Winter 1967

Legal Basis For Precluding a Patent Examiner From Testifying

Follow this and additional works at: http://www.repository.law.indiana.edu/ilj

Part of the Evidence Commons, and the Intellectual Property Law Commons

Recommended Citation

Available at: http://www.repository.law.indiana.edu/ilj/vol42/iss2/4

This Note is brought to you for free and open access by the Law School Journals at Digital Repository @ Maurer Law. It has been accepted for inclusion in Indiana Law Journal by an authorized editor of Digital Repository @ Maurer Law. For more information, please contact wattrn@indiana.edu.
LEGAL BASIS FOR PRECLUDING A PATENT EXAMINER FROM TESTIFYING

In patent litigation it is almost unheard of for a litigant to seek either the testimony or the deposition of a primary patent examiner. The patent examiner should be as well informed of the disclosure and specification of a patent and as unbiased as any expert witness in a patent suit. He studies the specification and the claims of the application, researches the state of the prior art, conducts interviews with applicants, applies the law to the facts ascertained, and eventually determines whether a patent should issue. Therefore, at first glance, any trial in which the validity of a patent is in issue would appear to be incomplete without testimony from the patent examiner. The explanation for this omission of testimony is found in the traditional policy of the Patent Office.

Since 1880, the Patent Office has refused to permit members of its staff to testify voluntarily in patent suits. This policy was expanded by

3. 37 C.F.R. § 1.133(a) (1960).
4. Section 1701.

"Examiners Not to Express Opinion on Validity Nor Testify as Patent Experts. Inasmuch as public policy does not permit examiners to decide, as judges in the Patent Office, questions upon which they have been retained to give opinions as expert witnesses in patent cases in the courts, every examiner who shall testify as an expert in a patent case pending in any court shall be dismissed, unless he shall have so testified involuntarily, upon compulsion by competent judicial authority, and without retainer or preparation. (Basis: Notice of March 6, 1880.)"

"Congress in 35 U.S.C. 282, has endowed every patent granted by the Patent Office with a presumption of validity. Public policy demands that every employee of the Office refrain from expressing to any interested person any opinion or view as to the invalidity of any U.S. Patent. The question of validity or invalidity is exclusively a matter for the courts to determine. Each member of the examining corps is cautioned to be especially wary of any inquiry from any person outside the Patent Office (including any employee of another government agency), the answer to which might indicate that a particular patent should not have been issued.

"Whenever an examiner is asked or subpoenaed to testify in a suit concerning a patent, trademark registration, or application for either, he is directed to report that fact immediately to the Solicitor. (Basis: Notice, May 4, 1959.)"

"Examiners are cautioned against answering inquiries from any person outside the Patent Office as to whether or not a certain reference was considered and, a fortiori, whether or not a claim would have been allowed over that reference. This applies to anything in the patented file, including the extent of the field of search and any entry relating thereto. The record of a patented file must speak for itself. Practitioners can be of material assistance in this regard by refraining from making such inquiries of members of the examining staff. Answers to inquiries of this nature must of necessity be refused, and such refusal
a 1959 amendment to Section 1701 of the Manual of Patent Examining Procedure that prohibits the employees of the Patent Office from expressing any opinion as to the validity of a patent and from answering any outside inquiries as to the scope of the search conducted in processing a patent application. The penalty for voluntary testimony is dismissal.

While section 1701 does not specifically state the Commissioner of Patents' policy where the patent examiner is subpoenaed to testify, for the purposes of this note it will be assumed that section 1701 is indicative of a more inclusive policy of the Patent Office opposed to all testimony by patent examiners, and that the Commissioner of Patents will resist any attempt to subpoena a patent examiner.

The power of the Commissioner of Patents to prevent testimony by the patent examiners was seriously challenged on June 16, 1966, when the United States Court of Appeals for the Sixth Circuit decided American Cyanamid Co. v. FTC. In that case the court reviewed an order of the Federal Trade Commission holding that American Cyanamid Company and four other major drug manufacturers had violated Section 5 of the Federal Trade Commission Act in connection with the production and sale of tetracycline, described as "currently the best selling wonder drug."
der drug in the United States." The FTC hearing examiner had decided in favor of the drug companies on all issues and had dismissed the complaint. The FTC reversed its hearing examiner on review, finding that he had misconstrued information that the patent examiner had deemed relevant to respondent Phizer Company's application for the patent on tetracycline. The FTC decided that Phizer had deliberately made false and misleading statements and had withheld material information from the Patent Office in securing its tetracycline patent, and that the effect of Phizer's conduct before the Patent Office had been to restrain competition and to create a monopoly in the manufacture and sale of tetracycline in violation of Section 5 of the Federal Trade Commission Act.12

One of the issues before the court of appeals in reviewing the FTC's decision was whether the patent examiner who had granted the tetracycline patent should have been subpoenaed.13 After pointing out numerous instances of sharp disagreement between the FTC and its hearing examiner in their findings of fact with respect to the actions of patent examiner Herbert J. Lidoff, the court posed eleven material questions,14 not answered in the evidence, which only Examiner Lidoff could have answered. The FTC had not called Examiner Lidoff as a witness at the hearing, although requested by the drug companies to do so, but had presented as a witness Manuel C. Rosa, Examiner Lidoff's superior in the Patent Office.15 Mr. Rosa had been unable to answer questions concerning Examiner Lidoff's actions in granting the patent.

