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AGREEMENT

WHEREAS, for many years the WISCONSIN ALUMNI RESEARCH FOUNDATION (WARF) has provided the UNIVERSITY OF WISCONSIN (University) with extensive support for its research program and has provided the avenue for evaluating, patenting and licensing inventions originating with University personnel, for the benefit of the University and the public; and

WHEREAS, a substantial and growing portion of the University's research effort is now supported by grants, contracts, and other awards from agencies of the Federal Government; and

WHEREAS, under the terms of these grants, contracts, and awards, the University is held primarily responsible for the fulfillment of any and all terms and conditions under which such grants, etc., are made; and

WHEREAS, these agencies impose diverse conditions governing the assignment and disposition of rights to inventions which may be conceived and/or reduced to practice by University personnel while engaged in research projects supported in whole or in part by said agencies; and

WHEREAS, in fulfillment of its responsibilities, the University is obliged to consider, in the case of such inventions whether and to what extent proprietary rights to the inventions reside in any federal agency;

NOW THEREFORE, it is deemed essential that the University and WARF define their respective rights and duties with respect to such inventions. Hence, the University and WARF agree as follows:

1. (a) Hereafter, inventions which may be conceived and/or reduced to practice by University personnel and which may, ultimately, be offered to WARF for

evaluation, patenting and development must first be reviewed by the University to determine whether and to what extent proprietary rights in such inventions reside in any federal agency and to evaluate the University's obligations to any such agency.

(b) If such inventions as are referred to in (a) above are reported to WARF in the first instance, WARF will advise the reporter of the requirement for reporting the invention to the University administration through his Dean and WARF will also advise the University administration of the invention that has been disclosed to it.

2. (a) Where, after University review, it appears that the University is under no obligation to have the inventor report his invention to any federal agency, the University will so advise the inventor and WARF in writing and he and WARF shall then be free to pursue a course which they may deem to be to the best interests of all concerned and which is consistent with WARF's public responsibilities.

(b) In the event an inventor coming within the purview of Subsection (a) of this Section 2. subsequently makes another invention which he voluntarily reports to WARF in the first instance, WARF agrees that it will advise the University administration of such invention, in accordance with Section 1. (b), whether or not such invention is an improvement over an invention within the purview of Section 2. (a).

(c) WARF further agrees that it will advise the University if, subsequent to WARF's receipt of title to an invention pursuant to Subsection (a) of this Section 2,

its absolute right to title is questioned by the assertion of an alleged proprietary right in such invention on behalf of any federal agency.

3. Where, however, it appears that at least one federal agency may have some proprietary right in an invention and the University is under obligation to have the inventor report that invention to the appropriate federal agency(ies), the University will notify WARF accordingly and thereafter, WARF may proceed with the patenting and development of such inventions only under the following conditions:
 - (a) with the approval of the agency concerned where such agency has a right to ownership of the invention;
 - (b) subject to the conditions imposed by the agency concerned under its contractual relationship with the University;
 - (c) subject to such terms and conditions as may be established by negotiation among the University, WARF and the agency concerned where such agency reserves the right to determine whether patenting shall be pursued and the disposition of any and all patent rights.
4. It is understood and agreed that whenever, pursuant to Section 3. above, the release of any patent rights to WARF is to be sought, any proposal requesting such release will be prepared jointly by the University and WARF.
5. In discharging its responsibilities under this agreement, the University asserts that it will strive to:

- (a) protect the academic freedom of its faculty;
- (b) conserve the public interest;
- (c) fulfill scrupulously all of its obligations to agencies supporting its research program;
- (d) and preserve the traditional autonomy of WARF and its staff to the extent consistent with the above.

6. In the patenting, development and licensing of inventions coming within the scope of Section 3. of this agreement and with respect to which WARF is permitted by the federal agency concerned to handle such patenting, development and licensing, WARF asserts that it will adhere to the following policies which it has traditionally followed in the patenting, development and licensing of inventions assigned to it:

- (a) it will grant licenses which in the public interest will result in the broadest distribution of the products or processes embraced within the patent involved;
- (b) it will follow the policy generally of granting nonexclusive licenses to that number of licensees which will reasonably be expected to produce the widest possible distribution of the invented product;
- (c) it will require all licensees who undertake to develop any such invention to show diligence in pursuing such development and to report progress of such development to WARF;
- (d) it will grant exclusive licenses in the event the grant of an exclusive license is the only practical

manner by which the invention will be adequately and quickly developed for widest use for the benefit of the public. Usually it will be WARF's policy to grant exclusive licenses only where substantial development work must be completed before the invention can be brought into production for distribution to the public and an exclusive license for at least a limited period is necessary to induce the licensee to undertake such development work;

- (e) it will follow the policy of granting licenses upon the basis of reasonable royalties consistent with normal trade practices;
- (f) it will follow the policy of rewarding inventors in an aggregate amount not to exceed 15% of net royalties or other remuneration received; the balance of the net royalties received by WARF to be turned over to the University for scientific investigation and research;
- (g) it will make periodic reports to the University concerning its licensing activity, income and expenses, and will supply other information which may be required to fulfill the University's obligations to the federal agency concerned.

7. WARF will, at all times, cooperate fully with the University to assist the University in fulfilling all of the obligations which the University owes to Federal agencies supporting its research program.
8. Except to the extent they are expressly modified by this agreement, the historic relationships between WARF and the University will be and remain unchanged.

9. It is understood and agreed by and between WARF and the University that:

- (a) from time to time, but not less than three years from the effective date of this agreement, the feasibility of the parties continuing to operate under this agreement will be reviewed and that unless the parties mutually conclude after such review that continuation of operations under this agreement is feasible, this agreement shall be terminated;
- (b) in the event that such review leads to the termination of this agreement, any obligation of either party to any Federal agency, which obligation arose under or by virtue of the relationships established by this agreement, will survive such termination.

THE REGENTS OF THE
UNIVERSITY OF WISCONSIN

By *Fred H. Harrington*
Fred H. Harrington
President of the University
of Wisconsin

Date *June 22, 1965*

Seal
ATTEST:

Clarke Smith
Secretary

WISCONSIN ALUMNI RESEARCH FOUNDATION

By *W. R. Kellett*
W. R. Kellett, President

Date *June 18, 1965*

Seal
ATTEST:

Walter A. Frantschi