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December 13, 1973

263-2831

Mr. Robert E. Gentry  
Associate Vice President  
University of Wisconsin  
1752 Van Hise Hall  
Madison, Wisconsin 53706

Dear Bob:

Re: NSF Institutional Agreement  
No. 0001

We have reviewed the above agreement and find it conforms with the draft copy which we had earlier reviewed.

This agreement describes what we believe will be a very workable arrangement. We thank you for your efforts in prodding NSF to action and for getting the University of Wisconsin the first NSF Institutional Agreement.

Very truly yours,

Howard W. Bremer  
Patent Counsel

HWB:rw

bc--Rosten & Woerpel

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INSTITUTIONAL PATENT AGREEMENT

This Agreement is made and entered into by and between the United States of America, as represented by the National Science Foundation, hereinafter sometimes referred to as the Foundation, and \_\_\_\_\_, hereinafter referred to as the Institution.

WITNESSETH:

WHEREAS, in accordance with the President's Statement and Memorandum of Government Patent Policy, dated August 23, 1971, and the National Science Foundation Act of 1950, as amended, the Foundation has adopted a policy recognizing that the public interest in the availability of inventions would normally best be served by allowing educational and other nonprofit institutions a first option to take title to inventions (subject to certain limitations) made under their grants or contracts if it is determined that the institution has an established technology transfer program which is administered consistently with the stated objectives of the President's Statement;

WHEREAS, the Institution is desirous of entering into an agreement whereby it has a first option to retain such ownership and to administer inventions made in the course of or under research supported by such contracts; and

WHEREAS, the Institution's patent policy as set forth in

Exhibit B. U W - WARF.

and its technology transfer practices have been reviewed and found acceptable, in that said policy and practices provide for administration by the Institution of patents in the public interest and are consistent with the stated objectives of the President's Statement;

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

I. Scope of Agreement

This Agreement shall define the rights of the parties hereto regarding disposition of inventions reported after the date of this Agreement which are made in the course of or under research supported by contracts with the Foundation.<sup>1</sup> It is agreed and understood that this Agreement shall not apply to contracts administered under the following programs:<sup>2</sup>

<sup>1</sup> See Explanatory Information

<sup>2</sup> See Explanatory Information

Further, the Foundation may provide as a condition of any future contract that this Agreement shall not apply thereto.

## II. Definitions

(a) "Subject invention" means any invention or discovery conceived or first actually reduced to practice in the course of or under a contract with the Foundation, <sup>including</sup> and includes any art, method, process, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plant, which is or may be patentable under the Patent Laws of the United States of America or any foreign country. <sup>and which is</sup>

(b) "Contract" means any contract, agreement, grant, or other arrangement, or subcontract entered into with the Foundation, and any subcontract thereunder, where a purpose of the contract or subcontract is the conduct of experimental, developmental, or research work.

(c) "Made" when used in relation to any invention or discovery, means the conception or first actual reduction to practice of such invention in the course of or under a contract.

(d) "States" means the States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands.

(e) "To the point of practical application" means to manufacture in the case of a composition or product, to practice in the case of a process, or to operate in the case of a machine and under such conditions as to establish that the invention is being worked and that its benefits are reasonably accessible to the public.

### III. Disposition of Rights

The Institution shall have the right to acquire the entire right, title, and interest throughout the world in and to each subject invention of the Institution submitted in an invention disclosure pursuant to V, below, subject to the provisions of this Agreement. The Institution shall include with each invention disclosure an election as to whether or not patent applications will be filed by or on behalf of the Institution; and where they will be filed; provided that when an invention report is made immediately after publication or use has taken place as required by section V(a) below, the Institution may request an extension of the election period. If the Foundation refuses the extension, the election must be made within such time as directed by the Foundation.

IV. Institution-Employee Patent Agreements

The Institution shall obtain patent agreements from all persons who perform any part of the work under a contract exclusive of clerical and manual labor personnel requiring that such persons promptly report and assign all subject inventions to the Institution or its approved patent management organization.

*is this now being done?*

V. Report of Invention

(a) The Institution shall submit a written invention report of each subject invention promptly and in any event no later than the time necessary to determine the commercial potential necessary for making the election of section III, above; provided that in any case where publication or use has initiated the one year statutory period for patenting, the report shall be made immediately.

