REF ID:A414<u>68</u>477

^{80TH CONGRESS} 1ST SESSION S. 1726

IN THE SENATE OF THE UNITED STATES

JULY 25 (legislative day, JULY 16), 1947. Mr. GURNEY (by request) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To amend the Act relating to preventing the publication of inventions in the national interest, and for other purposes.

1 Be it enacted by the Senate and House of Representa-2 tives of the United States of America in Congress assembled, 3 That the Act of Congress approved October 6, 1917 (40 4 Stat. 394, ch. 95; 35 U. S. C. 42), and Acts amendatory 5 thereof, are further amended to read as follows:

6 "Whenever publication or disclosure by the grant of 7 a patent on an invention in which the Government has a 8 property interest might, in the opinion of the head of the 9 interested Government agency, be detrimental to the 10 national security, the Commissioner of Patents upon being 11 so notified shall order that such invention be kept secret REF ID:A4146477

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and shall withhold the grant of a patent therefor under
 the conditions set forth hereinbelow.

3 "Whenever the publication or disclosure of an invention by the granting of a patent, within categories prescribed by the 4 5 National Munitions Control Board and in which the Government does not have a property interest, might, in the opinion 6 7 of the Commissioner of Patents, be detrimental to the national security, he shall make the application for patent in which 8 such invention is disclosed available for inspection to the -9 10 Secretary of War, the Secretary of the Navy, and the chief 11 officer of any other department or agency of the Govern-12ment designated by the President as a defense agency of 13 the United States. If in the opinion of the Secretary of 14 War, the Secretary of the Navy, or the chief officer of such 15other department or agency so designated, the publication 16 or disclosure of such invention by the granting of a patent 17 therefor would be detrimental to the national security, the 18 Secretary of War, the Secretary of the Navy, or such other 19 chief officer shall notify the Commissioner of Patents to that 20 effect, and the Commissioner of Patents, upon being so 21notified, shall order that such invention be kept secret and 22shall withhold the grant of a patent therefor for such period 23° or periods as the national interests requires: Provided, That 24 the owner of a patent application which has been placed 25under a secrecy order shall have a right to appeal to the

National Munitions Control Board from such order: Pro-1 $\mathbf{2}$ vided further, That no invention shall be ordered kept secret 3 and the grant of a patent withheld for a period of more than one year: Provided further, That the Commissioner of 4 5 Patents shall renew any such order at the end thereof, or 6 at the end of any renewal period, for additional periods of 7 one year upon notification by the head of the department 8 or the chief officer of the agency who caused the order to 9 be issued that an affirmative determination has been made 10 that the national interest continues so to require, excepting. 11 however, that any such order in effect, or issued, during 12a time when the United States is at war, shall be and 13remain in effect for the duration of the war unless sooner 14 specifically rescinded: Provided further, That the Commis-15 sioner of Patents is authorized to rescind any order upon 16notification by the heads of all departments and the chief 17 officers of all agencies who caused the order to be issued 18that the publication or disclosure of the invention is no 19 longer deemed to be detrimental to the national security.

²⁰ "SEC. 2. The invention disclosed in an application for ²¹ patent subject to an order made pursuant to section 1 hereof ²² shall be held abandoned upon its being established before ²³ or by the Commissioner of Patents that in violation of said. ²⁴ order said invention has been published or disclosed or that ²⁵ an application for a patent therefor has been filed in a

1 foreign country by the inventor, his successors, assigns, or legal representatives, or anyone in privity with him or them, 2without the consent or approval of the Commissioner of ·3 🗅 <u>4</u> Patents, and such abandonment shall be held to have occurred as of the time of such violation: Provided, That in .5 no case shall the consent or approval of the Commissioner 6 of Patents be given without the concurrence of the heads 7 of all departments and the chief officers of all agencies who 8 9 caused the order to be issued: Provided further, That any 10 such holding of abandonment shall constitute forfeiture by 11 the applicant, his successors, assigns, or legal representatives, 12 or anyone in privity with him or them, of all claims against 13 the United States based upon such invention.

"SEC. 3. Any applicant, his successors, assigns, or legal 14 15 representatives, whose patent is withheld as herein provided, 16 shall, if the order of the Commissioner of Patents above 17 referred to shall have been faithfully obeyed, have the right, within one year from the date the applicant is notified that, 18 except for such order, his application is otherwise in condition 19 for allowance, or the effective date of this Act, whichever is 2021 later, to apply for compensation based upon the use, if any, 22 of the invention by the Government, such right to compen-23 sation to begin from the date of the use of the invention by the Government. The head of any department or agency 24

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who caused the order to be issued is authorized, if any such 1 $\mathbf{2}$ claim is presented within the periods above specified, to enter into an agreement with said applicant, his successors, 3 assigns, or legal representatives, in full settlement and com-4 $\mathbf{5}$ promise for such use, if any, and any such settlement agreement entered into shall be final and conclusive for all pur-6 7 poses, notwithstanding any other provision of law to the 8 contrary. If full compromise and settlement of any such claim cannot be effected, the head of any department or 9 10 agency who caused the order to issued may, in his discretion, 11 administratively award and pay to such applicant, his succes-12sors, assigns, or legal representatives, a sum not exceeding 13 75 per centum of the maximum sum, if any, which in the opinion of the head of such department or agency would 14 constitute fair and just compensation for such use, if any. 15 16 Within two years after issuance of the patent, any claimant 17 who fails to secure an award satisfactory to him shall have the right to bring suit against the United States in the Court 18 of Claims for such amount which, when added to such award, 19 if any, shall constitute fair and just compensation for the use, 20if any, of the invention by the Government: *Provided*, That. 21in any such suit, and in any negotiations looking toward settle-2223ment and compromise of any such claim, the United States may avail itself of any and all defenses that may be pleaded $\mathbf{24}$

S. 1726—2

by it in an action under the Act of June 25, 1910, as
 amended (35 U. S. C. 68).

