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April 5, 1967

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

Dear Bill:

I have now revised the proposed institutional agreement in the light of our discussions on Monday and a copy is enclosed for review. As you have suggested I have made the language of Section 8 much stronger but I am not sure the University would subscribe to the language as revised.

Will you please make whatever changes you feel are necessary and then if you wish we can again discuss the petition. Also, we are willing to prepare a letter to accompany the petition indicating WARF's agreement to the additional limitations recited in item 7.

Very truly yours,

Howard W. Bremer  
Patent Counsel

HWB:rw  
Enc.

PETITION

The University of Wisconsin, situated at Madison, Wisconsin, hereby petitions the Department of Health, Education and Welfare to enter into an agreement with the University under the authority vested in the Department by Section 8.1(b) of the Regulations and Procedures of the Department of Health, Education and Welfare, whereby the ownership and disposition of all rights in inventions arising as the result of or under any grants, contracts, fellowships or other awards to the Regents of the University of Wisconsin and/or the University of Wisconsin shall be left with the University for administration.

Pursuant to and in support of the foregoing request petitioner alleges:

1. That the University of Wisconsin is in receipt of substantial funds from the Department of Health, Education and Welfare in the form of research grants and contracts, fellowships and other awards;
2. That the University of Wisconsin is fully cognizant that all such research grants and contracts, fellowships and other awards are accepted by the University under the imposition of conditions governing the assignment and/or other disposition of rights to inventions which may be conceived and/or reduced to practice during the course of investigative work supported by such funds, or where such conception and/or reduction to practice has been assisted by such funds;

3. That the University of Wisconsin at all times assumes the responsibility for the fulfillment of any and all terms and conditions which accompany or are made a part of any such research grants and contracts, fellowships or other awards and to this end apprises its investigators who are recipients of any such funds of the terms and conditions attaching to such funds and of the obligation to report any and all inventions the conception and/or reduction to practice of which are made with or assisted by such funds;
4. That although the University of Wisconsin does not engage in the evaluation and subsequent patenting and licensing of inventions and has no facilities or staff for doing so, it has and maintains a close relationship with the Wisconsin Alumni Research Foundation, a corporation not-for-private-profit organized and existing under the laws of the State of Wisconsin, which engages in the evaluation, patenting and licensing of inventions which are voluntarily brought to it, and has in fact for many years provided the avenue for evaluating, patenting and licensing inventions originating with University of Wisconsin personnel for the benefit of the University and the public;
5. That the Wisconsin Alumni Research Foundation recognizes the presence of substantial monies in the University community arising from grants and contracts, fellowships and other

awards from agencies of the Federal Government and of the obligations which the University has with respect to inventions conceived and/or reduced to practice under or with the assistance of such monies, and to this end the University of Wisconsin and the Wisconsin Alumni Research Foundation have entered into an agreement recognizing the existing obligations which the University has to the funding agency and prescribing the conditions under which the Wisconsin Alumni Research Foundation will proceed with the evaluation and subsequent patenting and licensing of any inventions voluntarily brought to it by the investigator. (A copy of the University-WARF agreement is attached to this petition as Appendix A.)

6. That under an institutional agreement with the Department of Health, Education and Welfare the University will expect that the investigator who has made an invention with the use of Department of Health, Education and Welfare funds and believes that patenting and licensing is essential to bring the invention more rapidly to the benefit of the public will take such invention to the Wisconsin Alumni Research Foundation for evaluation, patenting and licensing of the invention;

7. That based upon its past experiences in petitioning the Department of Health, Education and Welfare jointly with the University of Wisconsin for a determination for the disposition of inventions under Section 8.2 of the Regulations and Procedures of the Department of Health, Education and Welfare, the Wisconsin Alumni Research Foundation has agreed that it in addition to the limitations imposed upon it by the terms and provisions of the agreement in Appendix A it will voluntarily accept and be bound by additional provisions including:
  - a. A provision for the submission of reports to the Department when requested by the Department relating to the progress of the invention;
  - b. A provision limiting the exclusivity period of any licensing arrangement when such licensing is necessary to bring the invention into public use;
  - c. A provision authorizing the Government to require the granting of nonexclusive, royalty-free licenses where, after a prescribed period (normally 3 years after the patent issues) efforts to bring the invention to the point of practical application have been unsuccessful, or for other reasons inconsistent with legitimate efforts to bring the invention into public use;

- d. A provision for the Government to acquire a non-exclusive, royalty-free, irrevocable license for governmental purposes and further providing that all sales to the Government be royalty-free.
8. That in the method of requesting determinations under Section 8.2(b) of the Regulations of the Department of Health, Education and Welfare on a "case by case" basis, which method has been repeatedly employed by the University, the University has encountered extensive unexplainable delays, indecisiveness, multiple personnel changes, and conflicts of interest and personalities in the Department; all of which have materially contributed to an inordinate waste of time, money and effort, commodities which the University and the Department can ill afford to waste, and which are defeating of the basic goal of the Department of bringing an invention into public use within the shortest possible time.

Wherefore, the University of Wisconsin prays that this petition for an institutional agreement be granted.