FILE NSF Institutional Agreement Date December 26, 1973

Telephone ☒ Conference ☐ with:

From ☒ M. D. Woerpel

To ☐

Copy for E. O. Rosten

Circ: Abrams, Bremer

Robert E. Gentry

Re: Telephone Conversation with Mr. Jess Laskin,
National Science Foundation, December 26, 1973

I called Mr. Laskin to determine his interpretation of certain aspects of the pending Institutional Agreement. He was most helpful, and I think that with one exception there will be little difficulty in our meeting the obligations which this Institutional Agreement imposes.

We discussed the invention reporting requirements and how these differ from the HEW Institutional Agreement. The NSF requires that the inventions be reported and that we make a determination on whether patent applications will be filed, within six months after our receipt of disclosure. Extensions are available unless publication or use has initiated a one-year statutory period. In that event, we must report immediately.

Mr. Laskin confirmed that the NSF is only concerned with the licensing of inventions subject to this agreement in the United States. Therefore, the language of Paragraph VI (d), which limits the period of exclusivity which may be awarded under the U. S. patent or patent application, was deliberately chosen to exclude the rights under foreign patents or applications. Laskin recognized that the language requiring the institution to justify the granting of any exclusivity under the U. S. patent or application in writing prior to the time an exclusive license is granted does not make it clear whether such notice is also required prior to granting an exclusive under a foreign case. His interpretation is that no such report is required for an exclusive license granted under only a foreign patent or patent application.

He asked whether the University of Wisconsin had ever requested and received from the HEW the right to grant an exclusive longer than the three and eight year periods. I told him "no," that we had told a few licensees who had objected to the short terms available that we could, upon proper showing, expect HEW to extend this period but had not had

Continued . . .

occasion to request this extension at the time of licensing. Apparently some have, and Laskin is worried about what he should require as proper evidence to support such a request.

I told him that the only term that we had had occasion to seek a waiver on prior to licensing an invention coming under the scope of the HEW Agreement was that which extends the government's royalty free license to states and municipalities. We then read together Paragraph VI (b), which he interprets to extend the right to make, use and sell to the federal, state and municipal governments. Laskin seemed to believe that the state or municipal governments would not be likely to exercise their right of license to request the production of the patented product or service from nonlicensees but, instead, would buy from the licensee and pay the royalties which he thought the licensee would be obliged under its agreement with WARF to pay. He reads Paragraph VI (e), however, to limit the right of royalty refund to be that of the federal government alone. I explained that we make the existence of government's license a paragraph in any pertinent license agreement and that we specifically oblige the licensee to determine whether or not royalties should have been charged on a given sale.

I believe that Laskin's interpretation of the Agreement does not fit our practice and that we should communicate further with them on the point. He did say that he sees no reason why the federal government should strive to protect these particular interests of the states or municipal governments, so I believe we will find that once he understands our circumstances, he will be willing to make waivers in this important area upon our request.

Apparently they expect to send the signed Institutional Agreement back to us very soon. He did not know the precise location of the Agreement at this time, but when the copy signed by Wisconsin was received, he sent it on to the proper parties for signatures for the government.

MDW:es

