the final analysis, the cited cases have reached the conclusion that a managing agent of a corporation, partnership or association is any person who:

1. Acts with superior authority and is invested with general powers to exercise his judgment and discretion in dealing with his principal's affairs (as distinguished from a common employee, who does only what he is told to do; has no discretion about what he can or cannot do; and is responsible to an immediate superior who has control over his acts);

2. Can be depended upon to carry out his principal's directions to give testimony at the demand of a party engaged in litigation with his principal; and

3. Can be expected to identify himself with the interests of his principal rather than those of the other party.

[2] It seems to me that the latter test is the paramount and perhaps the really determinative one, for it would be eminently unfair to the principal to have to be bound by the testimony of a person who was not (at least supposed to be) completely loyal to the principal, but, on the other hand, it would be equal-

5. Persons who negotiated contracts and supplementary agreements; were responsible for the production and delivery of goods ordered by the plaintiff and the return of defective merchandise; participated in conferences concerning claims disputes; made decisions with respect to the performance of the contracts; and had supervisory control over the particular transactions in dispute in the case were held to be managing agents.

ly unfair for a litigant to be unable to secure the testimony of a ranking employee of his adversary, in the form of a managing agent, in possession of pertinent information⁷ (short of calling him as his own witness and thereby vouching for his veracity), when it is clear that such person is a supporter of his principal's cause and will give his testimony in the light most favorable to the principal. I am of the view that Rule 43(b) was designed to reach just such a situation, and until I am shown that I am wrong, or a better rule is devised, I propose to follow the one, which I have laid down above.

[3] When the above test is applied, it is apparent to me that Tuttle should, for the purposes of this case, be treated as a "managing agent" of the corporate plaintiff insofar as Rule 43(b) of the Federal Rules of Civil Procedure is concerned. From the record, it is inescapable that Tuttle was, in the mind of the defendants, the sole representative of the plaintiff, and was, so far as defendants were concerned, the one responsible for the issuance and execution of their insurance with the plaintiff. And, while under the terms of his agency contract with plaintiff, Tuttle's authority might appear, at first blush, to be something less than that of a "managing agent", Tuttle did in fact hold himself out to have broad powers respecting the issuance of insurance, the collection of premiums, and the payment of claims, and having openly exercised those powers without objection on the part of his principal (the plaintiff), I am of the view that it cannot be fairly said that

6. The second mate of a vessel was here held to be a managing agent.

7. Of course, any person called as managing agent under Rule 43(b) must be a person, who, because of his relationship with his principal, is in possession of pertinent information relative to the dispute between his principal and its adversary.

Tuttle was not the plaintiff for

Furthermore, I hear to me that concerning this litigation are seeking to Tuttle, and no one by anyone that obtained elsewhere. Plaintiff argues the defendants standing, his relationship with the business one with a fixed reasonable thing to align himself plaintiff rather of the defend-

[4] A further in this matter that counsel into a stipulation defendants, but win Tuttle's do be taken by co as an adverse of this stipulation that plaintiff that it might Tuttle as the "tiff (asserted corporate adverse at the trial. waiver took stipulation of Tuttle's deposition adverse witness agent" of a relation does with which this case.

[5] It is in this action Tuttle under of the Federal as a "man corporate r ants will not bound by

Tuttle was not a "managing agent" of the plaintiff for the purposes of this case.

Furthermore, from the record it is clear to me that the information concerning this litigation, which defendants are seeking to elicit, must come from Tuttle, and no suggestion has been made by anyone that this information can be obtained elsewhere. Even though, as plaintiff argues, Tuttle's friendship with the defendants in this case is one of long standing, his equally long standing relationship with the plaintiff, and the lucrative business derived therefrom, leaves me with a fixed feeling that the only reasonable thing to expect is that Tuttle will align himself with the interests of the plaintiff rather than with the interests of the defendants.

[4] A further point to be considered in this matter now before me is the fact that counsel for the plaintiff entered into a stipulation with counsel for the defendants, by virtue of which A. Darwin Tuttle's deposition was allowed to be taken by counsel for the defendants as an *adverse witness*. As the result of this stipulation, defendants now argue that plaintiff has waived any objection that it might have had to the calling of Tuttle as the "managing agent" of plaintiff (asserted by defendants to be a corporate *adverse party*) by the defendants at the trial. I am of the view that no waiver took place as the result of the stipulation for the obvious reason that Tuttle's deposition was taken as an *adverse witness* and not as the "managing agent" of an *adverse party*. The stipulation does not cover the precise issue with which I am presently confronted in this case.

[5] It is my ruling that defendants in this action may examine A. Darwin Tuttle under the provisions of Rule 43(b) of the Federal Rules of Civil Procedure, as a "managing agent" of an adverse corporate party (plaintiff), and defendants will not, as a result thereof, be held bound by any testimony so given by

Tuttle (Moran v. Pittsburgh-Des Moines Steel Company, supra, 183 F.2d at page 471).

