Ward Ross

M. D. Woerpel May 18, 1965

Subject: Meetings with Bill Young April 22 and May 13

At the April 22 meeting considerable time was spent discussing the inventions of Sih, Lichtenstein, and Nichols. All the attitudes and discussions relative to Nichols have been changed as a result of the new interpretation of the Department of Agriculture Patent Policy. The University has now given WARF clearance on the ownership of this patent.

It was agreed that a supplement to the Lichtenstein Development Statement should be drafted in preparation for a meeting in Washington D. C. with Parent and Clesner. In that supplement we should state that Union Carbide has lost interest but that the Foundation is willing to continue its effort to develop the invention. The ability to now supplement that development statement with the executed agreement between the University and WARF should be of some assistance in securing a determination.

It was agreed that Sih should restate his position relative to patent protection on his steroid-related invention. The statement he first submitted is ambiguous in that he calls for patent protection but expects the NIH to provide both the protection and the licensing which would provide an incentive to a commercial company such as Upjohn. Since filing that statement, Sih has become interested in having WARF conduct the licensing and has learned that without an incentive through a license, Upjohn does not plan to proceed on the development. In the meantime, we have talked to Ayerst and learned that that company, too, will not proceed to directly develop Sih's findings without a patent position.

We discussed the general consulting relationship between Sih and Ayerst. Bill Young expressed the opinion that there would appear to be no problem in this unless if WARF should receive rights to the invention through determination it would then proceed to license Ayerst exclusively.

We agreed that it would not seem to be a practical approach at this time to canvass steroid manufacturers by letter to determine whether or not they would have an interest in this development. Bill suggested that we should make the best case we can in a general way through discussions in Washington the next time we were there.

Memo to Ward Ross May 18, 1965
Re: Meetings with Bill Young

In the May 13 meeting we reviewed the draft of a supplement to the Lichtenstein Development Statement which had been prepared. The comments now have all been taken into account in the re-draft which has now been submitted to the NIH in preparation for the meetings scheduled for May 19.

Bill Young asked us to carefully check any patents issued to WARF since our September meeting with NIH so that we can be prepared to discuss these if Clesner should introduce them as subjects in the forthcoming meeting.

Young advised us of the accounting check which had been made on the new Lichtenstein invention which provides a method of prolonging the action of organophosphate insecticides in the soil. We feel that the NIH participation in this invention is only through the supplies for the laboratory which had been purchased through NIH funds and have been used indiscriminently in various programs of the laboratory. There is, in addition, a question concerning whether NIH should obtain any right through use of a particular piece of equipment which was purchased for the University by means of an NIH grant several years earlier. Young and Lorenz both feel that there is a good possibility that the NIH involvement is so minor that it will be possible to obtain a waiver on this invention.

Lichtenstein feels that the organophosphate insecticide industry will automatically be interested in this development. There is evidence that the drug industry will be similarly interested in the inventions of Dr. Sih. In both cases, therefore, the Foundation cannot logically take the position that without its effort the public is not apt to benefit from these inventions. In fact, in view of the interest which has been expressed, the Foundation would probably offer non-exclusive licenses under these inventions even if there were no government ownership problem. The question arises, therefore, as to whether the need for exclusivity has become the only justification for patenting that can be used in the preparation of a development statement for an invention. We know the government is interested in the defensive aspects of a patent application, but this can be provided by the government itself filing the application. It was agreed that we would try to discuss this matter in the Washington meeting.

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