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THE LOOK OF LEAR—AN ADVOCATE’S VIEW

James M. Wetzel* and Raymond P. Niro**

I. Introduction

Since the Lear, Inc. v. Adkins decision was announced by the Supreme Court, it has been the focal point of controversy in the area of patent law. A continuation of this controversy appears in order because a decision of Lear’s magnitude and importance deserves nothing less than the most stringent analytical treatment if lawyers are to have the full benefit of its meaning. It has become frightfully apparent that the advocates in favor of the Lear decision have been vastly more outspoken in their views than those who opposed the decision.² It is the purpose of this article to balance this apparent onslaught and to present an advocate’s point of view which differs from that of the pro-Lear advocates.

As Mr. Justice Holmes so correctly observed:

The life of the law has not been logic: it has been experience. . . . In order to know what it is, we must know what it has been, and what it tends to become. . . . the degree to which it is able to work out desired results, depends very much upon its past."³

And so, as Holmes suggests, an analysis of Lear must necessarily begin with a look at the past to determine the law which Lear rendered moot and must end with a prediction of the likely trends which the Lear decision evidences. Between this historical beginning and futuristic ending lies the sole judicial holding of Lear: that the doctrine of licensee-estoppel is dead. The likely impact of that holding is that no secure patent license will exist other than the one forged from litigation.

But Lear is more. It is a foreboding of a future when there may be no enforceable licenses of technology other than patent licenses and of days to come in which pleasant, placid patent licenses will be all but non-existent.

It can be argued that the impact of Lear will weigh such a burden on commerce and work such a deprivation on society that it will be inherently undone, perhaps from the strength of the forces that its weakness will generate. Certainly we can have such hope. To borrow from William Shakespeare and, appropriately, from his The Tragedy of King Lear, “The worst is not, so long as we can say ‘This is the worst.’”⁴

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With the advocate's view clearly in mind, it is beneficial for one to thread his way through the miseries of Lear to examine that decision for the issues that were decided, for the issues that were raised but not decided, for the rule of law that has been brought to pass, for the law that is earmarked for the future, and most importantly, for the apprehension of what is predicated for the future of the licensing of technology.

II. A Historical View of the Doctrine of Licensee-Estoppel

In order to place Lear in its proper perspective, it is essential at the outset to distinguish its actual holding from the mass of dicta which some may mistakenly believe is essential to the decision. Lear simply held that the "estoppel" rule of Automatic Radio Manufacturing Co. v. Hazeltine Research, Inc. was overruled. It was this estoppel rule alone which was reversed by Lear; and in so holding, the Supreme Court undid a principle of law that had withstood judicial scrutiny for well over a century.

In Automatic Radio, the doctrine of licensee-estoppel was summarized by Justice Minton as follows: "The general rule is that the licensee under a patent license agreement may not challenge the validity of the licensed patent in a suit for royalties due under the contract." That doctrine found its origin in property law and can be traced to the common law principle that a lessee of land is estopped from contesting his lessor's title. This view arose in a common law environment having a presumption that the person in possession of land was either the title holder to the land or held possession with the title holder's permission. Necessarily, a lessee who gained possession from the lessor-in-possession was deemed to have acknowledged the lessor's title in order to achieve the status of lessee, and, having done so, he was estopped to challenge that title. Thus, the doctrine of licensee-estoppel for real property was dependent in part upon the efficacy of the presumption that the person in possession of the land before creation of the lessor-lessee relationship was the title holder.

The real property doctrine found support in the further rationales that an estoppel enhanced the likelihood that a tenant would return possession of the property to the lessor and that, in fact, the relationship between the landlord and tenant rested in contract which, in turn, rendered any question of title irrelevant in an action for rent or return of possession. Indeed, the latter theory has been based upon the simple premise that the tenant having enjoyed the use of the premises finds in the landlord's defect in title no basis for refusing to carry out his promise to pay rent.

5 An excellent historical summary of the doctrine of licensee-estoppel is presented by Professor Treece in Treece, Licensee Estoppel in Patent and Trademark Cases, 53 Iowa L. Rev. 525 (1967).
7 Id. at 836.
It was not long after the estoppel doctrine was pronounced in the real property area that some courts began applying the doctrine to intangible property as well. In *Wilder v. Adams*, for example, a federal court in Massachusetts reasoned that the relationship between a patent licensor and his licensee required an estoppel that prevented the defense of invalidity in a suit to compel the licensee to pay the promised royalties. The Supreme Court itself sustained the estoppel doctrine in the patent property area based upon its unwillingness to permit a patent licensee, who began his activity under a contract acknowledging the licensor's right to prohibit the activity, to avoid the promise to pay royalties by denying the licensor's right to his property.

