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Schools May Get Patent Rewards for Research

PATENT BRANCH, OGC
DHEW

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By RICHARD BRADEE
Sentinel Washington Bureau

Washington, D.C. — New rules scheduled to take effect on March 20 would make it easier for universities to patent inventions discovered during government financed research.

But Sen. Gaylord A. Nelson (D-Wis.), chairman of the Senate Small Business Committee, may seek to block the rule changes in order to protect the government's investment in research, a committee spokesman said Wednesday.

The federal government has plans to spend about \$3.6 billion next year on research to be conducted on college and university campuses.

The Small Business Committee has conducted a lengthy investigation of the dispute within the government about whether to allow scientists to profit from the results of research financed by the taxpayers.

Those who oppose a liberal patent policy argue that the government itself should patent and license inventions that result from government spending.

The University of Wisconsin System has developed many inventions that are marketed through the Wisconsin Alumni Research Foundation.

The university receives more than \$4 million a year from the Research Foundation in royalties and investment income, according to Marvin Woerpel, the Research Foundation director of licensing.

Since the Research Foundation was established more than 50 years ago, licenses on its patents have generated more than \$2 billion worth of sales for private industry, according to Howard Bremer, the Research Foundation patent counsel.

Woerpel said in a telephone interview that the new patent rules should help the University of Wisconsin.

The rules would encourage all government agencies to establish institutional patent agreements such as the agreement between the Department of Health, Educa-

tion and Welfare (HEW) and the University of Wisconsin.

The agreement gives the university first option to own rights to inventions developed through campus research sponsored by HEW.

Since 1968, the Research Foundation has filed 65 patent applications on behalf of the University of Wisconsin as a result of the agreement.

Because most of the inventions deal with new drugs and medical devices that require lengthy governmental review, Woerpel said only a few of them have produced royalties.

Gerald Sturges, a member of the Small Business Committee staff, said the new rules would delay publication of government research find-

ings until universities file patent applications.

In addition, the government would have a single list of institutions eligible for patent agreements.

In the past, major government research programs have been reluctant to release patents.

The Defense Department, the Department of Agriculture and the Commerce Department are among the agencies that might adopt a more liberal policy under the new rules.

Woerpel pointed out that the rules were voluntary and that government agencies could continue to insist on holding the patents.

"We hope that the rule will

help change bureaucratic minds in Washington," he said.

Supporters of the liberal patent policy argue that the government has a poor record in marketing its own inventions.

Of the 28,000 patents

owned by government agencies, only 5% have been licensed for commercial development.

Under the policy at HEW, private companies may receive exclusive license to develop and market new inventions. HEW reported that more than \$75 million has

been invested by private industry to develop about 120 inventions that were released during the first five years of its liberal patent policy.

About 70 universities and nonprofit organizations have qualified for HEW agreements similar to the one at the University of Wisconsin.

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MILWAUKEE SENTINEL

Sen. Gaylord Nelson (D-Wis.) may seek to block new government rules that would make it easier for universities to patent inventions discovered during government financed research. The new rules would aid the University of Wisconsin System, which has developed many inventions that are marketed through the Wisconsin Alumni Research Foundation.



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