

liminary reaction to a given disclosure, pending the results of a more thorough investigation. In selected cases of this type, it is good business for the company to offer a modest binder payment in return for the owner's willingness to refrain from contacting other prospective licensees for a limited period of time. At this preliminary stage, such an agreement is preferable to an option, since frequently the negotiation of option agreements may take longer than the time required to complete the evaluation.

Such payment would have three consequences. First, it would protect the company, should it later wish to acquire rights to the technology. Second, since a definite time limit would have been established for the evaluation, it would put pressure on the company to make a decision — usually desirable from the company's point of view. Third, the payment would establish a good relationship with the technology owner with respect to the negotiation of any ultimate license agreement, as well as any additional technology the owner may have in the future.

A technology owner is biased in favour of companies with whom he has had successful licences. Therefore, if the seeker believes that a company may be capable of generating important new technology in the future, it may be worthwhile to accept an option or licence on a relatively minor development in order to establish a working licensee relationship.

Finally, companies develop reputations among the licensing fraternity in regard to their dealings with technology owners. A favourable reputation implies not only sincere welcome of outside technology, but know-how in dealing with such technology. Anything done to enhance this reputation will become more widely known than one might imagine.

4. Summary

I hope I have been able to point out a few things that may be done to improve your likelihood of acquiring important new technology from selected sources.

Similarly, I hope some of my comments regarding evaluation procedures may allow you to create an effective screen rather than to maintain an impenetrable wall. Such an improved screen should help you to recognize opportunities, and to encourage valuable submissions in the future.

In conclusion, I will draw the line at giving you tips on how to negotiate option and licence agreements with technology submitters. Such tips would, I suspect, make my job more difficult if I should negotiate any agreements with you in the future. On the other hand, if you follow any of the suggestions I have made, you clearly will make my job much easier.

**About the Speaker: Walter J. Cairns is with the Invention Management Group of Arthur D. Little, Inc.*

REPORT ON MEMBERSHIP SURVEY

*Presented by
William F. Pinsak**

There is a body within this Society which changes on an annual basis and which is dedicated to serve the best interests of the Society. They are all volunteers who expend a great deal of their personal time on your behalf. When they gather to debate, they consider not their own personal feelings and interests, but those of every member and segment of the Society.

Yes, I am speaking of your Board, the Officers and Trustees of your Society. The Society is not a thing, it is you, the membership. The activities are by you and for you. Meetings are held for your benefit and are not conventions,

but Educational Seminars. LES NOUVELLES is the foremost "textbook" in the field of licensing.

But let me get to the point. In order to be more responsive and to better serve you, it was decided, almost two years ago, to survey the membership. Some approached this task with trepidation, and we were advised that similar undertakings by other societies had failed in the past. But, with confidence in the Society, the task was undertaken, and a Membership Survey was prepared and mailed to all of the Society during the summer of 1972. It was established as a function of Long Range Planning.

The return was overwhelming. SME informed us that they had been a part of such activities and had experience with them for years, and to their knowledge, no Society had ever been so responsive. Approximately 45% of the then existing membership responded. You were magnificent. You issued a mandate to action.

You were given a preliminary report during the Annual Meeting in San Antonio, and that report was published in LES NOUVELLES. But a final and complete report was never published. The fault for this act of omission lies only in one person. He has been unable to devise a manner in which to accomplish that final report in a meaningful fashion.

You may be interested in some of the general statistics gleaned from the questionnaire. The tenure in the Society of those who responded was an average of 3.5 years. The average age of the respondents was in the mid or upper forties, and their experience in the field of licensing averaged 11.5 years.

Approximately two-thirds of those who responded were corporate employees, with the remainder in some form of private practice (attorneys, license brokers, consultants, educators). Approximately one-half of those who responded have a legal background.

Bare figures do not tell the story. Percentages are inadequate. Your comments were solicited. When they were compiled, the result was an additional document comprising in excess of one hundred typewritten sheets. Thus, the Survey became, not a set of figures, but a living being — it had assumed a character of its own. It really had something to say.

The end result is that this reporter must take the easy way out and must apprise you only of what has been done with the Survey. But you have seen that, haven't you? In the Regional Meetings of 1973, in San Francisco, in the formation of new committees and in the direction taken by those already in existence. You must have recognized your influence. You will see it in the future.

We made some mistakes. We asked some questions that did not need asking and missed some that should have been asked. But every answer was considered and meaningful significance was derived. As an example, the nature of the responders employment was not indicative of the composition of the Society, but could be utilized in an analysis of the relationship of the number of those who responded vis a vis the total number of that employment in the membership.

