

Mr. Strauss was contemplating, between January and July 1938, the setting up of a foundation for the purpose of promoting the manufacture of artificial radio-active elements for medical purposes. Discussions took place during that period between Mr. Strauss, Dr. Brasch and Dr. Vogelstein as representative for Mr. Adam, and Dr. Szilard. Patents which have been taken out by Dr. Brasch and Dr. Szilard were to be brought into this foundation which was intended to have the form of a tax-free corporation. An aide-memoir was drawn up on the basis that Mr. Adam would release Dr. Szilard from an agreement concerning Dr. Szilard's patent applications and Mr. Adam agreed to this aide-memoir. During these discussions Dr. Szilard took a strong stand in favor of non-commercial exploitation of these patents whereas Dr. Vogelstein desired that a manufacture of radio-active elements for profit should not be excluded. In July 1938 Mr. Strauss wanted to have an opinion on the validity of the patent applications of Dr. Brasch and Dr. Szilard and on the patent situation in general. He arranged with Pennie Davis & Company that a search be made for which a fee of \$1,000. was mentioned. It turned out that Dr. Szilard's application was under final rejection and Mr. Strauss asked Mr. Adams of Pennie Davis & Company how much it would cost to file an amendment which would possibly lead to the granting of a patent. Mr. Adams named a sum from \$300. to \$400. Mr. Strauss thereupon expressed his willingness to meet these expenses. A few days later Mr. Adams of Pennie Davis & Company asked Dr. Szilard to sign a power-of-attorney which would enable him to file an amendment. This was done. Subsequently, Dr. Szilard and Mr. Adams had a large number of meetings and went to great trouble to prepare an amendment which would be acceptable to the United States Patent Office. Some time in the middle of this work Mr. Adams realized that the time which had been put into the work corresponded to more than a fee of \$400. He was under the impression though, that Mr. Strauss considered it very important that a patent should be granted as he needed the existence of a patent in order to carry out his plans concerning the manufacture of radio-active elements. Dr. Szilard was under the impression that no manufacture for profit was intended by Mr. Strauss in the immediate future but that Mr. Strauss needed the existence of patents in order to have some assets in the books of the proposed foundation other than the sums contributed by the donors and also in order to have the possibility of changing over to a manufacture for profit if necessary in a rather remote future. Primarily, for this reason Dr. Szilard spent much time and effort to obtain a valid patent. Occasionally, Dr. Szilard suggested steps to be taken which involved additional expenses such as, for instance, a division of the patent or the submission of an affidavit. Whenever he did so, he informed Mr. Adams that he would be responsible for the additional expenses should Mr. Strauss feel that these additional expenses went beyond what he had intended to put up. Mr. Strauss received no statement from Pennie Davis & Company, until after the work had been completed and the sum charged to Mr. Strauss was far in excess of \$400. Dr. Szilard has received no statement from Pennie Davis & Company at all, except for some of those items for which he specified that he would be prepared to take the financial responsibility if required.