INTERCHANGE OF PATENT RIGHTS, INFORMATION, INVENTIONS, DESIGNS, OR PROCESSES

Agreement signed at Washington August 24, 1942
Entered into force August 24, 1942; operative from January 1, 1942
Amended by agreement of March 27, 1946
Terminated April 8, 1946

56 Stat. 1594; Executive Agreement Series 268

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland, in further fulfillment of the policy set forth in their agreement of February 23, 1942 on the principles applying to mutual aid in the prosecution of the war against aggression, have considered the interchange of patent rights, information, and similar matters, and have authorized their representatives to agree as follows:

ARTICLE I

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 March 11, 1941 (Public 11, 77th Congress). Each Government will bear the cost of the procurement of such patent rights, information, inventions, designs, or processes from its own nationals. In this Agreement the term “nationals” shall include all corporations and natural persons domiciled, resident, or otherwise within the jurisdiction of the Government concerned (as well as the Government itself and all of its agencies), except natural persons who are exclusively citizens or subjects of the country of the other Government. The basic principle as to which Government shall undertake and bear the cost of procurement in doubtful cases shall be decided in

1 TIAS 1510, post, p. 782.
2 Pursuant to notice of termination given by the United States Oct. 8, 1945.
3 EAS 241, ante, p. 603.
4 55 Stat. 31.
accordance with 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 com-
municating 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 com-
pleted 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 expe-
ditiously 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 “termi-
nation of the war”, for the purposes of this Agreement, shall mean the date when
the Government of the United States of America and the Government of the
United Kingdom 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 ef-
fected on the basis of written requests submitted by any authorized depart-
ment 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, among other things, include:

(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, sub-contractors, 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

Subject to the provisos set out in Article VII hereunder, 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 corporations or subjects of the United Kingdom arising as a result of the use and practice of any patent rights, inventions, information, designs, or proc-
esses furnished by the Government of the United Kingdom to the Government of the United States of America and used by the latter Government pursuant to the provisions of Article II of this Agreement, or arising as a result of production, use, or disposition, by or on behalf of the Government of the United States of America, of articles:

(a) Supplied to the Government of the United Kingdom under Lend-Lease or equivalent procedure; or

(b) Embodying the subject-matter of patent rights, information, inventions, designs, or processes furnished (or which purport to have been furnished) by the Government of the United Kingdom to the Government of the United States of America and used by the Government of the United States of America pursuant to the provisions of Article II of this Agreement; or

(c) So produced, used, or disposed of, pursuant to a request made or authority given 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. The Government of the United Kingdom will not look to the Government of the United States of America for any corresponding indemnity against claims asserted by nationals of the United States in the United Kingdom.

**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, 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 the Government of the United States of America will not 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.

(c) That, in all cases in which no prior compromise or settlement of a claim shall have been made, as in paragraph (b) 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 will (if it shall so request) be permitted to assist the Government of the United States of America in defending any such proceedings.
Article VIII

The Government of the United Kingdom shall not be liable in respect of claims asserted by nationals of the United States of America in the United States as a result of the use and practice of any patent rights, information, inventions, designs, or processes, or as a result of production, use, or disposition of articles embodying the subject-matter of any of the aforesaid.

Article IX

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 pursuant to specifications furnished by or on behalf of the Government of the United Kingdom, will not require contractors in the United States 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 offsetting 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 X

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 March 11, 1941 (Public 11, 77th Congress), 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 XI

All payments made by the Government of the United States of America and the Government of the United Kingdom, 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 March 11, 1941 (Public 11, 77th Congress) and the agreement between the two Governments entered into at Washington on February 23, 1942.

Article XII

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 XIII**

A joint committee of representatives of the Government of the United States of America and of the Government of the United Kingdom 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 XIV**

License agreements, or other contractual obligations between nationals of the United States of America on the one hand and nationals of the United Kingdom on the other hand, existing on January 1, 1942, and continuing in effect, or any claim for royalty arising thereunder, shall not be deemed to be within the scope of this Agreement.

**Article XV**

This agreement shall be deemed to have been in effect and operation as from January 1, 1942. Each Government shall have the option to terminate this Agreement as from any date specified in a notice given by the Government exercising such option to the other Government, which date shall be not less than six months from the giving of such notice, and the provisions of this Agreement shall cease to be effective from the date so specified, 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 this Agreement.

Signed and sealed in duplicate at Washington this twenty-fourth day of August, 1942.

For the Government of the United States of America:

**Cordell Hull**

[Seal]

*Secretary of State of the United States of America*

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

**Halifax**

[Seal]

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