As the doctrine of licensee-estoppel evolved in the law of intangible property, there developed with it commercial rationalizations that did not adversely affect the original common law premises. For example, the premise of business fairness raised its head in the assumption that a licensee invariably faces the decision to stand as an infringer or take a license and that, by bargaining for the status of a licensee, he forgoes both the risk of standing as an infringer and the right to challenge validity. Other courts have played variations of the same "fairness" theme in finding that a patent owner in granting a license forgoes his right to bring suit or to obtain a decree, and that such forbearance by the licensor must be balanced by the licensee waiving his right to contest validity.

Thus, it was in 1950 when the doctrine of licensee-estoppel, so well founded and supported by a wealth of judicial precedent, was considered and affirmed by the Supreme Court in *Automatic Radio* only to be reconsidered once again less than twenty years later in *Lear*.

### III. Lear Digested

To adequately understand the decision of *Lear*, it is necessary to examine its details. The opinion is in four numbered parts with an introduction explaining that the Supreme Court granted *certiorari*: "... to consider the validity of the Hazeltine rule in the light of our decisions emphasizing the strong federal policy favoring free competition in ideas which do not merit patent protection."
A. The Facts

The significant facts in regard to the controversy between Lear and Adkins are reported in Section I. John Adkins was an engineer hired by Lear in 1952 for the purpose of solving some gyroscope design problems. At that time, Lear and Adkins entered into a simple one-page agreement which provided that all of the inventions and discoveries evolving from the work would be the property of John Adkins; Lear was to receive a license on a satisfactory royalty basis. Adkins' efforts in designing suitable gyroscopes proved successful and Lear naturally incorporated Adkins' improvements into its production process.

In 1954, Adkins filed a patent application for his improvements. Later, in 1955, the parties concluded a more complex agreement which permitted Lear to cancel the agreement if either the Patent Office refused to grant a patent or if any patent which it issued was held invalid. Before a patent application issued, however, Lear advised Adkins that it considered the subject matter of the application to be non-patentable. Accordingly, Lear concluded that it would no longer pay royalties on some gyroscopes and later stopped payment of all royalties on all gyroscopes.

Shortly thereafter, Adkins received his patent and commenced suit against Lear in the California Superior Court for breach of contract. The California Court reasoned that under the contract Lear did not have a right to terminate its royalty obligations and that the 1955 agreement was still in effect.20

On appeal, the California Supreme Court, in response to Lear's arguments that it could avoid payment of royalties by claiming patent invalidity, held:

[O]ne of the oldest doctrines in the field of patent law establishes that so long as a licensee is operating under a license agreement he is estopped to deny the validity of his licensor's patent in a suit for royalties under the agreement.21

Thus, the California Supreme Court reasoned that the doctrine of estoppel barred Lear from questioning the validity of the Adkins patent.

B. The Decided Issues

In Section II of Lear, the Supreme Court made its own abbreviated analysis of the historical background of the doctrine of licensee-estoppel. This section opens with the Court setting forth a very predisposed proposition: "[T]he only issue open to us is raised by the court's reliance upon the doctrine of estoppel to bar Lear from proving that Adkins' ideas were dedicated to the common welfare by federal law."22

The Court then agreed that Automatic Radio had declared that licensee-estoppel was the general rule. However, the Court interestingly characterized the general rule as being: "[A]n estoppel to deny a licensee the right to prove that his licensor was demanding royalties for the use of an idea which was in reality

20 Id. at 660.
22 395 U.S. at 662.
a part of the public domain." Absent from the court's characterization of the licensee-estoppel doctrine are the equitable considerations, founded in earlier decisions, which favor the licensor's point of view. One need read no further in Lear to determine the Court's final disposition of the doctrine.

