

tion back under 35 U.S.C. §120 is simply untenable. The standard is whether disclosure of an invention is continuously before the Patent Office \* \* \* and not whether there was continuously pending at least one application in which such disclosure could have been presented. [End Text]

Finally, Triax contended that the Patent Office has "already agreed" that a continuity of disclosure exists among the grandparent, divisional, and c-i-p applications. The court rejects this argument as well. Under the guidelines set forth in *In re Shaw*, 202 USPQ 285 (Dep. Ass't Comm. Pat. 1978), Judge Manos says, a patent examiner need not render a determination as to whether a continuity of disclosure exists between a c-i-p and an earlier application unless the filing date of the earlier application is actually needed, e.g., in case of an interference or to overcome a reference. The court observes that none of these two exceptions is present here.

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### "PATENT TERM RESTORATION ACT" UNDERGOES OVERHAUL

H.R. 6444, an amended version of H.R. 1937, the "Patent Term Restoration Act," was introduced May 20th by Representative Robert W. Kastenmeier (D-Wis.). The bill incorporates the amendments that were agreed to during an earlier mark-up session before the House Subcommittee on Courts, Civil Liberties and the Administration of Justice.

#### Background

As introduced (see 519 PTCJ at A-22), H.R. 1937 would extend the term of a patent, up to a maximum of seven years, to compensate for the period that regulatory requirements delay the marketing of a patented product. (A counterpart bill (S. 255) was passed by the Senate last summer. See 537 PTCJ A-4, E-1, 517 PTCJ A-10, D-1.) The bill's primary beneficiary is the pharmaceutical industry which has long argued that regulatory delays severely shorten the effective life of drug patents and stifle innovation. See 549 PTCJ A-3. Several studies conducted by the Office of Technology Assessment, however, question whether the bill would spark innovation and challenge the assumption that there is a relationship between effective patent life and the regulatory period. See 543 PTCJ A-2, 567 PTCJ A-4. In addition, consumer and generic drug groups have maintained that the bill would lead to higher drug prices and discourage companies, other than the patentee, from seeking new uses for drugs protected by extended patents. See 555 PTCJ A-10, 567 PTCJ A-4.

#### Mark-Up Session

In light of this criticism, the House Subcommittee on Courts, Civil Liberties and the Administration of Justice, at its March 22nd mark-up session, voted to amend H.R. 1937 in a number of significant respects. The amendments would accomplish the following:

- provide that no patent may extend more than 27 years from the first application anywhere in the world
- grant full year for year extension only for regulatory delay experienced within the first ten years after the filing of the patent application
- provide patent term restoration for process patents if there is a direct relationship between the process and the requirement that the resulting product undergo premarket approval
- make the legislation prospective in application only
- delete the catch-all provision permitting extension of patents other than for food additives, pharmaceuticals, medical devices, and chemicals
- grant patent extension to the "recipient of market approval" who is the actual domestic developer

- provide equitable relief to a patentee who suffered extraordinarily egregious and unwarranted regulatory delay (Ed. Note: This amendment is designed to provide special relief for the patent covering the drug aspartame. See 556 PTCJ A-7.)
- provide that regulatory review begins with the initiation of human clinical tests, rather than with the initiation of animal tests or with the filing of the drug application.

#### New Bill

The amendments have been incorporated in a new bill, H.R. 6444, which was introduced May 20th by Representative Robert W. Kastenmeier (D-Wis.).

H.R. 6444 appears in text at page 93.

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#### NOT-FOR-PROFIT EXEMPTION DOES NOT BAR PUBLISHER FROM LICENSING CHURCHES TO USE COPYRIGHTED MUSIC.

A music publisher did not engage in copyright misuse or violate the antitrust laws in licensing its musical compositions for use in church services. The U.S. Court of Appeals for the Seventh Circuit notes that the publisher does not license the not-for-profit performance itself and that the license has no anti-competitive effect. (F.E.L. Publications, Ltd. v. Catholic Bishop of Chicago, 3/25/82)

#### Background

Plaintiff F.E.L. Publications (F.E.L.) is a music publisher who began publishing and marketing hymnals to Chicago's Catholic parishes in 1965. The copyrights for the songs that F.E.L. supplies have been purchased from individual composers who assigned the copyright in their compositions in exchange for royalties based on sales. The defendant Catholic Bishop of Chicago (Bishop) owns all Catholic parish property within the archdiocese of Chicago.

Prior to November 1972, F.E.L. licensed to Catholic parishes the right to copy its songs on a two cents per-song/per-copy basis. Cognizant of widespread illegal copying, F.E.L. instituted its Annual Copying License (ACL) in 1972. The ACL permits parishes to copy one or more of F.E.L.'s songs, currently numbering around 1400, in unlimited quantities for one year. The license fee is \$100. All copies must be destroyed upon termination of the license. In addition to the ACL, F.E.L. offers numerous other ways to acquire its songs.

F.E.L. filed suit for copyright infringement under the 1909 Copyright Act, alleging that the Bishop copied and published F.E.L. songs without permission. The district court summarily dismissed the action, concluding that F.E.L. had engaged in copyright misuse and had violated the antitrust laws. The trial judge found that the ACL was used to illegally extend F.E.L.'s copyrights over exempt not-for-profit performances, and that the ACL is a tying contract and a per se violation of the Sherman Act. See 506 F.Supp. 1127, 210 USPQ 403 (ND Ill. 1981), 515 PTCJ A-5.

#### Misuse

The Seventh Circuit notes that the exclusive rights of a copyright holder under the 1909 Copyright Act include the right to print, publish, and copy a copyrighted work. Also protected, Senior Judge Swygert says, is the right to perform a work publicly for profit. Under the 1909 Act's not-for-profit exemption, the court declares, a copyright holder cannot prevent a not-for-profit performance of his work.

According to Judge Swygert, the singing of a hymn at a religious service is a not-for-profit performance and F.E.L. cannot prevent churches from performing any of the copyrighted songs at services. But, he continues, plaintiff can prevent churches from copying or publishing its copyrighted works, even if the churches only intend to use the works at not-for-profit religious services.