

2. The recognition of the principle of legal protection of patent rights, including the obligation to pay to the owner of the patent for the cost of the development of a new product, plus the cost of installations used in launching industrial production. Such protection should also cover the right to royalties for permission to produce an article under license from the patentholder. Such recognition of accepted practices should include, furthermore, the right to compensation for creative writers for the translation of work covered by copyright.

3. The waiver by the Soviet bloc governments of all claims of sovereign immunity for their trading organizations and commercial personnel in order thereby to remove the disadvantage suffered by the private trading firm in entering into contractual arrangements with official bodies claiming the right to invoke the privilege of national sovereignty to cover certain properties (viz. ships, office buildings, warehouses, etc.) legally owned by their respective governments.

4. The submission of commercial disputes that may arise between a private Western firm and a state trading corporation in the Soviet bloc to an impartial arbitration authority.

5. The extension by the Soviet bloc countries to free world businessmen of direct access to the particular enterprise that is the intended consumer, or producer, of the commodity or piece of equipment involved in commercial negotiations. Such a right of direct contact, now enjoyed by the bloc countries in the free world, should also be extended to include the right to maintain commercial representatives on the territory of the state-trading countries.

B. INTRA-WEST CEILINGS ON COMMERCIAL TERMS

With respect to the trade practices of the Soviet bloc, in which the trading nations have a vital stake, it should also be possible to reach agreement within the Atlantic Community on a ceiling to certain commercial terms. This would prevent the state-trading countries from pushing their demands right through the roof. Action is urgently needed on matters, including the following:

1. Measures to be taken against the Soviet bloc practice of buying only one or two units of a machine and using them as prototypes for imitation by their domestic industrial plants.

2. The procedure under which newly developed products should be sold to the Communist states, under terms of a license, in order to assure the country in which the innovation originated that it will be duly compensated for an important contribution made to the pool of new technological ideas. Under accepted worldwide practice, the holder of the patent should be paid, in proportion to the number of units of this product manufactured within the country using this innovation under license terms.

3. The duration of commercial credits to be granted to the Communist states by commercial firms in the outside world.

What makes safeguards of this type necessary is the critical fact that the trade monopoly, by its very existence, introduces an artificial element, a sharp distortion, into any commodity exchange it conducts with a private firm. The monopoly trader is rarely content to let the