August 21, 1964

Manuel B. Hiller
Department Patents Officer

Deputy Surgeon General (SGD) DAVID E. PRICE

Need for Changes in Department Patent Policy--Transmittal of Dr. Shannon's Memorandum dated August 14, 1964

I am attaching a memorandum from the Director, National Institutes of Health, elaborating on the problem of collaboration with industry both by our grantees and by our own intramural investigators. We have recognized this problem for a considerable period of time and believe we cannot afford to let it go unresolved much longer.

When we first began to discuss it, the problem was more theoretical than real because experience had not clearly identified cases where our patent policy prevented a type of industrial collaboration necessary to the successful development of an invention to the point of public availability.

In addition to specific cases cited in Dr. Shannon's memorandum, we have the Jefferson Medical College-Rohm and Haas-Baxter negotiations that we discussed in my office on August 20. These tend to emphasize that our policy does not facilitate arrangements for bringing to bear the risk capital and technological know-how of the private sector. As you know, I concur in the point of view that it is preferable to create conditions that will attract private initiative rather than to undertake complete government financing of the cost of research and development of all inventions that grow out of the government's programs.

I should like to offer whatever assistance the staff of the Public Health Service can give toward an earlier resolution of this perplexing problem.

Attachment

8-26-64

cc: Dr. Meier
Dr. Sessions — initialed
Dr. Sherman
Mr. Latka

cc Dr. Endicott per Dr. Sessions 9/1/64