

Draft - 6/8/61



MEMORANDUM  
STATEMENT OF POLICY REGARDING  
PATENTING, LICENSING, & DISPOSITION OF FUNDS  
WISCONSIN ALUMNI RESEARCH FOUNDATION

PURPOSE OF  
THE WISCONSIN ALUMNI RESEARCH FOUNDATION

The Wisconsin Alumni Research Foundation, a corporation not for private profit, was organized in December 1925. The business and purposes of the Foundation are:

"To promote, encourage, and aid scientific investigation and research at the University of Wisconsin by the faculty, staff, alumni, and students thereof, and those associated therewith, and to provide or assist in providing the means and machinery by which their scientific discoveries, inventions, and processes may be developed, applied, and patented, and the public and commercial uses thereof determined, and by which such utilization or disposition may be made of such discoveries, inventions, and processes, and patent rights or interests therein, as may be of benefit to mankind or as may tend to stimulate and promote and provide funds for further scientific investigation and research within said University or colleges or departments thereof."

Article II  
Articles of Organization of the  
WISCONSIN ALUMNI RESEARCH FOUNDATION

## PATENT POLICY

The Wisconsin Alumni Research Foundation does not solicit inventions or patent opportunities. It takes no active interest in an invention unless the inventor has voluntarily brought it to the Foundation's attention.

Patents are generally sought if an invention relates to a process, product or apparatus which will benefit the public and which can reasonably be expected to provide revenue to support further research at the University of Wisconsin.

The promise of net income through licensing is by no means a limiting factor, however, since it is the Foundation's policy to obtain a patent whenever such action appears to be the best means to control the use of the invention in the public interest.

It is the firm policy of the Foundation never to interfere with normal publication activities of the inventor. The inventor is simply asked to advise the Foundation of his plans for publication so that the Foundation can protect patent rights and not risk losing them in view of statutory bars.

## LICENSING POLICY

The Foundation prefers to license inventions whenever possible on a nonexclusive basis. It is recognized, however, that short term exclusivity is often necessary to provide the licensee with adequate incentive to develop the invention effectively and to obtain from the invention whatever values are inherent in it. Nearly all prospective licensees are busily engaged in their own development activities and will generally not invest the time and money required to convert an invention into a useful product or process unless given a reasonable headstart in marketing or using the resulting product or process. Such a headstart will help provide assurances that the company will be compensated for its investment in the invention and for the risks which are involved.

Whenever safeguards are deemed desirable to protect the public interest, provisions for such safeguards are made a part of license agreements. Among these are requirements for approval of the product by the Foundation, approval of advertising or labeling, and whatever additional safeguards may be necessary. Every effort is made to select reputable licensees which have demonstrated by past performance their interest in the public good.

Royalty rates, in general, are based upon percentage of sales. Rates are consonant with general trade practices.

## DISPOSITION OF FUNDS

Income obtained by the Foundation through patenting and licensing is put into a fund from which grants are made for scientific research at the University of Wisconsin. Since its inception in 1925, the Foundation's total research grants to the University have amounted to more than \$16,000,000, it has granted an additional \$12,400,000 for buildings. It has supported more than 4,600 research grants at the University and is currently supporting research at the rate of about 1.7 million dollars per year.

The individual inventors receive part of the net proceeds derived from their inventions. The Foundation enters into a standard memorandum agreement with inventors (Appendix A) which provides that they will share 15% of the net income.

**MEMORANDUM AGREEMENT**

between

**Staff Members of the University of Wisconsin  
and the  
Wisconsin Alumni Research Foundation**

Whereas \_\_\_\_\_

\_\_\_\_\_ of the University of Wisconsin has (have) invented a certain \_\_\_\_\_

\_\_\_\_\_ and is (are) desirous of transferring his (their) invention(s) and improvement(s) thereon to the

**WISCONSIN ALUMNI RESEARCH FOUNDATION**

Therefore, \_\_\_\_\_ agrees (agree) that in consideration of the prosecution by the Foundation, at its own expense, of application (or applications) for U. S. Letters Patent on said invention, he (they) will execute to the Foundation an assignment of said application or applications, and of all improvements thereon made by him (them) and of any and all patent applications on said improvements, and will assign such foreign applications on said invention and improvements thereon as the Foundation may desire to prosecute at its own expense.

\_\_\_\_\_ further agrees (agree) to cooperate in the prosecution of said applications for patents by furnishing information and data and by signing all necessary documents and to cooperate in any litigation involving any patents issuing on said applications.

The Foundation agrees to pay to \_\_\_\_\_

\_\_\_\_\_ whether connected with the staff of the University of Wisconsin or otherwise, and in the event of the death of any of the inventors, then the share of said inventor (or inventors) to his or (their) estate or (estates) in equal shares to each of them, fifteen percent (15%) of the net avails of monies received from license fees, royalties or otherwise, or for the sale of the said invention and improvements thereon, and any patents obtained thereon. "Net avail" is to be interpreted by the Foundation.

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