82D CONGRESS 1st Session

See H.K.

#### IN THE SENATE OF THE UNITED STATES

S. 1827

JULY 10 (legislative day, JUNE 27), 1951 Mr. RUSSELL (by request) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

## A BILL

To provide for the withholding of certain patents that might be detrimental to the national security, and for other purposes.

Be it enacted by the Senate and House of Representa-1  $\mathbf{2}$ tives of the United States of America in Congress assembled, That whenever publication or disclosure by the grant of a 3 patent on an invention in which the Government has a 4 5 property interest might, in the opinion of the head of the of Corninterested Government agency, be detrimental to the national 6 <sup>m</sup>7 security, the Secretary of Commerce upon being so notified 8 shall order that such invention be kept secret and shall withhold the grant of a patent therefor under the conditions set . 9 10forth hereinafter.

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Whenever the publication or disclosure of an invention

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by the granting of a patent, within categories prescribed by 1  $\mathbf{2}$ the President and in which the Government does not have a 3 property interest, might, in the opinion of the Secretary of 4 Commerce, be detrimental to the national security, he shall 5 make the application for patent in which such invention is 6 disclosed available for inspection to the Atomic Energy Com-7 mission, the Secretary of Defense, and the chief officer of 8 any other department or agency of the Government desig-9 nated by the President as a defense agency of the United 10 States; and each individual to whom the application is dis-11 closed shall sign a dated acknowledgment thereof, which 12acknowledgment shall be entered in the file of the applica-13tion. If, in the opinion of the Atomic Energy Com-14 mission, the Secretary of Defense, or the chief officer of such 15other department or agency so designated, the publication 16or disclosure of such invention by the granting of a patent 17therefor would be detrimental to the national security, the 18 Atomic Energy Commission, the Secretary of Defense, or 19 such other chief officer shall notify the Secretary of Com-20merce to that effect, and the Secretary of Commerce, upon 21being so notified, shall order that such invention be kept 22secret and shall withhold the grant of a patent therefor for 23such period or periods as the national interest requires and 24upon proper showing by the head of any department or 25agency, who caused such secrecy order to be issued, that

the examination of the application might jeopardize the 1  $\mathbf{2}$ national interest, then the Secretary of Commerce shall 3 immediately seal such application. The owner of a patent application which has been placed under a secrecy order shall 4 have a right to appeal from such order to such agency and 5 under such rules as may be prescribed by the President. No 6 7 invention shall be ordered kept secret and the grant of a 8 patent withheld for a period of more than one year: Pro-9 vided, That the Secretary of Commerce shall renew any such 10 order at the end thereof, or at the end of any renewal period, 11 for additional periods of one year upon notification by the 12head of the department or the chief officer of the agency who 13caused the order to be issued that an affirmative determina-.14 tion has been made that the national interest continues so to 15require, excepting, however, that any such order in effect, 16or issued, during a time when the United States is at war, shall be and remain in effect for the duration of hostilities 1718and a period of one year following cessation of hostilities 19unless sooner specifically rescinded: The Secretary of Com-20merce is authorized to rescind any order upon notification 21by the heads of all departments and the chief officers of all 22agencies who caused the order to be issued that the publica-23tion or disclosure of the invention is no longer deemed to be  $\mathbf{24}$ detrimental to the national security.

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SEC. 2. The invention disclosed in an application for

patent subject to an order made pursuant to section 1 hereof 1  $\mathbf{2}$ may be held abandoned upon its being established before or by the Secretary of Commerce that in violation of said  $\mathbf{3}$ 4 order said invention has been published or disclosed or that  $\mathbf{5}$ an application for a patent therefor has been filed in a foreign country by the inventor, his successors, assigns, or legal 6 7 representatives, or anyone in privity with him or them, 8 without the consent or approval of the Secretary of Com-9 merce, and any such abandonment shall be held to have 10occurred as of the time of such violation: Provided, That in 11 no case shall the consent or approval of the Secretary of 12Commerce be given without the concurrence of the heads 13of all departments and the chiefs officers of all agencies who 14 caused the order to be issued. Any such holding of abandon-15ment shall constitute forfeiture by the applicant, his suc-16cessors, assigns, or legal representatives, or anyone in privity 17 with him or them, of all claims against the United States 18 based upon such invention.

