

UNITED STATES OF AMERICA
and
ITALY

Memorandum of Understanding regarding Italian assets in the United States of America and certain claims of United States nationals (with annex and exchange of notes). Signed at Washington, on 14 August 1947

English and Italian official texts communicated by the Permanent Representative of the United States of America at the seat of the United Nations. The registration took place on 9 September 1949.

ETATS-UNIS D'AMERIQUE
et
ITALIE

Mémorandum d'accord concernant les avoirs italiens aux Etats-Unis d'Amérique et certaines réclamations de ressortissants des Etats-Unis (avec annexe et échange de notes). Signé à Washington, le 14 août 1947

Textes officiels anglais et italien communiqués par le représentant permanent des Etats-Unis d'Amérique au siège de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 9 septembre 1949.

No. 567. MEMORANDUM OF UNDERSTANDING¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ITALY REGARDING ITALIAN ASSETS IN THE UNITED STATES OF AMERICA AND CERTAIN CLAIMS OF UNITED STATES NATIONALS. SIGNED AT WASHINGTON, ON 14 AUGUST 1947

Discussions have taken place with representatives of the Government of Italy on the question of disposition of Italian property in the United States of America. These discussions have grown out of the terms of the Treaty of Peace with Italy dated at Paris February 10, 1947, particularly Article 79 thereof; and out of the financial and other relations between the United States of America and Italy during the period since the Italian Armistice. As a further step toward the bettering of relations between Italy and the United States of America, the Government of the United States of America has felt it desirable, subject to appropriate governmental action, to renounce certain of the rights granted to it under the terms of the Treaty of Peace, and to return and unblock property in the United States of America which has been vested or blocked by the Government of the United States of America by reason of an interest of Italy or Italian nationals. The Government of Italy, on the other hand, has recognized that in justice it should provide funds to be utilized by the Government of the United States of America in application to claims of United States nationals arising out of the war with Italy.

The Government of the United States of America and the Government of Italy have, therefore, reached an understanding, as follows:

Article I

1. The Government of the United States of America, referring to Article 79 of the Treaty of Peace with Italy, dated at Paris February 10, 1947, nevertheless agrees, within the limits provided by law:

(a) to take the necessary steps to effect the return of property and interests vested in or transferred to any officer or agency of the Government of

¹ Came into force on 14 August 1947, as from the date of signature, in accordance with article V.

the United States of America under the Trading with the Enemy Act, as amended,¹ which were owned by the Government of Italy or Italian nationals immediately prior to such vesting or transfer, or the net proceeds of such property or interest; provided, however, that such return shall be subject to the conditions and exceptions set forth in Annex I, which constitutes an integral part of this Memorandum of Understanding;

(b) to take the necessary steps to effect the release by the United States authorities of blocked property and interests in the United States of America of Italy or Italian nationals. Such release shall be effected in accordance with conditions stated in a letter of assurances, dated today, and addressed by the Italian authorities to the Secretary of the Treasury of the United States of America, it being understood that the unblocking procedure will actually be put into effect not later than one month from the date of this Memorandum of Understanding;

(c) to take the necessary steps to return, in their condition at the time of return, to the Government of Italy all vessels which were under Italian registry and flag on September 1, 1939, which were thereafter acquired by the Government of the United States of America either by purchase or by forfeiture and which are now owned by the Government of the United States of America; provided, that in the event forfeiture proceedings against any of the vessels are dismissed, the Government of Italy agrees to discharge and save harmless the Government of the United States of America from any responsibility and liability for the processing, settlement and satisfaction of any claims against such vessels; and

(d) to take the necessary steps, subject to all terms and conditions of authorizing legislation, to transfer to the Government of Italy surplus liberty ships of the Government of the United States of America, to be operated by Italy for commercial uses, of a total tonnage approximately equal to the total tonnage of vessels which were under Italian registry and flag on September 1, 1939, and were subsequently seized in United States ports and thereafter lost while being employed in the United States war effort, provided that the selection of such surplus ships shall be by the Government of the United States of America, after consultation with the Government of Italy, and provided further that the ships shall be transferred on an as is where is basis.

