January 23, 1969

Professor William H. Young
Assistant to the President for
Patent Affairs
The University of Wisconsin
210 North Hall
Madison, Wisconsin 53706

Dear Bill:

Enclosed you will find two copies of the proposed pamphlet in draft form including the appendicies. I understand that you will discuss these with Reuben and that prior to printing we will be supplied with the appropriate form numbers for the appendices.

There are a couple of suggestions which I do have. The first of these is to give consideration to deleting from the title the material which you read to me over the telephone; namely, "And The Institutional Agreement With The Department of Health, Education and Welfare." The institutional agreement itself is not enclosed and, therefore, this language might be a bit misleading. Also, the broader title would seem to cover all situations as outlined in the text of the draft. The second suggestion has to do with the title of Appendix A which has in the present draft been termed "Certificate of Compliance." We feel that perhaps "Compliance Agreement" would be a more appropriate title.

Very truly yours,

Howard W. Bremer
Patent Counsel

HWB:rw
Enc.

DISPOSITION OF

INVENTIONS AND PATENTS

AT THE UNIVERSITY OF WISCONSIN

And

The Institutional Agreement
With
The Department of Health, Education and Welfare

In an institution such as the University of Wisconsin, where creativity is a major ingredient of research, new processes, devices, products and compositions are often found. It is our purpose here to state for University faculty and staff what their responsibilities, privileges and options are when they have made such an invention or discovery.

Historically, the University of Wisconsin has never claimed that it has proprietary rights in any invention generated at the University. In the absence of contractual provisions obligating the transfer of all or some proprietary rights in such an invention to a third party, the inventor at the University of Wisconsin has been free to dispose of his rights in the manner of his own choosing.

Within the past decade, however, the alternatives available to inventors receiving financial support from Federal agencies and from the major national health and medical foundations have, in general, been sharply curtailed. Some Federal agencies require assignment of all rights to inventions to the government; some require only the granting of a royalty-free license to the government when it practices the invention. Between these poles the agencies vary in their requirements. The National Science Foundation (NSF), for example, reserves for itself the right to determine the disposition of inventions made or conceived with the assistance of NSF funds. On the other hand, the National Aeronautics and Space Agency (NASA) in general practice takes title to all inventions made in connection with its grants or contracts.

In every case, the University, as the recipient of the grant or contract, has the primary responsibility for complying with the agencies' contractual provisions. Consequently, it has become necessary for the

University to scrutinize with care the funding which has assisted the making of the invention to be sure that all of the obligations attaching to the contract or grant have been met.

Institutional Agreement

In the interests of expanding the public use of inventions supported by government grants, one Federal agency, the Department of Health, Education and Welfare (DHEW), has changed the procedure for handling inventions generated at the University of Wisconsin with the assistance of DHEW funds. The DHEW and the Board of Regents of the University of Wisconsin have entered into an "Institutional Agreement" which affords University inventors greater latitude and advantages than in the past and prescribes how inventions resulting from DHEW-supported research at the University are to be routinely reported and processed. The provisions of the Agreement apply equally to all personnel, whether staff, faculty or graduate students, assisted by DHEW funds.

The Agreement, which became effective December 1, 1968, makes it possible for the University to accept assignment of these inventions or to designate a nonprofit patent management organization to act for it in a patent management capacity, provided such organization meets the requirements and criteria established by the DHEW, and provided

also that these functions are carried out within the guidelines of the Institutional Agreement. Inasmuch as the University itself is not in a position to provide patent management services, it has, with the approval of the DHEW, designated the Wisconsin Alumni Research Foundation (WARF), to perform these functions in its behalf. WARF has administered patents voluntarily assigned to it by University of Wisconsin inventors since 1925 and has the necessary experience, personnel and facilities to discharge these special responsibilities.

Under the terms of the Agreement, all members of the University staff and faculty or graduate students whose work is supported wholly or partially by DHEW funds will execute a Certificate of Compliance (Form____, Appendix A, p.___). All such personnel whose inventions emanate from research under grants made by the DHEW may, after having complied with the University's established reporting procedure, choose either of two options:

Option 1. He may submit the invention to WARF which will thoroughly examine the invention and will, when it considers such action is warranted in the public interest, accept assignment of the invention, prepare and file patent applications, and thereafter exercise its best judgment to bring the invention quickly and effectively into public use. In keeping with its traditional policies, WARF will pay the inventor annually 15% of the net royalties earned by his invention.

Option 2. He may assign the invention to the Federal government to dispose of as it sees fit.

