ADDITIONAL STATEMENT OF FRANCIS M. SHEA, ASSISTANT ATTORNEY GENERAL, CONCERNING H. R. 3359.

At the request of the Chairman of the Committee, I am making this additional statement concerning the consequences of amending Section 5 of H. R. 3359, as redrafted, by inserting the word "willfully" before the words "publishes or discloses". Following the discussion of this point, I shall propose certain amendments to the redraft which I think are desirable.

Willfullness

Public No. 700, approved July 1, 1940, which H. R. 3359 would amend, authorizes the Commissioner of Patents to order that an invention covered in an application for a patent be kept secret and to withhold the grant of a patent whenever the publication or disclosure of such invention might, in his opinion, be detrimental to the public safety or defense. Public No. 700 further provides that the invention in question may be held abandoned if it is published or disclosed in violation of the Commissioner's order, or if an application for a patent is filed in a foreign country without the consent or approval of the Commissioner.

H. R. 3359, as introduced by Congressman Lanham, would add to Public No. 700 the following provision, inter alia:

"SEC. 5. Whoever violates any order of the Commissioner made pursuant to the Act approved July 1, 1940 (Public, Numbered 700, Seventy-sixth Congress, third session, ch. 501), or publishes or discloses any information to which said order relates or files or causes or authorizes to be filed an application for patent or for the registration of a utility model, industrial design, or model in a foreign country except as provided in section 3 hereof shall be punished by a fine of not more than $10,000 or by imprisonment for not more than two years, or both."

In the redraft of H. R. 3359 which I presented to the Committee, this section reads as follows:

"SEC. 5. Whoever violates any order of the Commissioner made pursuant to the Act approved July 1, 1940 (Public, Numbered 700, Seventy-sixth Congress, third session, ch. 501), or whoever with knowledge of such order, and without permission of the Commissioner, publishes or discloses any information contained in, or which under any rule or regulation prescribed by the Commissioner, should have been contained in, any application for a patent the grant of which has been withheld, or files or causes or authorizes to be filed, an application for patent or for the registration of a utility model, industrial design, or model in a foreign country except as provided in Section 3 hereof shall be fined not more than $10,000 or imprisoned for not more than two years or both; provided however, that this section shall not apply to any officer of the United States, acting within the scope of his authority."

At the hearing concerning H. R. 3359 before this Committee on February 27, 1941, Congressman Heidinger suggested that the word "willfully" be inserted before the words "publishes or discloses" in Section 5 of the redraft, in order to prevent punishment for innocent disclosure of information innocently omitted from a patent application. At that time,

I stated to the Committee, in response to this suggestion, that I thought the language of the draft would probably sufficiently safeguard the situation and would not make the criminal penalties applicable to the case suggested, but with the permission of the Chairman, I agreed to submit a memorandum on the consequences of inserting the word "willfully" as proposed by Congressman Heidinger.

Section 5 of H. R. 3359, as introduced in the House, provides fine and imprisonment for publishing or disclosing any information to which a secrecy order of the Commissioner, issued under Public No. 700, relates. The bill does not require that such publication or disclosure be with knowledge of the order. Under the usual principles of criminal law, it is more than likely that the courts would construe this provision to exclude cases of innocent disclosure, made without knowledge of the secrecy order. However, to silence any doubts, the redraft is explicit on this score, and provides that the publication or disclosure of information must be "with knowledge of such order, and without permission of the Commissioner", in order for the criminal sanctions to be applicable.

The amendment suggested by Congressman Heidinger would impose a further condition--that of willfullness. If the insertion of the term "willfully" is intended merely to require that the disclosure or publication be deliberate and intentional, it is my considered opinion that the redraft as now worded is adequate. One must have "knowledge" of the Commissioner's order of secrecy, and thereafter must "disclose" or "publish" the prohibited information, before he can properly be regarded

as having violated Section 5. Innocent disclosure of the information by a person not aware of the order of secrecy, and inadvertent or unintentional disclosure, would be excluded.

If, on the other hand, it is intended that there be bad faith, an evil intention, or an awareness that one is acting unlawfully, before the sanctions of Section 5 become applicable, then the addition of the word "willfully" as suggested would carry out this purpose. In civil statutes, the term "willful" is usually construed to denote an act which is intentional, knowing, or voluntary, as distinguished from one which is accidental or inadvertent. However, when used in a criminal statute or in connection with an offense involving turpitude, the term "willful" is generally taken to mean an act done with a bad purpose or evil motive. United States v. Illinois Cent. R. Co., 303 U.S. 239; United States v. Murdock, 290 U. S. 389; Sinclair v. United States, 279 U.S. 263: Spurr v. United States, 174 U.S. 728; Potter v. United States, 155 U.S. 438; Felton v. United States, 96 U.S. 699.

As was said by the Fifth Circuit Court of Appeals in Hargrove v. United States, 67 F. (2d) 820, 823 (1923), where a statute denounces as criminal the willful doing of an act.

> "a specific wrongful intent, that is, actual knowledge of the existence of obligation and a wrongful intent to evade it, is of the essence."

The members of this Committee are unquestionably familiar with the difficulties involved in establishing before a jury the existence

of criminal intention or an evil motive. However, the considerations pro and con concerning the advisability of embodying the term "willful" in Section 5 as suggested by Congressman Heidinger are for this Committee to weigh.

