

be so passed on; some might reduce profits, without affecting competition; one-half of this would be passed on to the Government in reduced corporate taxation. Invention and its researches would be more copiously supported than ever before; the limit of invention's funds would be set not by any familiar economic force, but by what the directors of the several associations (including their governmental mentors) thought was most appropriate, in view of the foreseen possibilities from the R&D, and the needs of the companies, the public and the Government. At the same time the latest inventions would be opened to all users.

[532] How give the associations universal membership? It might be done much as in the NRA of 1933-5, though this legal compulsion on firms to join was found unconstitutional in that case. A less objectionable, easy way, surely constitutional, would be simply to *grant patents on more favorable terms to licensed, semipublic, nonmonopolistic trade associations, than to noncooperating patentees*. And provide that patents later taken over by such an association, should receive like benefits. These more favorable patent terms might be a longer duration, such as 20 years versus 10 to a noncooperating patentee, and/or lower fees, freedom from the later taxation of patents practiced by most countries (§ 492), and/or granting patents at once and without examination, to a licensed association. Of course such patents would be subject to later upset by a court, if sued on and found improper, just as in the Latin and smaller countries, and often here (§ 299, 502). There is no requirement in the Constitution (§ 31) nor in common sense that all patents or patentees be treated alike (§ 245).

[533] The big and intended effect of all such preferential patent terms would be that, with the patents more desirable to a licensed association than to a nonmember, all the valuable patents would get into hands of the appropriate associations. These associations would tend to amass great numbers, through possessing, as stated, unlimited funds to pursue invention in their own laboratories, and to buy patents from other American grantees and especially from foreign sources. The *result*, from the associations' getting hold of all the good patents, would be not only a patent pool for the benefit of all, but also that these licensed, favored, nonmonopolistic trade organizations *would acquire in effect compulsory membership*, since no firm lacking all the good patents could compete with those free to use them all. At least no large and progressive manufacturing firm could; but on the outside might well remain thousands of little partnerships and small firms running a bakery, a hotel, a truck fleet, or the like, who would never make inventions anyway, nor use them except by buying patented equipment. They would continue as before, as might some small firms using past inventions. But the companies that matter for invention would all flock into the associations within a few years, quietly, painlessly, with no commercial revolution, and only a few lines of the patent and commercial laws having needed change. In a *few* industries, to be sure, this might fail to work sufficiently; so we might provide *in reserve* that a licensed association have eminent domain, to appraise and buy up any patents it required, as allowed today to the Government.

[534] Many patents are used in more than one industry, so free exchange of patents between licensed associations must be provided