In response to the FTC argument that Section 1701 of the MPEP16

---

13. The major issue before the court was whether, under the facts and circumstances of the case, the participation of FTC Chairman Dixon in the hearing amounted to a denial of due process. Chairman Dixon had earlier served as counsel for a legislative committee investigation involving the same facts and issues concerning the same parties named as respondents before the FTC. The depth of that investigation, and the questions and comments made by Mr. Dixon as counsel indicated to the court that his participation in the FTC hearing was a denial of due process to the drug companies. American Cyanamid Co. v. FTC, 363 F.2d 757 (6th Cir. 1966).
14. American Cyanamid Co. v. FTC, 363 F.2d 757, 777-78 (6th Cir. 1966). The ultimate questions posed were, "did Lidoff receive all the information that he requested from Pfizer? And was Lidoff misled and deceived by Pfizer and Cyanamid and did he grant the tetracycline patent as the result of such deception?"
15. The drug companies did not seek to subpoena Examiner Lidoff as their witness because they had been denied an opportunity to interview him in advance of his testimony.
16. See note 4 supra.
prevented Examiner Lidoff from being called to testify, the court stated, "we see no reason why Examiner Lidoff could not have been subpoenaed as a witness to testify as to facts known only to him with respect to material issues of great public interest in this proceeding." Ultimately, the court held that in the absence of testimony from Examiner Lidoff the FTC's decision on the issue of misrepresentation to the Patent Office was not supported by substantial evidence.

The court's decision brings into issue the validity of the policy of the Commissioner of Patents as evidenced in section 1701 and impliedly raises the question of whether a fundamental privilege underlies that policy. This note will examine the legal bases upon which the Commissioner of Patents might rely in contesting the validity of the effect of a subpoena issued to a patent examiner.

Under Section 1701 of the MPEP

Section 1701, which is similar to regulations of other administrative agencies that preclude production of department records or information by subordinates, has two possible statutory bases. Before 1958, the Government usually argued that such regulations were authorized by 5 U.S.C. § 22. But in 1958, Congress added an amendment to that section, stating that, "this section does not authorize withholding information from the public or limiting the availability of records to the public." Therefore 5 U.S.C. § 22, as amended, does not authorize the Commissioner of Patents to prevent patent examiners from giving testimony under subpoena.

The second statutory basis from which the Commissioner of Patents derives his authority to establish regulations is 35 U.S.C. § 6, which states that "He [the Commissioner of Patents] may, subject to the ap-


19. "The head of each department is authorized to prescribe regulations, not inconsistent with law, for the government of his department, the conduct of its officers and clerks, the distribution and performance of its business, and the custody, use, and preservation of the records, papers, and property appertaining to it." Rev. Stat. § 161 (1875). This provision has been revised and enacted into positive law as 5 U.S.C.A. § 301 (1966).


21. See NLRB v. Capitol Fish Co., 294 F.2d 868, 875 (5th Cir. 1961).
proval of the Secretary of Commerce, establish regulations, not inconsistent with law, for the conduct of proceedings in the Patent Office." It would appear that this section does not apply to proceedings outside the Patent Office, and that it does not authorize the Commissioner of Patents to issue regulations that in effect change the rules of evidence in courts. Since the apparent effect of the more inclusive policy of Section 1701 of the MPEP is to limit the evidence available and the witnesses who can be effectively subpoenaed in a patent suit, it is more than a regulation "for the conduct of proceedings in the Patent Office" and is therefore beyond the statutory delegation of authority. This logic is supported by a case decided in 1890 by the Circuit Court for the Southern District of New York. The court was confronted by a rule of the Patent Office, established under Rev. Stat. § 483 (1875), that required that caveat and pending applications be held in secrecy. The Patent Office contended that caveat and pending applications were privileged documents. The court, however, held the rule to be

... inoperative to change the rules of evidence in courts of justice, both because to that extent it [the rule] would be inconsistent with law, and also because the effecting of such a change [by the rule] is in no sense the regulation of proceedings in the Patent Office.

Therefore, there appears to be no express statutory basis either in the Patent Act or the Administrative Procedure Act for or against the policy of the Commissioner of Patents against allowing patent examiners to testify.

**Question of Privilege**

Because there is no explicit statutory basis for the policy of the Commissioner of Patents, its justification may ultimately rest on a claim of governmental privilege against production of information. Government
claims for special evidentiary privileges fall into four general categories:27 (1) an informer's privilege;28 (2) a privilege for military, state, or diplomatic secrets;29 (3) specific statutory privileges;30 and, (4) a general housekeeping privilege.31 Clearly, a claim of privilege against a patent examiner testifying must fall within the last category, if any.

