

May 20, 1926

Mr. George I. Haight,
1041 The Rookery,
Chicago, Illinois.

My dear Mr. Haight:

Many thanks for your letter of the 15th instant. I do not know whether you got the point which I was trying to make in connection with the oleomargarine interests. I did not have in mind so much the reflection upon the oleomargarine industry as I had the reflection upon the Foundation. To me it looks too much like the unofficial acknowledgement by the State of Wisconsin that the dairy industry cannot stand upon its own merits but needs to be protected by arbitrary legislation. As a worker of science attempting to get all adjusted upon a logical basis, I do not like this injection of bias by the Foundation in singling out one particular industry because it in reality reflects upon the Foundation itself. What is true with respect to the oleomargarine industry at the present time may not be true tomorrow; but, nevertheless, this little special act of legislation by the Foundation will stand as a matter of record and therefore to me is distasteful.

My reaction to the powers vested in the Foundation is to a very considerable extent personal. It would be very nice indeed to be able to say in the future that this or that mistake had been made by the Foundation and not by the Univer-

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sity or by the inventor; but, as a matter of fact, I have assumed a responsibility by taking out patents which I now cannot avoid no matter how administered. If the Foundation in the future fails to keep in mind the best interests of the University or in any way fails to protect the best interests of the State and the University, the whole matter in any event will be brought right back home to me - back to the time when I took, what is considered by many, the unjustifiable action of patenting my invention and then assigning it to a Foundation outside of the jurisdiction of the University. I have absolutely no desire to side step this obligation and if there should be any objection to leaving final O. K. of licence vested in me together with the President of the University, I see no reason whatsoever why it should not be vested in me alone with the provision that upon my death this power be automatically transferred to the President.

This arrangement during my life will not place any additional responsibility upon the institution as such nor would it give me obligations which I haven't already assumed. Virtually, it would maintain status quo except for the division of authority between the Foundation and myself which, in itself, should be a desirable arrangement when viewed from the standpoint of the University. In the

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event that this arrangement is finally arrived at, I see no necessity for the inventor being a member of the Foundation. In fact, I agree with you that it is not desirable that he should be thus affiliated.

I hope that I was not misunderstood as to motive when I said the other day that it was necessary that the Foundation should reward the inventor so as to give others an inducement to assign their inventions. To me an assignment in which the inventor is given part of the proceeds is no longer a gift; it is a commercial transaction for pecuniary gain and in my own case the existence of such an instrument will misrepresent in the future the spirit in which the Foundation was conceived and in which I applied for a patent. We must first of all look forward to disarming those who would deny the faculty the right to patent. If we do not do this, I am morally certain that some fine day we will find that legislation forbidding the faculty to patent their inventions has been enacted. I think such legislation is already in effect in certain states. This to me appears as an abominable restriction because it represents a form of nationalization of the individual. It represents an encroachment upon his personal liberties which cannot help but stifle his work as a scientist in a creative capacity. Such legislation to my mind can be prevented by

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the inventor assigning his rights unqualifiedly. He can then no longer be accused of ulterior motives in making his assignment and the Foundation can nevertheless reward him financially as it sees fit. This would also leave the Foundation in a stronger position because its hands would not be tied by any guarantee to the inventor. In case of an objection as to policy being raised by the University or the legislature it could then readily modify its policy as the situation might demand. For instance, the University might oppose any arrangement whereby a member of the faculty would be given moneys for experimental purposes over which the University itself had no control. It might be embarrassing for the head of a department to have working in his department an individual having available a larger budget for experimentation than that provided by the University to him through the regular channels. For such reasons and others, the University or the State might wish to remunerate the inventor themselves.

Such a policy, if I am correctly informed, has been instituted at the University of Toronto to the discoverers of insulin. Professor Banting has received a life annuity from the Province of Ontario; He has been given a prominent chair in the faculty of the University and, in addition, receives certain moneys representing the profits from the li-

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cencing of insulin.

I am afraid that what I have presented may not look to you like good business. Whatever your impression may be I hope that you will not accuse me of outlining a clever subterfuge whereby it will be possible for the inventor to get the credit for making a gift to the University and yet receive full financial returns. To me any relation that the inventor establishes with the Foundation does not look like good business. He, however, is morally, if not legally, under obligation to the University for assistance in making his invention. With this outstanding fact, I do not see how the inventor is justified in looking at his relations from the business standpoint only. I do, however, think that what I have presented represents good business from the standpoint of the Foundation and the University.

Briefly stated, I wish, therefore, to present to you that I firmly believe that rather than having the O. K. of licences by the inventor restricted to one commodity, namely fats, all licences should be O. K. ed by the inventor. Besides this being incorporated in the assignment, I believe that it might also be proper to incorporate that in case the Foundation should in any manner or means be prevented from functioning in the capacity provided by its charter that title

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to patent rights be returned to the inventor.

As in my previous communication, I earnestly present the above for your approval or criticism.

Very sincerely yours,

HS:S