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 ...
 August 7, 1952
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Miss Barbara S. ...
 Division of Research ...
 U. S. Public Health Service
 Bethesda 14, Maryland

Dear Miss ...
 With reference to your letter of July 27, I shall number my responses to correspond with your numbered questions.

1. We naturally prefer non-exclusive licenses and most of our income to date has been derived from such. However, when considerable development work is needed to convert discoveries from test tube to commercial scale few licensees are willing to risk their money without the protection of an exclusive license. And, we do not consider it a proper use of our own funds to finance such work.

All exclusive licenses carry a schedule of minimum guarantees to guard against lack of diligence and some have a clause giving us the right of cancellation should the licensee become guilty of any conduct considered prejudicial to the public interest. When licensees object strenuously to this clause we tone it down to the extent that any dispute is made subject to arbitration by the rules of the American Arbitration Association.

Royalty rates for exclusive licenses never exceed 5 per cent of the net selling price of the product and the only two exclusive licenses now active carry rates considerably less.

As an example of how we subordinate patent interests to public welfare I might cite our recent action when it became evident that soybean meal produced by the use of trichloroethylene as a solvent contained some substance toxic to cattle. Although not toxic to other animals we issued a public warning against the use of this meal for any purpose. This action caused all plants which had been built and sold under exclusive license from us to cease operation.

2. The College definitely has a policy of publication of all significant research results, whether patented or not. All research contracts sponsored by industrial organizations carry a clause giving the College full rights of publication.

Miss Katharine A. Parent

August 7, 1953

3. Employees are not required to sign anything with respect to patentable discoveries unless, as rarely happens, an industrial contract requires us to file applications on any discovery considered patentable. In such cases, and in such cases only, research workers assigned to these particular projects are required to sign waivers of their personal patent rights.

In all other cases employees are merely expected to conform to the College policy but there is no legal compulsion to do so.

We have developed no particular form of invention report and have no preference in this respect. The form we use to protect dates of conception is enclosed.

Also enclosed, at your request, are three copies of our policy statement and a copy of the Articles of Incorporation of the Iowa State College Research Foundation.

Sincerely yours,

Quincy C. Ayres

Assistant to the President