It is so ordered.



UNITED STATES of America,

v.

Melvin Marvin ZIMMERMAN and Edward J. Mullally, Defendants.

United States District Court
S. D. New York.

June 10, 1957.

Motion by defendant for an order under Fed. Rules Crim. Proc. rule 16, 18 U.S.C.A., directing government attorney to permit defendant to inspect and copy signed statement obtained from him by F.B.I. agent. The District Court, Palmieri, J., held that government attorney should be required to produce for inspection and copying signed statement obtained from defendant.

Motion granted.

1. Criminal Law § 627½

Government attorney would be required to produce and permit defendant to inspect and copy signed statement obtained from him by F.B.I. agent, but no copy of statement should be made available to codefendant or any other person. Fed. Rules Crim. Proc. rule 16, 18 U.S.C.A.

2. Stipulations § 14(3)

Defendant's motion for bill of particulars would be deemed withdrawn in accordance with stipulation of defense counsel made in open court. Fed. Rules Crim. Proc. rule 7(f), 18 U.S.C.A.

Cite as 264 F.2d 663

their case upon the doctrine of *res ipsa loquitur*: i. e. that the accident was prima facie proof that the defendant had been negligent in installing and supervising, the "escalator." Their case against the defendant rested on a contract between it and the Port of New York Authority, by which it had agreed to take all reasonable care to keep the escalators in repair * * * and all repairs or replacements of parts made necessary by wear and tear of normal operation will be made by us." The defendant put in expert testimony to show that the escalator "could not stop and start or "jerk" forwards and backwards; but the judge decided that the plaintiffs had made out a case for the jury. He held that in order to recover they must in the end prove that "the stopping and jerking * * * resulted from the negligence of the defendant. * * * [T]he mere fact that an accident happens is not proof that somebody is negligent"; they had the burden of proof on that issue. On the other hand, he told the jury that, if no employee of the Port Authority "contributed in any way to the stopping and jerking, * * * the circumstances of this case would permit an inference of negligence on the part of the defendant."

This being an action depending upon diversity of citizenship, the law of New York controls, but upon this appeal we express no opinion as to whether, if the plaintiffs' testimony were accepted by the jury, it would have been justified in finding a verdict for the plaintiffs. We may, and do, refuse to do because of the exclusion of evidence offered by the defendant. The plaintiff, Nicholas, had been by far the most articulate of the plaintiffs' witnesses as to the accident; and the defendant had examined him at length. The plaintiffs had concluded their evidence and rested their case, and the defendant had moved for a dismissal which the court denied. Thereupon the defendant called Nicholas to the stand and asked him to identify his signature to a document in the possession of the Port Au-

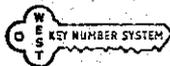
thority, which contained a claim made by him against the Authority on behalf of his daughter, Elaine, which he did. As a "full and complete description of accident" the claim read as follows: "While descending revolving escalator, the speed of the same was so rapid as to cause this claimant to fall and to tumble down all of the steps of the escalator." The fault of the Port Authority it then stated was "that this accident was definitely caused by the fault of the Port of New York Authority in that * * * the speed of the steps was entirely too great for the safety of any persons on them." Again, "I know positively it was the rapidity of the motion which caused all of the people on the escalators to lose their balance and be thrown about." The judge refused to allow the defendant to introduce this document in evidence on the ground that the Federal Rules of Civil Procedure, in particular Rule 43(b), 28 U.S.C.A. "do not authorize and were never intended to permit the use to be made of them that is sought to be made here."

[1-3] We do not agree. The evidence would patently have been admissible before the plaintiffs rested their case, not only to impeach the testimony of Nicholas Gallis, but as an admission against his own personal claim as a party. (Whether it would have also been affirmatively admissible against him, as guardian *ad litem* of Elaine, we need not say.) It was extremely important, as a deliberate detailed statement of what had happened, and it was at complete variance with the version that the jury accepted. The defendant declared that it had not known of the statement while Nicholas was on the stand, but that issue we deem to have been irrelevant. No harm had been done by the delay, and the defendant should not have been charged with such a vital forfeiture for so inconsequential an omission. As we said in *Sternberg Dredging Co. v. Moran Towing & Transp. Co.*, 2 Cir., 196 F.2d 1002, 1004: "It is of course true that, if evidence is introduced so late that any reply to it will require an undue prolongation of the trial, the judge had discretion to refuse it," but

Next pg.

that was not the case here. The fact that the defendant put Nicholas Gallis on the stand as its own witness is no longer important. Rule 43(b) is peremptory that a "party may call an adverse party * * * and contradict and impeach him in all respects as if he had been called by the adverse party." Even though recalling Nicholas Gallis by the defendant should be deemed "making him" the defendant's "own witness," the defendant was free to contradict him. The limit of the examination is always a question of discretion, and in the case at bar we cannot accept the rejection of the document as being within the discretion of the trial court.