But we will not pursue that point at the moment. The responses were categorized into five work sheets, as follows: (1) The total numerical response; (2) the total response by percentage (e.g., a numerical response of 420 represented 73% of those responding); (3) the number of responses from U.S. members and from non-U.S. members; (4) the U.S. member response by percentage; and (5) the non-U.S. member response by percentage.

Each member of the Board, and bear in mind that the Presidents of all Chapters were members of the Board of the Society as it existed at that time, received the five analyses and a full set of comments. The Chairman of the Long Range Planning Committee received a full set of analyses and comments.

The questions were reviewed from the standpoint of their relevance to the various Committees. Each Committee Chairman received a copy of the analyses of those questions relevant to those activities of his Committee, with copies of the applicable comments. He was charged with the responsibility of disseminating the material to this Committee and to report back to the Board.

The re-orientation of committees as a result of the Survey cannot be pin-pointed and reported. You have seen a change in the emphasis of Meetings, you have seen a complete revision of the membership application and you have seen the formation of new committees. The Long Range Planning Committee was guided by the Survey and made several recommendations to the Board, many of which have already been acted upon and the remainder of which, due to their nature (Long Range), will be implemented over the years ahead. You have given the Board your instructions and it is responding.

The Questionnaires are still intact. They will be referred to and used as long as they remain a viable tool. They were sequentially marked as they arrived in the mail and records maintained chronologically. There has been created a Committee on Membership Surveys, and you will hear from them in the future. A number of questions were confusing to some of you, and they may be re-phrased; on some, the outcome was so close as to indicate that further survey and re-surveying was called for.

You may be assured, however, that you will be polled in different ways in the future, and the questions will be kept to a minimum. We have not completely discarded the idea of publishing the results, we just don't see how they can be properly presented in LES NOUVELLES.

There is one portion of the Survey which was extremely meaningful and which can be published as a representative sample. As a category in the Questionnaire, you were asked what you expected or would like to receive from your participation in the Society.

The results of that portion of the Survey, compiled on the basis of U.S. and non-U.S. member responses, appears at the end of this report. You can readily see how total figures are affected on a national basis and can be somewhat misleading, requiring not only that the total figures be considered, but also that each Chapter analyze its own membership.

There is a good percentage of you who do not have an awareness of the Survey. The Society has increased by almost 500 since the Survey was undertaken approximately eighteen months ago. For those of you who would like to personally review the results of the Survey, you may obtain a copy by writing to Bill Pinsak.

This report is submitted in order that you may understand that the Survey has been and continues to be used to your best advantage by your Board.

VII. GENERAL

What do you expect or what would you like to receive from your participation in LES? (In each category, indicate your interest level by checking the appropriate column).

	<u>Important</u>		<u>General Interest</u>		<u>Not Expected</u>	
	<u>U.S.</u>	<u>non-U.S.</u>	<u>U.S.</u>	<u>non-U.S.</u>	<u>U.S.</u>	<u>non-U.S.</u>
1. Sociability	63	19	207	87	69	64
2. Business Contacts: Domestic	227	66	100	66	21	24
International	197	102	116	64	26	15
3. Exposure to International Aspects of Licensing	237	144	106	46	12	0
4. Exposure to International Licensing Practitioners	165	91	138	78	137	11
5. Education:						
(a) Patent Law	100	68	135	69	87	26
(b) General Law	60	48	139	67	108	43
(c) Seeking technology	88	40	131	49	97	59
(d) Marketing technology	134	55	129	50	58	52
(e) Technology evaluation	124	41	130	59	60	49
(f) Licensing techniques	284	143	63	39	5	4
(g) Drafting agreements	171	116	127	47	43	13
(h) Licensing management	209	98	106	61	19	12
(i) Organization of Licensing function	133	65	142	76	40	21
(j) For (a) through (i)						
International	187	138	132	34	11	5
Domestic	219	56	100	54	9	22
6. Publish and operate as clearinghouse to inform members of technology available for license						
(a) International	72	53	102	41	174	95
(b) Domestic	70	26	99	32	175	103
7. Promotion of licensing as a profession						
(a) Within own company	99	46	129	52	119	71
(b) By Gov't. and Business leaders	99	49	138	63	102	52
8. Forum for interchange of ideas on						
(a) Domestic Licensing	246	97	83	60	4	19
(b) International Licensing	258	151	96	38	7	3
(c) Government Activities	130	62	160	75	34	20

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