(b) Such report shall be furnished directly to the Foundation in addition to any other requirement under the contract for the submission of progress or financial reports and whether or not reference to the subject invention has been made in any progress or other report furnished to the Foundation.

(c) Such report shall identify the inventor and the contract under which the subject invention was

generated and be sufficiently complete in technical detail and appropriately illustrated by a sketch or diagram to convey to one skilled in the art to which the invention pertains a clear understanding of its nature, purpose, operation and to the extent known the physical, chemical, biological, or electrical characteristics of the invention. Such report shall also list any known publication of the subject invention and, if applicable, when any embodiment thereof was first in public use or on sale in the United States.

(d) If the Institution has specified that it intends to file, and thereafter notifies the Foundation to the contrary, the Institution shall promptly inform the Foundation to the extent not already done pursuant to (c) above, of the date and identification of any known publication of the subject invention or, where applicable, of any contemplated publication, and also the date the subject invention or any embodiment thereof was first in public use or on sale in the United States and shall furnish such other information and have executed such documents as provided in VIII(h) as may be required to enable the Foundation to make disposition of rights in the subject invention.

(e) If the Institution does not elect to file any patent application on a subject invention, it shall also supply the Foundation with any written reports upon which this decision was made, such as marketing reports, patent searches, or other similar reports. This information should be supplied either in conjunction with the submission of the report required by (a), above, or at the expiration of any extension of the election period pursuant to III, above.

VI. Administration of Inventions on Which the Institution Elects to File Patent Applications

(a) The Institution shall require assignment to it of all right, title and interest in and to each subject invention on which it elects to file any patent application for administration by it in accordance with and subject to the terms and conditions herein set forth. An assignment from the inventor or inventors to the Institution under each U.S. patent application shall promptly be obtained and recorded by the Institution in the United States Patent Office, and a copy of the recorded assignment shall be furnished to the Agency.

(b) Except as otherwise provided in any subsequent contracts, the Institution shall grant to the Government

of the United States a nonexclusive, nontransferable, paid-up license to make, use, and sell the invention throughout the world by or on behalf of the Government of the United States and states and domestic municipal governments, unless the Foundation determines after the invention has been identified that it would not be in the public interest to acquire the license for states and domestic municipal governments.

(c) The Institution shall administer those subject inventions to which it elects title in the public interest and shall, except as provided in paragraph (d) below, make them available through licensing on a nonexclusive, royalty-free or reasonable royalty basis to all qualified applicants.

(d) The Institution may license a subject invention on an exclusive basis if it determines that an exclusive license is required in the public interest because it is necessary as an incentive for development of the invention or because market conditions are such as to require licensing on an exclusive basis in order to bring the invention into use. The determination shall be made in writing and a copy promptly furnished to the Foundation at or before the time an exclusive license is granted.

Any exclusive license issued by the Institution under a U.S. patent or patent application shall be for a limited period of time and such period shall not, unless otherwise approved by the Foundation, exceed three years from the date of the first commercial sale or use in the United States of America of a product or process embodying the invention, or eight years from the date of the exclusive license, whichever occurs first. Such license shall also provide that the licensee shall use all reasonable effort to effect introduction into the commercial market as soon as practicable, consistent with sound and reasonable business practices and judgment. Any extension of the maximum period of exclusivity shall be subject to approval of the Foundation. Upon expiration of the period of exclusivity or any extension thereof, licenses shall be offered to all qualified applicants at a reasonable royalty rate not in excess of the exclusive license royalty rate.

(e) Royalties shall not, normally, be in excess of accepted trade practice. The Institution also agrees to refund any amounts received as royalty charges on any subject invention in procurements for or on behalf of

the Government and to provide for such refund in any instrument transferring rights to any party in such invention.

(f) The balance of the royalty income after payment of expenses, including payments to inventors, incidental to the administration of all inventions assigned to it pursuant to the provisions of this Agreement shall be utilized for the support of education or scientific research.

(g) All licenses issued by the Institution to other than the Government of the United States under any patent application or patent on a subject invention shall be made expressly subject to the conditions of this Agreement and shall specifically reserve to the Foundation those rights specified in paragraph XIV hereof. The Institution shall, upon request, promptly furnish copies of any license agreements entered into by it to the Foundation.

