

**MEMORANDUM FOR:** Michael J. Horowitz

**FROM:** Donald E. Sowie

**SUBJECT:** Proposed OMB Circular - "Patents - Small Business Firms and Nonprofit Organizations" to Supersede OMB Bulletin 81-22

In response to your memorandum of January 4, 1982, the proposed Circular supersedes interim Bulletin 81-22 implementing P.L. 96-517. There are no "major policy decisions" to be made. The Circular is consistent with this Administration's position on the Schmidt Bill (S. 1657) which extends the application of P.L. 96-517 to all funding agreement recipients. The end result will be to give all recipients of contracts, grants and cooperative agreements with limited exceptions a first right of refusal to title in inventions made with Government support. This Circular gives as directed by P.L. 96-517 such rights to nonprofit organizations, including universities, and small businesses. The Circular in most part is responsive to the over 130 public and agency comments received on the Bulletin.

The Federal Register notice to accompany the Circular is attached to the abstract of correspondence (item c) and summarizes the resolution of issues raised by agency and public comments under the following major issue headings:

- I. Comments Relating to Policy and Scope Sections
  - A. Subcontracts
  - B. Limitation of Funding Agreements Performed in the United States
  - C. Inventions Made Prior to July 1, 1981
  - D. Collaborative Research and "De minimus" Recommendations
  - E. Reports to the General Accounting Office
  - F. Right to Sublicense Foreign Governments
  - G. Publication or Release of Invention Disclosures
  - H. Reporting on Utilization of Subject Inventions
  - I. Procedures for Exercise of March-in Rights
  - J. Appeals
  - K. Multiple Sources of Agency Support
  - L. Lead Agency
  - M. Optional Clause Language at Section 5b.(1)(VI) of the Bulletin

## II. Comments on Standard Patent Rights Clause

- A. Paragraph b. - License to State and Local Governments
- B. Paragraph c. - Reporting, Election, and Disclosure
- C. Paragraph 1 - Communications

Agency and public comments are individually synopsisized and their disposition indicated in Item A are attached to the abstract of correspondence.

If additional information is desired, please call me or Fred Dietrich on extension 6810.

Attachment

cc:  
Official File - OFPP/S&T  
S&T Chron  
OFPP Reading File (2)  
N. Latker  
F. Dietrich  
OFPP:NLatker:mvj:1/12/82