

Sept 14, 1953

Extra copy 200 *Original in Vault*

Dear Mr. Ayres:

Replying to your letter of March 27, 1953, I am pleased to advise you that it has been determined, pursuant to the provisions of section 2 (b) of Department Order 110-1, "Inventions Resulting from Research Grants," that the ownership and disposition of all domestic rights in inventions arising under Public Health Service grants and awards made to Iowa State College of Agriculture and Mechanic Arts shall be left for administration by the College.

It has been noted in the review of the materials submitted by you that the policy provides for patenting and the issuance of licenses, sometimes exclusive, with royalties never exceeding five per cent of the net selling price of the product for an exclusive license or three per cent for a nonexclusive license. It has also been noted that the College in general prefers nonexclusive licensing and that it is not your purpose to secure patents merely because there appears to be the possibility to revenue accruing.

This determination is subject to the following understandings and conditions, and upon acceptance will apply to inventions under current grants and awards and to those made while it remains in effect:

- (1) The College will make its determinations in accordance with the invention and patent policies as they appear in "Statement of Policy with reference to Patents, Copyrights and Trade-Marks," dated November 1, 1950, as supplemented by your letters of March 27, 1953, and August 7, 1953, addressed to the Public Health Service, Division of Research Grants.
- (2) The College will report to the Public Health Service on each invention which appears to be patentable and which arises under research assisted by grants or awards to the College by the Public Health Service. Such report shall be furnished immediately on the filing of a patent application on any such invention, and the College will furnish to the Public Health Service an annual report showing the disposition of all such inventions.
- (3) The College will reserve to the United States in any such patent application and in any patent issued thereunder a nonexclusive, irrevocable, and royalty-free license to make and use, and to sell as provided by law, embodiments of the invention, with power to sublicense, for all governmental purpose.
- (4) The College will reserve an option to the Government to file foreign patent applications on any such invention, and will convey to the Government upon demand the rights necessary to enable the Government to prosecute such applications and obtain patents in foreign countries, such option to run for six months from the date of the filing of a patent application in the United States. If the Government either fails (a) to exercise this option within the period specified, or (b) determines within this period not to exercise its rights to an option, the College may dispose of all foreign rights in the invention, subject to the reservation to the United States of a nonexclusive, irrevocable, royalty-free license to make, use, and practice the invention, with power to sublicense for all governmental purposes.

Please have two copies of this agreement signed by an official authorized to commit the College in the space indicated below and return one copy to the Division of Research Grants, National Institutes of Health, Bethesda 14, Maryland, retaining the other for your files.

Sincerely yours,

(Sgd.) Leonard A. Scheele
Surgeon General

Mr. Quincy C. Ayres
Assistant to the President
Iowa State College
Ames, Iowa

Iowa State College of Agriculture
and Mechanic Arts

By James H. Hilton
President

Date Sept. 24, 1953

Katharine Parent: eh
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PUBLIC HEALTH SERVICE

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