

2929.

PATENT—OHIO STATE UNIVERSITY BECOMES OWNER BY ASSIGNMENT—DEDICATION TO PUBLIC OF THE STATE OF OHIO REQUIRED.

SYLLABUS:

Where the Ohio State University becomes possessed of a patent by assignment from the nominal patentee, which patent is the outgrowth of researches made by the Engineering Experiment Station of the University, the said University, through its proper officials, should dedicate said patent to the public of the State of Ohio.

COLUMBUS, OHIO, February 10, 1931.

HON. GEORGE W. RIGHTMIRE, *President, Ohio State University, Columbus, Ohio.*

MY DEAR DR. RIGHTMIRE:—I am in receipt of your recent communication, in which you refer to my opinion No. 2619, addressed to you under date of December 3, 1930, wherein it was held that under certain circumstances Ohio State University may become the owner of patents by assignment from the nominal patentees.

You now inquire whether or not the university authorities may make use of such patents as may a private owner, that is, whether or not the university may manufacture and sell the thing patented, or use the process patented for commercial purposes, or sell the patent outright to another, or grant a license to another to use on a royalty basis as may be done by private owners of patents. If patents owned by the university may not be used by the university in the manner outlined above you wish to be advised as to what use may be made of them.

The patents in question are those of which the university occasionally becomes possessed as an outgrowth of research and experiments conducted through the engineering experiment station, either on its own initiative or that of the director and advisory counsel of the station or at the suggestion of and in co-operation with commissions, bureaus, departments of state or institutions owned by the state, or private individuals, firms or corporations who seek the assistance of the station in solving their problems. In all cases where experiments are made and researches are conducted through the station, the operatives conducting those experiments and research activities, whether regular members of the university staff or special research engineers and workers, are employes of the university.

Where those employes, in the course of their employment, develop a process which is patentable or make discoveries in the course of their research whereby a patentable article of manufacture is devised, and obtain a patent on these processes or articles of manufacture in their own names, the law, as pointed out in my former opinion, by reason of the nature of their employment, implies an agreement that the result of their work belongs to their employer and therefore such nominal patentees are required to assign patents thus obtained to their employer, the Ohio State University. In that way the university occasionally becomes the owner of patents, and it thereupon becomes important to know what benefits, if any, accrue to the university by reason of such patents and what it becomes the duty of the university officials to do with patents thus obtained.

The Ohio State University is not a corporation although its board of trustees

has certain corporate powers. It is an arm of the State, established by action of the Legislature, now Section 14976, General Code, as successor to the Ohio Agricultural and Mechanical College of which it was said by the Supreme Court in the case of *Neil v. Board of Trustees*, 31 O. S., 15, at page 21:

"The college is a state institution designed and well calculated to promote public educational interests, established for the people of the whole state, to be managed and controlled by such agencies as the legislature in its wisdom may provide."

The legislature, by the enactment of Section 7961-1 et seq., General Code, established the Engineering Experiment Station at the Ohio State University and after setting forth the purposes of the station, provided that it should be under the control of the board of trustees of the university, through the regular administrative and fiscal officers, and that the board should appoint a director on recommendation of the president of the university and an advisory council of seven members. It is provided by Section 7961-5, General Code, that the said engineering experiment station shall not be conducted for the private or personal gain of anyone connected with it or "for the financial advantage of the Ohio State University as an organization, or for the sole benefit of any individual, firm or corporation."

The fact that the legislature provided that the engineering experiment station was to be established by the board of trustees of the university and that it be affiliated with, and operated in connection with the college of engineering for the purpose, as set forth in Section 7961-2, General Code, of making technical investigations and supplying engineering data which would tend to increase the economy, efficiency and safety of the manufacturing, mineral, transportation and other engineering and industrial enterprises of the State, and of promoting the conservation and utilization of its resources, constitutes the station a purely educational enterprise, and the fact that the university trustees are precluded by the statute from conducting the station for the financial advantage of the university as an organization clearly comports that no power exists in the university authorities to commercialize in any way, for the benefit of the university, the results of research and discoveries made in the conduct of the engineering experiment station.

The statute provides in Section 7961-3, General Code, that it shall be the duty of the Director and Advisory Council, among other things, to provide for the dissemination of the results of the work of the experiment station to the people of the state. While this provision is somewhat circumscribed by later provisions of Section 7961-5, General Code, when the station is engaged in rendering assistance to private individuals, persons or corporations, as stated in my former opinion, it is directly applicable in all cases where patents accrue to the university through assignment made of such patents by employees of the university.

Ohio State University is an educational institution, with limited powers. It is an arm of the State and is not empowered to enter the field of industry or conduct any of its activities for commercial purposes. The Engineering Experiment Station is a branch of the university affiliated with it and is not empowered to conduct its activities for other than educational and advisory purposes. It is specifically prohibited by statute from being conducted for the financial advantage of the Ohio State University as an organization, or for the sole benefit of any individual, firm or corporation. It clearly follows, in my opinion, that any patents which may come to it in the manner outlined above, may not be exploited for commercial purposes for the benefit of the university or anyone else, and that

it is not empowered to manufacture and sell articles so patented or use processes so patented so as to bring to the university any direct financial advantage; nor may it sell the patent outright to another or grant a license to another to use the patent on a royalty basis.

The results of the work of the Experiment Station, whether that work culminates in patents or not, belong to the people of the State of Ohio, except perhaps in certain instances limited specifically to where assistance is being extended to some individual, firm or corporation, in furtherance of the power granted by Section 7961-5, General Code, and to the extent stated in my former opinion.

I am therefore of the opinion that where the Ohio State University becomes possessed of a patent by assignment from the nominal patentee, which patent is the outgrowth of researches made by the Engineering Experiment Station of the university, the said university, through its proper officials, should dedicate said patent to the public of the State of Ohio.

Respectfully,

GILBERT BETTMAN,

Attorney General.

2930.

APPROVAL, BONDS FOR THE FAITHFUL PERFORMANCE OF THEIR DUTIES, ONE RESIDENT DIVISION DEPUTY DIRECTOR, ONE CHIEF ENGINEER, ONE RESIDENT DISTRICT DEPUTY DIRECTOR AND ONE CHIEF OF CONSTRUCTION.

COLUMBUS, OHIO, February 10, 1931.

HON. O. W. MERRELL, *Director of Highways, Columbus, Ohio.*

DEAR SIR:—You have submitted four bonds, each in the penal sum of \$5,000.00, with sureties as indicated, to cover the faithful performance of the duties of the officials as hereinafter listed:

Chas. E. McKee, Resident Division Deputy Director, Division No. 11. Commercial Casualty Insurance Company.

H. P. Chapman, Chief Engineer. Southern Surety Company of New York.

Grover C. Brooking, Resident District Deputy Director, Belmont County. American Surety Company of New York.

Elmer Hilty, Chief of Construction. Maryland Casualty Company.

Finding said bonds to have been properly executed, I have accordingly approved the same as to form, and return them herewith.

Respectfully,

GILBERT BETTMAN,

Attorney General.