

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
PUBLIC HEALTH SERVICE
NATIONAL INSTITUTES OF HEALTH
BETHESDA 14, MD.

June 15, 1955

Mr. Robert M. Underhill
University of California
240 Administration Building
Berkeley 4, California

Dear Mr. Underhill:

I should like to acknowledge receipt of the signed agreement between the Public Health Service and the University of California, which provides that the ownership and disposition of all domestic rights in inventions primarily concerned with therapeutics and public health arising under Public Health Service grants and awards shall be left for administration by the University.

Now that this agreement has been reached, we should like to establish administrative procedures to carry out the various terms enumerated:

1. Reporting of Patentable Inventions

a. Initial Report

Under the terms of item (2) of the Agreement, it is requested that for those inventions which the University and the inventor agree are probably patentable, an initial report be made to the Division of Research Grants, to include such information as (a) the name of the inventor, (b) the relation of the inventor to the research work assisted by grants and awards from the service, (c) a brief description of the invention, (d) a statement as to the circumstances leading to the invention, (e) the probable significance of the advancement on the prior art which the invention represents, (f) reference to any prior publication or use, and (g) a statement as to whether (1) publication will suffice and no patent application will be filed or (2) the invention will be subject to patent application.

In addition, in case it is decided to file patent application, the report should include (a) the reasons leading to such conclusion, (b) the date of filing and the serial number of the application, (c) the original of the license to the Government under the patent application. (A duplicate signed copy of the license would be forwarded by the inventor to the Patent Office along with the patent application.)

It is essential that the date of filing the patent application be reported because it fixes the period of the Government's option on foreign rights in accordance with the procedures described for carrying out Executive Order 9865 (copy enclosed.) The license and the date of filing of the application and the serial number are necessary both as a matter of carrying out the policy expressed in Department Order 110-1, and, also, to comply with Government requirements as to

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the reporting and recording of the interest of the Government in any patent or patent applications. A sample of the license which the Government will require is enclosed.

b. Annual Report

An annual report showing the disposition of all patentable inventions should be sent to us either on December 31 or June 30 each year. Will you please advise us as to your preference in this regard.

2. Individual Applications for Research Grants

Since it is necessary to continue using the present application for research grants for some months, we are requesting that you advise the appropriate people in your institution of the agreement between the Public Health Service and the University of California, so that applications submitted in the future will reflect the proper statement with respect to patent protection. Until such time as the new application blanks are received by your institution, it will be satisfactory if item (4) on the face sheet is stricken and the following sentence typed in below:

"Item 4 governed by terms of May 13, 1955
Letter of Agreement on patent protection"

If there are any further questions on this matter, please advise me.

Sincerely yours,

Ernest M. Allen, Chief
Division of Research Grants

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
PUBLIC HEALTH SERVICE
NATIONAL INSTITUTES OF HEALTH
WASHINGTON 25, D. C.

March 21, 1955

Dear Mr. Underhill:

Replying to your letter of January 24, 1955, I am pleased to advise that it has been determined, pursuant to provisions of section 2(b) of Department Order 110-1, "Inventions Resulting from Research Grants," that the ownership and disposition of all domestic rights in inventions under Public Health Service grants and awards made to the University of California shall be left for administration by the University.

I have noted that the University agrees to amend its governing policy and rules for inventions and discoveries that result from Public Health Service grants and awards, as follows:

(1) Inventive advances made in the course of work aided by Public Health Service grants or awards shall in practice be made generally available to the public.

(2) Exclusive licenses will be issued only in most unusual cases and in no case for more than five years without referral to the Surgeon General, Public Health Service, for specific approval.

(3) While the University does depend on whether an invention will meet a public demand in order to determine whether or not a patent should be sought, it will seek protective patents on inventions resultant from Public Health Service support if the securing of the patent is vital to the good name of the University and of the Public Health Service and if no other agency exists to guard the public welfare. In such cases where no income appears possible, the cost must be borne by the grant or by the Public Health Service.

This determination, upon your acceptance, will apply to inventions under current grants and awards and to those made while it remains in effect. We therefore make the following explicit proposals:

(1) The University will make its determinations in conformity with the policies outlined in University Policy Regarding Patents, dated March 27, 1953, as supplemented by your letter of January 28, 1954, and as amended by your letter of January 24, 1955.

(2) The University will agree, for those cases on which it determines not to file patent application "because no income appears possible," to encourage immediate publication and simultaneously to refer these cases to the Public Health Service for decision as to (a) whether patent application should be filed, with cost borne by the Public Health Service, or (b) whether the publication itself would suffice to protect the public interest.

(3) The University will report to the Public Health Service on each invention which appears to be patentable and which arises under research assisted by grants or awards to the University by the Public Health Service. Such report shall be furnished immediately on the filing of a patent application on any such invention, and the University will furnish to the Public Health Service an annual report showing the disposition of all such inventions.

(4) The University will reserve to the United States in any such patent application and in any patent issued thereunder a non-exclusive, irrevocable, and royalty-free license to make and use, and to sell as provided by law, embodiments of the invention, with power to sublicense, for all governmental purposes.

(5) The University will reserve an option to the Government to file foreign patent applications on any such invention, and will convey to the Government upon demand the rights necessary to enable the Government to prosecute such applications and obtain patents in foreign countries, such option to run for six months from the date of notice to the Surgeon General of the filing of a patent application in the United States. If the Government either (a) fails to exercise this option within the period specified, or (b) determines within this period not to exercise its rights to an option, the University may dispose of all foreign rights in the invention, subject to the reservation to the United States of a nonexclusive, irrevocable, royalty-free license to make, use and sell embodiments of the invention, with power to sublicense for all governmental purposes.

If the proposal is acceptable, please have the assent of the University indicated by your signature in the space below and return one copy to the Division of Research Grants, National Institutes of Health, Bethesda 14, Maryland, retaining the other for your files.

Sincerely yours,

Surgeon General

The Regents of the
University of California

By _____
Chairman, (Title) Committee on
Finance

By _____
Secretary

Mr. Robert M. Underhill
University of California
Berkeley 4, California

Date May 13, 1955