7 VII. Patent Management Organizations

The Institution may utilize the services of the following patent management organizations at its discretion:

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Other patent management organizations will not be utilized by the Institution unless the patent administration agreement between such organization and the Institution is approved by the Foundation.

The Institution shall not assign any subject invention to parties other than the Foundation in circumstances as set forth in this Agreement, except that it may assign rights in the invention to <sup>W - A - R - F</sup> ~~the above-listed patent management organizations~~ or any patent management organization whose agreement with the Institution has been approved by the Foundation. Any reference to an Institution in this Agreement shall also include <sup>the W - A - R - F or</sup> a patent management organization where applicable and an assignment to <sup>either of</sup> such an organization shall be subject to all the terms and conditions of this Agreement.

#### VIII. Filing of Domestic Patent Applications

(a) With respect to each subject invention on which the Institution has elected (or may elect) to file a domestic patent application pursuant to III above, the institution shall file or cause to be filed a domestic patent application within 6 months after the election has been made, or such longer period as may be authorized by the Foundation for good cause shown in writing; provided, however, that if the Foundation determines

that there has been such use or publication of the invention so as to initiate the one-year statutory period, the Foundation may, if it so notifies the Institution within two months of the election, prescribe a shorter period for the filing of the application in the event the six-month period would extend beyond such statutory period. Such shorter period, however, shall in no case end more than thirty days before the end of the statutory period. If the Institution fails to file or cause to be filed an application within the prescribed period, the Foundation may initiate action to protect the Government's interest and may require the Institution to assign all its right, title, and interest in the subject invention to the Government.

(b) Within two months after such filing or within two months of the first written disclosure of such invention if a patent application previously has been filed, the Institution shall deliver to the Foundation a duly executed license fully confirmatory of all rights to which the Government is entitled, and a copy of the application filed, including the filing date and serial number, if then available. If not then available, they shall be supplied as soon as available. The form of the license to be granted shall be as set forth in Exhibit "A" attached hereto, and by this reference made a part hereof.

(c) The following statement shall be included within the second paragraph of the specification of any patent application filed and any patent issued on a subject invention: "The Government has right in this invention pursuant to Contract No. \_\_\_\_\_ (or Grant No. \_\_\_\_\_) awarded by the National Science Foundation."

(d) For each subject invention on which a patent application is filed by or on behalf of the Institution, the Institution shall provide to the Foundation, within two months after a patent issues on the application, the number of the patent and a copy thereof.

(e) Upon request, the Institution shall fully advise the Foundation concerning all actions taken during the prosecution of any patent application covering a subject invention and furnish copies of any relevant documents as requested.

(f) Upon request, the Institution shall promptly furnish to the Foundation an irrevocable power of attorney granting the right to inspect and make copies of any patent application covering a subject invention and papers relating to the prosecution of said application.

(g) The Institution shall not abandon any United States patent application filed on a subject invention without notifying and first offering to transfer all rights in and to such application to the Foundation not less than thirty (30) days prior to the date a reply to the Patent Office Action is due. If the Foundation does not request a transfer of rights within fifteen (15) days of receipt of this offer, the Institution may permit the application to go abandoned.

(h) If the Institution elects to file no patent application or to abandon prosecution of a U.S. patent application on a subject invention, it shall, upon request, execute instruments or require the execution of instruments (prepared by the Foundation), and such other papers as are deemed necessary to vest in the Foundation all right, title, and interest in the subject invention to enable the Foundation to apply for and prosecute patent applications throughout the world.

#### IX. Filing of Foreign Patent Applications

(a) Notwithstanding the Institution's right to acquire the entire right, title, and interest throughout the world in and to each subject invention, the

Institution shall convey to the Government, upon request, by delivering to the Foundation duly executed instruments prepared by the Government, the entire right, title, and interest in each foreign country in which an application for patent has not been filed by the Institution within

(i) Eight months from the date of a corresponding United States application filed by or on behalf of the Institution; or

(ii) If no United States application is filed but an election had been made to file in one or more foreign countries, six months from the date the invention is submitted in an invention disclosure pursuant to V(a) above; or

(iii) Such other period as may be approved in writing by the Foundation.