The Court concluded Section II with a quote from Justice Frankfurter in *MacGregor v. Westinghouse Electric & Manufacturing Co.:* "If a doctrine that was vital law for more than ninety years will be found to have now been deprived of life, we ought at least to give it a decent public burial." Curiously, all of the cases cited by the Court in Section II as illustrative of exceptions to the licensee-estoppel rule were decided before the 1950 *Automatic Radio* case. *Sola Electric Co. v. Jefferson Electric Co.* was decided in 1942; *Scott Paper Co. v. Marcalus Manufacturing Co., Inc.* came down in 1945; and the *MacGregor* opinion was issued in 1947. Each of those cases, as well as all of the other Supreme Court cases, relied upon by the Court in support of its anti-estoppel view, must have been considered by the Court in *Automatic Radio.* Further, the Justice Frankfurter quotation from *MacGregor* was a dissenting statement made in support of the estoppel doctrine. When the doctrine came around for review three years later in *Automatic Radio,* Justice Frankfurter voted with the majority in not burying the doctrine but rather in affirming it as vital law. It is discouraging to observe the Supreme Court promoting such empty logic as equal exchange for the accumulated values of judicial precedents.

In Section III of *Lear,* the Court turned to the "new" factor—its decisions in *Sears, Roebuck & Co. v. Stiffel Co.* and *Compco Corporation v. Day-Brite Lighting, Inc.* In this section, the Court moved to its first holding—the death and burial of the licensee-estoppel rule.

Also in this section, the Court made a second holding, ancillary to the first, that licensees cannot be required to pay royalties after challenging patent validity in the courts if they can prove patent invalidity. Specifically, the Court said: "[W]e hold that Lear must be permitted to avoid the payment of all royalties accruing after Adkins' 1960 patent issued if Lear can prove patent invalidity." In its first holding, the Court had nominally set up the opposing views: the "competing demands of the common law of contracts" and "the federal law of patents." After examining the two approaches, the Court stated: "[T]he simple contract approach entirely ignores the position of the licensor who is seeking to invoke the court's assistance on his behalf." The Court went on to say that the licensee's equities are far from compelling in the contract environment because, after all, a patent: "simply represents a legal conclusion reached by the Patent Office . . . predicated on factors as to which reasonable men can differ widely . . . [and evolved only as a result of]
an *ex parte* proceeding . . . "33 Having thus reduced the patent grant to a matter of happenstance, the Court went on: "[I]t does not seem to us to be unfair to require a patentee to defend the Patent Office's judgment when his licensee places the question in issue."34

In this language lies the critical rationalization of *Lear*: the view that the Patent Office function is one of administrative judgment. This view, however, is directly contrary to the position that the Supreme Court had long held, namely, that the Patent Office act of granting patents was quasi-judicial in kind.35

Having demeaned the legal presumption of patent validity to a level of impotency, the Court then stated that "surely" the equities of the licensor do not weigh heavily against the important public interest in permitting full and free competition in the use of ideas which are in reality a part of the public domain. The obvious conclusion, therefore, as stated by the Court was: "... that the technical requirements of contract doctrine must give way before the demands of the public interest in the typical situation involving the negotiation of a license after a patent has issued."36 With this simplistic reasoning, the doctrine of *Automatic Radio* was overruled.

**C. The Undecided Issues**

The Court in *Lear*, however, tussled with a broader problem than licensee-estoppel. The majority, in the depth of their opinion, noted as if overwhelmed by a matter of great personal consternation: "At the core of this case, then, is the difficult question whether federal patent policy bars a State from enforcing a contract regulating access to an unpatented secret idea."37 Again, at a subsequent point in the decision, the Court noted:

Adkins' claim to contractual royalties accruing before the 1960 patent issued is, however, a much more difficult one, since it squarely raises the question whether, and to what extent, the States may protect the owners of unpatented inventions who are willing to disclose their ideas to manufacturers only upon payment of royalties.38

Having once raised the problem, the Court neatly skirted the solution by saying

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33 Id. at 670.
34 Id.
35 In *Butterworth v. United States ex rel. Hoe* 112 U.S. 50 (1884), for example, the Supreme Court stated that:

> [I]n every grant of the limited monopoly two interests are involved, that of the public, who are the grantors, and that of the patentee. There are thus two parties to every application for a patent, . . . The questions of fact arising in this field find their answers in every department of physical science, in every branch of mechanical art; the questions of law, necessary to be applied in the settlement of this class of public and private rights, have founded a special branch of technical jurisprudence. The investigation of every claim presented involves the adjudication of disputed questions of fact, upon scientific or legal principles, and is, therefore, essentially judicial in its character, and requires the intelligent judgment of a trained body of skilled officials, expert in the various branches of science and art, learned in the history of invention, and proceeding by fixed rules to systematic conclusions. Id. at 59.

