

The University of Wisconsin System



OFFICE OF THE PRESIDENT

1700 Van Hise Hall
Madison, Wisconsin 53706
(608) 262-2321

July 16, 1976

To the Congressmen and Senators of Wisconsin
Washington, D. C.

Dear Congressmen and Senators:

If it is important for our country to seek new forms of energy development, and if it is important for the results of that development to reach the general population of the United States as soon as possible, then it is most urgent that Congress take a very close look at two sections of the proposed H.R. 12112.

We in the University of Wisconsin System are concerned that Sections 18(g)(4) and 18(r) of that bill "to provide additional assistance to the ERDA for the advancement of non-nuclear energy research, development, and demonstration," will severely limit the participation of both inventor and the private business sector in the development of any new and creative aspects of this energy search. Funding under these terms may never be sought--thus defeating the congressional intent.

A new proposition, never before included in Government dealing with citizens, is promulgated in 18(r): that for the simple act of guaranteeing loans, the government can take over patents involved both directly and tangentially to the project in question--whether or not there is default on the loans. The effects of this policy would be reflected in a reluctance on the part of interested industries to contribute to such projects, as well as a disinclination on the part of inventors to become involved in any kind of research or development that might in a future time be funded partially by a government-guaranteed loan.

Section 18(r) would function in a manner which is out of keeping with standard commercial practices. For example, it might be likened to a farmer borrowing money to buy additional land for farm purposes from a lending institution, and having that loan guaranteed, perhaps by a personal friend--and then having that friend, as guarantor, require that title to all crops produced on that land be passed to him.

We respectfully urge that Section 18(r) be amended so that in cases here no default has occurred and no guaranteed payment made, the title to inventions (made or conceived in the course of or under a federal guarantee) be left with the demonstration project contractor.

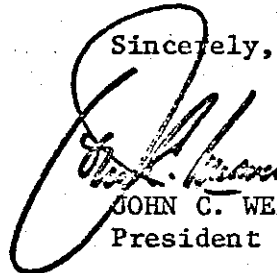
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We respectfully urge that Section 18(g)(4) treat only those patents owned by the borrowing contractor (or waived to it) as project assets and, further, that the wording recognize specifically and assume all obligations of the borrowing contractor to a licensor.

Sincerely,



JOHN C. WEAVER
President

JCW:fr

bcc: Mr. Kaz Oshiki

✓ Mr. Howard Bremer

Mrs. Analoyce Clapp

Senior Vice President Donald E. Percy

Senior Vice President Donald K. Smith