



Treaty Series No. 10 (1946)

Agreement

between His Majesty's Government in the United Kingdom
and the Government of the United States of America

concerning the

Interchange of Patent Rights and Information

Washington, 27th March, 1946

*Presented by the Secretary of State for Foreign Affairs
to Parliament by Command of His Majesty*

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Cmd. 6795

AGREEMENT BETWEEN HIS MAJESTY'S GOVERNMENT IN THE
UNITED KINGDOM AND THE GOVERNMENT OF THE UNITED
STATES OF AMERICA CONCERNING THE INTERCHANGE OF
PATENT RIGHTS AND INFORMATION.

Washington, 27th March, 1946.

WHEREAS there was signed and sealed at Washington on the twenty-fourth day of August 1942,⁽¹⁾ for the Government of the United Kingdom of Great Britain and Northern Ireland and for the Government of the United States of America, in further fulfillment of the policy set forth in their Agreement of the 23rd February, 1942,⁽²⁾ on the principles applying to mutual aid in the prosecution of the war against aggression, an Agreement deemed to have been in effect and operation as from the 1st January, 1942, concerning the interchange of patent rights, information, inventions, designs, or processes; and

Whereas it is desirable to amend the said Agreement of the 24th August, 1942, in certain particulars;

Now, therefore, it is agreed by the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America that the said Agreement of the 24th August, 1942, shall be and is hereby amended to read as follows:—

ARTICLE I.

(a) Each Government, in so far as it may lawfully do so, will procure and make available to the other Government, for use in war production, patent rights, information, inventions, designs, or processes requested by the other Government. In the case of the United States of America, the law authorizing such procurement and transfer is now the Act of the Congress of the United States approved the 11th March, 1941 (Public 11, 77th Congress), as amended. Each Government will bear the cost of the procurement of such patent rights, information, inventions, designs, or processes from its own nationals.

(b) In this Agreement the term "nationals" in relation to the United States of America shall mean all natural persons who on the 8th May, 1945, were exclusively citizens of the United States of America, all corporations, partnerships and associations organized under the laws of the United States of America, its territories, the several States, or the District of Columbia, and all natural persons domiciled or resident in the United States of America on the 8th May, 1945, as well as the Government of the United States of America and all of its agencies, but the term "nationals" in relation to the United States of America shall not include natural persons who were on the 8th May, 1945 exclusively subjects of the United Kingdom even though they were domiciled or resident in the United States of America on that date. In this Agreement the term "nationals" in relation to the United Kingdom shall mean all natural persons who on the 8th May, 1945 were exclusively subjects of the United Kingdom, all corporations, partnerships, and associations organized under the laws of the United Kingdom, and all natural persons domiciled or resident in the United Kingdom on the 8th May, 1945,

⁽¹⁾ "Treaty Series No. 8 (1942)," Cmd. 6392.

⁽²⁾ "Treaty Series No. 7 (1942)," Cmd. 6391.

as well as the Government of the United Kingdom and all of its agencies, but the term "nationals" in relation to the United Kingdom shall not include natural persons who on the 8th May, 1945 were exclusively citizens of the United States of America even though they were domiciled or resident in the United Kingdom on that date.

(c) The basic principle as to which Government shall undertake and bear the cost of procurement in doubtful cases shall be decided according to whether dollar or sterling costs are necessarily involved. In the former case the Government of the United States of America will effect acquisition and in the latter case the Government of the United Kingdom will effect acquisition, but each Government will pay the remuneration and other expenses of its own representatives incurred in connection with communicating any research or manufacturing information to the other Government.

ARTICLE II.