(b) The Institution shall notify the Foundation promptly of each foreign application filed and, upon written request of the Foundation, shall furnish an English translation of such foreign application including filing date and serial number, without additional compensation.

X. Subcontracts

Unless otherwise authorized or directed by the Foundation,<sup>1/</sup> the Institution shall include the following provision in any subcontract it enters into involving research and/or development for which contract funds are utilized:

The Contractor hereby agrees to report fully and promptly to \_\_\_\_\_ (Institution) any invention conceived or first actually reduced to practice in performance of this contract (hereafter referred to as "such invention(s)", and to assign all right, title and interest in and to such invention to \_\_\_\_\_ (Institution) or its designee.

In addition, the Contractor agrees to furnish the following materials, disclosures and reports:

(i) Upon request, such duly executed instruments (prepared by the \_\_\_\_\_ (Institution) or its designee) and such other papers as are deemed necessary to vest in the \_\_\_\_\_ (Institution)

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<sup>1</sup>It is recognized that there may be cases where use of other subcontract provisions may be more appropriate in accordance with the guidelines of the President's Statement of Government Patent Policy and that some subcontractors may prefer to deal directly with the Foundation with respect to their rights in subject inventions made by themselves.

\_\_\_\_\_ or its designee the rights granted under this clause and to enable the

\_\_\_\_\_ or its designee to  
(Institution)  
apply for and prosecute any patent application, in any country, covering such invention.

(ii) Prior to final settlement of this contract, a final report listing all such inventions or certifying that no inventions were conceived or first actually reduced to practice under the contract.

XI. Lists of Inventions and Certifications

Notwithstanding the provisions of this Agreement, the Institution shall provide lists of inventions made within designated periods and certifications as may be required by the terms of any contract.

### XII. Disclosure and Publication

The Institution shall not bar or prohibit publication of disclosures of inventions on which patent applications have been filed.

The Foundation shall have the right to publish and make disclosure of any information relating to any subject invention whenever deemed to be in the public interest, provided that upon request, reasonable opportunity shall be afforded the Institution to file U.S. and foreign patent applications.

### XIII. Reports on Development and Commercial Use

The Institution shall provide a written annual report to the Foundation on or before September 30 of each year covering the preceding year, ending June 30, regarding the development and commercial use that is being made or intended to be made of all subject inventions left for administration to the Institution. Such reports shall include information regarding development, the date of first commercial sale, gross sales by licensees, gross royalties received by the Institution, and such other data and information as the Foundation may specify.

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#### XIV. Additional Licenses

(a) The Institution agrees that if it, or its licensees, has not taken effective steps within three years after a United States patent issues on a subject invention left for administration to the Institution to bring that invention to the point of practical application, or has not made such invention available for licensing royalty-free or on terms that are reasonable in the circumstances, or cannot show cause why it should retain all right, title, and interest for a further period of time, the Foundation acting through the Director or his designee(s) shall have the right to require (1) assignment of said patent to the United States as represented by the Foundation, (2) cancellation of any outstanding licenses under said patent, or (3) the granting of licenses under said patent to applicants on a nonexclusive, royalty-free basis or on terms that are reasonable in the circumstances, or (4) any combination of the above.

(b) The Foundation reserves the right to license or to require the licensing of other persons under any U.S. patent or U.S. patent application filed by the Institution on a subject invention on terms that are

reasonable in the circumstances, upon a determination by the Director of the Foundation or his designee(s) that the invention is (i) required for public use by governmental regulations, or (ii) is necessary to fulfill public health or safety needs, or (iii) is needed for such other public purposes as may have been specified in the contract. The Institution and its licensees shall be given written notice of any proposed determination pursuant to this subparagraph not less than thirty (30) days prior to the effective date of such determination and, if they so request, shall be granted a hearing before the determination is issued and otherwise made effective.

XV. Inventions by Federal Employees

Nothing in this Agreement shall preclude the Government from obtaining greater rights in a subject invention made by an inventor who is a Federal employee.

XVI. Termination

This Agreement may be terminated by either party for convenience upon thirty (30) days written notice.