United States v. Reynolds32 is the most pertinent case on the question of governmental housekeeping privilege and particularly on whether the government agency or the court should determine the existence of a privilege. In that case widows of three civilian observers sued the United States under the Tort Claims Act33 for the deaths of their husbands in the crash of an airplane that carried secret electronic equipment. The plaintiffs moved under Rule 34 of the Federal Rules of Civil Procedure34 for production of the Air Force's official accident investigation report. The Secretary of the Air Force resisted discovery in a letter to the district judge and in a formal claim of privilege supported by an affidavit from the Judge Advocate General of the Air Force. The District Court for the Eastern District of Pennsylvania ordered production of the document in camera so that the court could determine whether it contained privileged matter. The Government filed an interlocutory appeal from the production order to the court of appeals5 wherein the Government claimed two privileges: (1) the general housekeeping privilege authorized by 5 U.S.C. § 22; and (2) the privilege against production of documents containing military secrets.

On the claim of a housekeeping privilege the court of appeals stated:

*We regard the recognition of such a sweeping privilege against any disclosures of the internal operations of the executive departments of the government as contrary to a sound public policy. The present cases themselves indicate the breadth of the claim of immunity from disclosure which one government*
head has already made. It is but a small step to assert a privilege against disclosure of records merely because they might prove embarrassing to government officers. Indeed it requires no great flight of imagination to realize that if the government's contentions in these cases were affirmed the privilege against disclosure might gradually be enlarged by executive determinations until, as is the case in some nations today, it embraced the whole range of governmental activities.  

The court of appeals thus denied the authority of a head of a government department to make a binding determination that a housekeeping privilege exists. On the claim of a military secrets privilege the court of appeals affirmed the district court order requiring the document to be produced in camera.

In NLRB v. Capitol Fish Co. an employer defending an unfair labor practice charge sought to subpoena an attorney from the NLRB General Counsel's office who had investigated the charge for the purpose of discrediting certain pre-trial affidavits and written statements that the investigating attorney had elicited from employees. The employer contended that the employees' affidavits and statements were false because the attorney had elicited them by playing on the employees' sympathy for a discharged fellow employee and his family. The General Counsel of the NLRB refused to grant permission for the attorney to testify. The NLRB trial examiner therefore quashed a subpoena issued to the attorney, relying on an NLRB regulation that prohibited Board employees from testifying in any cause before a court or the Board without the written consent of the Board or the General Counsel. The regu-

36. 192 F.2d 987, 995 (1951) (emphasis added). The court quoted the words of Patrick Henry that, "to cover with the veil of secrecy the common routine of business, is an abomination in the eyes of every intelligent man and friend to his country." 3 Elliott's Debates 170 (1836 ed.).

37. The court of appeals recognized that Boske v. Comingore, 177 U.S. 459 (1900), and United States ex rel. Touhy v. Ragen, 340 U.S. 462 (1951), did not apply. In both of those cases a subordinate government employee, cited for contempt for refusing to produce subpoenaed documents, pleaded a regulation, issued under 5 U.S.C. § 22 (1964), forbidding the production of documents by subordinates without approval of the department head. The Supreme Court upheld the right of the employees to refuse to produce subpoenaed documents under those circumstances. Neither case reached the issue of whether the head of a department has an absolute privilege to refuse to produce subpoenaed documents or information.

38. The Supreme Court reversed the court of appeals, holding that the documents was within the military secrets privilege and need not be produced in camera. 345 U.S. 1, 6-7 (1953). It may be significant that the Supreme Court did not reverse the court of appeals holding that no broad housekeeping privilege exists.

39. 294 F.2d 868 (5th Cir. 1961).

40. NLRB Regulations, 29 C.F.R. § 102.118 (1963). This regulation is similar to § 1701 of the MPEP.
lation had been issued under the purported authority of 5 U.S.C. § 22.\footnote{1

In holding that the subpoena was erroneously quashed by the trial examiner the fifth circuit court of appeals held: (1) that no special characteristics of an administrative hearing justify the exclusion of evidence which would be error to exclude in a court trial;\footnote{42} (2) that the enactment of the 1958 amendment to 5 U.S.C. § 22 indicates that the statute itself did not create a privilege;\footnote{43} (3) that the determination of a question of privilege is the proper function of a court and not of the department head; and (4) that the absence of service of process on the department head does not preclude a court from determining whether information withheld by a subordinate is privileged, i.e., that the department head need not be a party before a court can decide the question of privilege.\footnote{44}

The opinions in \textit{Reynolds} and \textit{Capitol Fish Co.} indicate that the Commissioner of Patents does not have the authority to determine finally the existence of a housekeeping privilege concerning patent examiners. Rather, the question whether a privilege exists is to be determined by the courts. Only if substantial reasons are advanced by the Commissioner of Patents for refusing to permit a patent examiner to testify in a particular case and the probative value of the patent examiner's testimony appear to be slight,\footnote{45} will a court find a valid claim of privilege.