See also *Mas v. Coca-Cola Co.*, 163 F.2d 505, 510 (4th Cir. 1947).
36 395 U.S. at 670-71.
37 Id. at 672.
38 Id. at 674.
that it is an "important question of federal law" and that: "... we should not now attempt to define in even a limited way the extent, if any, to which the States may properly act to enforce the contractual rights of inventors of unpatented secret ideas."39

In Section IV of the Opinion, the Court remanded the case to the California Supreme Court "... for further proceedings not inconsistent with the opinion."40 But of importance are the Court's admonitions in remand relative to state contract law. Specifically, the Court said quite ominously:

Our decision today will, of course, require the state courts to reconsider the theoretical basis of their decisions enforcing the contractual rights of inventors and it is impossible to predict the extent to which this re-evaluation may revolutionize the law of any particular State in this regard.... Given the difficulty and importance of this task, it should be undertaken only after the state courts have, after fully focused inquiry, determined the extent to which they will respect the contractual rights of such inventors in the future.41

The problem to which the Court was addressing itself here was enforcement of contractual rights of inventors in unpatented secret ideas.

Thus, what the Supreme Court did was to throw to the state courts the burden of coming forward with some definitive views to resolve the question whether, as a matter of philosophy in the law, a contract dealing with trade secrets can exist. In short, then, not only did the Supreme Court put the state courts under the gun, but it also endangered anyone with a trade secret contract who seeks enforcement in a state court.

D. The Critical Step In The Decision

The Lear decision has further interest. As noted above, a critical step in its logic of arriving at a decision was reducing the legal presumption of validity of patents from a level of quasi-judicial determination to a matter of happenstance. That critical step was necessary in order for the Court to reach the conclusion that it is not "unfair to require a patentee to defend the Patent Office's judgment ...."42

This step alone would have been a sufficient basis for destroying the doctrine of licensee-estoppel, for just as the real property doctrine of lessee-estoppel was grounded in the presumption that possession implies title, so also was the doctrine of licensee-estoppel grounded in the presumption that the licensed patent is valid. And just as the real property doctrine would have failed without its presumption, so also the doctrine of licensee-estoppel must fail without the presumption of validity. Accordingly, it makes little difference what the new federal policy may be with regard to free competition in ideas, whether it is weak or strong, or whether Sears or Compco have any bearing on the issue. It follows

39 Id. at 675.
40 Id. at 676.
41 Id. at 675.
42 Id. at 670.
that in an environment of no validity the patent owner must be put to the burden of proving validity whenever and in whatever circumstance the patent property becomes a subject of issue.

IV. A Score Of Years To Score

It is interesting to look at the manner in which the rule of Lear came to pass, for the approach provides insight for the future. Justice Black began promoting the Lear decision in 1947 with his decisions in the cases of Edward Katzinger Co. v. Chicago Metallic Manufacturing Co., and MacGregor v. Westinghouse Co.44

However, Justice Frankfurter's dissenting opinion in MacGregor was so persuasive that in the very next licensee-estoppel case before the Court, Automatic Radio Manufacturing Co. v. Hazeltine, the Court completely adopted Justice Frankfurter's dissenting opinion in MacGregor and made licensee-estoppel the "general rule." Justices Black and Douglas dissented in Automatic Radio, expressing their view that licensee-estoppel should be nonexistent.

It was out of the dissent in Automatic Radio, bootstrapped by the new "Federal Patent Policy" of Sears and Compco, and absent the influence of Justice Frankfurter's keen legal mind that the rule of Lear evolved. It took the Black and Douglas view almost twenty years to prevail, but prevail it did.

The workings of Lear should be a lesson to all that Justices Black and Douglas are not easily deterred. They persist. Obviously they proposed to the Court in Lear that it adopt a rule of law based on the Supremacy Clause of the Constitution: that no state has a right to authorize any kind of monopoly on what is claimed to be a new invention except when a patent has been obtained from the Patent Office with the exacting standards of the patent laws.46 Justice Black, in fact, stated that he had expressed this very belief for the Court in Sears and Compco. Of course, this is not so.

