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To: Senator

From: Joe

Re: Patent Conference for Indiana Manufacturers at Purdue

Nov 5, 1979

Copies: Kevin, Mary, Linda, Tom, Eve, ^{David B} Press, Kathy, Indiana, Press, Marcia, Leg. (2)
Jessica, Indiana Dept. ~~ANM~~ M.

I have been talking with the Patent Office about the possibility of your hosting a patent conference at Purdue for Indiana manufacturers. The Patent Office organized a similar event in Illinois which Sen. Stevenson hosted. By all accounts this meeting whose theme was "Patented Ideas--Put Them to Work for Your Company." was a great success.

The Patent Office said that they would be glad to set up a similar meeting at Purdue on March 14, 1979. The Patent Office will do almost all of the organizational work through their field offices. We have some excellent contacts at Purdue who should be able to guarantee a good turnout of Indiana businessmen.

Your role would be to deliver a luncheon speech on the patent system. You have become by far the leading advocate of the patent system in the Congress and most patent-active businesses are aware of your efforts. I think that this would be an excellent opportunity to address an active part of the Indiana business community.

The meeting would be on March 14. I have attached some information on the Illinois meeting for your information.

Senator - This would be a good event in the business community which could be arranged with little of your time. KJ

March, 1979

I.M.A. Sponsors Successful Patent Conference for Illinois Manufacturers

A highly successful, first-of-its-kind Patent Conference, organized by the I.M.A. and cosponsored by the U. S. Department of Commerce (U. S. Patent Office) in cooperation with the Small Business Administration, was held in Des Plaines, Illinois on February 9, 1979.

Highlighted by an address by guest of honor Senator Adlai Stevenson, the meeting was attended by some 200 persons, including I.M.A. member firm executives, independent consulting engineers, inventors, patent attorneys and others. The theme of the meeting was "Patented Ideas — Put Them to Work for Your Company." Its basic purpose was to inform Illinois manufacturers, particularly smalls, on how to tap the wealth of technological information available through the U. S. patent system, and how such information can be used to assess business opportunities or competitive activities.

business session are quoted in an accompanying article in this issue of *The Illinois Manufacturer*.

"The time has come — indeed it is passed — when our country must face up to the realities of its technological posture."

Donald Banner, Commissioner, Patents and Trademarks and former General Patent Counsel, Borg-Warner Corporation, Chicago for 14 years before leaving to become commissioner, set the stage for the conference with an overview of the U. S. patent system; its import to technological development in the nation; its impact on our trade relations.

In this regard, he said, "The time has come — indeed it is passed — when our country must face up to the realities of its technological posture. It must be made aware of the hard facts of life, or what we have known and enjoyed as the 'American way of life' shall become a thing of the past. About three years ago, as we all know, our nation experienced a balance of trade deficit of approximately \$5.9 billion and we were all shocked by that; in 1977, the trade deficit was over \$26.5 billion; last year, it was \$28.5 billion."

Further, Banner said, "The key to national recovery and stable prices is industrial innovation, including innovation in the production of food. But the nation is losing its edge. More R&D now takes place outside than inside the United States." And, finally, in an allusion to conditions in the manufacturing arena, Mr. Banner asked, "The United States ran a trade deficit of \$5 billion in 1978 on manufactured goods, in contrast to a \$3 billion surplus in 1977 and a \$12 billion surplus in 1976. How long are we going to let this continue?"

One sure way to counteract the implications of this question, as seen by Senator Stevenson, Commr. Banner, and his colleagues from the Patent Office, is for manufacturers to work to regain world leadership in technological innovation by utilizing the vast storehouse of technical information available through the patent system. The details of how that system works and how industry can profitably tap it, as told by the speakers following Mr. Banner on the program, are enumerated in a Special Report being distributed to all I.M.A. members.



Principals of I.M.A. Patent Conference. From left, Donald W. Banner, U. S. Commissioner, Patents and Trademarks, I.M.A.'s Orv Bergren, luncheon speaker Senator Adlai Stevenson, John L. Smith, District Director, SBA, Gerald Marks, Director, Chicago Office, U. S. Department of Commerce.

The roster of speakers during the conference's business session included several department heads of the U. S. Patent and Trademark Office (USPTO) in Washington, and was headed by the Office's Commissioner, Donald W. Banner. A more locally-based speaker was Gerald Szesko, Head, Technology Section, Chicago Public Library, who detailed that facility's patent information and search capabilities.