\footnote{41}{See note 19 \textit{supra}.}

\footnote{42}{The refusal to subpoena a patent examiner held unjustifiable in American Cyanamid Co. v. FTC, 363 F.2d 757 (6th Cir. 1966), occurred during an FTC administrative hearing.}

\footnote{43}{See text accompanying note 21 \textit{supra}.}

\footnote{44}{The court in \textit{Capitol Fish Co.} stated that United States \textit{ex rel}. Touhy v. Ragen, 340 U.S. 462 (1951), discussed in note 37 \textit{supra}, could possibly be read as "precluding judicial determination of the non-existence of a privilege or its waiver when a regulation reserves to a department head authority to release official papers and the head has not been served by process." NLRB v. Capitol Fish Co., 294 F.2d 868, 874 (5th Cir. 1961). In \textit{Touhy}, the department head was not served and the Court did not reach the issue of whether there was a valid privilege. The court in \textit{Capitol Fish Co.} noted, however, that in United States v. Reynolds, 345 U.S. 1 (1953), discussed in note 38 \textit{supra}, the Supreme Court \textit{did} consider the substantive merits of the alleged privilege, though the department head in that case evidently had not been served by process. "Although the \textit{Reynolds} decision, decided two years after \textit{Ragen}, does not expressly conflict with the latter, it does seem to overrule the suggestion in \textit{Ragen} that the lack of service of process over the department head prevents a court from deciding whether evidence withheld by a subordinate is privileged." NLRB v. Capitol Fish Co., \textit{supra} at 874.}

\footnote{45}{Capitol Fish Co. also implies that the use of a subpoena \textit{ad testificandum} rather than a subpoena \textit{duces tecum}, used in the cases discussed thus far, should create no effective difference to the question of determination of privilege.}

\footnote{46}{See discussion of the necessity for production of documents claimed to be within the military secrets privilege in United States v. Reynolds, 345 U.S. 1, 11 (1953).}
Possible Limitations of American Cyanamid v. FTC

Since the statutes are silent and the cases indicate no government privilege to the contrary, any limitations on the holdings of American Cyanamid Co. that a patent examiner may be required to testify in some circumstances must necessarily be based on the special facts of that case or on some special immunity from subsequent inquiry into the patent examiner's decisional process.

American Cyanamid Co. involved a patent of tremendous national significance that permitted monopolization of the manufacture and sale of a proven "wonder drug" selling in high volume. The court of appeals recognized the significance of the tetracycline patent. Undoubtedly the substantial public interest in a patent so significantly affecting the general welfare affects the judicial determination of whether a privilege exists. In making that determination the court's function is to balance the benefits that will accrue to the public through proper operation of the Patent Office if the information is excluded against the benefits that will accrue to the public if that information is admitted into evidence. The public has an interest in the efficiency of administrative agencies, but it has as great an interest in extending substantial justice to litigants in a court or administrative proceeding. Thus in a case involving a patent of less public importance than that in American Cyanamid Co., a court might weigh the public interest in securing the patent examiner's testimony less heavily than did the sixth circuit.

Since the existence of fraud on the Patent Office was the principle issue in dispute in American Cyanamid Co. v. FTC, the courts might limit its holding to those cases involving issues of fraud on the Patent Office.

46. 363 F.2d 757, 779 (6th Cir. 1966).
47. See note 11 supra.
48. "In the present case the Commission was not dealing with a patent on an ordinary item of commerce, but with patents on antibiotics of vital importance in the treatment and cure of many diseases and of tremendous impact upon the public health." American Cyanamid Co. v. FTC, 363 F.2d 757, 771 (6th Cir. 1966). "We see no reason why Examiner Lidoff could not have been subpoenaed as a witness to testify as to facts known only to him with respect to material issues of great public interest in this proceeding." Id. at 779 (emphasis added).
49. See also Berger & Krash, Government Immunity from Discovery, 59 YALE L.J. 1451, 1462-64 (1950).
50. "It is urged, to be sure . . . that the 'public interest must be considered paramount to the individual interest of a suitor in a court of justice.' As if the public interest were not involved in the administration of justice! As if the denial of justice to a single suitor were not as much a public injury as is the disclosure of any official record! When justice is at stake, the appeal to the necessities of the public interest on the other side is of no superior weight." 8 Wigmore, EVIDENCE § 2378(g) n.7 (McNaughton rev. 1961).
51. The public policy supporting § 1701 of the MPEP is discussed in the text accompanying note 88 supra.
Office. There are two situations where the patent examiner's testimony is most likely to be requested: (1) where the party denying the validity of a patent alleges fraud on the Patent Office by the patentee, and (2) where the party denying the validity of a patent maintains that the invention was unpatentable over some relevant prior art which the patent examiner improperly considered or failed to consider when granting the patent.\(^{52}\)

An allegation of fraud on the Patent Office by an applicant is an extremely serious charge which, if proven, will render a patent invalid.\(^{53}\) An allegation of fraud in effect deprives a court of the opportunity to rely on the Patent Office's determination of patentability. Since the Patent Office allegedly has been deceived by misrepresentation, the presumption of validity attaching to the patent\(^{54}\) loses weight.\(^{55}\) One of the

A person shall be entitled to a patent unless—
(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or
(b) the invention was patented or described in a printed publication in this or a foreign country or 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, or
(d) the invention was patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or
(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or
(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed or concealed it.

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

53. Abington Textile Mach. Works v. Carding Specialists (Canada) Ltd., 249 F. Supp. 823, 839 (D.D.C. 1965). "A charge of misrepresentations to the Patent Office by an applicant for a patent is a serious allegation, and should be investigated by a Court even where, as here, the accused infringer does not press the charge initially made."