Disposition of rights in, and administration of inventions made under contracts subject to this Agreement will not be affected by such a termination; except that in the event

the Government terminates this Agreement because of a failure or refusal by the Institution to comply with its obligations under paragraphs V, VI, VII and XII of this Agreement, the Foundation has the right to require that the Institution's entire right, title, and interest in and to the particular invention with respect to which the breach occurred be assigned to the United States of America, as represented by the Foundation.

XVII. Background Rights

This Agreement is not intended to grant the Government rights in any inventions other than subject inventions; however, the Government reserves the right to negotiate for such rights in connection with the award of any contracts between it to the Institution.

XVIII. Communications

Requests for Foundation approvals, extensions, or similar actions; and other correspondence required by this Agreement should be addressed to the Office of the General Counsel, National Science Foundation, with one copy to the Grants and Contracts Office, NSF. Except where specifically provided otherwise in this Agreement, the General Counsel or his designee shall act as the

point of authority within the Foundation to grant such approvals, extensions, or take such other Foundation actions as may be authorized in this Agreement.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the day and year below.

UNITED STATES OF AMERICA

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
(Institution)

(Corporate Seal)

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

CERTIFICATE

I, \_\_\_\_\_, certify that I am the Secretary of \_\_\_\_\_ named above; that \_\_\_\_\_, who signed this Agreement on behalf of said corporation, was then \_\_\_\_\_ of said corporation; and that this Agreement was duly signed for and in behalf of said corporation by authority of its governing body

and is within the scope of its corporate powers.

Witness my hand and the seal of said corporation this

\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

(Corporate Seal)

By \_\_\_\_\_

LICENSE TO THE UNITED STATES GOVERNMENT

WHEREAS, \_\_\_\_\_ of \_\_\_\_\_,  
 has invented \_\_\_\_\_, and filed a patent  
 application thereon in \_\_\_\_\_, bearing Serial No.  
 \_\_\_\_\_ (Country)  
 \_\_\_\_\_ and filing date \_\_\_\_\_;  
 and

WHEREAS, the invention was made in the course of research  
 supported by the National Science Foundation under  
 \_\_\_\_\_, and  
 \_\_\_\_\_ (grant/contract)

WHEREAS, the United States Government is entitled to certain  
 rights in and to said invention and application by reason of  
 the terms relating to such support; and

WHEREAS, the \_\_\_\_\_, hereinafter called  
 \_\_\_\_\_ (Institution)  
 the "Licensor" has acquired by assignment from the inventor  
 the entire right, title, and interest of the inventor to  
 such invention;

## NOW, THEREFORE:

1. The Licensor, in consideration of the premises and  
 other good and valuable consideration, hereby grants and  
 conveys to the United States Government a nonexclusive,  
 nontransferable, paid-up license to make, use, and sell  
 the invention throughout the world by or on behalf of the  
 Government of the United States and states and domestic  
 municipal governments\* under the aforesaid patent appli-  
 cation, and any and all divisions or continuations, and  
 in any and all patents or reissues which may be granted  
 thereon during the full term or terms thereof.

2. The Licensor covenants and warrants that he has the  
 right to grant the foregoing license, and that any assign-  
 ment or license which he may make of the invention or the  
 said patent applications or patents thereon, shall  
 expressly be made subject to this license.

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\* The term "and states and domestic municipal governments"  
 may be deleted with the consent of the Foundation.

3. The Licensor agrees that the Government shall not be estopped at any time to contest the enforceability, validity, scope of, or title to any patent or patent application herein licensed.

4. This license shall not limit the rights reserved to the Government under the contract(s), grant(s), or other arrangement(s) under which said invention was made.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
(Institution)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print or type name)

\_\_\_\_\_  
(Official Title)

#### CERTIFICATE

I, \_\_\_\_\_, certify that I am the \_\_\_\_\_ of the Institution named \_\_\_\_\_ as licensor herein; that \_\_\_\_\_, who signed this License on behalf of the Institution is \_\_\_\_\_ of said Institution; and that said License was duly signed for and in behalf of said Institution by authority of its governing body, and is within the scope of its corporate powers.

\_\_\_\_\_  
Signature

Accepted for the benefit of the Government this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
Deputy General Counsel  
National Science Foundation