April 11, 1978

Mr. Newton O. Cattell
Association of American Universities
Room 730, 1 DuPont Circle, N. W.
Washington, D. C. 20036

Dear Mr. Cattell:

I am attaching a number of items for your use in regard to the forthcoming Nelson hearings.

A. First are four items related to the licensing and collection of royalties at universities. The most comprehensive on the subject is the Northwestern study (see page 17). The Northwestern study includes a great deal of additional information on management of patents. Included in these four items is a comment that I drafted analyzing the licensing information in the NACUBO study, Northwestern study, and files in HEW's possession which lead to the conclusion that when universities were permitted to retain title to their inventions, approximately 33 percent of their portfolio was licensed to industry.

B. Also attached is a letter from Phillip Handler, the President of the National Academy of Sciences, to the National Commission on Human Subjects. This letter (which should probably be made of record in the Nelson hearings) succinctly makes the connection between technology transfer, intellectual property rights, Freedom of Information Act, and the Federal Advisory Committee Act. The Association of American Medical Colleges contributed heavily to the drafting of this letter, and it probably could only be improved upon with input from Joe Keyes and Dr. Morgan of AAMC. The President's Biomedical Research Panel Report also covers these matters on pages 8-17.

C. As we discussed on the phone, the question of how the Institutional Patent Agreement program is useful in generating industrial interfaces prior to the time inventions are even made is probably a more important issue than the amount of royalties that universities collect on inventions licensed to industry. It appears probable that more research funding is obtained by universities through the ability to promise future invention rights to industry under their IPA than royalty

funds obtained through licensing of identified inventions. In discussing this with Jesse Lasken at the National Science Foundation, it was concluded that Howard Bremer at the University of Wisconsin and the President of the Society of University Patent Administrators would be in a better position to obtain illustrations of this phenomenon than Jesse or Me. Accordingly, we have contacted Howard and hope that he might make something available before the hearings.

I have just learned that Mr. Sturges is now indicating that the probability of hearings in April is slipping away, and the hearings, if convened, will more probably be held after May 15. By that time I believe we will have collected a useful array of statistics and arguments.

Sincerely yours,

Norman J. Latker
Patent Counsel

Enclosures

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