Although the inventor may, if he chooses, recommend that the invention not be patented, and normally such recommendation will prevail, the final decision in this regard will be made by the government.

Disposition of all inventions generated at the University which are not covered by the Institutional Agreement will, as in the past, be subject to review by the Dean, Business Office and the Central Administration to determine if any obligations exist in connection with and as the result of the funding of the research leading to the invention.

Procedure for Reporting an Invention

The University has no wish to influence investigators regarding the disposition of their discoveries or inventions except where the University has an obligation as the result of being a signatory to a contractual arrangement which has a relation to the discovery or invention. In order to assure that its obligations are scrupulously met, the University administration requires that all inventions emanating from the University of Wisconsin, regardless of the source of research support, be reported in a prescribed manner in order that they may be fully examined and a determination made with reference to any proprietary interest in them and to their disposition.

When any member of the University staff makes a discovery or invention in pursuance of his University duties, or on University premises, or with University supplies or equipment, he is required to report the fact to the Dean of his college on the appropriate form (Invention Record and Report, Form No.____, Appendix B, p._____).

The Dean has the responsibility for judging whether the investigator has any obligation to assign rights to such discoveries or inventions to any third party. In particular, the Dean will be expected to make a judgment on the relation of the reported discovery or invention to the purpose of any research grant or contract that may be involved.

The Dean will refer the invention to the University Business Office for review of the financing of the scientific investigation leading to the discovery or invention. Upon completion of the Dean's review and the Business Office's analysis, the Central Administration of the University will have the responsibility for determining if an obligation to a grantor does exist and to insure that any such obligations are fully met.

Unrestricted Inventions

When, after review by the Dean and the Business Office, it has been determined that no third party is contractually entitled to control over the proprietary rights in the invention, the inventor will be so advised

and will be free to dispose of his invention according to his own discretion. Practically speaking, any one of three options is available to him:

Option 1. He may, on his own initiative, obtain patents on his invention and thereafter administer, dispose of, or license such patents in whatever manner seems to him to be appropriate.

Option 2. He may assign the invention to the Wisconsin Alumni Research Foundation or to any other patent management organization for determination of patentability and potential public use and for administration of any patents obtained.

Option 3. He may dedicate the invention to the public by publishing his findings and taking no legal action. (In the United States, if a patent application has not been filed on an invention within one year after such publication, the invention is considered to be in the public domain, and there is a statutory bar against obtaining a patent on the invention.)

It is suggested that the inventor thoroughly weigh the relative advantages and consequences of these three options in terms of which will most likely result in early public use and greater public advantage. The WARF staff is available for consultation with the inventor on these matters. Regardless of the option he may elect, the inventor is free, indeed urged, to establish his scientific priorities through publication of his research results.

What is an Invention?

Inventions fall into either of two general classifications - those that are patentable under law and those that are not. Neither the courts nor the lexicographers have satisfactorily defined patentability, though some useful guidelines have been suggested. A concise statement about patentability appears in the Journal of the Patent Office Society (V. L, No. 7, p. 456, July 1968):

> The general criteria of patentability are that the invention or discovery be either a distinct new variety of plant. . .; or a new and ornamental design for an article of manufacture. . .; or a new and useful process, machine, manufacture or composition of matter, or any new and useful improvement thereof. The difference between the subject matter sought to be patented and the prior art must be such that the subject matter of the former taken as a whole would not have been obvious at the time the invention was made to a person having ordinary skill in the art to which the subject matter pertains.

Whether an invention or discovery is patentable may best be judged by those experienced in patent law and often requires painstaking study of its relationship to the pre-existing knowledge in the art to which the invention belongs.

If there is doubt as to patentability and utility, expert opinion should be sought promptly. The Wisconsin Alumni Research Foundation (Licensing and Development Division) is prepared to assist any University inventor in helping him to judge whether or not the invention or discovery contains patentable subject matter.

Wisconsin Alumni Research Foundation

Inasmuch as the Wisconsin Alumni Research Foundation has long been active in providing technical consultation and services to University of Wisconsin inventors, and is now the University's official patent management designee under the University-DHEW Institutional Agreement, some background information on WARF and its relationship to the University and its inventors is relevant.

