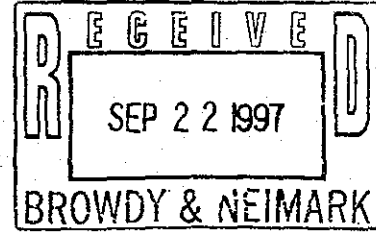




**NATIONAL TECHNOLOGY TRANSFER CENTER  
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**FACSIMILE  
TRANSMISSION**



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Please call immediately if the telecopy you received is incomplete or illegible.

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Thank you.

This is the legislative counsel's re-draft.

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**DRAFT**

TO: JOE ALLEN *Alaska*  
 TY TAYLOR *Tx*

Original signature of Member

105TH CONGRESS  
 1ST SESSION

**H. R.**


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IN THE HOUSE OF REPRESENTATIVES

Mrs. MORELLA introduced the following bill; which was referred to the  
 Committee on \_\_\_\_\_

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**A BILL**

To improve the ability of Federal agencies to license federally  
 owned inventions.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Technology Transfer  
 5 Commercialization Act of 1997".

6 **SEC. 2. COOPERATIVE RESEARCH AND DEVELOPMENT**  
 7 **AGREEMENTS.**

8 Section 12(b)(1) of the Stevenson-Wydler Technology  
 9 Innovation Act of 1980 (15 U.S.C. 3710a(b)(1)) is

1 amended by inserting "or in a federally owned invention,"  
2 after "under the agreement,".

3 **SEC. 3. LICENSING FEDERALLY OWNED INVENTIONS.**

4 (a) **AMENDMENT.**—Section 209 of title 35, United  
5 States Code, is amended to read as follows:

6 **"§ 209. Licensing federally owned inventions**

7 "(a) **AUTHORITY.**—A Federal agency may grant an  
8 exclusive or partially exclusive license on a federally owned  
9 invention if—

10 "(1) granting the license is a reasonable and  
11 necessary incentive to—

12 "(A) call forth the investment capital and  
13 expenditures needed to bring the invention to  
14 practical application; or

15 "(B) otherwise promote the invention's uti-  
16 lization by the public;

17 "(2) the Federal agency finds that the public  
18 will be served by the granting of the license, as indi-  
19 cated by the applicant's intentions, plans, and ability  
20 to bring the invention to practical application or oth-  
21 erwise promote the invention's utilization by the  
22 public;

23 "(3) the applicant makes a commitment to  
24 achieve practical utilization of the invention within a  
25 reasonable time;

1           “(4) granting the license will not substantially  
2           lessen competition or create or maintain a violation  
3           of the antitrust laws; and

4           “(5) in the case of an invention covered by a  
5           foreign patent application or patent, the interests of  
6           United States industry in foreign commerce will be  
7           enhanced.

8           “(b) MANUFACTURE IN UNITED STATES.—Licenses  
9           shall normally be granted under this section only to a li-  
10          censee who agrees that any products embodying the inven-  
11          tion or produced through the use of the invention will be  
12          manufactured substantially in the United States.

13          “(c) SMALL BUSINESS.—First preference for the  
14          granting of licenses under this section shall be given to  
15          small business firms having equal or greater likelihood as  
16          other applicants to bring the invention to practical appli-  
17          cation within a reasonable time.

18          “(d) TERMS AND CONDITIONS.—Licenses granted  
19          under this section shall contain such terms and conditions  
20          as the granting agency considers appropriate. Such terms  
21          and conditions—

22                 “(1) shall include provisions—

23                         “(A) requiring periodic reporting on utili-  
24                         zation of the invention, and utilization efforts,  
25                         by the licensee; and

1           “(B) empowering the Federal agency to  
2 terminate the license in whole or in part if the  
3 agency determines that—

4           “(i) the licensee is not adequately exe-  
5 cuting its commitment to achieve practical  
6 utilization of the invention within a reason-  
7 able time;

8           “(ii) the licensee is in breach of an  
9 agreement described in subsection (b); or

10           “(iii) termination is necessary to meet  
11 requirements for public use specified by  
12 Federal regulations issued after the date of  
13 the license, and such requirements are not  
14 reasonably satisfied by the licensee; and

15           “(2) may include a requirement that the li-  
16 censee provide the agency with a plan for develop-  
17 ment or marketing the invention.

18 Information obtained pursuant to paragraph (1)(A) shall  
19 be treated by the Federal agency as commercial and finan-  
20 cial information obtained from a person and privileged and  
21 confidential and not subject to disclosure under section  
22 552 of title 5, United States Code.

23           “(e) PUBLIC NOTICE.—No license may be granted  
24 under this section unless public notice in an appropriate  
25 manner has been provided at least 30 days before (the) li-

of the  
availability  
of a patent  
application for licensing

1 cense is granted. This subsection shall not apply to the  
2 licensing of inventions made under a cooperative research  
3 and development agreement entered into under section 12  
4 of the Stevenson-Wydler Technology Innovation Act of  
5 1980 (15 U.S.C. 3710a)."

6 (b) CONFORMING AMENDMENT.—The item relating  
7 to section 209 in the table of sections for chapter 18 of  
8 title 35, United States Code, is amended to read as fol-  
9 lows:

"209. Licensing federally owned inventions."