¹ United States of America, 50 U.S.C. app. 1-38.

2. The release or return of property and interests under the present Article shall not prevent the assertion of rights or claims to, against or with respect to such property and interests or the proceeds thereof; nor (in accordance with Article 76 of the Treaty of Peace signed at Paris) shall this Memorandum of Understanding or its execution in any way give rise to any cause of action or claim against the Government of the United States of America, or any officer or agency thereof.

3. (a) The provisions of this Article shall in no manner impose any obligation upon the Government of the United States of America to return any royalty or other compensation or right to receive a royalty or other compensation to the Government of Italy or any Italian national arising out of the use prior to December 31, 1945 of any invention, patent or patent right in the United States held by the Government of Italy or Italian nationals, or subject to return to the Government of Italy or Italian nationals pursuant to this Memorandum of Understanding.

(b) The Government of Italy recognizes that the Government of the United States of America, its agencies or United States nationals, have no responsibility for the processing, settlement or satisfaction of any claims of Italian nationals falling under the terms of this paragraph and agrees, consistent with Paragraph 3 of Article 79 of the Treaty of Peace, to compensate Italian nationals for any duly established claims falling under the terms of this Article.

(c) Except as set forth in this Memorandum of Understanding or in Annex I hereto, industrial property released or returned by the Government of the United States of America pursuant to paragraph 1 of the present Article shall be subject only to such restrictions as may otherwise be generally applicable to industrial property in the United States of America held by foreign countries or nationals of such countries.

Article II

4. The Government of Italy agrees to pay and deposit with the Government of the United States of America on or before December 31, 1947 the sum of \$5,000,000 (five million dollars) in currency of the United States of America, this sum to be utilized, in such manner as the Government of the United States of America may deem appropriate, in application to the claims of United States nationals arising out of the war with Italy and not otherwise provided for.

Article III

DEFINITIONS

5. For the purposes of this Memorandum of Understanding, the term "Italian nationals" means individuals who are nationals of Italy or corporations or associations organized under the laws of Italy, at the time of the coming into force of this Memorandum of Understanding.

Article IV

CLAUSES OF THE TREATY OF PEACE

6. It is agreed that any of the clauses of the Treaty of Peace, dated at Paris February 10, 1947, to which this Memorandum of Understanding and the Annex hereto may refer, shall be considered as constituting an integral part of this Memorandum of Understanding and the Annex hereto, as between the Governments of the United States of America and Italy.

Article V

EFFECTIVE DATE

7. This Memorandum of Understanding shall enter into force upon the day it is signed.

DONE at Washington in duplicate, in the English and Italian languages, both of which shall have equal validity, this 14th day of August 1947.

For the Government of the United States of America:
Robert A. LOVETT

For the Government of Italy:
LOMBARDO

ANNEX I

The Government of the United States of America intends to effect returns, pursuant to Article I, paragraph 1 (a) of this Memorandum of Understanding, by appropriate legislation permitting returns of vested property to the Government of Italy and subjects or citizens of Italy and corporations or associations organized under the laws of Italy upon the terms and conditions generally applicable to return of such property to others eligible for return pursuant to Section 32 of the Trading with the Enemy Act, as amended.

It is understood that while the Government of the United States of America will seek to eliminate Italian nationality as a disqualification from eligibility for return pursuant to Section 32 (a) of the Trading with the Enemy Act, as amended,

(a) The Government of the United States of America does not intend to assume any obligation to make returns to any of the following:

(1) The Italian Fascist Party, any organization closely affiliated therewith (other than the Government of Italy) or any person who was a member of such party or organization at any time after September 8, 1943; or

(2) Any person, firm or organization convicted of violation of any of the statutes set forth in Section 34 (a) of the Trading with the Enemy Act, as amended; or

(3) Any person, firm or organization convicted of war crimes or of having collaborated with an enemy country after September 8, 1943; or

(4) Any person, firm or organization indicted or officially charged with war crimes or with having collaborated with an enemy country after September 8, 1943, until such person, firm or organization has been officially acquitted or cleared of such indictment or charge; or

(5) A corporation or association organized under the laws of any country other than Italy or Trieste; or

