



APR 12 1974 April 11, 1974

Dr. Thomas V. Falki
Director
Bureau of Mines
United States Department of the Interior
Washington, D.C. 20240

Dear Dr. Falki:

Re: Grant No. G0112149 - Invention entitled
"Magnetic Ore Separator"

Thank you for your letter of March 29 reconfirming the position of the Bureau of Mines that it has no legal authority to relinquish rights in the invention referred to above. I believe your decision rests on two points: (1) The invention was reduced to practice with financial support from the Bureau of Mines grant; and (2) the invention is the primary object of the grant.

There is complete agreement on point (1). I believe that point (2) could be questioned, since the University does not accept grants with a view towards developing an invention. Rather, such grants provide financial support to do research on a described problem. It seems to me the research problem could have been solved without the development of an invention. Thus, it could be interpreted that the primary object of the grant was to solve the research problem rather than develop an invention.

I acknowledge that the above argument is somewhat based on semantics and that probably most persons would support the position of the Bureau of Mines. I do believe, however, that both interpretations are logical and could be used by the Bureau of Mines to grant rights in inventions if it were your decision to do so.

Before we appeal your decision to either the Secretary of Interior or our representatives in the Congress, I would like to find out what the Bureau of Mines intends to do with the potentially patentable invention under question. In the first determination of rights, as set forth by Mr. Gersten Sadowsky in his memo to you dated July 16, 1973, the point was made that favorable consideration could probably be given to granting foreign rights to the University "in view of the Bureau's disinterest in such foreign rights". I may be reading something into this statement; however, it would appear to follow that the Bureau does or may have an interest in domestic rights. If true, this would further support the Bureau's decision not to grant such domestic rights to the University.

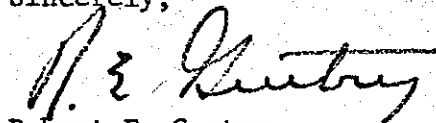
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The patent system of the United States is based on the presumption that patent protection and licenses thereunder are needed to attract sufficient capital to develop the invention for the benefit of the public. Occasionally, such licensing arrangements require that the licensee be given some limited exclusivity. Without such exclusivity, the patent may lie idle and benefit no one. Certain preliminary discussions we have had with potential commercial developers of the Magnetic Ore Separator indicate that limited exclusivity will be required to attract necessary capital.

If your response to this letter reveals that the Bureau does intend to apply for a patent and to vigorously pursue necessary licensing negotiations, we will discontinue our appeal for rights in the invention. However, if the Bureau does not intend to apply for patent protection and grant licenses which will attract capital, it is our intention to appeal this matter to higher authority.

I appreciate very much the time you have given to this matter. The best interest of the public will be served by our final resolution of this problem in a manner which will assure the successful commercial development of this invention.

Sincerely,


Robert E. Gentry
Associate Vice President

REG:IB

cc: Roger Boom
Marvin Woerpel ✓