55. In Corning Glass Works v. Anchor Hocking Glass Corp., 253 F. Supp. 461, 471 (D. Del. 1966), an infringement action in which the defendant alleged that the plaintiff's patent was unenforceable because it was obtained by fraud, the court stated that: "Once intentional misrepresentations are involved, the court has the burden of determining whether or not the misrepresentations were relied upon by the examiner and whether, absent such reliance, the patent should have issued. In effect, the court is deprived of the benefit of the Patent Office's expertise in making th initial findings concerning patentability. Enforcing a patent in behalf of one who has made intentional misrepresentations to the Patent Office, irrespective of the merits of his patent applica-
elements of common law fraud is reliance by the victim on a material misrepresentation, but there seems to be no dependable way to determine whether a patent examiner relied on a misrepresentation except by examining him. 56 If fraud is alleged, as in American Cyanamid Co., the patent examiner's testimony will be useful in determining whether there was a material misrepresentation 57 and whether the patent examiner relied on this misrepresentation in granting the patent. 58

When the defendant in an infringement suit alleges that the invention was unpatentable over some relevant prior art that the patent examiner improperly considered or failed to consider when granting the patent, 59 the reason for requiring the patent examiner to testify is weaker. The court proceeding in an action contesting the validity of a patent is a de novo proceeding, 60 and after hearing testimony on both sides, the judge determines whether the patent is valid. 61 Testimony by the patent examiner who granted the patent would be of the same general character as other expert testimony. Moreover, the patent examiner would have no peculiar knowledge or information as he probably would have where there is an allegation of fraud on the Patent Office. 62 Where fraud is alleged

---

56. A patent examiner is not required to write an opinion (thus expressing his reliances) unless there is an initial or a final rejection of a patent application. 37 C.F.R. § 1.106(b) (1960).

57. Courts use varying standards in determining materiality of a misrepresentation. The court in Baldwin-Lima-Hamilton Corp. v. Tatnall Measuring Supply Co., 169 F. Supp. 1, 24 (E.D. Pa. 1958), stated that a misrepresentation is material if, but for the misrepresentations the patent would not have issued. In Corning Glass Works v. Anchor Hocking Glass Corp., 233 F. Supp. 461 (D. Del. 1966), where the defense was lack of clean hands on the part of the plaintiff, a misrepresentation was held to be material if it was "relevant" and "significant" to the issuance of the patent.

58. If the allegedly fraudulently obtained patent was issued under direction of the Patent Office Board of Appeals, under 35 U.S.C. § 7 (1964), rather than by a patent examiner, it may be necessary to elicit testimony on the question of reliance from each member of the Board of Appeals participating in the issuance. There appears to be no reason why members of the Board of Appeals should be any more immune from subpoena than the primary patent examiners.

59. See note 52 supra.


61. In determining whether the patent is enforceable at the time of litigation, the judge must of necessity make a prior determination of whether the patent was valid, over objections of lack of novelty or any other, at the time of issuance. In effect, the judge, supported by expert testimony, takes the place of a patent examiner. Of course the presumption of validity attaching to a patent under 35 U.S.C. § 282 (Supp. I, 1965) must be considered by the judge in making his determination.

62. Whether the examiner would have issued the patent had he known of the prior art brought to light for the first time in the litigation is irrelevant since it is a de novo hearing and the judge is now the final arbiter of the validity of the patent. Testimony as to whether the patent should have issued in view of all the prior art (whether cited at the time the patent issued or first brought to light in the litigation) is available from expert witnesses knowledgeable in the area.
the patent examiner would be the only person with knowledge of the particular facts he relied upon in granting the patent. In those situations where fraud is not alleged, a court might well find that the Patent Office's policy against testimony by patent examiners is more important than the advantages of obtaining the patent examiner's testimony.

A final possible limitation on *American Cyanamid Co.* is suggested by the fact that the Government was the plaintiff. Some cases have held that when the Government moves against a citizen as a plaintiff it cannot assert its evidentiary privileges. The theory is that it contradicts basic principles of fairness for the Government to appear as plaintiff with a sword of destruction in one hand and a shield of protection in the other. However, it does not follow that the Patent Office waives a privilege it might have because the FTC or any other federal agency institutes proceedings against a citizen.

To disallow a claim of privilege by the Patent Office where the FTC or other federal agency institutes a proceeding would allow one administrative agency to circumvent the internal policy of the Patent Office and restrict the congressional grant of authority to the Commissioner of Patents to superintend the execution of the purposes of the Patent Act. Administrative agencies should not have such power over their sister agencies without a grant of authority from Congress.

---

63. In *Jencks v. United States*, 353 U.S. 657 (1957), the Court held that the defense in a federal criminal prosecution was entitled as a matter of right, without laying a prior foundation and without prior judicial determination of impeachment value, to an order directing the Government to produce for inspection by the defense all statements of the witnesses in that prosecution in its possession, written or recorded by the FBI, touching the events and activities to which the witnesses had testified. The so-called Jencks legislation, 18 U.S.C. § 3500 (1964), limiting somewhat the Jencks holding, was construed in *Palermo v. United States*, 360 U.S. 343 (1959). For a more complete discussion in the criminal area see *Forgotson, The Jencks Legislation: The Status of the Accused's Discovery Rights*, 38 Tex. L. Rev. 595 (1960); *The Jencks Legislation: Problems in Prospect*, 67 Yale L.J. 674 (1958).