(6) Any individual who was at any time after December 7, 1941, a citizen or subject of a nation other than Italy with which the United States of America has at any time since December 7, 1941, been at war; or

(7) Any individual voluntarily resident at any time since December 7, 1941, within the territory of any nation other than Italy with which the United States of America has at any time since December 7, 1941, been at war;

(b) Ultimate disposition of property falling under the terms of section (a), paragraphs (1)—(7) above is reserved for future decision by the Government of the United States of America, after consultation between the Governments of Italy and the United States of America;

(c) The Government of the United States of America does not intend to make returns in any case in which it deems that return would be contrary to its interests in respect of national security or antitrust or fiscal policy; and

(d) The Government of the United States of America does not intend to assume any obligation to make returns of any property which was used pursuant to an arrangement to cloak or to conceal any property or interest within the

United States of America of any person ineligible to receive a return under Section 32 (a) (2) of the Trading with the Enemy Act, as amended.

It is further understood that in the case of any literary, artistic or industrial property to be returned, the property shall remain subject to all licenses and agreements for licenses which were granted or entered into by the United States of America with respect to it and which were in effect immediately prior to return; and any rights of the Government of the United States of America to revoke any such license or agreement for license shall not be included within the return.

EXCHANGE OF NOTES

I

The Chief of the Italian Economic and Financial Delegation to the Acting Secretary of State

ITALIAN EMBASSY
WASHINGTON, D. C.

Italian Economic and Financial Delegation

August 14, 1947

Sir:

Reference is made to the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding certain assets in the United States of America and certain claims of United States nationals", signed this date.

In connection with the return to Italy and Italian nationals of property vested in the Office of Alien Property of the Department of Justice of the United States of America, I take this opportunity to inform you that the Government of Italy has designated the Italian Ministry of Treasury as its agency to certify claims for the return of such property.

LOMBARDO
Chief of the Italian Economic
and Financial Delegation

The Honorable Robert A. Lovett
Acting Secretary of State

II

*The Acting Secretary of State to the Chief of the Italian Economic and
Financial Delegation*

August 14, 1947

Sir:

I have the honor to acknowledge receipt of your note of this date in the following terms:

[*See note I*]

I will immediately bring your note to the attention of the Office of Alien Property, Department of Justice, which will communicate directly with the Italian Ministry of Treasury concerning the implementation of the certification agreement.

Robert A. LOVETT
Acting Secretary of State

The Honorable Ivan Matteo Lombardo
Chief of the Italian Economic and Financial Delegation

III

*The Chief of the Italian Economic and Financial Delegation to the Acting
Secretary of State*

ITALIAN EMBASSY
WASHINGTON, D. C.
Italian Economic and Financial Delegation

August 14, 1947

Sir:

In connection with the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding assets in the United States of America and certain claims of United States nationals", signed this date, I wish to bring to your attention the question of the exclusion of Italy from the benefits of the Boykin Act, Public Law 690,¹ 1946, 79th Congress.

Section XIV of this Act specifically excludes from its benefits the citizens of any country with which the United States of America has been at war. In this connection, I wish to refer to the terms of Annex XV of the Italian Treaty

¹United States of America, 60 Stat. 940.

of Peace relating to Industrial, Literary and Artistic Property. My Government believes that it would be consistent with the spirit of Annex XV for the Government of the United States of America to amend the Boykin Act so as to authorize the granting of reciprocal rights by the United States of America to Italy and Italian nationals.

I am pleased to be in a position to advise you that at the present time Italy grants to the United States of America and its nationals the rights and privileges referred to in Annex XV. In this connection reference is made to Article I of the Italian Law of September 5, 1946, No. 123, which grants to United States nationals rights with respect to their patents in Italy which are denied to Italian nationals with respect to their patents in the United States of America.

In view of the above circumstances, I would appreciate it if you would advise me of the policy and intentions of the Government of the United States of America in this matter.

Accept, Sir, the renewed assurances of my highest consideration.

