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May 8, 1980

IN REPLY REFER TO: 085050

The Honorable Carlos J. Moorhead
U.S. House of Representatives
2442 Rayburn Building
Washington, D.C. 20515

Dear Congressman Moorhead

It was a pleasure speaking with you by telephone recently regarding the University of Southern California's interest in H.R. 2414 "the University and Small Business Patent Procedures Act."

On behalf of the University we urge your support of this legislation which would establish a uniform, government-wide patent procedure for small businesses and nonprofit organizations performing government-funded research and development by granting title to inventions arising from government-supported research unless the contracting agency could justify holding title to the invention. We believe the bill represents a positive step toward a federal patent policy which will lessen administrative burdens on the agencies as well as on universities and small businesses.

Generating inventions is almost never the main objective of research conducted by universities; rather, an invention is generally an incidental by-product of the research university, largely attributable to serendipity, to the personal creativity of the investigator backed by his years of professional training and experience, and to the scholarly environmental and research resources provided by the university.

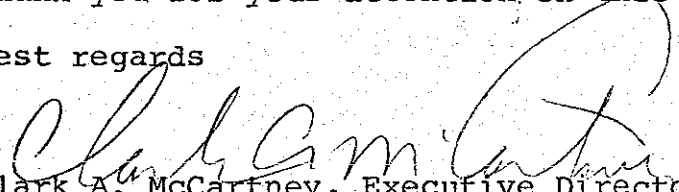
Educational institutions are, of course, not organized to manufacture, produce, or market a patentable invention. Accordingly, if university-generated inventions are to be used, such institutions must interest those in the industrial world who have the commercial capability for invention and market development, which the university lacks. University-based inventions tend to be in the early stages of development and therefore require substantial capital in order to prepare

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for market. If universities cannot furnish an exclusive license to developers for a limited period and thereby secure the investment of necessary capital, inventions are less likely to be developed to the point of marketability, and thus the public is less likely to receive the benefits from such inventions. H.R. 2414 provides the essential degree of exclusivity, that will provide private sources with sufficient incentive to develop a product or process.

Thank you for your attention on this matter.

Best regards



Clark A. McCartney, Executive Director
Sponsored Projects Administration and
Department of Contracts and Grants
and
Patent Administrator

/fs

cc: Helen W. Carrier, Assistant Director, Department of
Contracts and Grants
Houston I. Flournoy, Vice President, Government Affairs
bcc: Howard Bremer