Following Mr. Banner's introductory remarks, the other speakers combined to give conference participants an explanation of how the U. S. patent system works and how manufacturers can profit by utilizing it. Some of Senator Stevenson's stimulating and thought-provoking remarks at the luncheon following the

Senator Stevenson Scores Washington in Speech at I.M.A. Patent Conference

In a fighting speech to manufacturers and others attending the February 9, 1979 Patent Conference in Des Plaines which was cosponsored by the I.M.A., Senator Adlai Stevenson severely criticized the Administration and, by implication, the leading member of his own party, President Carter. He said, "Our economic maladies are rooted in failure to face the realities of global interdependence and fierce competition for the world's markets and supplies. Instead of facing up to the challenges of a new era, Washington is serving up prescriptions better suited to the behavior of markets and nations in the 18th century. . ."

Stevenson, Chairman of the Senate Subcommittee on International Finance, added, "This is a rich and resourceful country, but it is not well led. Our spirit of adventure and invention may be drying up. Nations fail when that happens. If all we can offer ourselves by way of inspiration is a balanced budget in 1981, then surely the decline has set in."

The Senator then proceeded to outline some of the steps that he felt would help spur technological innovation in the nation — a process which he termed "probably the most critical element of our competitiveness in world markets":

- Overhaul of patent policy to promote commercialization of government-supported inventions, with benefits to taxpayers after investors and inventors have been rewarded.
- Moderation of the adversarial relationship between government and industry so that inventors can share information, avoid duplication of effort, and coordinate their activities.
- Creation of institutes to bring industry, government and universities together in cooperative efforts to identify markets, develop product and advanced manufacturing processes, and create small idea-oriented corporations.
- Establishment of an industrial information system, coordinated by the Department of Commerce, to inform government and business about R&D investments, export controls, regulations, tax policy, antitrust actions and technological developments overseas.
- Restoration of a favorable economic climate for the creation and growth of high technology companies, including tax incentives and provision of seed money for proof-of-concept demonstrations.
- Greater use of science and technology to enhance national security by increasing the effectiveness of defensive weapons systems.



Senator Adlai Stevenson at press conference held as part of proceedings of I.M.A.'s Patent Conference, February, 1979. Orville Bergren, I.M.A.'s president, is seated at left.

Excerpts from Senator Stevenson's speech which should be of interest to all I.M.A. members are printed below:

Last year the U. S. trade deficit reached \$28.5 billion. The dollar declined. The international monetary system collapsed. The nation continued to suffer from inflation and unemployment. Conventional wisdom assigns the trade deficit to oil imports. But nearly 40 percent of that deficit is with Japan, and Japan is not an oil exporting country. It is more dependent on foreign oil than the United States.

Instead of revitalizing the U. S. economy by reviving our flagging productivity and competitiveness (the Administration) proposes to depress the economy further. Instead of stimulating U. S. exports, there is talk of restraining demand for imports, reducing trade and commerce around the world, as well as at home. This is economic and political folly. World economic growth, trade expansion, technical assistance and financing for developing economies are not the stuff of charity. They are elements of a realistic approach to economic interdependence in an unstable world. The turmoil which accompanies poverty and disappointed expectations can only benefit our adversaries, as events in the Near East and the Horn of Africa already suggest.

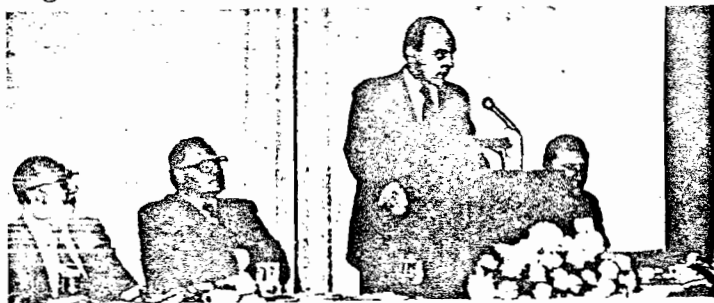
Today there is scarcely an industrial sector which does not face vigorous competition from abroad. In three decades the Japanese and the Europeans have recovered from World War II to challenge our dominance even in those industries where we had no peers — electronics, communications and aviation. Japan is taking steps to surpass us in integrated circuits and computers, the highest of high technologies. The French, Germans and Japanese are making rapid strides in satellite communication systems, while the U. S. lacks the imagination to exploit the space shuttle it will launch next year. American industry is abandoning such products as video tape recorders to its competitors and failing to develop industries for the future such as computer aided manufacturing and advanced aircraft technologies.

