West et al Invention -
Tetrachlorocyclopropene

This will outline the fact situation relative to the above subject and the alternative patent situations which could develop.

1. Robert C. West, Jr. and Stephen W. Tobey cooperated in the synthesis of tetrachlorocyclopropene on or about September 20, 1962, based upon a conception date of about October 1961. The fact that tetrachlorocyclopropene had been obtained was conclusively demonstrated on February 25, 1963.

2. This compound was submitted to the Allied Chemical Corporation for testing as a biologically active agent on May 14, 1963.

3. Allied first informed the inventors that the compound was effective as a fumigant in October 1963.

4. Prior to Allied's finding utility for the compound, the only known utility was the use of tetrachlorocyclopropene as an intermediate for the preparation of other chemical entities.

5. On December 27, 1963, the invention was reported to the Department of Health, Education and Welfare because one of the inventors, Mr. Tobey, held an NIH predoctoral fellowship during the time the invention was made. A determination granting the co-inventors' permission to assign all patent rights to WARF was requested.

6. Two other pertinent dates in the picture are February 25, 1963 when publication of the title, i.e., the name of the compound, took place, (the name of the compound was actually in error in this disclosure), and April 1, 1963 when the correctly named compound was disclosed at a National Meeting of the American Chemical Society.

Allied Chemical Corporation has expressed its intent to file a patent application on the particular use of this compound, or class of compounds, as fumigants. In this event and, if the determination by the Surgeon General indicates that the objectives of H.E.W. will be satisfied by either publication or assignment of the West et al invention to the government, Allied Chemical Corporation will be in a position to dominate all fumigant applications of the compound. This will be true because: publication will effectively put the compound in the public domain, effective one year after the date of publication and anyone will be free to manufacture the compound and presumably use it for any purpose not covered by a patent; in the event a patent is obtained and assigned to the government, a royalty-free license will be available to all comers, including Allied Chemical Corporation, and the situation on use will be essentially the same as if publication only had occurred.

In the event the NIH determination permits assignment of the patent rights in the compound to the Foundation, or other third party, and a patent on the compound is ultimately obtained, the third party holder of the patent would dominate any position which Allied could obtain through the use patent route. Under such conditions, Allied could not promote and sell the compound without a license from the third party patent holder for any use, including fumigant use. On the other hand, any firm other than Allied which wanted to market the patented compound as a fumigant would, in theory, have to have two licenses to carry on this activity (a) a license from the Foundation or other third party patent holder under the patent on the compound, and (b) a license from Allied under Allied's use patent, which presumably would cover the use of the compound as a fumigant.

A third party, if it held a patent on the compound would, therefore, be in a position to exert some control over Allied's potential monopoly in the fumigant field resulting from its ownership of the use patent. This control could be exercised by the third party refusing to license Allied under the patent to the compound unless Allied met certain conditions; for example, unless Allied, in turn, perhaps after a stated period of time, licensed such third party, with a right to sublicense, under Allied's use patent. No such control would be possible if the NIH took assignment of the invention on the compound, patented it and made licenses freely available to all, or did not file any patent application on the compound.