

(WTDR) published by the Department is of assistance in obtaining commercial information — credit rating and the like — on a prospective licensee.

We have received assistance from foreign governments in addition to that received by the Department of Commerce. For example, the Government of Ontario, Canada, has representatives of its Departments of Trade and Development in various United States cities. The Department has a program for bringing new technology into Ontario which has been widely accepted in the United States. After completing a questionnaire provided by the Department, the Department will introduce the licensor to prospective licensees in Ontario.

As a result of the above program, and with the aid of government assistance, several license agreements have been executed and execution of additional agreements with licensees in other countries appear imminent. We look forward to continued success.

**About the Speaker: Thomas A. Seeman, Director of Patents and Assistant General Counsel Tridair Industries, received his BS, 1957 - Pennsylvania State University; JD, 1968 - George Washington University; private practice in Washington, D.C. Associate with a firm in Tampa, Florida. Division Patent Counsel for Litton, Woodland Hills, California. Presently with Tridair Industries, Redondo Beach, California. Director of Patents and Assistant General Counsel. Member of Florida, Virginia and California bars.*



Raymond A. Bogucki

**"AN INNOVATIVE LICENSING APPROACH —
TEAMING THE PATENT ATTORNEY WITH
HIS ENTREPRENEURIAL CLIENT"**

by
R. A. Bogucki*

Regardless of what the title says, this is the story of a small company licensing program on a proprietary

item. The item is a plastic package for disposable medical items, now being produced by the millions. The inventor is the principal of the company, which previously had no significant experience or reputation in medical packages. This case history therefore exemplifies a bootstrap effort, both in development of the product and in licensing.

At the time of the conception of the invention, the inventor had a significant number of intangible assets, including principally his own independence of decision, substantial experience as a businessman, and engineering talent in both plastics and machinery. In addition, he had faith and confidence in his invention, and sufficient persistence to continue its development despite the daily demands of his business. On the negative side, there was neither the capital nor the manpower to pursue this at the pace which he would have liked, and in addition to a lack of corporate recognition in the medical packaging field there was also considerable uncertainty as to whether and how the products could be sold.

The initial period of development took more than two years, but the most significant thing that was done from the standpoint of subsequent developments was that the machine capability was improved concurrently with refinement of the product. Concurrently, and probably of equal importance, a close working relationship was developed with one particular customer, which took all of the initial output. Although production was not significant, this meant that the product was in use on a regular commercial basis, and that also meant that the machinery had to achieve satisfactory rates of manufacture, considering both hourly production and down time, and with a satisfactorily high yield.

Several years after conception of the invention, with the medical packaging product being made as an adjunct to the major business of the company, various parties began to show a significant interest in its potential. These parties included a potential large-scale user, a large diversified company and a small company that was a direct competitor. In each case the contact was made by the other party with the inventor, usually under accidental circumstances. The first company was interested in a license (the patent having issued by then), and in production machines; the second company said they were interested in acquiring the entire company of the inventor; and the third company was interested in a close working relationship, or so they said. After wining and dining the inventor while getting such information as they could they were not heard from again until they introduced an infringing product.

Discussions with the first and second companies were carried forward for more than a year in each instance. It was not necessary to spend much time convincing either of these parties of the potential of the medical package — each probably had considerably better estimates of the product than we did. Both however professed to be much concerned with the scope of the patent, with protection against subsequent infringers and with the effective throughput of the machines. Negotiations with the first party could have

carried on indefinitely, but were finally disposed of at a lengthy conference at the corporate headquarters of the licensee. After this license was completed, the second party desired mostly to make sure that it was getting the same terms as the first party, and took a license shortly thereafter.

At this point in time the licensing program was in a completely new phase, with the license terms substantially fixed and with acceptance by major licensees. Others therefore were not as inclined to feel that they would find a flaw in the patent situation, nor were they as inclined to be leisurely about the examination of the situation. In addition, the inventor had continued to work on machine improvements and on further inventions related to the initial concept. He himself had also entered a new corporate and financial phase, in that his own manufacture was steadily increasing and the licensing income gave him a cushion for future developments. At this point, sale of the business was still a possibility but of considerably less interest. Other licenses were thereafter granted in the U.S., while a new plant was set up for manufacture only of the medical packaging item. Concurrently, tentative explorations began toward seeking a partner for the European market, preferably one who could return considerable technology to the inventor's company in subject matter related to his own interests. The European market is quite different in potential, and the manpower of the company would not permit separate manufacturing and marketing organizations. However, with the European affiliation developing quite soundly, with continued expansion of U.S. manufacture, significant growth of royalty income, and acceptance of new products, the inventor has built a situation which is both aesthetically and financially satisfying. Licensing contributed significantly to this situation, but there was

never a licensing program as such, because the financial and other pressures of business more or less dictated the decisions that had to be made at any point in time.

**About the Speaker: Raymond A. Bogucki of Fraser and Bogucki in Los Angeles. Graduate of January 1940 class of North High School in Minneapolis. Eighth grade rating certificate from Jordon Jr. High School awarded in November 1935. Certificate in Bread and Rolls at Dunwoody Industrial Institute in Minneapolis, and graduate of engineering and law schools in Minneapolis.*



The Lord Ritchie-Calder

LES PLACEMENT COMMITTEE

Jobs anyone? The services of the Placement Committee are available to applicants looking for positions in the licensing field. Please send your resume (five copies preferably) to the Chairman of the Placement Committee:

John L. Sniado
Director, Patents and Licensing
Kennecott Copper Corporation
161 East 42nd Street
New York, New York 10017

Companies or firms looking for licensing personnel are invited to send their requirements in confidence to the Chairman of the Placement Committee at the above address. The Placement Committee matches the resumes received with the requirements of the various available openings. Resumes that appear to meet the requirements of any available openings are then forwarded for consideration.

THE BLACK BOX

by

The Right Hon. The Lord Ritchie-Calder

INTRO

I was most intrigued when I was told at the Center for the Study of Democratic Institutions that "the licensing authorities" were after me. In Scotland, where I come from, "the licensing authorities" are the magistrates, the baillies, who examine applicants, for permission to sell liquor and bring them to trial when they misconduct themselves. I wondered whether, in California, I needed a license for my private consumption and that the "licensing authorities" had decided that I was an illicit drinker. I am now reassured; you have licensed my thirst.

When I discovered what "licensing" meant in your terms, I was struck by the co-incidence that the invitation should come at the moment when I had just completed a survey for the Secretary-General of the United Nations on "The Role of Science and Technology in Development." This covered all kinds of activities, including your own, during the past 27 years and in all parts of the world. I had had some things to say about