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Now the industrialized nations face a wave of competition from developing countries combining low labor costs and natural resources with technology and priorities that rank social benefits behind development. Six of the so-called LDCs more than tripled their share of world manufacturing exports between 1963 and 1976, from 1.5 percent to 5 percent.

The United States must arouse itself. If it is to prosper, restore its authority in the world and rise to high endeavors, it must maintain a preeminent capacity to push ahead the frontiers of knowledge and apply the results. It has the intellectual capacity to advance science and technology. It has the financial resources for productive investment. It has the entrepreneurial and marketing skills for world trade. But the will may be sapped by the outdated orthodoxies of economics and politics, inadequate financial incentives, excessive regulation, and all the pressures to cope with the immediate at the expense of posterity.

After two years of hearings and studies by the Senate Subcommittee on International Finance (chaired by Senator Stevenson), I will soon issue a report that documents the erosion of our competitive position. I will also introduce legislation to establish a strong export policy for the United States. I want to generate an export fever, a will to compete. It is crucial to the nation and to Illinois, the nation's largest exporter. Over 600,000 Illinois jobs, roughly one in five, are export-related. Foreign shipments of our manufactured products are valued at \$7.5 billion. Our agricultural exports reached \$2.5 billion in fiscal 1977. These figures represent a solid achievement, but they should be only a beginning. The growth industries in our country are law, accounting, consulting and, of course, government itself. The U.S. manufacturing sector, once the most vital in the world, languishes.



Senator Stevenson scores Washington economic policies at I.M.A. Patent Conference luncheon. Seated from left, Jacob Rabinow, Patent Office/Inventor, Donald Banner, U. S. Commissioner, Patents and Trademarks, I.M.A.'s Orv Bergren.

Small, high technology companies have introduced a disproportionate share of new products and manufacturing techniques. A decade ago hundreds of venture companies entered the stock market with new issues each year. In 1977 there were 46. At the same time as private sector support for innovation has declined, federal government expenditures for R&D have dropped more than 16% over the last decade.

These trends do not signal our loss of technological leadership across the board. But they are a warning. If innovation is not encouraged, the economy will stagnate, inflation will continue.

Patents play a major role in this process, and have since the founding of the Republic. But the Patent Office has long regarded itself as a repository rather than a resource. Our commissioner has begun to change that. Patent files are a potential goldmine of not just technical data, but indicators of business opportunities and prospective foreign competition. The commissioner has obtained access to patent information in nearly all the industrialized countries, and I commend him for his initiative in making this data available. It will be useful to government decision-makers, investors, R&D managers, inventors and business executives alike.

Technology transfer is a two-way street. Foreign nations have successfully exploited our inventions; just as aggressively, the U. S. must seek out and acquire technologies from abroad. While congratulating ourselves for our moon landings, we lose sight of the fact that two-thirds of all research and development today is performed in foreign countries.

Small Industry Conference Planned for September 20

Twenty-four members of the I.M.A.'s Small Industry Committee gathered at the Association's Chicago headquarters on February 28 to discuss preliminary plans for this year's Small Industry Day Conference. High on the agenda of discussion matters was how to top last year's conference, described by a number of the members at that meeting as "the best ever."

Before turning to the subject at hand, committee members were addressed by the I.M.A.'s President Orv Bergren who briefed them on some of the Association's legislative objectives as well as political and business climate considerations in the state — matters not limited to, but of critical concern to small industry. Other matters involving I.M.A.'s keen interest in helping small industry were also discussed.

Led by Committee Chairman James E. Peterson, President, Bimet Corporation, Morris, Illinois, the members present then decided on tentative plans for the 1979 Small Industry Day Conference. The event will take place on Thursday, September 20, 1979, at the Holiday Inn (near Chicago's O'Hare Field), 5440 North River Road, Rosemont, Illinois, and will be an all-day conference. A full agenda of presentations will be offered, including such subjects as "The Computer for the Small Company," "Hiring and Keeping Key Personnel," and "Financial Planning for the Smaller Manufacturer." Opportunities for small group discussions and exchanges will also be provided.