In the civil area, see *Bowles v. Ackerman*, 4 F.R.D. 260 (S.D.N.Y. 1945). In *Fleming v. Bernardi*, 1 F.R.D. 624, 625-26 (N.D. Ohio 1941), the court stated that a government officer who brings suit "must be held to have waived any privilege, which he might otherwise have had, to withhold testimony. . . . He must either give up his privilege to withhold pertinent evidence or he must abandon his suit for relief. The court granted the defendant a requested interrogatory to the Administrator of the Wage and Hour Division of the Department of Labor, under Rule 33 of the Federal Rules of Civil Procedure, and supported its holding by stating that the interrogatory did not seek government files or records, but only information within the knowledge of the plaintiff. Such personal knowledge would also be the object of a subpoena of a patent examiner.

64. The court in *Bank Line, Ltd. v. United States*, 76 F. Supp. 801, 804 (S.D.N.Y. 1948), however, stated that: "The several departments are all agencies of one government, possessed, theoretically, at least, of a single will. When that will is exercised in favor of litigating its claims it is thereby exercised in favor of surrendering the conditional privilege of suppressing its household secrets. . . ."
Probing the Mental Processes of an Administrative Official

The Patent Office might argue* that allowing a patent examiner to be subpoenaed would open the mental processes of an administrative official to judicial scrutiny. In United States v. Morgan,** which involved the validity of the Secretary of Agriculture's order fixing maximum rates for the Kansas City Stockyards marketing agencies, the Supreme Court held that it was not the function of the federal district court to "probe the mental processes" of the Secretary in fixing the rates.

Admittedly, determining whether a fraudulent misrepresentation was made to a patent examiner and whether he relied on it in granting a patent would involve some probing of his mental processes. However, the nature of the testimony sought in Morgan is distinguishable from the nature of the testimony a patent examiner might give in several respects.

First, in Morgan the Secretary of Agriculture had fixed the agency rates after considering thousands of pages of evidence compiled during Department of Agriculture hearings over several years.*** Under these circumstances the Supreme Court held that it was improper for the district court to examine the Secretary concerning the basis of his rate decision.**** But in a patent case where fraud is alleged, the patent examiner will not be asked why he granted a patent but only whether a misrepresentation was made to him and whether he relied on that misrepresentation in granting a patent. Hence, the range of the court's probe of the patent examiner's mental processes will be considerably narrower than the range of the probe of the Secretary's mental processes in the Morgan case.*****

Second, the Court in Morgan stated that the proceedings before the Secretary of Agriculture resembled judicial proceedings because many interested parties introduced evidence during the Department's hearings, and that an examination of the mental processes of a judge would be destructive of judicial responsibility.****** The proceeding before the patent examiner, however, is not of the same character as the proceedings in

---

  ** 66. 313 U.S. 409, 422 (1941).
  *** 67. Id. at 420.
  **** 68. "He [the Secretary] was questioned at length regarding the process by which he reached the conclusions of his order, including the manner and extent of his study of the record and his consultations with subordinates." Id. at 422.
  ***** 69. Where the only issue in the case is patentability over the relevant prior art, any questions probing the examiner's mental process in arriving at a decision of patentability would be closer to the Morgan situation. In this case the courts may find Morgan controlling and deny the litigants the opportunity to examine the patent examiner. See text accompanying note 59 supra.
  ****** 70. United States v. Morgan, 313 U.S. 409, 422 (1941).
The patent applicant is the only party presenting evidence, and the patent examiner acts as both the adversary and the judge of patentability. As such, the ex parte action is of questionable judicial character.

Finally, the Secretary of Agriculture is the head of a huge administrative agency, a position that requires the constant exercise of discretion and judgment. If the Secretary were open to judicial probing of his mental processes, the whole functioning of the Department of Agriculture would become bogged down as a result of suits filed by aggrieved or vindictive parties. This problem does not arise, however, where the patent examiner is required to testify. Such examination can do little to impede the operation of the Patent Office since the testifying patent examiner is only one of many patent examiners performing similar duties. At most the backlog of the Patent Office would be increased, but the administration of the Patent Office by the Commissioner of Patents would remain unencumbered.

Therefore, the logic of the Morgan case should not be applied as an absolute prohibition to examination of a patent examiner. Morgan involved a unique administrative proceeding and should not be indiscriminately applied to other administrative proceedings.

**Policy Basis for Subpoenaing a Patent Examiner**

As discussed earlier, in the final determination of the existence of a privilege precluding a patent examiner's testimony, a judge must weigh the public interest on each side of the question and base his determination on public policy. The proper balancing of these interests

71. In Singer Sewing Mach. Co. v. NLRB, 329 F.2d 200, 208 (4th Cir. 1964), Singer had asked the NLRB trial examiner to subpoena an NLRB field examiner. Singer alleged that the Board in determining an appropriate bargaining unit had violated the National Labor Relations Act and sought to question the field examiner as to the part he played in the determination. The trial examiner refused to subpoena the field examiner, basing his refusal on the NLRB regulation discussed in the text accompanying note 39 supra, and on the mental processes rule. The court held that the NLRB should have subpoenaed the field examiner, stating at p. 207, "We do not construe the language of this so-called fourth Morgan case as proscribing, under all circumstances, the probing of mental processes, United States v. Morgan, 313 U.S. 421-422." In the court's view, "the mental processes rule is but 'one facet of the general presumption of regularity' which attaches to decisions of administrative bodies. Thus, we conclude, where a prima facie case of misconduct is shown, justice requires that the mental process rule be held inapplicable."