Judgment reversed; cause remanded for a new trial.



UNITED STATES of America

v.

42 JARS, MORE OR LESS, of an article of drug labeled in part "BEE ROYALE CAPSULES".

Appeal of BEE ROYALE, INC.

No. 12667.

United States Court of Appeals
Third Circuit.

Argued Feb. 5, 1959.

Decided March 12, 1959.

Proceeding by the United States based on seizure of quantity of capsules on theory that capsules had been misbranded. From a judgment of the United States District Court for the District of New Jersey, Richard Hartshorne, J., 162 F.Supp. 944, the claimant appealed. The Court of Appeals, Goodrich, Circuit Judge, held, inter alia, that a corporation which owned capsules accused of having been misbranded could not refuse to answer interrogatories asked of it, up-

on discovery by United States, by invoking constitutional privilege of freedom from self-incrimination, since the Fifth Amendment plea is a personal one and the corporation cannot take advantage of it.

Affirmed.

1. Druggists ⇨2

A condemnation action for misbranding a drug and for introducing drug without having filed application required for a new drug is based on misbranding and does not require fraud. Federal Food, Drug, and Cosmetic Act, §§ 201(p), 304, 502(f) (1), 505, 21 U.S.C.A. §§ 321(p), 334, 352(f) (1), 355.

2. Judgment ⇨713(3)

Post office department mail fraud proceeding against person selling drug through mails on ground of fraudulent representations as to drug's curative powers was not res judicata in proceeding for misbranding drug in failing to state adequate directions for use and in introducing drug into interstate commerce without an effective application establishing its safety, where parties were not the same in mail fraud proceeding as they were in action for misbranding, no privity was disclosed, issues were not the same and there was no adjudication in mail fraud proceeding that seller merely filed affidavit and charges against him were ended solely as his promises were kept. Federal Food, Drug, and Cosmetic Act, §§ 201(p), 304, 502(f) (1), 505, 21 U.S.C.A. §§ 321(p), 334, 352(f) (1), 355; 21 U.S.C.A. §§ 259, 732.

3. Administrative Law and Procedure ⇨501

Druggists ⇨11

Post office department mail fraud proceeding against person selling drug through mails on ground of fraudulent representations as to drug's curative powers which was settled by agreement on part of seller to withdraw from advertising several specified claims with regard to beneficial effects of the capsules was not binding in proceeding for

both corporations was concerned this decision it is said meant very little because Biberman and Jarrico were otherwise gainfully employed elsewhere and performed little or no functions for the plaintiffs.

Except for some casual and sporadic consultation by Lazarus, it is asserted that Biberman and Jarrico at no time since they resigned in May 1956 have determined corporate policies or been consulted with respect thereto, administered or managed corporate business or signed any checks of either corporation.

It appears that Jarrico like Biberman will share in any recovery realized from the instant litigation. Jarrico's interest is 5 per cent thereof.

* * * * *

[1] Based on the foregoing asserted facts plaintiffs now move for an order "pursuant to § 30(b) of the Federal Rules of Civil Procedure [28 U.S.C.A.] debarring defendants from taking the depositions of the plaintiffs by Herbert Biberman and Paul Jarrico and vacating all notices of depositions heretofore served upon the attorneys for the plaintiffs by the defendants or any of them to the extent that such notices seek the depositions of the plaintiffs by and through Herbert Biberman and Paul Jarrico as officers, directors or managing agents of the plaintiffs."

There can be no dispute that neither Biberman nor Jarrico is now an officer or director of plaintiffs. The parties agree (as plaintiffs state in their brief) that there is left "for this court's determination a single question viz.: Are Biberman or Jarrico managing agents within the meaning of the Federal Rules?"

The approach to the question of who is a managing agent must be pragmatic.¹

1. 4 Moore's Fed.Prac. (2d ed.) p. 1192; Bernstein v. N. Y. Nederlandsche-Amerikaansche, etc., D.C.S.D.N.Y.1953, 15 F.R.D. 37.

The rules read in pertinent part:

F.R.Civ.P. 26:

"a. When Depositions May Be Taken. Any party may take the testimony of any person, including a party, by deposition upon oral examination or written interrogatories for the purpose of discovery or for use as evidence in the action or for both purposes. * * *

* * * * *

"d. Use of Depositions. At the trial or upon the hearing of a motion or an interlocutory proceeding, any part or all of a deposition, so far as admissible under the rules of evidence, may be used against any party who was present or represented at the taking of the deposition or who had due notice thereof, in accordance with any one of the following provisions: * * *

"(2) The deposition of a party or of any one who at the time of taking the deposition was an officer, director, or managing agent of a public or private corporation, partnership, or association which is a party may be used by an adverse party for any purpose."