A subcommittee will meet on April 5 to work out details for the 1979 Conference.

I.M.A./I.I.C. Industry Day in Springfield - Set for May 2

Illinois Industry Day in Springfield is scheduled for May 2 at the Forum Thirty Hotel, 700 East Adams Street, Springfield, Illinois 62701. The affair is cosponsored by the I.M.A. and the Illinois Industrial Council, an affiliated organization composed of 23 regional industrial associations and area chambers of commerce from all parts of the state. This year's activity will concentrate on intensive briefings of members regarding the issues at stake in the General Assembly. Also, organized efforts will be made to place those attending in direct contact with legislators, legislative proceedings and government officials at the Capitol Building.

The proceedings shape up as follows:

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| 11:00 A.M. | REGISTRATION AND CASH BAR |
| 12:00 Noon | LUNCHEON |
| 1:00 P.M. | ACTION ISSUES — Legislative briefing on: Workmen's Compensation, Unemployment Compensation, Tax Limitation and Replacement, Product Liability, Utility Pricing. ALSO: A discussion of General Assembly power points and related legislative and political considerations. |
| 2:00 P.M. | VISIT TO THE CAPITOL — Your opportunity to make personal contact with the legislators from your district, attend committee hearings and watch floor sessions. |
| 5:30 - 7:30 P.M. | RECEPTION (Forum Thirty) — Honoring all members of the 81st Illinois General Assembly, Illinois elected officials, appointed department and commission heads.
DINNER — Individual options. |

Registration fee of \$30.00 covers the luncheon and the reception and complimentary legislator attendance at the reception.

Many commentators on the business scene, particularly those tending to favor its views, have decried the lack of involvement in the political process by business leaders. Illinois Industry Day is your opportunity to get involved; to observe the legislative process in action; to personally convey your company's views on legislation and regulations to the people who can do something about them; to give active support to the gaining of the I.M.A.'s legislative goals.

Plan to attend. Your participation and support will benefit your company and all of industry in Illinois. Reservations, with check for \$30.00 per person to attend, should be directed to: William E. Dart, Illinois Manufacturers' Association, P.O. Box 2147, Springfield, Illinois 62705, (217) 522-1240.

I.M.A. Member Blames Illinois U.C. and W.C. for Mattoon Plant Loss

The I.M.A. receives copies of numerous letters sent by member company executives to state legislators and agency heads — many concerning the adverse impact of the state's unemployment compensation and workmen's compensation programs on the business climate in Illinois. Seldom, however, is one received that so specifically documents this impact as the following recent letter addressed to State Representative Ray A. Christensen (D-Morris), by I.M.A. member Gerald C. Anderson, President and Board Chairman, Anderson Screen Print, Inc. of Kankakee. Another case of a major firm voting with its feet!

"I write to you out of my concern over the current business and manufacturing climate in the State of Illinois. A recent personal experience has brought these unfavorable conditions home to me as never before.

"I had negotiated an option for sale of an industrial property located in the Mattoon, Illinois area, to a large national manufacturing company. Had this company located there, it would have meant approximately 200-300 new jobs for that community.

"The proposed 50 acre site at \$400,000 was very attractive to this company. It was their absolute first choice. Even the city of Mattoon was willing to underwrite the cost of a substantial waterline location project (approximately \$125,000) to get this company to locate there. What makes this a sad story is that the whole deal was blown and this company located just across the state line in Indiana, solely because of the 'bad business climate.' This company took a look at what it would cost them in the following areas:

"(a) Workmen's Compensation

"(b) Unemployment Insurance

"What happened? They voted with their feet. They went to Indiana.

"After the deal was down the drain, I talked with company representatives and they explained the situation in regards to the workmen's compensation and unemployment insurance problems, and I can see their point. I don't blame them.

"It's bad enough that the State of Illinois and the city of Mattoon lost this industry and the many jobs that it would have provided, but also there is a multiplier effect. I own a company, and when I open new branches, I'll be thinking of this episode — and because of this experience, if things don't change, I won't touch Illinois with a barge pole. I will go into adjacent states and reap the benefits and not have to contend with this 'bad business climate.'

"I hope the message is clear. I'm sure you've heard this before. You as a legislative leader had better take some actions to remedy this 'bad business climate,' or Illinois won't even be a 'second rate' state."