LOMBARDO
Chief of the Italian Economic
and Financial Delegation

The Honorable Robert A. Lovett
Acting Secretary of State

IV

*The Acting Secretary of State to the Chief of the Italian Economic and
Financial Delegation*

August 14, 1947

Sir:

I have the honor to acknowledge receipt of your note of this date in the following terms:

[*See note III*]

I am pleased to be able to inform you that Public Law 380, a copy of which is attached hereto, which was recently enacted by the Congress, amends the Boykin Act by removing present restrictions against the enjoyment by Italy and Italian nationals of the rights granted by the Act, on a finding by the Commission on Patents that Italy grants such rights to the United States of America and its nationals.

It is noted that in your note you state that the Government of Italy grants substantially such rights to the United States of America and its nationals.

Accept, Sir, the renewed assurances of my highest consideration.

Robert A. LOVETT
Acting Secretary of State

Enclosure:
Public Law 380

The Honorable Ivan Matteo Lombardo
Chief of the Italian Economic and Financial Delegation

[PUBLIC LAW 380--80TH CONGRESS]
[CHAPTER 511—1ST SESSION]
[H. R. 4070]

AN ACT

To carry into effect certain parts relating to patents of the treaties of peace with Italy, Bulgaria, Hungary, and Rumania, ratified by the Senate on June 5, 1947, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the International Convention for the Protection of Industrial Property of 1883, as amended, is considered as reestablished and in full force and effect between the United States and Italy, Bulgaria, Hungary, and Rumania from the date of this Act and the nationals of the latter countries may hereafter apply for and obtain patents in the United States for their inventions and enjoy the rights and privileges thereof as provided in article 2 of said convention: *Provided, however,* That patents shall not be applied for or obtained, or if obtained, shall not be valid, for inventions heretofore made relating to war material as specified in article 6 of annex XV A of the Treaty of Peace with Italy, article 6 of annex IV of the Treaty of Peace with Bulgaria, article 6 of annex IV A of the Treaty of Peace with Hungary, and article 6 of annex IV A of the Treaty of Peace with Rumania.

SEC. 2. The rights of priority and the times for the taking of any action specified in sections 1 and 3 of Public Law 690, Seventy-ninth Congress, approved August 8, 1946, which had not expired on December 8, 1941, or which commenced after such date, shall be and are hereby extended until February 29, 1948, in favor of nationals of Italy, Bulgaria, Hungary, and Rumania, subject to the conditions and limitations specified in sections 1, 3, 4, and 10 of the said Public Law 690: *Provided, however,* That nothing in this Act shall affect any act which has been

or shall be done by virtue of special measures taken under legislative, executive, administrative, or military authority of the United States during World War II.

SEC. 3. Nationals of Germany and Japan may hereafter apply for and obtain patents in the United States for their inventions in accordance with the patents laws and enjoy the rights and privileges thereof: *Provided, however,* That patents obtained for such inventions shall be subject to any conditions and limitations with respect to duration, revocation, utilization, assignment, and licensing which may be imposed by Congress, or by the President in accordance with the provisions of any peace treaty hereafter entered into with Germany or Japan: *And provided further,* That, except for patents based on applications filed in the United States Patent Office prior to the date of enactment of this Act, patents may not be applied for or obtained, or if obtained, shall not be valid, for any invention made, or upon which an application was filed by any such national, before January 1, 1946, in Germany or Japan or in the territory of any other of the Axis Powers or in any territory occupied by the Axis forces.

Approved August 6, 1947.

V

The Chief of the Italian Economic and Financial Delegation to the Acting Secretary of State

ITALIAN EMBASSY
WASHINGTON, D. C.

Italian Economic and Financial Delegation

August 14, 1947

Sir:

I have the honor to refer to the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding Italian assets in the United States of America and certain claims of United States nationals", signed this date.

