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VICE PRESIDENT
RESEARCH

May 9, 1978

The Honorable Dennis De Concini
U. S. Senate
Room 4104
Dirksen Office Building
First Street and Constitution Avenue
Washington, D.C. 20510

Dear Dennis:

My attention was recently caught by a note in the 20 April BNA'S Patent Trademark and Copyright Journal that you had shown interest in Commissioner - Designate Donald W. Banner's views on government patent policy revision. I am delighted to hear of your interest. This has been a very frustrating problem for us as we try to develop a basis for using the University's invention skills to benefit us and the State of Arizona. My counterpart in this matter, Dr. Harold Hunnicutt of ASU, is equally interested. We work quite closely on a number of such matters and both of us have a patent management contract with University Patents, Incorporated of Stamford, Connecticut, a for-profit corporation which we believe has our best interests at heart.

I believe by now you may have heard from Barry Leshowitz, an ASU Professor on leave on Senator Bob Dole's staff. Dr. Hunnicutt gives him good marks and I felt my telephone conversation with Professor Leshowitz was very constructive.

I am taking the liberty of providing you with too much material, but hopefully you may find in it the right arguments to show our concern which is a long-standing one. We not only feel that our interests are not well served by present government policy, but neither is the federal government's or, most importantly, that of the U. S. public.

My most recent writing exercise on this subject commenced on May 13, 1977 when I wrote all of Arizona's House Delegation on the subject of HR 6249, per the attached letter to Mo.

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Eldon Rudd and John Rhodes replied as shown. I felt reasonably good about this until I saw the attached 17 March 1978 note in Science and have since had reason to become further frustrated.

As a particular example of the problem, Dr. Tom Cetas of our College of Medicine has invented a thermometer which can be used in the radiation fields to be expected in the microwave hyperthermia treatment of cancer. We have an undivided half interest in this and asked for an exclusive license to the governments half interest per my May 31, 1977 letter to Thomas G. Ferris, Esq. of DHEW. On checking somewhat later we learned that normally this would be routinely granted but is now part of a 10 month log jam at or near Secretary Califano's desk.

Recently I received the attached copy of the letter from Morris Shamos of Technicon Instruments Corporation to UPI, our patent management company. We are already in a \$300,000 development effort with Technicon on a simplified version of the x-ray body scanner which looks like an excellent opportunity for us. Clearly Technicon is not going to move unless they can have some kind of licensing assurance to back up their development investment.

Ironically, the NSF recently announced another program to encourage university/ industry cooperation and NASA and DOE have similiar programs. The reference to existing Federal Regulations in the last paragraph of the NSF announcement should discourage most industrial groups. With the same old kinds of licensing opportunities available, I feel that these new initiatives are going to join a fairly impressive pile of expensive failures.

My own philosophical instincts object to government "give aways" which is the argument generally used to oppose a liberalized patent policy. If the government had a sensible program of licensing as an alternative, I would strongly urge a mechanism of return to the government for its investment. A minimum program might be one which credits to government use its investment against any royalty obligation, precisely

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the arrangement we use for industrial support. However, the present arrangement gets nothing to anybody; much government investment is thereby wasted and, in the end, one way or the other the American taxpayer becomes the investor and the loser.

I apologize for the length of this but it is an area in which present policy serves no one, nor does the kind of stall presently in effect at DHEW. I hope this is something in which you might become interested and perhaps weaken or break the logjam.

Best personal regards.

Sincerely yours,



A. Richard Kassander, Jr.

ARK/jw

cc: A. Sidney Alpert, Esq.
Dr. Thomas Cetas
Dr. Barry Leshowitz
Richard D. Mason, Esq.
Dr. Morris H. Shamos