Lederberg suggests national foundation to exploit fruits of university research

A National Research and Development Foundation, which would own and exploit the patent rights to inventions made in universities with federal grants money, but at an arm's length from the universities themselves, has been suggested by Professor Joshua Lederberg, president of Rockefeller University in New York. The suggestion has been made in a letter from Professor Lederberg, Nobel Prize-winner and until last month professor of genetics at Stanford University's School of Medicine, in a letter to Senator Gaylord Nelson, whose select committee on small business is currently holding hearings into federal patent policy.

In his letter, Professor Lederberg says that he does not believe the pursuit of proprietary gains to be the proper business of the staff of a university.

"The possibility of profit—especially when other funding is so tight—will be a distorting influence on open communication and on the pursuit of basic scholarship" he said.

Professor Lederberg continues: "On the other hand, the need to protect development investment for the exploitation of inventions is absolutely sound, and essential to the nation's economy. Such investments are typically much larger than the costs of the original research, and are comparable to the expected 'profits'—when there is a pay-off.

"It should not be so difficult to reconcile these objectives, using the Research Corporation as a model. Set up an accountable, not-for-profit national R&D foundation, and vest all government-owned patents in it.

"NRDF will then enter the market, at arm's length, with licences etc. for the inventions it owns. The fees should first of all cover its operating expenses. Then it can use its profits and accumulated reserves to fund grants and contracts that will continue to further the practical applications of scientific discovery."

Professor Lederberg says that universities should not share in the licence fees except to the extent of their cost-sharing in the research that led to the invention, which would be assumed to be 10 per cent for routine cases.

Furthermore individuals should not, in principle, be rewarded for the results of work for which they were already receiving an academic salary, although neither should they be hindered in private arrangements, for the fruits of time and energy for which they were not on salary, and which are outside their normal academic duties.

"The financial and regulatory stresses on our private institutions are threatening their future existence. But patent-seeking is an inappropriate answer to these financial dilemmas," Professor Lederberg says.

David Dickson