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UNIVERSITY OF WISCONSIN
OFFICE OF VICE PRESIDENT
AND TRUST OFFICER

Revised
8-5-64

UNIVERSITY GRANTS AND CONTRACTS SUBCOMMITTEE
(Patent Advisory Panel, FCST)

Proposed Statement on Approval of
University Patent Policies

This Statement shall provide guidance to all departments and agencies in the Executive Branch of the Government. It shall apply to universities and colleges proper (hereinafter referred to as "universities") and not to subsidiaries or affiliates of a university which have established commercial positions.

Each agency shall determine the areas wherein grants or contracts (hereinafter referred to as "contracts") for research with universities shall be considered as falling within the categories of Section 1(a) of the President's Statement of October 10, 1963. Contracts in such areas shall generally provide that the Government shall acquire or reserve the right to acquire the principal or exclusive rights throughout the world in and to any inventions made in the course of or under the contract. However, to foster the fullest exploitation of such discoveries or inventions for the public benefit as set

forth in paragraphs C and D of Basic Considerations in the
President's Statement of October 10, 1963, the Government shall,
when requested, enter into agreements with universities to pro-
vide for such development in the public interest on the same
terms as are set forth below regarding inventions resulting
from contracts which fall within Section 1(c); and to permit
such development shall transfer to the university the same rights
as would accrue to the university under the terms set forth be-
low in connection with inventions which fall within Section 1(c).

Contracts with universities which do not fall within the
categories of Section 1(a) shall be considered generally to fall
within Section 1(c).

The inventions in scientific and technological fields
resulting from work performed under Government contracts con-
stitute a valuable natural resource. The use and practice of
these inventions and discoveries should serve the public inter-
est, (and discoveries should) stimulate inventors, meet the
needs of the Government, and recognize the equities of the
inventor and contractor. (and serve the public interest)
Accordingly, title to and administration of inventions resulting
from contracts with universities (which fall within Section 1(c))

may be left with the university at the time of contracting when a university has a patent policy approved by the Government agency supporting the contract work where administration of those inventions under such a policy appears to be in the public interest through promoting the use of inventions and through applying proceeds realized from such inventions for university purposes (~~to furthering the research and educational purposes of the university~~).

To be eligible for approval (approved), a university patent policy should provide:

- a) that the university will administer (subject) discoveries and inventions in the public interest as defined above; ?
- b) that the university will administer (subject) discoveries and inventions so as to make them broadly available (~~for~~) through non-exclusive licensing, royalty-free or on a reasonable royalty basis, except that exclusive licensing or assignment for limited periods of time shall be permissible when further development is necessary and/or investment of risk capital is not reasonably available, or when the market for a particular invention is limited, or there is no incentive by other means to induce the exploitation of the invention;

- c) that the university may assign its rights in inventions to another organization for patent management on a reasonable fee basis or may assign its rights to a non-profit organization provided the patent policies and practices of such organization applicable to the administration of such inventions are consistent with criteria set forth herein for universities and have been approved by the appropriate Government agency;
- d) that the net royalty income or other financial returns accruing to the university from the invention (after payment of reasonable expenses incident to administration) shall be devoted to ~~(the research and educational purposes of the)~~ university purposes; however, a university's policy may permit an inventor to receive a reasonable share of the returns, provided reasonableness is determined by the university pursuant to uniform standards.
- e) that the Government may require that appropriate patent rights (other than a royalty-free, non-exclusive license reserved to the university) shall be assigned to it to the extent that the university elects not to file patent applications on any invention or inventions made under the contract;

f) that under every patent covering an invention conceived or first actually reduced to practice in the performance of work supported by the Government, the Government shall contain at least an irrevocable, non-exclusive, royalty-free, world-wide license for Governmental purposes and for other purposes stipulated by agreement;

g) that where the principal rights in an invention remain with the university, the Government shall have "march-in" rights under the circumstances set forth in Section 1(f) and 1(g) of the President's Statement (as illustrative clauses, see clauses (b)(2)(i) and (ii) of "Patent Rights (License) (1964)" set out in the Armed Services Procurement Regulations at 9-107.5(b), copy attached);

h) that in any case where the university, as a matter of general policy, does not undertake the exploitation or development of discoveries or inventions and does not require the assignment of rights or otherwise control or direct the disposition of discoveries or inventions made by members of its staffs, its responsibility for the administration of inventions or discoveries made by members of its staff under contracts with the Government

shall extend only to securing the agreement of those
members of its staffs whose work is supported by contracts
to the contract (or agreement) provisions governing dis-
position of such discoveries or inventions and to using
its best efforts to secure the disclosure of any such
discoveries or inventions to the contracting agency. In
the case of such universities the contract may contain a
provision providing for the assignment of appropriate
rights in the invention or discovery to another agency
under terms mutually acceptable to the inventor and to
the Government in order to secure the reduction to
practice of the discovery or invention and its intro-
duction into use for the public benefit.

SCREENING

1 PRELIMINARY 1000-3000 Compounds
 2 SECONDARY 150 Compounds

SYNTHESIS

PESTICIDE SCREENING

\$ 900,000

SCALE-UP SYNTHESIS

PRELIMINARY TOXICITY

SECONDARY PESTICIDE SCREENING

\$ 120,000

FIELD TESTING

3 PRELIMINARY 10 Compounds
 4 SECONDARY 3 Compounds
 5 FULL SCALE 1 Compound
 6 MARKETING 1 Compound

PROCESS & FORMULATION DEVELOPMENT

ACUTE TOXICITY

SMALL FIELD TESTS

PRELIMINARY RESIDUE

\$ 80,000

PILOT PLANT DESIGN

SUBACUTE TOXICITY

WILDLIFE TOXICITY

EXPANDED FIELD TESTS

RESIDUE METHODS

\$ 350,000

PILOT PLANT

CHRONIC TOXICITY

SPECIAL TOXICITY STUDIES

LARGE FIELD TESTS

RESIDUE STUDIES

\$ 340,000

PLANT CONSTRUCTION

COMMERCIAL USE

FIELD EXPERIENCE

Total Development Cost \$ 1,790,000

GOVERNMENT

GOVERNMENT

Appendix B