Basically plaintiffs' argument is that the plain meaning of the rules precludes taking the deposition of a corporate party by a witness unless the witness be a "managing agent" of the examined party at the time of the taking of the deposition. The weaknesses of the "plain meaning rule" have been so well and so thoroughly explained as to require no elaboration here.² It will suffice to observe that the courts have approached the problem of determining who is a "managing agent" within the purview of the rules on an *ad hoc* basis, giving nominal approval to the proposition that a corporate party may be ex-

2. Cf. Massachusetts Bonding & Ins. Co. v. United States, 352 U.S. 128, 138, 77 S.Ct. 186, 1 L.Ed.2d 189.

amined only through of the deposition instant motion will the background of

In Newark Insu Judge Halbert rev on the meaning of agent" as used in He mentioned the ance from appellat trict courts to 1 whether witnesses managing agents c

[2] However, that given other knowledge by the facts and status of son other than a c with at least a cons lems of managem to promote the inte the paramount test [the witness] be himself with the in pal rather than the ty?" In this ruling cord.

[3] The purpose to protect a party fu a disgruntled forme ry v. States Marin ware, supra, note presented with a n tice to examine th tion through the p of occurrence of a of one of its vesse ruling, the witness ognized by Judge N the conventional agent". In denyi Walsh noted the

3. See Curry v. St tion of Delaware, F.R.D. 376, 377.

4. D.C.N.D.Cal.1957.

5. 4 Moore's Fed.Pr 1191.

ained only through one who at the time of the deposition is its agent.³ The instant motion will be considered against the background of these decisions.

In *Newark Insurance Co. v. Sartain*⁴ Judge Halbert reviewed the authorities on the meaning of the term "managing agent" as used in F.R.Civ.P. 26(d)(2). He mentioned the absence of any guidance from appellate courts for the district courts to follow in concluding whether witnesses were to be deemed managing agents of other persons.

[2] However, Judge Halbert ruled that given other basic factors, viz., knowledge by the witness of relevant facts and status of the witness as a person other than a common employee, i.e., with at least a consciousness of the problems of management and an incentive to promote the interests of management, the paramount test to be applied is "Can [the witness] be expected to identify himself with the interests of his principal rather than those of the other party?" In this ruling I am in complete accord.

[3] The purpose of Rule 26(d)(2) is to protect a party from the admissions of a disgruntled former employee.⁵ In *Curry v. States Marine Corporation of Delaware*, supra, note 3, Judge Walsh was presented with a motion to vacate the notice to examine the defendant corporation through the person who at the time of occurrence of an accident was master of one of its vessels. At the time of the ruling, the witness was an employee recognized by Judge Walsh as not occupying the conventional status of "managing agent". In denying the motion, Judge Walsh noted the absence of any danger

that the witness might through animus make admissions against the moving defendant. He concluded that the witness would identify defendant's interests with his own because the witness was still in defendant's employ as chief mate. He found that the witness was defendant's managing agent at the time of the accident; "he should be the person to explain the defendant's position now, unless defendant has a basis for withholding the confidence it previously placed in him."

Judge Palmieri attained the same result on similar facts in *Klop v. United Fruit Company*.⁶

On a similar theory, Judge Swaim writing for a majority of the panel in *O'Shea v. Jewel Tea Co.*⁷ affirmed the trial court's holding in effect that a former employee of the defendant was its "managing agent" within the meaning of F.R.Civ.P. 43(b). The witness, one Carlson, was the manager of the defendant's store where the accident occurred. Prior to the trial, the witness left the service of the defendant and at once started working for another company. However, it was obvious at the trial that Carlson "still considered himself a member of the defendant's camp" and the trial court properly found him to be defendant's managing agent and examinable as an adverse (not merely hostile) witness.

Judge Weinfeld has said in a leading case on this subject:⁸

"A managing agent, as distinguished from one who is merely 'an employee' is a person invested by the corporation with general powers to exercise his judgment and discretion in dealing with corporate mat-

3. See *Curry v. States Marine Corporation of Delaware*, D.C.S.D.N.Y.1954, 16 F.R.D. 376, 377.

4. D.C.N.D.Cal.1957, 20 F.R.D. 583, 586.

5. 4 Moore's Fed.Prac. (2d ed.) pp. 1190-1191.

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6. D.C.N.Y.1955, 18 F.R.D. 310.

7. 7 Cir., 1956, 233 F.2d 530.

8. *Krauss v. Erie R. Co.*, D.C.S.D.N.Y.1954, 16 F.R.D. 126, 127. See also *Warren v. United States*, D.C.S.D.N.Y.1955, 17 F.R.D. 389.