All patent rights so acquired shall be acquired and used for the purposes of, and until the termination of, the war only, unless otherwise expressly provided, except that contracts entered into (for the production, use, or disposition of articles) which cannot be terminated without penalty, may be completed, and all articles on hand at the termination of the war, or completed as permitted herein, may be used and disposed of. Information, inventions, designs or processes so acquired and not covered by patents or patent applications shall be acquired upon such terms as may most expeditiously make such information, inventions, designs, or processes available for the purposes of the war, with provision, to the extent practicable, for the limitation of the use thereof for the purposes of and until the termination of the war. When the information, invention, design, or process is of a category for which the other Government requests secrecy upon security grounds, each Government will take such steps as it deems practicable to ensure the appropriate degree of secrecy in manufacture and use. The term "termination of the war," for the purposes of this Agreement, shall mean the date when the Government of the United Kingdom and the Government of the United States of America have ceased to be jointly engaged in actual hostilities against a common enemy, or such other date as may be mutually agreed upon, and shall not be dependent on the date of the signing of a peace treaty.

ARTICLE III.

Such acquisition by the Government of the United States of America will be effected in accordance with regular Lend-Lease procedure (or its then current equivalent) and will be financed under such program, except that other procedure may be used in those instances where no expenditure of funds is necessary.

ARTICLE IV.

Such acquisition by the Government of the United Kingdom will be effected on the basis of written requests submitted by any authorized department or agency of the Government of the United States of America to the British Supply Council (or to such other agency of the Government of the United Kingdom as may be designated from time to time). Copies of all such requests will be furnished to the Office of Lend-Lease Administration. The British Supply Council will furnish to that Office reports as to all patent rights, information, inventions, designs, or processes obtained and transferred to the agency requesting the same and the acquisition cost thereof, if any.

ARTICLE V.

In so far as is found practicable in the circumstances of each case, adequate licenses or assignments and contract rights shall be acquired by each Government, in accordance with the requests of the other Government, and transferred to the other Government. Where desirable each Government will sponsor necessary relationships and permit dealings between the original grantor and the ultimate user. It is contemplated that normally the rights obtained should, subject to the limitations contained in Article II of this Agreement, include, among other things:—

- (a) The right to make, to have made, to use, and to dispose of, articles embodying the subject-matter of the patent rights, information, inventions, designs or processes so acquired, including the right to use and practice any of the aforesaid.
- (b) Provision for securing to the recipient Government or its designees all necessary personal expert services and supplementary information.
- (c) Permission to transfer, assign, license, or otherwise dispose of, any or all of the rights and privileges acquired, to the other Government, with further permission to the latter to transfer, assign, license, or otherwise dispose of any or all of the same to contractors, subcontractors, or other appropriate designees of the recipient Government, for war production purposes only.
- (d) The reservation on the part of the acquiring Government that it, and parties in interest holding under it, shall have the right at any time to contest the validity of any patent rights acquired.
- (e) Whenever practicable, a guarantee by the licensor or patentee as to the validity of his patent, in respect of which the license is granted, with an indemnity against any infringement claims.
- (f) Provision for the exchange of information, between the licensor or patentee and ultimate licensee, as to improvements or the results of research on the subject-matter of the license, together with the use of any patents which may be obtained in respect of such improvements, with a further provision that the like information and right to use additional patents shall simultaneously be furnished to both Governments.

ARTICLE VI.

(a) Subject to the provisions of Article VII of this Agreement, the Government of the United Kingdom agrees and undertakes to indemnify and save harmless the Government of the United States of America against all claims asserted by nationals of the United Kingdom under any United States patents for the use of any method or process and for the manufacture, use, or disposition of any article, which method, process, or article was used, manufactured, or disposed of by or for the Government of the United States of America—

- (1) for the purposes and to the extent set forth in Article II of this Agreement; or
- (2) in connection with the supply of articles to the Government of the United Kingdom under Lend-Lease or equivalent procedure, including the manufacture, use, and disposal of articles so supplied; or
- (3) pursuant to a request made or authority given, for the purposes of the war, by the Government of the United Kingdom to the Government of the United States of America;

provided always that the Government of the United States of America will, whenever in its judgment practicable, avail itself of any indemnity from a third party of which it shall have the benefit, in lieu of the indemnity from the Government of the United Kingdom contained in this Agreement. For the purposes of this paragraph (a) claims asserted by nationals of the United Kingdom under Title 35, Section 42, of the United States Code, 1940 edition, and Title 35, Section 90, of the United States Code, 1940 edition, Supplement IV, shall be construed to be claims under patents; and for the purposes of this paragraph (a) claims asserted by nationals of the United Kingdom under any United Kingdom patents or registered designs against United States Government contractors or subcontractors shall be construed to be claims subject to indemnification by the Government of the United Kingdom in cases where the Government of the United States of America has agreed and undertaken to indemnify and save harmless such contractors or subcontractors against any liability resulting from the use of any patented invention or registered design.