"SEC. 4. No person shall file or cause or authorize to 3 4 be filed in any foreign country an application for patent or for the registration of a utility model, industrial design, or 5 model in respect of any invention made in the United States ·6 prior to ninety days after filing in the United States an 7 8 application covering such invention except when authorized 9 in each case by a license obtained from the Commissioner of Patents under such rules and regulations as he shall 10 prescribe: Provided, That no such license shall be granted 11 12with respect to any invention which is the subject matter 13 of a subsisting order issued by the Commissioner of Patents pursuant to section 1 hereof without the concurrence of the 14 heads of all departments or the chief officers of all agencies 15 16 who caused the order to be issued.

17 "SEC. 5. Notwithstanding the provisions of sections. 18 4886 and 4887 of the Revised Statutes (35 U. S. C., secs. 19 31 and 32), any person and the successors, assigns, or $\mathbf{20}$ legal representatives of any such person, shall be debarred 21from receiving a United States patent for an invention if 22such person, or such successors, assigns, or legal repre-23sentatives shall, without procuring the authorization pre- $\mathbf{24}$ scribed in section 4 hereof, have made, or consented to or 25assisted another's making, application in a foreign country

1 for a patent or for the registration of a utility model,
2 industrial design, or model in respect of such invention where
3 authorization for such application is required by the pro4 visions of section 4 hereof, and any such United States
5 patent actually issued to any such person, his successors,
6 assigns, or legal representatives so debarred or becoming
7 debarred shall be invalid.

8 "SEC. 6. Whoever, during the period or periods of time 9 an invention has been ordered to be kept secret and the 10 grant of a patent thereon withheld pursuant to section 1 11 hereof, shall, with knowledge of such order and without $\cdot 12$ due authorization, willfully publish or disclose or authorize 13 or cause to be published or disclosed such invention, or any 14 material information with respect thereto, or whoever, in 15violation of the provisions of section 4 hereof, shall file or 16 cause or authorize to be filed in any foreign country an ap-17 plication for patent or for the registration of a utility model, 18 industrial design, or model in respect of any invention made ·19 in the United States, shall, upon conviction, be fined not 20more than \$10,000 or imprisoned for not more than two 21 vears. or both. 22"SEC. 7. As used in this Act-23"The term 'person' includes any individual, trustee, 24 corporation, partnership, association, firm, or any other 25combination of individuals.

"The term 'application' includes applications, and any
 modifications, amendments, or supplements thereto, or con tinuances thereof.

4 "The term 'use' includes manufacture, sale, or other
5 disposition of the invention by the Government, or for the
6 Government with its authorization or consent.

disclosure of which is detrimental to "Inventions, 7 national security, shall include but shall not be limited to 8 inventions relating to (a) arms, ammunition, and imple-9 ments of war; (b) which can be applied only in the 10 manufacture or use of arms, ammunition, or implements 11 of war; (c) inventions coincident with or closely allied to 12 classified federally financed research for national-security 13 purposes; (d) inventions closely related to classified infor-14 mation relating to national security in the possession of 15 national-defense agencies; and (e) inventions embodying a 16 fundamental advance in technology which would drastically 17 18 increase the military potential of foreign countries.

"SEC. 8. The prohibitions and penalties of this Act
shall not apply to any officer or agent of the United States
acting within the scope of his authority.

22 "SEC. 9. The Secretary of War, the Secretary of the
23 Navy, the chief officer of any other department or agency
24 of the Government designated by the President as a defense

agency of the United States, the National Munitions Control 1 Board, and the Commissioner of Patents, may separately $\cdot 2$ issue such rules and regulations as may be necessary; and 3 proper to enable the respective department or agency to 4 carry out the provisions of this Act, and in addition are $\mathbf{5}$ authorized, under such rules and regulations as each may 6 prescribe, to delegate and provide for the redelegation 7 within their respective departments or agencies of any power 8 or authority conferred by this Act to such responsible officers, 9 boards, agents, or persons as each may designate or appoint. 10 11 "SEC. 10. If any provision of this Act or of any section 12hereof or the application of such provision to any person or 13 circumstance shall be held invalid, the remainder of the Act and of such section and application of such provision to 14 persons or circumstances other than those as to which it is 1516held invalid shall not be affected thereby.

17"SEC. 11. Any order of secrecy heretofore issued, and 18 subsisting on the date of the approval of this Act, shall be 19 considered as an order issued pursuant to this Act and shall 20continue in force and effect for a period of one year from the effective date of this Act unless sooner rescinded as 21 22provided herein: Provided, That any claim arising under 23the Act of which this Act is amendatory and unsettled as of the effective date of this Act, the provisions of any other 24

REF ID:A4148477

Act or Acts to the contrary notwithstanding, may be pre sented and determined pursuant to the provisions of section
 3 hereof.

80th CONGRESS 1st Session

ID: A41400477

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