In consideration of the undertakings by the Government of the United States of America, provided therein, dealing with the question of vessels which were under Italian registry and flag on September 1, 1939, I am authorized, on behalf of my Government, to enter into the following undertakings:

Notwithstanding the fact that the return of the passenger vessels *Conte Grande* and *Conte Biancamano* supersedes the operating agreement relating to these vessels concluded between the Government of Italy and the United States Maritime Commission, dated May 2, 1947,¹ in implementation of an understanding set forth in an aide memoire of January 8, 1947¹ from the Department of State to the Embassy of Italy in Washington, relating to these vessels and also to the operation of the Italian passenger vessels *Saturnia* and *Vulcania*, the Government of Italy agrees that, for the period up to and including December 31, 1949, or for such time during that period that the vessels *Saturnia* and *Vulcania* are under Italian ownership and control, their operation will be continued subject to the rights and privileges of the Government of the United States of America as set forth in the aforesaid aide memoire of January 8, 1947, and under arrangements substantially similar to those currently applying to the *M. V. Saturnia*, subject to such modifications to these arrangements as may be agreed to in the light of existing conditions.

Accept, Sir, the renewed assurances of my highest consideration.

LOMBARDO
Chief of the Italian Economic
and Financial Delegation

The Honorable Robert A. Lovett
Acting Secretary of State

VI

*The Acting Secretary of State to the Chief of the Italian Economic and
Financial Delegation*

August 14, 1947

Sir:

I have the honor to acknowledge receipt of your note of this date in the following terms:

[*See note V*]

On behalf of my Government, I am pleased to accept the undertakings of the Government of Italy, as set forth in your note, with reference to the operation of the Italian passenger vessels *Saturnia* and *Vulcania*. At such time as your Government may wish to discuss modifications to the existing

¹ Not printed by the Department of State of the United States of America.

arrangements, appropriate officials of this Government will be prepared to enter into the necessary discussions.

Accept, Sir, the renewed assurances of my highest consideration.

Robert A. LOVETT
Acting Secretary of State

The Honorable Ivan Matteo Lombardo
Chief of the Italian Economic and Financial Delegation

VII

*The Acting Secretary of State to the Chief of the Italian Economic and
Financial Delegation*

August 14, 1947

Sir:

I have the honor to refer to the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding Italian assets in the United States of America and certain claims of United States nationals", signed this date.

Questions have been raised by you concerning:

- (1) the scope of paragraph (a) (ii) of Annex I to the memorandum referred to above;
- (2) the meaning of the final (unnumbered) paragraph of Annex I; and
- (3) whether, with respect to the revocable, royalty-free, non-exclusive licenses granted by the United States of America, the Government of the United States of America will object if, after the return of such properties, the owners may negotiate with the licensees with a view to altering the terms of the licenses granted to them by the Government of the United States of America.

I am in receipt of the following letter from Mr. David L. Bazelon, Assistant Attorney General, Director of Alien Property, dated August 12, 1947:

"My advisors have informed me that during the July 2, 1947 conference on the documents implementing and/or supplementing the Treaty of Peace with Italy, members of the Italian delegation raised several questions regarding the meaning and scope of certain sections of Annex I of the Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding Italian

assets in the United States and certain claims of United States nationals. Since the questions raised relate to vested property, representatives of the Department of State have asked for my comments and observations.

“The members of the Italian delegation have inquired as to the scope of paragraph (a) (2) of Annex I mentioned above. The paragraph under reference provides that the United States does not intend to assume any obligation to make returns to any person, firm, or organization convicted of violation of any of the statutes set forth in Section 34 (a) of the Trading with the Enemy Act, as amended. The statutes (Title II and III of the Act of June 15, 1917, 40 Stat. 217, 220, 221, as amended) prohibiting commission of injury to vessels on the high seas or within the jurisdiction of the United States are not among the statutes enumerated in Section 34 (a) of the Trading with the Enemy Act, as amended. Hence, acts of sabotage committed on Italian vessels which were subsequently vested by the United States Alien Property Custodian will not in themselves be grounds for refusal to return the interest acquired in such vessels by vesting action.