(b) Subject to the provisions of Article VII of this Agreement, the Government of the United Kingdom agrees and undertakes to indemnify and save harmless the Government of the United States of America against all claims asserted by nationals of the United Kingdom, under any law of the United States of America for compensation for the use or practice of any unpatented inventions, information, designs, or processes furnished by the Government of the United Kingdom to the Government of the United States of America and used or practised by or for the latter Government pursuant to the provisions of Article II of this Agreement, or for the use or practice of any unpatented inventions, information, designs, or processes by or in the manufacture, use, or disposition, by or for the Government of the United States of America, of articles manufactured, used, or disposed of—

- (1) for the purposes and to the extent set forth in Article II of this Agreement; or
- (2) in connection with the supply of articles by the Government of the United States of America to the Government of the United Kingdom under Lend-Lease or equivalent procedure and the use and disposal of such articles by the Government of the United States of America; or
- (3) pursuant to a request made or authority given, for the purposes of the war, by the Government of the United Kingdom to the Government of the United States of America;

provided always that the Government of the United States of America will, whenever in its judgment practicable, avail itself of any indemnity from a third party of which it shall have the benefit, in lieu of the indemnity from the Government of the United Kingdom contained in this Agreement.

(c) The indemnities set forth in paragraphs (a) and (b) of this Article shall apply whether or not written requests in accordance with Article IV of this Agreement have been or will be at any time submitted by any authorized department or agency of the Government of the United States of America.

ARTICLE VII.

The indemnity by the Government of the United Kingdom to the Government of the United States of America shall be subject to the following conditions and procedure, namely:—

- (a) That the Government of the United States of America, as soon as practicable after receiving notice of any claim by which a liability might fall upon the Government of the United Kingdom under the indemnity,

will notify the Government of the United Kingdom of such claim having been made.

(b) That, upon being so notified of any such claim, the Government of the United Kingdom will, so far as practicable, dispose of such claim through negotiations with the claimant.

(c) That the Government of the United States of America will not enter into negotiations or make any compromise or settlement out of court with any such claimant without the prior knowledge and concurrence of the Government of the United Kingdom.

(d) That, in all cases in which no prior disposition or compromise or settlement of a claim shall have been made, as in paragraphs (b) and (c) of this Article, and the claim becomes the subject of legal proceedings in the United States Court of Claims or other appropriate United States court, the Government of the United Kingdom shall, if it so requests, be permitted to assist the Government of the United States of America in defending any such proceedings, and that, in the event that judgment is rendered against the Government of the United States of America, the Government of the United Kingdom will satisfy such judgment for and on behalf of the Government of the United States of America in the manner and within the time prescribed by law, or, if the judgment should be satisfied by payment by the Government of the United States of America, the latter shall be reimbursed by the Government of the United Kingdom in the same amount and the same kind of currency as the Government of the United States of America paid to the United Kingdom national in satisfying such judgment.

ARTICLE VIII.

(a) Subject to the provisions of the Act of the Congress of the United States approved the 11th March, 1941 (Public 11, 77th Congress), as amended, and the provisions of Article IX of this Agreement, the Government of the United States of America agrees and undertakes to indemnify and save harmless the Government of the United Kingdom against all claims asserted by nationals of the United States of America under any United Kingdom patents or registered designs (including claims for compensation for the use of inventions which are the subject matter of applications for patents or registered designs, and publication of which has been prohibited under the United Kingdom Defence Regulations, provided that the patents shall have issued or the registrations shall have been effected) for the use of any method or process and for the manufacture, use, or disposition of any article, which method, process, or article was used, manufactured, or disposed of by or for the Government of the United Kingdom—