The actual holding of Sears and Compco was the rule expressed in Compco: Today we have held in Sears, Roebuck & Co. v. Stiffel Co., supra, that when an article is unprotected by a patent or copyright, state law may not forbid others to copy that article. To forbid copying would interfere with the federal policy, found in Art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever federal patent and copyright laws leave in the public domain.47

It is important to note that the rule of Sears and Compco in federal policy forbids a state from interfering with a person copying what is in the public domain. That is as far as the rule has gone. In Edgar H. Wood Associates, Inc. v. Skene, for example, an unwarranted extension of the Sears and Compco

45 U.S. Const. art. VI.
46 395 U.S. at 677 (Black, J., dissenting).
47 376 U.S. at 237.
doctrine to the common law copyright area was wisely struck down on the basis that:

There is a distinction between that protection afforded under State unfair competition laws to the public domain and the protection extended through common law copyright to an unpublished work. This distinction finds recognition in the Compco case in the reference to the Federal policy of "allowing free access to copy whatever the federal patent and copyright laws leave in the public domain," and in Sears . . . , which alludes to "that section of the Copyright Act which expressly saves state protection of unpublished writings but does not include published writings . . . ."49

By analogy, the same view should apply to trade secrets which by definition are not part of the public domain.

V. Lear's Impact Upon Commerce In Technology—Patent Licensing

Remembering that the rule of law of Lear is simply that there is no licensee-estoppel, it is clear that the only patent licenses free from the validity challenge are those licenses which result from litigation, where the issue of validity has been judicially decided.

Inspecting the patent license for a moment, if there is no admission of patent validity in the license, the licensee clearly could raise the issue of patent validity in an action brought by the licensor under the license. But even if there is an acknowledgment of patent validity in the license contract, the "strong federal policy" might define such a clause as forced upon the licensee, as a patent misuse and, therefore, as void.

A case in this area that seemingly moves in that direction is Bendix Corporation v. Balax Corporation,50 in which the court gave glancing consideration to whether a licensor could require a licensee to estop himself from challenging the validity of the patent. The court said:

While it is true that a valid patent does afford some "limited protection" . . . this is no answer to the thrust of defendants' contention that the licensor may not thereby forever preclude the licensee from challenging the validity of the patent. By requiring such a condition in the license or sales agreement, plaintiff may have placed itself in the position of unlawfully exceeding the protected area.51

Having said that, the court did not decide specifically whether the questioned conduct was a misuse, but rather left the entire issue to the district court upon remand.

What can one who believes that he holds a valid patent do in granting licenses? If he is not merchandising patent licenses, but only policing against infringers, infringers should be advised of the infringement by suit. Then if the patent owner is disposed to license, and the infringer to take a license, the parties

49 Id.
50 421 F.2d 809 (7th Cir. 1970).
51 Id. at 820.
should enter into a consent judgment admitting validity and infringement and, then, enter into a license agreement. If one is certain that a consent judgment is res judicata, then one may have a good license.

But what if the invention is so new that no infringers exist and what is being sought is a licensee to exploit the patent? In this situation, one could:

1) License the patent and wait uneasily for seventeen years to see whether the licensee is going to cause trouble.

2) License the patent, bring a declaratory judgment action against the licensee (under the theory that per federal patent policy a license defined a patent antagonism and creates a justiciable controversy), force settlement with a consent decree and live unhappily with your licensee for seventeen years.

3) Forget patent licensing and do it yourself.

The real implications are dismal: without litigation there can be no positive, placid, patent license agreement. If that's true, one can imagine that there would be no licensing among competitors because a party with a patent right would rather try to utilize the monopoly himself, using the patent to destroy any competition that might arise. The long-term impact on the innovator, of course, will be that there is little to be gained from patent ownership unless he is a manufacturer: (1) with a unique product on which substantial patent protection can be derived; and (2) who is of a mind that he will sue anyone who sets foot within the area of his patent property. Certainly, the widely accepted view of licensing in lieu of litigating will be done away with because the parties to a license, rather than being close partners in an agreement, will always find the scepter of the "strong federal policy" standing between them.

Although Lear left the patent-licensing area in shambles, the areas of know-how licenses and trade secret licenses were apparently left untouched. If the current pressures are not dissipated, however, evolution dictates that there will not be any valid trade secret licenses or know-how licenses in the future because trade secrets may not be subject to being patented. The only trade secret law protection that will remain is that feeble protection provided by court law where willful appropriation, such as by theft, has occurred. Unless a source of new directions is found, that is exactly where the law is headed.52

52 In the first of a rash of cases that has followed Lear, however, the United States District Court for the Southern District of New York held that:

Our patent policy of strict regulation of inventions would be undercut if inventors could enforce agreements for compensation for alleged secret ideas without being required to submit those ideas to the Patent Office. . . .