The Foundation is a not-for-private-profit organization incorporated in the State of Wisconsin and is separate and distinct from the University. It has administered numerous inventions originating at

the University of Wisconsin since 1925 when it received assignment of the Harry Steenbock inventions and patent applications relating to the production of vitamin D by means of ultra-violet irradiation. Other inventions WARF has managed in behalf of University of Wisconsin inventors are the anticoagulant compounds Dicumarol and warfarin, both from the laboratories of Karl Paul Link, the life-saving Javid-Settlage formulation for reducing intracranial pressure in cases involving cerebral trauma, Raymond G. Herb's vacuum pumps, an air suspension process invented by Dale E. Wurster for coating small particles, O. J. Attoe's slow release fertilizer packet, C. A. Ernstrom's direct acidification process for manufacturing cottage cheese, James Asplin's soil grinder and many others.

All of WARF's net royalties from inventions, except the 15% inventor's share, and net income from various other sources including its investments program, is given annually to the University of Wisconsin to support research projects solely of the University's choosing. Although the emphasis of WARF grants has been placed on research in the natural sciences, all disciplines, including the social sciences and humanities, have participated in such grants. The University has also allocated WARF funds to projects in branches of the statewide University system other than the Madison campus.

In addition to providing grants for research and for a number of Professorships, WARF has given funds to the University for obtaining major research equipment and for helping to construct 17 campus buildings and building additions. WARF is also a source of "seed" money which has assisted promising researchers and special projects when their investigations are too nebulous to attract financial support from Federal or State agencies or from private donors. One example is the Institute for Enzyme Research which was launched with a WARF grant for the construction of the Institute building.

During its first 40 years of service to the University of Wisconsin, WARF has given the University approximately $49,000,000 in grants, buildings and equipment. In the same 40 year period, its annual grants have grown from $1,200 to more than $3,000,000.

Considering the nature and extent of its services both in the management of patents for the University's inventors and as a major donor to the University's research and educational programs, the Wisconsin Alumni Research Foundation is a unique and valued agency for the University of Wisconsin and one of its more essential arms.

January 21, 1969

APPENDIX A

CERTIFICATE OF COMPLIANCE

In consideration of my employment by the Regents of The University of Wisconsin in connection with work which has been conducted or may hereafter be conducted in the performance of a grant made by the United States Department of Health, Education, and Welfare, Public Health Service, National Institutes of Health (hereinafter referred to as the Grantor), identified as Grant No. _____, and any continuation or supplement thereto, to The Regents of The University of Wisconsin (hereinafter referred to as the University), and in accordance with the terms of said grant I hereby agree to refer promptly to The University (Office of Vice President for Business Affairs) any personally conceived discoveries or inventions arising out of the work aided by the above grant in order that the University may report the matter to the Grantor (Division of Research Grants, Public Health Service) for disposition in accordance with its established policies and procedures and I hereby agree to cooperate with the Grantor or the University's designee in the preparation and prosecution of any patent applications relating to such inventions and to execute all documents necessary or incidental to such applications and the vesting of all rights to such inventions in the Grantor or the University's designee.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 19__.

WITNESS: Signed:

_____ _____

_____

Univ. Wis.
Form No.

Return to Gifts & Grants

APPENDIX B

INVENTION RECORD AND REPORT

Compiler _____ Date _____

1. Brief descriptive title:

2. Full name of inventor(s), home address(es), and position(s):

3. Identity of Federal agency grant(s) or award(s) contributing to invention and amount(s):

4. Recommendation of inventor(s) as to whether patent protection should be sought:

5. Object or results to be achieved by the practice of this invention:

6. Outline of means discovered for achieving above objects in terms of (a) the steps in a process, or (b) the components in a composition or groups in a chemical compound (include description of process of making) or (c) elements in a machine, article or device. Point out means which are essential, others which are important or useful and any critical limitations on any of these:

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Form No.

7. Chronology of principal events in conception and development:

   (a) Earliest conception date (reference to substantiating evidence desirable):

   (b) Date of disclosure (orally or in writing) to other persons and names of such persons:

   (c) First written record pertinent to invention:

   (d) Date and result of first test of the invention (if invention is (a) a process, its first test is the first successful trial; if (b) a composition of matter or a compound or (c) a machine, article or device, its first test is its first creation and evaluation with respect to new or improved properties or behavior):

8. Date and place (e.g. particular periodical) of publication of disclosure of invention (whether publication has been accomplished or is projected):

The following two items may be completed at the option of the complier:

9. Background of published information and practice in the field of the invention (known practices, periodical citations, patents, etc.):

10. Features embodied in this invention which would not have been obvious to or readily foreseeable by the typical skilled worker in the field:

Signature of Compiler _____

Signature of Inventors	Date	Witness to Inventor's Signature