Patents - Employer and Employee - Jurisdiction of Courts

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velopments contemplated at some future time by a city planning commission do not justify such "utterly unreasonable" use of the zoning power. And, although city planners, before whose sometimes overzealous vision ugly industrial structures and unsightly factory sites vanish to be replaced by planned parkways and tree-lined boulevards, may regret the holding in the principal case, the logic of that decision will recommend itself to property owners whose more mundane interests are concerned with possible profitable uses and present sale values of their properties.

Robert W. Hansen.

Patents—Employer and Employee—Jurisdiction of Courts.—Respondent is exclusive licensee of letters patents issued to D and L, who were employed, during the conception and development of the invention, in the Bureau of Standards, a Sub-Division of the Department of Commerce. D and L were employed in the radio section and engaged in research and testing in the laboratory. While performing their regular tasks they experimented at the laboratory in devising apparatus for operating a radio receiving set by alternating current with the hum incident thereto eliminated. The invention was completed December 10, 1921. Before its completion no instructions were received from and no conversations relative to the invention were held by these employees with the head of the radio section, or with any superior. They also conceived the idea of energizing a dynamic type of loud speaker from an alternating current house-lighting circuit, and reduced the invention to practice on January 25, 1922. March 21, 1922, they filed an application for a "power amplifier." The conception embodied in this patent was devised by the patentees without suggestion, instruction, or assignment from any superior. Suit to have the respondent declared trustee of the inventions for the United States and to require respondent to assign the patents therefore to the United States. Decree dismissing the bill affirmed on appeal, 59 F. (2) 381 (C.C.A 3d, 1932); writ of certiorari. Held, decree affirmed. It was conceded by respondent that the government had free but non-exclusive use of the patented inventions, by virtue of shop-rights. United States v. Dubilier Condenser Corporation, 53 Sup. Ct. 554, 77 L.Ed. 695 (1933).

The respective rights and obligations of employer and employee, touching an invention conceived by the latter, spring from the contract of employment. If the employment be general, albeit it covers a field of labor and effort in the performance of which the employee conceived the invention for which he obtained a patent, the contract is not so broadly construed as to require an assignment of the patent. Dalzell v. Dueber Watch Case Mfg. Co., 149 U.S. 315, 13 Sup. Ct. 886, 37 L.Ed. 749 (1893). Where a servant during his hours of employment, working with his master's materials and appliances, conceives and perfects an invention for which he obtains a patent, he must accord his master a non-exclusive right to practice the invention, McClurg v. Kingsland, 1 How. 202, 11 L.Ed. 102 (1843); Solomons v. United States, 137 U.S. 342, 11 Sup. Ct. 88, 34 L.Ed. 667 (1890).

No servant of the United States has by statute been disqualified from applying for and receiving a patent for his invention, save officers and employees of the Patent Office during the period for which they hold their appointments, Rev. St. § 480, U.S. Code, tit. 35, § 4. In Solomons v. U. S., supra, it was said: "The government has no more power to appropriate a man's property invested
in a patent than it has to take his property invested in real estate; nor does the mere fact that an inventor is at the time of his invention in the employ of the government transfer to it any title to, or interest in it." There is no difference between the government and any other employer in this respect. The United States is entitled, in the same way and to the same extent as a private employer, to shop-rights, that is, free and non-exclusive use of a patent which results from efforts of its employee in his working hours and with material belonging to the government. *S*olomons v. U. S., supra; Gill v. U. S., 160 U.S. 426, 16 Sup. Ct. 322, 40 L.Ed. 480 (1895).

In this case the government recognized the above law; it understood that respondent could be deprived of rights under the patents only by proof that D and L were employed to devise the inventions. The government had to acknowledge a lack of specific contract; the written evidence of their employment did not mention research or invention, and no word was said to them prior to their discoveries, relating to invention. There was no implication of any agreement to assign their inventions or patents. The United States claimed that due to the employment by the government the patents should be held in trust for the United States. The trust could not be express, for no word was spoken regarding any claim of title by the government until after applications for patents were filed. No trust was implied from the amendment to sec. 12, 32 Stat. 830, which reads: "Provided, that the applicant in his application shall state that the invention described therein, if patented, may be manufactured or used by or for the Government for governmental purposes without the payment to him of any royalty thereon, which stipulation shall be included in the patent." This was interpreted by the House Committee as follows: "The United States in such a case has an implied license to use the patent without compensation, for the reason that the inventor used the time or the money or the material of the United States in perfecting his invention." House Report 1288, 61st Cong., 2d Sess. The executive departments have advocated legislation regulating the taking of patents by government employees, and the administration by government agencies of the patents so obtained. But the principal case recognized the rule that the government could not compel an assignment, was incapable of taking such assignment or administering the patent, merely having shop-rights in a patent perfected by the use of government material and in government working time.

It is the constitutional right of every patentee to exploit his patent as he may desire; this should hold true, however expedient it may be to modify this right in the interests of the public when the patentee is in the Government service. Any other rule would render difficult the securing of good technical men for government service and would influence many workers already in the service to resign in order that they could exploit for their own benefit inventions which they might evolve.

"It is held in the principal case that the courts are incompetent to answer the difficult question whether the patentee is to be allowed his exclusive right or compelled to dedicate his invention to the public. It is suggested that the election rests with the authoritative officers of the Government. * * * Hitherto both the executive and the legislative branches of the Government have concurred in what we consider the correct view—that any such declaration of policy must come from Congress and that no power to declare it is vested in administrative officers."

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