72. See text accompanying note 49 supra.

73. See note 17 supra on the subpoena power of the FTC. "Any person, partnership, or corporation required by an order of the Commission [FTC] to cease and desist from using any method of competition or act or practice may obtain a review of such an order in the court of appeals of the United States ... by filing in the court, within sixty days from the date of service of such order, a written petition praying that the order of the Commission be set aside." 15 U.S.C. § 45(c) (1964).

74. See text accompanying note 50 supra.
requires that the rationale and objectives underlying Section 1701 of the MPEP be discovered and appraised.

Although the Commissioner of Patents has not stated the purposes of section 1701, one of its objectives may be to keep patent examiners at work in Washington, D. C., rather than travelling around the country testifying in patent suits. This would be, in fact, a valid reason for refusing to permit a patent examiner to testify since the Patent Office is laboring under a tremendous backlog. A patent examiner shortage could cause the backlog to increase or could force the Patent Office to hire additional patent examiners at additional expense to the public. But even though an extension of this backlog could cause serious problems, the backlog is essentially an administrative problem. It should not be too great a burden for a public interested in preventing the enforcement of fraudulently obtained patents.

To avoid wasting the patent examiners' time the testimony of an examiner could be taken in Washington, D. C., by deposition under Rules 26-31 of the Federal Rules of Civil Procedure. Abuse of such a practice could be prevented by strict application by the courts of Rules 30(b) and (d) that protect the deponent from examination in bad faith or "in such manner as unreasonably to annoy, embarrass, or oppress the deponent."

A second reason for the policy of Section 1701 of the MPEP may lie in its provision that, "the record of a patented file must speak for itself." Permitting the patent examiner to testify as to his reliances in granting a patent would lessen the reliability of the patent files because his reliances are not stated in the file and could be determined only by his testimony. These files are made public so that prospective manu-

---


76. "A patent by its very nature is affected with a public interest. . . . It is an exception to the general rule against monopolies and to the right to access to a free and open market. The far reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope." Precision Instrument Mfg. Co. v. Automotive Maintenance Mach. Co., 324 U.S. 806, 816 (1945).

77. In Universal Airline, Inc. v. Eastern Airline, Inc., 188 F.2d 993 (D.C. Cir. 1951), the court held that a court could compel a Civil Aeronautics Board inspector to testify to facts observed by him in his official capacity, either by deposition or in person. The CAB disclaimed any objection to such testimony, distinguishing between facts within the knowledge of the inspector and the Board's reports, orders or files. The scope of the examination of a deponent permitted under the Federal Rules specifically excludes privileged matter, thus referring one back to a determination of privilege.

78. It has been suggested that Rules 30(b) and (d) form a better basis than privilege for protecting the government from disclosure in any case. Pike & Fischer, Discovery Against Federal Administrative Agencies, 56 Harv. L. Rev. 1125, 1134-36 (1943).
turers and inventors can determine what they can do without infringing a patent. Nonetheless, the courts would probably find a greater public interest in obtaining evidence of fraudulent procurement than in protecting the reliability of the patent files, thereby protecting the monopoly of one who might have obtained his patent through fraudulent misrepresentation.

The Commissioner of Patents has a valid and substantial interest in protecting the good name of the Patent Office in order to engender public confidence and reliance. Yet the Patent Office realistically need not have a fear of injury to its good name from a patent examiner's testimony that he relied on a misrepresentation in granting a patent. The Patent Office has no laboratories of its own, and frequently the patent examiner must rely on affidavits submitted by applicants on the technical properties of an invention. Therefore the Patent Office is in no position to determine when fraudulent misrepresentations are made. Moreover, there is a more basic public interest in preventing the enforcement of fraudulently acquired patents than there is in protecting the Patent Office from embarrassment. By allowing subpoena of patent examiners, thereby making the proof of fraud on the Patent Office easier for private litigants, future fraudulent conduct would be discouraged and the possibility of future embarrassment of the Patent Office would be reduced.

Another possible reason for the policy of Section 1701 is that the patent examiner's memory of his reliances in granting a patent may be imperfect and the value of his testimony may be slight if he were called to testify many years after he granted the patent. However, such reasoning is faulty for several reasons. The interval between the issuance of the patent and the litigation will vary in each case, as will the patent examiner's recollection of his reliances. The probative value of the patent examiner's testimony is for the court to judge after hearing the testimony. Lack of probative value is a basis for exclusion of evidence; it

