March 15, 1977

Mr. Howard Bremer
Patent Counsel
WARF
614 North Walnut Street
Madison, Wis. 53705

Dear Howie:

Pursuant to our telephone call this date, I am enclosing a copy of the PPG Disclosure Agreement for universities.

While the Agreement is innocuous in and of itself, it is implicit that any investigator that agrees to submit a disclosure risks losing his rights and that of the university should he publish within the three years.

I would assume that the patent administrator would not send a disclosure pursuant to the Confidentiality Agreement without the concurrence of the inventor, the patent committee, maybe the Vice President for Research or a Department Head; but who knows. There is nothing to prevent an administrator from sending the disclosure to PPG i.e. without even telling the inventor.

Of even more concern to me is the possibility of discrimination and unfair competition inherent in providing to PPG (or any company) a first look at certain disclosures. First of all, there is no consideration for the first look. Secondly, a company with a policy of accepting disclosures only on a nonconfidential basis is systematically excluded from reviewing new concepts generated at the university. Hence, it is no defense for the university to say that any company can come in and enter into such an agreement on an equal basis. The real problem surfaces at such time as such an invention is successfully licensed to, say PPG, and a competitor, say Corning, cries foul. It may just so happen that a member of the Board of Directors of Corning is also a trustee of Northwestern. It may also be the case that Corning's policy is not to review confidential disclosures. For that matter, it doesn't help much even if Corning would have been willing to enter into a confidentiality agreement. Tha fact remains that they never had a fair opportunity to learn about the licensing opportunity. For this reason, I have strongly advocated for some time now that a university place an abstract of each invention with a transfer agency such as Dvorkovitz or GE Selected Ventures. Such a move might remove much of the difficulty of a confidential agreement if an abstract can be disseminated that does not constitute a disclosure. While this alleviates the problem,

it does not solve it because PPG still gets a first look; Corning might not become aware of the abstract for two or three months. Also, not all disclosures can be abstracted so as to tell only the what and not the how.

Finally, if there is government sponsorship, the university could be charged with misuse of public funds and of patent rights. Read any university patent policy statement.

To sum up:

1) Publications must be delayed for three years.

2) The university may be guilty of discriminatory practice.

3) The university may be charged with misuse of public funds and of patent rights.

Sincerely,

Lawrence Gilbert
Patent Administrator

LG:bfg

Encl.