

November 7, 1977

The Honorable Jimmy Carter
President of the United States of America
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. President:

It is my understanding that your administration is developing a position on a bill (H.R. 8596) introduced by Representative Ray Thornton, of Arkansas, that would bring about important reforms in government policies concerning inventions made under grants and contracts. We at the University believe the bill would result in significant procedural and substantive improvements and urge you to consider it carefully and to support it.

Procedurally, the bill would eliminate the current situation we are faced with of having at least as many different patent provisions and procedures governing our grants and contracts (and perhaps more) as there are agencies with whom we deal. Even more important from the Nation's standpoint is the fact that a properly structured patent policy can promote private investment in the development of new products and processes from inventions made under government grants and contracts. This in turn stimulates economic growth and competition. Unfortunately, many federal agencies insist on obtaining title to inventions made under their awards, thereby in our opinion, greatly reducing the chances of these inventions being further developed and brought into public use. The present government position of "dedicating inventions to the public" or licensing them on a non-exclusive basis to one and all protects the developmental capital of no one and negates the basis of the patent system. Indeed, such policies may even have the absurd result of allowing state-supported or subsidized foreign corporations to capitalize on American ideas that American firms are unwilling to develop because of lack of protection for developmental capital.

Representative Thornton's bill would change this by allowing grantees and contractors the option of retaining rights in their inventions subject to various safeguards. But this effort to

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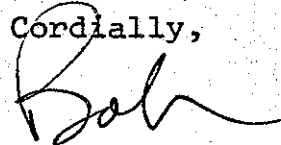
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achieve an effective policy will probably be opposed, as have other past efforts, by persons with a sincere, albeit mistaken in our opinion, belief that the Government should "own what it pays for" and that to allow grantees and contractors to retain rights is a "giveaway." We trust that you will reject such arguments which, if allowed to prevail, can only prove detrimental to all elements of American society, be they taxpayers, consumers, workers, or businessmen.

With best wishes, I am,

Cordially,



Robert C. Anderson
Vice President

Bnc

cc: Mr. Jack Watson

bcc: Mr. William O. Burke ✓