- (1) for the purposes and to the extent set forth in Article II of this Agreement; or
- (2) in connection with the supply of articles to the Government of the United States of America under Reciprocal Aid or equivalent procedure, including the manufacture, use, and disposal of articles so supplied; or
- (3) pursuant to a request made or authority given, for the purposes of the war, by the Government of the United States of America to the Government of the United Kingdom;

provided always that the Government of the United Kingdom will, whenever in its judgment practicable, avail itself of any indemnity from a third party of which it shall have the benefit, in lieu of the indemnity

from the Government of the United States of America contained in this Agreement. For the purposes of this paragraph (a) claims asserted by nationals of the United States of America under any United States patents against United Kingdom Government contractors or subcontractors shall be construed to be claims subject to indemnification by the Government of the United States of America in cases where the Government of the United Kingdom has agreed and undertaken to indemnify and save harmless such contractors or subcontractors against any liability resulting from the use of any patented invention.

(b) The indemnity set forth in paragraph (a) of this Article shall apply whether or not requisitions have been or will be at any time filed by the Government of the United Kingdom under regular lend-lease procedure or its then current equivalent in accordance with Article III of this Agreement.

ARTICLE IX.

The indemnity by the Government of the United States of America to the Government of the United Kingdom shall be subject to the following conditions and procedure, namely:—

(a) That the Government of the United Kingdom, as soon as practicable after receiving notice of any claim by which a liability might fall upon the Government of the United States of America under the indemnity, will notify the Government of the United States of America of such claim having been made.

(b) That, upon being so notified of any such claim, the Government of the United States of America will, so far as practicable, dispose of such claim through negotiations with the claimant.

(c) That the Government of the United Kingdom will not enter into negotiations nor make any compromise or settlement out of court with any such claimant without the prior knowledge and concurrence of the Government of the United States of America.

(d) That, in all cases in which no prior disposition or compromise or settlement of a claim shall have been made, as in paragraphs (b) and (c) of this Article, and the claim becomes the subject of legal proceedings in the appropriate United Kingdom court or other tribunal, the Government of the United States of America shall, if it so requests, be permitted to assist the Government of the United Kingdom in defending any such proceedings, and that, in the event that judgment is rendered against the Government of the United Kingdom, the Government of the United States of America will satisfy such judgment for and on behalf of the Government of the United Kingdom in the manner and within the time prescribed by law, or, if the judgment should be satisfied by payment by the Government of the United Kingdom, the latter shall be reimbursed by the Government of the United States of America in the same amount and the same kind of currency as the Government of the United Kingdom paid to the United States national in satisfying such judgment.

(e) That in accordance with the provisions of Section 3 (c) of the Act of the Congress of the United States approved the 11th March, 1941 (Public 11, 77th Congress), as amended, the obligations of the Government of the United States of America under the indemnity shall only extend to claims of which the Government of the United States of America is notified in accordance with paragraph (a) of this Article before the 1st July, 1949 or such other date as Congress may hereafter enact in amendment of said Section 3 (c).

ARTICLE X.

(a) Subject to the following provisions of this Article, the indemnity set forth in Articles VI, VII, VIII, and IX of this Agreement shall inure only to the benefit of the respective Governments. However, each Government agrees and undertakes to indemnify and save harmless the nationals of the other Government whom such Government requests so to be indemnified against all claims asserted by the nationals of the indemnifying Government under any patents or registered designs for the use of any method or process and for the manufacture, use, or disposition of any article, which method, process, or article was used, manufactured, or disposed of to the extent set forth in Article II of this Agreement in the course of manufacture, use, or disposition for the essential war needs of the civilian population of the country of the nationals whom it is sought to indemnify; provided, however, that requests for indemnities under this Article X shall be made only in cases where the formal requisitions for the rights under the patents or registered designs involved shall have been filed with the indemnifying Government on or before the 8th April, 1946, and provided further that such requests shall be made only in cases where the requesting Government had assured its nationals whom it seeks to have indemnified that they would be saved harmless from liability in respect of such claims. Nothing in this Article X shall be construed as conferring any rights on any national of either country to assert any claim against the Government of the other country.