19 SEC. 3. Any applicant, his successors, assigns, or legal 20 representatives, whose patent is withheld as herein provided, 21 shall, if the order of the Secretary of Commerce above re-22 ferred to shall have been faithfully obeyed, have the right, 23 during a period beginning at the date the applicant is notified 24 that, except for such order, his application is otherwise in 25 condition for allowance, or beginning at the effective date

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1 of this Act, whichever is later, and ending two years after. 2 the date a patent is issued on such application, to apply for 3. compensation for the damage accruing by reason of the order 4 of secrecy and/or for the use, if any, of the invention by the 5 Government, if the Government's use resulted from the applicant's disclosure; such right to compensation for use to 6 7 begin from the date of the first use of the invention by the 8 Government. The head of any department or agency who caused the order to be issued is authorized, if any such claim 9 10 is presented within the period above specified, to enter into an agreement with said applicant, his successors, assigns, or 11 legal representatives, in full settlement and compromise for 12such damage and/or use, if any, and any such settlement! 13. agreement entered into shall be final and conclusive for all 14 purposes, notwithstanding any other provision of law to the 15contrary. If full compromise and settlement of any such 16 claim cannot be effected, the head of any department or 17 agency who caused the order to be issued, may, in his dis-18 cretion, administratively award and pay to such applicant, 19 his successors, assigns, or legal representatives, a sum not 20exceeding 75 per centum of the maximum sum, if any, which 21in the opinion of the head of such department or agency. 2223 would constitute fair and just compensation for such damage. and/or use, if any. Within two years after issuance of a 24S: 1827 ----- 2

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patent, any claimant who fails to secure an award satisfac-1 tory to him shall have the right to bring suit against the  $\mathbf{2}$ United States in the Court of Claims for such amount which, 3 when added to such award, if any, shall constitute fair and 4 just compensation for the damage and/or use, if any, of the 5 invention by the Government. The owner of any patent 6 issued upon an application that was subject to a secrecy order 7 issued pursuant to section 1 hereof, and who faithfully obeyed 8 the order, who did not apply for compensation as above 9 10 provided, shall have the right, within two years after the 11 date of issuance of such patent, to bring suit in the Court 12of Claims for fair and just compensation for the damage 13accruing to him by reason of the order of secrecy and/or use by the Government of the patented invention, such right 14 15 to compensation for use, provided such use resulted from the applicant's disclosure, to begin at the first date of such use. 16 17In any suit under the provisions of this section, and in any 18negotiations concerning settlement and compromise of any such claim, the United States may avail itself of any and 1920all defenses that may be pleaded by it in an action under 21 title 28, United States Code, section 1498, as amended. This section shall not confer a right of action on anyone or 22his successor or assignee who, when he makes such a claim, 2324is in the employment or service of the United States, or 25who, while in the employment or service of the United States,

reidiscovered, invented, or developed the invention on which 20 "sucheelaimvisibased worder and all and an entry in the lation of the lation of the 3dim . SEC.24. Norperson shall file or cause or authorize to be 40cfiled in canysforeign country an application for patent or for 52 the registration of a utility model, industrial design; or model 6 in respect of any invention made in the United States prior 75 to ninety days after filing in the United States an application 8 covering such invention except when authorized in each 9 case by a license obtained from the Secretary of Commerce 10 under such rules and regulations as he shall prescribe: Pro-11. vided, That no such license shall be granted with respect to any invention which is the subject matter of a subsisting 1213 order issued by the Secretary of Commerce pursuant to sec-14, tion 1 hereof without the concurrence of the heads of alldepartments or the chief officers of all agencies who caused 15 16 the order to be issued. Such license may be granted retro-17 actively in case of inadvertence except in the case of inven-18, tions falling within the categories of invention prescribed 19 junder section 1 hereof. A standard sector and sector 20. The term "application" when used in this Act includes 21 applications, and any modifications, amendments, or supple-22 ments thereto, or divisions thereof. SEC. 5. Notwithstanding the provisions of sections 4886 23.424 and 4887 of the Revised Statutes (35 U.S.C., secs. 31 and 32), any person, and the successors, assigns, or legal repre-25