In an earlier and perhaps equally misguided opinion the Ninth Circuit in Winston Research Corp. v. Minnesota Min. & Mfg. Co., 350 F.2d 135 (9th Cir. 1965) held that:

The federal patent statutes require full disclosure of the invention as a condition to the grant of monopoly so that at the end of the period of monopoly the development may be freely available to all. Thus, the federal patent statutes would seem
VI. The New Directions

Perhaps the new direction will be found in the recent, renewed display of Congressional intent. Therein lies the only hope of counterdirecting the perfidious current of legal trends. Fortunately, that solution presents itself as a real possibility.

In the Ninety-first Congress, Senator John McClellan sponsored a patent revision bill known as S. 2756. The bill, as introduced, did not include provisions defining patent licensing perimeters. Such provisions were left out of the new bill largely because of the objections made by the Department of Justice. Corrective of that disposition, on April 8, 1970, Senator Hugh Scott, the minority leader in the Senate and a member of Subcommittee 3 (Patents Subcommittee) of the Senate Judiciary Committee, introduced into Congress amendments No. 578 and No. 579 to S. 2756. At the same time, he introduced into the Congressional Record twelve pages of materials providing background for the amendments which he had offered.

Under amendment No. 578, sections 261 and 271 of the McClellan bill were amended. Section 261(b) was amended to make it clear that a patent or patent application could be assigned or licensed to: (1) specified fields of use, (2) specified geographical territories, (3) exclusive or non-exclusive practice of the invention, and (4) any number of licensees. A new section 261(e) was added which stated simply that an assignor could not challenge the validity of a patent unless he returned the price paid and based his attack on grounds not available at the time of the assignment. This section codified an assignor-estoppel doctrine. Further, a new section 216(f) was added which provided that a licensee could not question the validity of a licensed patent unless he: (1) surrendered all future benefits under the contract, and (2) settled all past obligations due under the license. This section codified a modified licensee-estoppel doctrine such as was attacked and set aside in Lear.

A new paragraph, 271(f), was also added by amendment No. 578. This paragraph provided statutory basis for the following licensing practices:

(1) the granting or prohibiting of certain fields of use of the (patented) invention, and permitting or prohibiting one or more of the primary functions of the patent, namely the right to exclude others from making, using or selling the (patented) invention.
(2) the granting of a license which contains a provision excluding or restricting any conduct reasonable under the circumstances.

57 Id.
58 Id.
59 Id.
The language for this section was borrowed from *United States v. General Electric Co.*, and sought to lend Congressional authority to, among other things, the licensor's practice of establishing the price at which the licensee could sell the licensed product. New section 271(g), which was also added, was related to 271(f). This provision permitted the following practices:

1. the granting of non-exclusive cross licenses and the granting of a license containing a provision requiring the grant back of a non-exclusive license under improvements on the licensed invention.
2. the granting of a license which requires a royalty fee or price:
   1. of any amount, however paid, on any desired royalty base;
   2. computed on any basis convenient to the parties;
   3. covers a single patent or a single package consisting of a multiple number of patents; or
   4. which differs from that agreed to with other parties.

Amendment No. 579 offered by Senator Scott expanded the language of section 301 of S.2756 by stating:

This title shall not be construed to preempt, or otherwise affect in any manner, rights or obligations not expressly arising by operation of this title whether arising by operation of state or federal law of contracts, of confidential or proprietary information, or [sic] trade secrets, of unfair competition or of other nature. (Emphasis added.)

This new statement specifically attacked the basis for the decision in *Sears* and *Compco* and allayed the fears from the dicta of *Lear* by saying simply that nothing in the patent laws shall be construed to preempt any rights or obligations that may lie in the field of contracts or unfair competition. Thus, this new section deleted from the scope of the patent law that which was never there but was implied to be there by the Court in the *Compco* case.

With the introduction of the McClellan bill and the Scott amendments, it appeared as though the current "judicial trend" as expressed in *Lear* would be counter-directed. Unfortunately, during the Ninety-first Congress, S.2756 with Senator Scott's amendments was not reported to the full committee by the Patent Subcommittee. It appears that the bill died in this subcommittee largely because of the Administration's failure to respond to a request for comments concerning the Justice Department's objections to the bill. Despite the failure in the Ninety-first Congress, Senator McClellan reintroduced the original bill on February 8, 1971. It is probable that Senator Scott will also reintroduce his very important amendments to the bill. Thus, the hopes for counter-directing the apparent trend have been renewed.

As we stand in the depths of this current legal trend, it appears the only avenue up and out is that offered by the McClellan bill with the Scott amendments. That avenue out will be completed, however, only if it is paved by the efforts of those concerned, by the public, and by the responsible members of the bar.

60 272 U.S. 476 (1926).
62 Id. at S5322.