NATIONAL INSTITUTES OF HEALTH
DIVISION OF RESEARCH GRANTS
Bethesda 14, Maryland

February 27, 1962

MEMORANDUM

TO: See Below

FROM: Chief, Division of Research Grants

SUBJECT: PHS Patent Policy Relating to Industrial Screening of Compounds Developed with NIH Grant Funds

The Division of Research Grants has received advice from the Office of the Surgeon General that the Department Patents Officer has agreed to an over-all PHS patent policy relating to industrial screening of compounds developed with NIH grant funds. Accordingly, the attached Example of an Amended Patent Agreement form has been prepared for use at NIH in such cases.

NIH patent procedure will henceforth require that the Amended Patent Agreement be accepted in writing by the principal investigator or program director, and the grantee institution, and must be accepted in writing and binding on the pharmaceutical company(s), before issuance of Statements of Award on any such applications recommended for approval by a National Advisory Council.

Please note that the amended form substitutes for the patent agreement set forth in clause 4(a) on the face sheet of the Application for Research Grant and is considered necessary in order to avoid any possible conflict of interests in cases where compounds developed with NIH funds are submitted to pharmaceutical houses for biological testing and a new use is discovered.

Ordinarily, the form will be transmitted in triplicate to the grantee institution; one signed copy to be returned for deposit in the official Institute or Division files. The second and third copies would be retained by the grantee institution and the pharmaceutical company. A fourth copy would be sent if more than one industrial firm is involved.

By copy of this memorandum, all Executive Secretaries concerned with such applications are requested to cooperate with the appropriate Grants Branch Chief in identifying applications in this area.

Your cooperation in identifying such cases and in carrying out NIH procedure will be very much appreciated.

PHS Patent Policy Relating to Industrial Screening of Compounds Developed with N.H Grant Funds

2/27/62

Additional copies of the form may be obtained from Miss Katherine A. Parent, Special Assistant (Extramural Patents), Division of Research Grants, Bldg. 31, Room 3B-23, Ext. 4316.

If you have any questions regarding this procedure, please call Miss Parent.

Dale R. Lindsay

Attachment

Copies to: All Grants Branch Chiefs
All Executive Secretaries
Dr. Price
Dr. Allen
Mr. Seggel
Dr. Chan
Mr. Miller
Dr. Saunders
Mr. Curran

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE
Public Health Service
National Institutes of Health
Bethesda 14, Md.

EXAMPLE
(To be prepared in triplicate)

PATENT AGREEMENT
(substitute for clause 4(a) on the face sheet of Application for Research Grant C-0000)

Institution: X University

Investigator(s): John Doe

Title of Research Proposal: "Synthesis of Natural Products"

The following amended patent agreement is accepted by (insert name of grantee institution and pharmaceutical company(s)

and becomes a part of the official application for Public Health Service support, identified as C-0000:

"If any invention arises or is developed in the course of the work aided by the grant, the undersigned will refer to the Surgeon General for determination as to whether patent protection shall be sought and how the rights in the invention, including rights under any patent issued thereon, shall be disposed of and administered in order to protect the public interest.

In connection with the compounds to be synthesized and/or developed under the subject grant, which are submitted to a pharmaceutical company for screening purposes, the grantee and the pharmaceutical company hereby agree to the following conditions:

1. The pharmaceutical company shall not make disclosures of the results of testing for a period of 12 months, except with the consent of all parties concerned.

2. The pharmaceutical company shall report the results of testing promptly to the investigator and will furnish to him, for use by the PHS in connection with any application for patent which the PHS may file, the information demonstrating any utility or new use of the compound.

3. The pharmaceutical company shall be permitted to obtain patent rights to new uses of the compounds developed at its own expense, except where the grantee contributed or participated in the conception or reduction to practice of such new use, or where such new use patent would hamper, impede or infringe on the intended use of the invention covered by the product application, or where such new use is within the field of research work supported by the grant.

4. There shall be reserved to the Government under any new use patent obtained by the pharmaceutical company a nonexclusive, irrevocable, royalty-free license to the Government, with power to sublicense for all Governmental purposes."

(Accepted)_____
(Pharmaceutical Company)

(Title) _____

(Date) _____

(Signed)_____
(Principal Investigator or Project Director)

(Accepted)_____
(Institution official responsible for patent matters)

(Title)_____

(Date)_____