Suggested Amendments to the Redraft

1. Section 3.

Section 3 of the redraft of H. R. 3359 reads:

> "SEC. 3. No person shall file or cause or authorize to be filed in any foreign country an application for patent or for the registration of a utility model, industrial design, or model in respect of any invention made in the United States, except when authorized in each case by a license obtained from the Commissioner of Patents under such rules and regulations as he shall prescribe. This section shall not apply to any application corresponding to an application filed in the United States Patent Office which is assigned to the Government of the United States and held under the provisions of the Revised Statutes, section 4894 (U.S.C., title 35, sec. 37)."

The second sentence of this section (which is the same in the redraft as in the original bill) was, I believe, included at the suggestion of the War Department, to cover the situation in which an invention covered by a pending application is acquired by the War Department, which then certifies to the Commissioner of Patents, pursuant to Section 4894 of the Revised Statutes, that the invention is important to the armament and defense of the United States. In these circumstances, it was intended that the filing of an application for the

same invention in a foreign country, at the authorization of the War Department, should be possible without a license from the Commissioner of Patents. I am informed that it is the practice of the War Department, in taking an assignment of a patent application under Section 4894 of the Revised Statutes, to acquire the invention in toto, leaving no rights in the inventor. In such a case, of course, the sentence cited above would accomplish its purpose without permitting evasions, since only the Government, as the exclusive owner, would have the right to file a foreign application.

However, I am further informed that other Departments besides the War Department have proceeded under Section 4894 of the Revised Statutes, such as Treasury, Agriculture and Commerce, and that a Department may conceivably desire to take an assignment of the patent application without obtaining exclusive rights in the invention itself. If this is done, the assignor would retain the right to file an application for a foreign patent, and the second sentence of Section 3 as now drafted would permit such a person to file abroad without permission. I can see no reason why he should not be required first to obtain a license from the Commissioner of Patents under Section 3. Therefore, I suggest that the second sentence in Section 3 be deleted, thereby closing a possible avenue of evasion.

However, there should probably be no requirement that a

license be obtained by the War Department or other governmental agency which owns the invention and which may desire to file a foreign application. This is, indeed, recognized in the proviso to Section 5 of the redraft, which makes the criminal sanctions inapplicable to an officer of the United States acting within the scope of his authority. To conform Sections 3 and 4 to Section 5 in this respect, and to make the provisions of Public No. 700 uniform therewith, the following sentence should be added as Section 8 of the redraft:

> "This act shall not apply to any officer or agent of the United States, acting within the scope of his authority."

I believe that adequate safeguards are to be found in the judgment of the head of a department or agency as to whether an invention that has been acquired by it in whole or in part should be disclosed by the filing of a foreign application or otherwise. If such an amendment is made, the publication or disclosure of an invention covered by a secrecy order, or the filing of a foreign patent application therefor, by an officer or agent of the United States acting within the scope of his authority, would not result in the abandonment of the American patent application, the invalidation of any American patent actually issued, or the imposition of any criminal penalties. With this suggested amendment, the proviso to Section 5 of the redraft (beginning on line 3, page 3, and ending on line 5) becomes unnecessary and should be deleted.

2. Section 5.

Section 5 of H. R. 3359, as introduced, prohibits the publication or disclosure of "any information to which said order (of secrecy) relates". The redraft of this section prohibits the publication or disclosure of information which is "contained in, or which under any rule or regulation prescribed by the Commissioner, should have been contained in, any application for a patent the grant of which has been withheld." This provision of the redraft is based upon the premise that it is not unreasonable to require that an applicant having knowledge of the secrecy order should keep secret, not only the details of his invention as disclosed in the patent application, but also any relevant information concerning the invention which he may have omitted from the application in violation of the Commissioner's regulations.

In my opinion, under the foregoing language in the redraft, the courts would probably require that the information published or disclosed be material, for example, that it give away some aspect of the invention covered by the application for patent; hence, the disclosure of inconsequential information would in all likelihood not constitute a violation of Section 5. However, to remove any possible doubt on this score, there may be added after the word "information", in line 18 of page 2 of the redraft, the words "in respect of an invention". For purposes of clarification, I also suggest substituting for the words "except as provided in Section 3 hereof" the words "in violation of the provisions of Section 3 hereof". As thus amended, and with the deletion of the proviso

relating to officers of the United States for reasons already stated above, Section 5 of the redraft would read as follows:

> "Whoever violates any order of the Commissioner made pursuant to the Act approved July 1, 1940 (Public, Numbered 700, Seventy-sixth Congress, third session, ch. 501), or whoever with knowledge of such order, and without permission of the Commissioner, publishes or discloses any information, in respect of an invention, contained in, or which under any rule or regulation prescribed by the Commissioner, should have been contained in, any application for a patent the grant of which has been withheld, or files or causes or authorizes to be filed, an application for patent or for the registration of a utility model, industrial design, or model in a foreign country in violation of the provisions of Section 3 hereof shall be fined not more than $10,000 or imprisoned for not more than two years, or both."

This would make it clear that the applicant, after receiving knowledge of the order of secrecy, would be bound not to disclose any information concerning the invention, whether such information was included or was intentionally or unintentionally omitted from the application for patent.

Certain other suggested amendments were made by witnesses at the hearings held before the Committee on February 20, 25 and 27, 1941. To the extent that these suggestions were meritorious in my opinion and in the opinion of the representatives of the other Government departments and agencies with whom I conferred on this measure, they have been embodied in the redraft, amended as indicated above. In all other respects, the

suggestions have not been followed, for reasons heretofore set forth in the testimony given before the Committee by Commissioner Coe, Major Vanderwerker, or by me.