79. This was the case in American Cyanamid Co. v. FTC, 363 F.2d 757 (6th Cir. 1966).
80. Part of Examiner Herbert Lidoff's testimony before the FTC in American Cyanamid Co., after the remand by the court of appeals, is reported in 28 Food, Drug and Cosmetics Reports No. 38, Sept. 19, 1966, pp. 11-16. Mr. Werner Kutz and Dr. Francis Murphy are Pfizer & Co.'s patent representatives who met with Examiner Lidoff in 1954 to discuss with him objections he had raised to the issuance of a patent on tetracycline. Cross-examination by Pfizer's counsel: Q. Excuse me, Mr. Lidoff—is that what you said to Mr. Kutz and Dr. Murphy? A. I have no notion of what I said to them. Q. You can't even remember a single statement that you made? A. Not one single word.
81. "However halting its progress, the trend in litigation is toward a rational inquiry into truth, in which the tribunal considers everything 'logically probative of some
is not a basis for an evidentiary privilege.\textsuperscript{82}

A patent applicant is required to file a complete written statement of the reasons warranting favorable action which he presented at an interview with the patent examiner.\textsuperscript{83} Therefore, a fifth possible reason for Section 1701 might be the argument that the filing of such a statement by the applicant should estop him from later calling the patent examiner to testify against an allegation of fraud. If the record of the representations made by the applicant is incomplete or inaccurate, it is the fault of the applicant himself. But, in Examiner Lidoff’s testimony before the FTC\textsuperscript{84} in \textit{American Cyanamid Co.}, he denied that these explanatory memos placed in official patent files by applicants or their counsel have any significance, and he said that frequently he did not even bother to read these memos carefully. Statements held in such low esteem by a patent examiner should not later be afforded sufficient dignity to estop the patentee from calling the examiner to testify against an allegation of fraud.

A general argument against the policy of section 1701 is that permitting a defendant in an infringement suit to have the patent examiner subpoenaed may strengthen the only effective method of eradicating fraudulently obtained patents. As a practical matter, our patent system leaves the task of detecting and eradicating fraudulently obtained patents to the alleged infringer in an infringement suit or to an interested party plaintiff in a declaratory judgment action. Other remedies, either before or after issuance of a patent, are ineffective.\textsuperscript{85} Successful defense of a vigorously pursued infringement suit is quite difficult because the alleged infringer must rebut the presumption of validity of the patent.\textsuperscript{86} Also, the extremely high cost of litigation acts as a deterrent to contesting

\textsuperscript{82} The Patent Office itself recognizes that at times the evidence of a patent examiner will be of value to a court. In United States v. Standard Elec. Time Co., 155 F. Supp. 949, 952 (D. Mass. 1957), a government suit to cancel a patent on the ground that prior publication in the art was not cited by the applicant in his specifications, the Government submitted an affidavit of the Patent Office’s assistant examiner who had been present at a conference with the applicant’s attorney. The affidavit stated that the examiner did not recall having been shown a copy of a thesis which allegedly contained the prior publication, nor did he recall any discussion at the conference of the work of others than the applicant.

An affidavit, unlike personal testimony or a deposition, does not give notice to the opposing party so that he may attend and cross-examine. It would therefore be inadmissible hearsay evidence unless admissible under an exception to the hearsay rule, and such an affidavit does not appear to be within any of the recognized exceptions to the hearsay rule.

\textsuperscript{83} 37 C.F.R. § 1.133(b) (1966).
\textsuperscript{84} See note 80 supra.
\textsuperscript{85} Note, 77 Harv. L. Rev. 1505, 1507-11 (1966).
the validity of a patent. Consequently, an invalid patent might continue in effect without challenge.87 Giving the defendant in an infringement suit access to the testimony of the patent examiner may ease his burden considerably.

Conclusion

The sole reason for a court's upholding a housekeeping privilege is that the public interest requires that documents or testimony be withheld from evidence.88 In the patent area the determination that a court must make is which of two groups of competing interests is superior. Within one group are the public interests in maintaining the good reputation, integrity, and effectiveness of the Patent Office, and in supporting the well-considered policies of the Commissioner of Patents in whom the public has placed full responsibility for administering our patent system. In the competing group are two primary public interests. The first is to assure that only monopolies created by honestly procured patents encumber the public. The second is to guarantee litigants access to that evidence which justice requires they have.

The primary question is to what extent these two interests are coincident. The answer to this question can come only from a court after it has balanced all the interests involved under the facts and circumstances of each case. The policy of the commissioner, as evidenced by Section 1701 of the MPEP, unwarrantedly deprives a court of its proper function of balancing all of the interests bearing on a determination of privilege and entrusts that determination solely and finally to the agency asserting the privilege.

As Professor Morgan states, in discussing privilege:

So serious an interference with rational inquiry can be justified only by accompanying social benefits of great worth. . . . If a privilege to suppress the truth is to be recognized at all, its limits should be sharply determined so as to coincide with the limits of the benefits it creates. In many decisions this principle is disregarded. Sentiment serves for justice, and rhetoric is substituted for reason.89

87. "Issued patents, whether valid or not, may have a high nuisance value in the hands of large corporate owners, since they can wreak financial havoc upon smaller competitors by infringement suits, even though the ultimate judgment is in favor of the infringer." S. Rep. No. 1464, 84th Cong., 2d Sess. 5 (1956).
88. 8 Wigmore, Evidence § 2378(g) (McNaughton rev. 1961).
89. Foreword to the American Law Institute Model Code of Evidence 7 (1942).