

Interview with M.K.Schnurr, sec-treas. Rustless Iron & Steel Corp., Baltimore, Md., at his office, p.m. 6/12/41.

Mr. Schnurr was very pleasant and cooperative. He expressed appreciation of the series of articles on the Nazi Invasion of American business and a desire to help. He told me to see his lawyer in Washington, Mr. J.H.Joynt, who would provide me with whatever information and data he had. Before I left Mr. Schnurr gave me a letter to Mr. Joynt. He also gave me a list of the fields in which stainless steels are needed and a memorandum on stainless steel. Mr. Schnurr asked and I agreed not to quote him by name and not to mention his corporation except in connection with its suits against Nirosta.

Mr. S explained that generally patents are of 2 kinds, product patents and process patents. The Nirosta patent involved in the litigation (2,186,710) is a product patent. There is some question, according to Mr. S., as to whether or not the Pat Office should have granted this patent because the thing was already covered by other patents already granted.

It is almost impossible to collect royalties from fabricators, he said, and hence it is the Nirosta scheme to collect from melters of steel, such as Rustless. When Nirosta, about a year ago, attempted to collect royalties from the melters as a group they feared that one might fall and actually pay patents royalties, thus setting a precedent. R filed its suit. This fear grew from the fact that some of the melters were stockholders in Nirosta. The suit allayed this fear. Mr. S. confirmed the list I gave him that I had earlier learned (see earlier notes) as the stockholders in Nirosta.

After the filing of the R suit melters ~~affairixen~~ got together and offered to pay Nirosta the cost of the suits it would have to defend if it attempted to collect from the melters if in return Nirosta would allow them free use of the questioned patent.

Of the importance of stainless steel: Stainless steel is common steel with ~~a~~ changes by varying the elements (carbide, etc.) and by adding new elements (chromium, nickel) thus changing the behavior pattern. Characteristics of stainless steel:

1) High tensile strength and lighter weight; 2) high degree of resistance to corrosion from rust, heat, acid. (note use in powder plants as acid tanks, etc.) (stainless steel hardware, bomb racks, instruments, etc.)

Said Allegheny-Ludlum ~~s~~ its interest in Nirosta when word of DJ interest got to it. Suggested I see Batchellor, pres., now with Metal Priorities Board.

Said Krupp formerly connected with US Steel.