1 is sentatives of any such person, shall be debarred from receive ing a United States patent for an invention if such person, or 2 3d such successors, assigns, or legal representatives shall, with 4 1 out procuring the authorization prescribed in section 4 hereof, 5. have made for consented to or assisted another's making, 6 application in a foreign country for a patent or for the regist  $\frac{7}{4}$  i tration of a utility model, industrial design, or model in re-8 spect of such invention where authorization for such applica? 9. tion is required by the provisions of section. 4 hereof, and any 10 Such United States patent actually issued to any such person). 11; his successors, assigns, of legal representatives so debarred or . 12 Becoming debarred shall be invalid. Solor and word over the 13 SEC. 6 Whoever, during the period or periods of time an 14 invention has been ordered to be kept secret and the grant of 15 a patent thereon withheld pursuant to section 1 hereof, shall, 16, with knowledge of such order and without due authorization, 17, willfully publish or disclose or authorize or cause to be pub-18 dished or disclosed such invention, for any material information with respect thereto, or whoever, in violation of the 1920, provisions of section 4 hereof, shall file or cause or authorize. 21, to be filed in any foreign country an application for patent 22or for the registration of a utility model, industrial design, or-23 model in respect of any invention made in the United States,-24 shall, upon conviction, be fined not more than \$10,000 or 25, imprisoned for not more than two years, or both (12, 5)

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SEC. 7. 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, nor to any person acting
 upon the written instructions of, or in reliance on the written
 permission or advice of, any such officer or agent.

6 SEC. 8. The Atomic Energy Commission, the Secretary 7 of Defense, the chief officer of any other department or 8 agency of the Government designated by the President as 9 a defense agency of the United States, and the Secretary 10 of Commerce, may separately issue such rules and regula-11 tions as may be necessary and proper to enable the respective 12department or agency to carry out the provisions of this Act, 13and in addition are authorized, under such rules and regu-14lations as each may prescribe, to delegate and provide for 15the redelegation within their respective departments or agen-16cies of any power or authority conferred by this Act to such 17responsible officers, boards, agents, or persons as each may 18designate or appoint.

19 SEC. 9. If any provision of this Act or of any section 20 hereof or the application of such provision to any person or 21 circumstance shall be held invalid, the remainder of the 22 Act and of such section and application of such provision to 23 persons or circumstances other than those as to which it is 24 held invalid shall not be affected thereby.

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SEC. 10. The Acts of Congress approved October 6,

1917 (ch. 95, 40 Stat. 394); July 1, 1940 (ch. 501, 54 1 2 Stat. 710); August 21, 1941 (ch. 393, 55 Stat. 657); and June 16, 1942 (ch. 415, 56 Stat. 370) (U. S. C., title 3 35, secs. 42 and 42a to 42f), are repealed, but such repeal 4 shall not affect any rights or liabilities existing on the date  $\mathbf{5}$ . 6 of this Act. Any order of secrecy heretofore issued under said repealed Acts, and subsisting on the date of the approval 7 8 of this Act, shall be considered as an order issued pursuant 9 to this Act and shall continue in force and effect for a period 10 of one year from the effective date of this Act unless sooner 11 rescinded as provided herein. Any claim arising under said 12repealed Acts and unsettled as of the effective date of this 13Act, the provisions of any other Act or Acts to the contrary 14 notwithstanding, may be presented and determined pursuant .15 to the provisions of section 3 hereof.

16 SEC. 11. Nothing in this Act shall be construed to alter,
17 amend, revoke, repeal, or otherwise affect the provisions of
18 the Atomic Energy Act of 1946 (60 Stat. 755, as amended).
19 SEC. 12. This Act may be cited as "The Patent Secrecy
20 Act of 1951".

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To provide for the withholding of certain patents that might be detrimental to the national security, and for other purposes.

By Mr. Russell

JULY 10 (legislative day, JUNE 27), 1951 Read twice and referred to the Committee on the Judiciary