

PURDUE UNIVERSITY

OFFICE OF THE VICE PRESIDENT FOR RESEARCH
AND DEAN OF THE GRADUATE SCHOOL

December 16, 1977

The Honorable Gaylord Nelson,
Chairman,
Select Committee on Small Business,
United States Senate,
Room 424,
Russell Senate Office Building,
Washington, D.C. 20510.

Dear Senator Nelson:

It has come to our attention that your Subcommittee on Monopoly & Anti-competitive Activities is planning hearings on the Subject of government patent policy. It is my understanding that the hearings will include the treatment of inventions developed from government grants and contracts.

Many grantees and contractors receiving federal funds for support of research have a well-defined patent policy which (1) stimulates creativity, (2) encourages industry to invest risk capital to bring technology to the marketplace for public benefit, and (3) protects the public interest. Without risk capital to bring inventions to the marketplace, said inventions will never accrue benefits to the public. A government policy of taking title to inventions and non-exclusive licensing has not and will not attract risk capital. Since the United States Government already has title to over 26,000 patents with only about 1300 (approximately 5%) licensed, thereby not contributing to the health, technology and general welfare of the country, it is questionable if it is in the best interest of the country to vest title to inventions in the government.

A recent survey of forty-eight (48) academic institutions by the Society of University Patent Administrators showed that fifty percent (50%) of the patents issued were licensed. This is a marked contrast to those titled to the United States Government. An invention made with public funds only benefits the public if used. No benefits accrue if the patent is only a statistic in the Government archives.

Within the last two years two new small businesses have been formed from patents licensed by Purdue University. Such activity not only permits the public funds to accrue benefits to the public, but also enhances the economy through new jobs.



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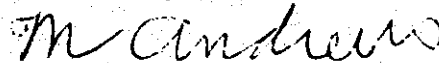
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We feel that a government patent policy that permits the grantee and contractor to retain title to inventions developed with government funds under conditions similar to HR 8596 is essential to assure that the technology paid for by the public accrues to their benefit.

Very truly yours,



F. N. Andrews,
Vice President for Research and
Dean of the Graduate School

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cc: Senator Birch Bayh
Congressman Floyd Fithian
Senator Richard Lugar