(b) The indemnities set forth in this Article X shall be subject to the nationals whom it is sought to indemnify agreeing to comply substantially with the conditions and procedure set forth in Articles VII and IX of this Agreement. It is understood that the limitation set forth in paragraph (e) of Article IX shall apply to the obligation of the Government of the United States of America under this Article X.

ARTICLE XI.

In order to avoid conflict with the understanding contained in this Agreement, departments or agencies of the Government of the United States of America, which negotiate contracts for production in the United States of America, pursuant to specifications furnished by or on behalf of the Government of the United Kingdom, will not require contractors in the United States of America to give indemnities to the Government of the United States of America which would be likely to result in efforts by the contractors to obtain an off-setting indemnity from the Government of the United Kingdom; the Government of the United Kingdom assumes a reciprocal obligation toward the Government of the United States of America.

ARTICLE XII.

Anything contained in this Agreement to the contrary notwithstanding, any obligations heretofore or hereafter undertaken by the Government of the United Kingdom pursuant to the provisions of Section 7 of the Act of the Congress of the United States approved the 11th March, 1941 (Public 11; 77th Congress), as amended, as such obligations may be interpreted by the President of the United States of America or by a United States court of competent jurisdiction, shall be performed by the Government of the United Kingdom

ARTICLE XIII.

All payments made by the Government of the United Kingdom and the Government of the United States of America, respectively, in carrying out the terms of this Agreement shall be accounted for by the appropriate agencies of the two Governments as aid extended and benefits received by the Government of the United States of America in accordance with the Act of the Congress of the United States approved the 11th March, 1941 (Public 11, 77th Congress), as amended, and the agreement between the two Governments entered into at Washington on the 23rd February, 1942.

ARTICLE XIV.

Each Government will give to the other Government all possible information and other assistance required in connection with computing any payments to be made to nationals of the other Government with respect to the use of their patent rights, information, inventions, designs, or processes.

ARTICLE XV.

A joint committee of representatives of the Government of the United Kingdom and of the Government of the United States of America shall be established for the purpose of dealing with problems arising in connection with operations under this Agreement and of making appropriate recommendations to proper authorities with respect thereto.

ARTICLE XVI.

No patent rights, information, inventions, designs, or processes shall be requested by either Government under this Agreement nor shall the indemnities set forth in Articles VI, VII, VIII, IX, and X of this Agreement apply in respect of any use or infringement occurring during the continuance in effect of a license agreement or other contractual obligation in existence on the 1st January, 1942 between a national of one Government on the one hand and a national of the other Government on the other hand covering such patent rights, information, inventions, designs, or processes; provided that if such license agreement or other contractual obligation be nonexclusive, such patent rights, information, inventions, designs, or processes may be requested by either Government under this Agreement in respect of their use or infringement by nationals of the requesting Government other than the national holding such license agreement or other contractual obligation and the indemnities aforesaid shall, if otherwise applicable in accordance with their terms, apply to the same extent.

ARTICLE XVII.

This Agreement shall be deemed to have been in effect and operation as from the 1st January, 1942, and shall expire on the 8th April, 1946, but without prejudice to any liability which may then already have been incurred, or which may thereafter arise, pursuant to any obligations undertaken by either Government by virtue of Articles VI, VII, VIII, IX, X, XII, XIII, XIV, and XVI of this Agreement. For these purposes the definitions of the term "nationals" set forth in Article I of this Agreement shall continue in effect after the 8th April, 1946.

Done, in duplicate, at Washington this twenty-seventh day of March, 1946.

For the Government of the United Kingdom of Great Britain
and Northern Ireland:

(Sd.) HALIFAX.

*His Majesty's Ambassador Extraordinary
and Plenipotentiary at Washington.*

For the Government of the United States of America:

DEAN ACHESON.

*Acting Secretary of State of the United
States of America.*

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