

American patent law and procedure, and then to offer a panacea.

After devoting several months to a close study of the question, however, one begins to get some small idea of its ramifications and furthermore, to appreciate its tremendous influence upon the development of industrial life in America. By this time comes a realization of the tremendous stake involved and that our laws are so broad and so just that we cannot but feel that its few disadvantages or imperfections are greatly outweighed by their benefits and excellencies.

The main difficulty in my mind lies in the fact that there are so many diverse interests involved in the consideration and enforcement of the patent laws of this country, that when Congress once begins to attempt to modify some of these manifestly imperfect sections, it will let loose the floodgates with the possibility that narrow and even fanatical opinion may rule, and that some of the manifest advantages of our patent system may be lost in the attempt to correct some of its minor features which appear disadvantageous.

This all leads up to a recommendation on my part that while discussion should be indulged to an unlimited degree, any action or resolution on the part of the Society should be controlled with the utmost care; and by all means let us refrain from doing anything hastily.

I can see the disadvantages pointed out by Dr. Hesse in his article published in *The Journal of Industrial and Engineering Chemistry* of July 1919 and I am frank to say that I can conscientiously support his proposition insofar as the principle is involved.

As the matter appears to me, however, I really fear that Dr. Hesse's remedy will wholly fail to accomplish the desired result.

The gist of his contention is that inventors allow patents to lie idle, thus transgressing the spirit underlying the patent system, and that this may be partially remedied by the payment of an annual tax.

He states furthermore that the annual tax shall consist of a modest sum of perhaps \$25; in other words, one which will cause the surrender of a large number of such patents and yet not large enough to be a burden to the comparatively poor inventor.

I cannot for an instant believe that a patent which promises to be of any very considerable value *per se* or which may be indirectly valuable in blocking the efforts of others, could be released by requiring the annual payment of any such sum as \$25 or even \$100.

The majority of such patents as are held in quiescent condition and which are calculated materially to interfere with industry are not those that are taken out, or at least *permanently held*, by men of small means, but are generally taken out by or quickly fall into the hands of institutions of great wealth, who would no more hesitate at the paying of an annual fee of \$100 or \$200 than they would at paying a fee of \$10 or \$25.

Inversely, demanding a fee sufficiently high properly to penalize the great institutions who are most likely to indulge in such practice would, on the other hand, prove a most serious burden to the inventor of small means.

Frankly, I believe that very little is to be accomplished by the proposed measure. Nevertheless, I am prepared to support it in principle, at least, leaving the details as to the sums to be collected annually to be determined after proper discussion.

In carrying out a scheme of this kind, however, I would certainly most positively favor allowing patent control without any fees whatsoever (more than those necessary for registration) for a term of five years.

TAXING UNITED STATES PATENTS

By T. HART ANDERSON, Patent Lawyer, New York City

Concerning the question of taxing United States patents, I do not advocate such a proceeding as a matter of general application to all patents. In all my experience of thirty years' practice of the law, particularly devoted to patent law, I do not know of a single instance where a patent has been used solely for the purpose of "blocking" the inventor of an alleged improvement. My experience has been that patents are relied on by the owners thereof to protect a business built up and founded thereon and not otherwise. I am in favor, however, of taxing all United States patents granted to citizens of those foreign countries in which a tax is imposed upon patents granted in their own countries to United States citizens and to the same extent, as a means of preventing citizens of foreign countries from preserving in the United States patents for inventions for which patents granted in their own countries have been allowed to lapse. I would restore that provision of our laws which provided that United States patents granted for the same invention covered by lapsed patents in a foreign country should lapse in this country also. This, it seems to me, would have the effect of opening up competition with foreign owners of United States patents whose patents have been allowed to lapse in their own country. In my judgment a tax, no matter how high it might be, would be paid by any one who had a valuable and comprehensive patent. As for the thousands of useless patents—the imposition of such a tax might cause the owner to allow them to lapse, but as to such patents it is immaterial to any one whether they lapse or not.

RENEWAL FEES ON PATENTS

By T. B. WAGNER, Vice-President U. S. Food Products Corporation, New York City

I am deeply interested in anything pertaining to our patent system, and while heretofore I have not been able to form a conclusive opinion on the subject of renewal fees, a reading of Dr. Hesse's article published in the July issue of *The Journal of Industrial and Engineering Chemistry*, inclines me strongly towards the affirmative. I find myself usually in accord with Dr. Hesse's utterances and the present is no exception. I believe that the suggested progressive fee, totaling \$550 at the end of the seventeenth year, ought not to work any hardship upon the inventor with limited means, but it ought to prove a distinct burden upon those foreign corporations who take an altogether too liberal advantage of our feeless system.

PATENTS—AMERICAN AND FOREIGN

By JOHN URI LLOYD, Lloyd Brothers, Cincinnati, Ohio

My experience with patents both American and foreign leads me to state that I prefer the American process, wherein one payment covers the patent from the beginning to its end.

DR. HESSE'S SUGGESTION OF RENEWAL FEES

By L. H. BAEKELAND, Patent Office Committee, National Research Council

Although there are some good arguments in favor of the suggested reform of Dr. Hesse, the matter will specially prove detrimental to individual inventors of limited means. A wealthy company or a rich inventor can well afford to keep patents alive, by paying a small annual renewal fee.

There is no reason, however, why the subject should not be freely discussed. But I am under the impression that this suggested reform, as well as many other small reforms, will only distract attention, at this time, from the much more important fundamental reforms, such as the reorganization of the Patent Office and the reorganization of our system of court procedure through the creation of one single Court of Patent Appeals.