“The members of the Italian delegation have also raised questions with respect to the meaning of the final (unnumbered) paragraph of Annex I. The paragraph under reference provides that the United States intends to return, pursuant to the provisions of Article I, paragraph 1 (a) of the Memorandum of Understanding mentioned above, literary, artistic or industrial property vested by the United States Alien Property Custodian from the Italian Government or from Italian nationals. *Literary, artistic or industrial property so returned will remain subject to all licenses and agreements for licenses granted or entered into by the United States and which are in effect prior to the return of such properties.*

“It is the intention to return the proceeds from licenses and agreements for licenses granted or entered into by the United States with respect to literary and artistic property. Such proceeds will be subject to return pursuant to Article I, paragraph 1 (a), of the Memorandum of Understanding. With respect to industrial property where the United States has granted revocable, royalty-free, non-exclusive licenses it is the intention of the United States not to issue additional similar licenses or to reissue any such licenses which have been cancelled or revoked.

“With respect to the revocable, royalty-free, non-exclusive licenses granted by the United States, members of the Italian delegation have inquired whether the United States Government will object if, after the return of such properties, the owners negotiate with the licensees with a view to altering the terms of the licenses granted to them by the United States. It is not the intention of the United States to interpose any objection to such negotiations, provided that such negotiations and any changes in the terms of the licenses are in conformity with all laws of the United States, including the anti-trust laws. Also, it must be clearly understood that the United States assumes no obligations with respect to these negotiations and the licensees are in no way obligated to negotiate any changes in the terms of the licenses granted to them by the United States.”

Accept Sir, the renewed assurances of my highest consideration.

ROBERT A. LOVETT
Acting Secretary of State

The Honorable Ivan Matteo Lombardo
Chief of the Italian Economic and Financial Delegation

VIII

*The Chief of the Italian Economic and Financial Delegation to the Acting
Secretary of State*

ITALIAN EMBASSY
WASHINGTON, D. C.
Italian Economic and Financial Delegation

August 14, 1947

Sir:

I have the honor to acknowledge receipt of your note of this date in the following terms:

[See note VII]

I appreciate very much the information set forth in your note.

LOMBARDO
Chief of the Italian Economic
and Financial Delegation

The Honorable Robert A. Lovett
Acting Secretary of State

IX

The Chief of the Italian Economic and Financial Delegation to the Acting Secretary of State

ITALIAN EMBASSY

WASHINGTON, D. C.

Italian Economic and Financial Delegation

August 14, 1947

Sir:

I wish to express my satisfaction at the successful conclusion of discussions with the Government of the United States of America concerning commercial policy and related matters of mutual interest in furthering the economic relations between the Governments of the United States of America and Italy.

I am authorized to inform you that my Government agrees to the following understandings which have resulted from these discussions:

1. The two Governments affirm their continued support of the principles set forth in the notes exchanged between them December 6, 1945,¹ and reiterate their desire to achieve the elimination of all forms of discriminatory treatment in international commerce and the reduction of tariffs and other trade barriers.

2. The two Governments having already entered into preliminary discussions concerning a comprehensive treaty of friendship, commerce and navigation which will regulate to their mutual satisfaction economic relations between the two countries, express their intention to enter into negotiations looking toward the conclusion of such a treaty this year. Meanwhile, the two Governments will continue to accord to articles the growth, produce or manufacture of the other, unconditional most-favored-nation treatment with respect to customs duties, the rules and formalities of customs, and the taxation, sale, distribution, and use within its territory of such articles.

I am also authorized, on behalf of my Government, to advise you that the Government of Italy has been following with deep interest the steps being taken to form an international trade organization of the United Nations and is in full agreement on the fundamental principles of the proposed charter for such an organization.

¹ United Nations, *Treaty Series*, Volume 3, page 131.

Accept, Sir, the renewed assurances of my highest consideration.

LOMBARDO
Chief of the Italian Economic
and Financial Delegation

The Honorable Robert A. Lovett
Acting Secretary of State

X

*The Acting Secretary of State to the Chief of the Italian Economic and
Financial Delegation*

August 14, 1947

Sir:

I have the honor to acknowledge receipt of your note of this date in the following terms:

[*See note IX*]

On behalf of my Government, I wish to confirm to you the agreement set forth in your note. I also wish to express my Government's appreciation for the views you have stated, on behalf of your Government, with respect to the International Trade Organization.

Accept, Sir, the renewed assurances of my highest consideration.

Robert A. LOVETT
Acting Secretary of State

The Honorable Ivan Matteo Lombardo
Chief of the Italian Economic and Financial Delegation
