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# WISCONSIN ALUMNI RESEARCH FOUNDATION

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January 13, 1964

Professor William H. Young  
Budget Director  
The University of Wisconsin  
20 Bascom Hall  
Madison 6, Wisconsin

Dear Bill:

## Comments on Proposed Patent Policy On Selected NSF Grants

The wording for the proposed policy is believed to be ambiguous and invites completely subjective determination of the disposition of an invention. Specifically, the words "in connection with" in the portion of the proposed policy statement which reads -

"Whenever any invention or discovery is made or conceived by the grantee or its employees in the course of, in connection with, or under the terms of this grant, the grantee - - -"

is a prime contributor to the ambiguity of the statement.

It is believed significant that this particular language, namely, "in connection with", is absent from the President's memorandum on government patent policy dated October 10, 1963. On page 3 of the President's memorandum the following language appears:

"- - - the government shall normally acquire or reserve the right to acquire the principal or exclusive rights throughout the world in and to any inventions made in the course of or under the contract." (underlining added).

It can be seen that this language is reflected in the proposed patent policy statement of NSF but that nowhere does the President's memorandum direct or suggest that principal or exclusive rights be reserved or acquired on any inventions made "in connection with" the contract (or grant).

The proposed policy, unless substantially implemented by additional regulations, does not draw any guidelines relative to the language in question for:

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1. It does not take into account the equities in a situation where the questioned language could be applied.
2. No distinction is made as to whether an invention made "in connection with" a grant was made before or after the effective date of the grant.
3. No distinction is made as to whether the term "in connection with" encompasses inventions conceived and/or reduced to practice during the term of the grant whether or not the invention was in the general subject matter area of the grant as defined by the grant itself.
4. No distinction is made as to whether an invention made "in connection with" a grant was made with the grant fund.
5. It is possible that a mere verbal communication between an employee of the grantee operating under the grant and an employee of the grantee not operating under the grant which communication leads or contributes to an invention outside of the subject matter area of the grant would be sufficient to bring that invention under the right of determination because of the questioned language.

It is realized that the general policy statement may be subsequently implemented by regulations which could set adequate guidelines and definitions for what may or may not be within the area in which the NSF could exercise its right of determination. However, the mere presence of the language "in connection with" establishes a greater incentive for not voicing such guidelines and for extending the scope of the circumstances under which the NSF would feel that it could make a determination. This language should, therefore, not go unchallenged.

Very truly yours,

Howard W. Bremer  
Patent Counsel

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