Duke University
DURHAM
NORTH CAROLINA
27706

OFFICE OF PATENT ADMINISTRATION
614 CHAPEL DRIVE ANNEX

TELEPHONE (919) 684-2846

February 2, 1981

Dr. Dennis Barnes, Chief Scientist
United States Senate
Committee on Commerce, Science
and Transportation
Washington, D.C. 20510

Re: Uniform Science and Technology Research and Development Utilization Act, S-1657

Dear Dennis,

Thanks very much for your letter of January 29, 1982 and the opportunity to review and comment on the referenced legislation. As you are well aware, we are very much in favor of such legislation, and we are particularly pleased that you have drafted the Bill so as not to endanger the gains we've made under PL 96-517.

We are in total agreement with the basic concept of contractors retaining patent rights, assuming they act upon these rights and provide the results of inventions to the public on reasonable terms. I think the Act as drafted covers those concerns, and I must say that most of my comments are more cosmetic in nature than substantive. In any case, the following comments/recommendations for changes are forwarded for your consideration:

Page 5, line 15 and 16; Redundant sentence concerning composition or product.

Page 7, lines 8-11; I question the ability of Commerce to advise the agencies in this matter. It would seem that the agency itself would have a better feel for whether or not the science is of commercial value, since it is presumably the agency which has granted the contract to develop the technology. A minor comment, and one meant to bring your attention to this area.

Page 8, lines 22-26; The rights of the contractor under this section are limited as to location in the United States, as to being a foreign government, or as to being under control of a foreign government. Should it not also limit rights of the contractor which is controlled by a foreign corporation? The purpose is to stimulate American industry, not to help foreign competitors, and this could be handled by adding at the end of the paragraph "or business entity".

Page 10, lines 3-17; This paragraph bodes of the same problem we had with the agencies in trying to get reasonable regulations for 96-517. The problem was solved in the second OMB Circular

due to take effect January 1st by prohibiting each agency from developing its own report form and asking for all manner or of information as they see fit. I would recommend that a similar procedure be followed such that OMB (or Commerce) specify the format and content of any reports required from the contractor such that these reports are consistent within all agencies.

Page 11, line 6; invention should be "inventions"

Page 11, line 7; royal-free should be "royalty-free"

Lines 9-11; The revocation of the license and the granting of the non-exclusive license appear to be inconsistent with the reason for the government obtaining title in the first place under Section 3.01. Under 3.01 (1), the government takes title to protect the security of an activity, and in such case it would seem that the contractor should not have any license. Under 3.01 (2), the government takes title to better promote the development of the invention, and in this case the contractor should retain a non-exclusive right. However, the ability of the government to revoke the right should be there if the contractor does not practice the invention and put it on the market. With the revocation of rights hanging over the company's head, I doubt seriously they would invest any money to put it on the market, which they might otherwise do even though the license is non-exclusive. Section 3.01 (3) is a category where I do not feel the contractor should have any rights if it is a foreign government or a foreign business concern.

Page 14, lines 13-19; I concur with the substitution of the suggested language to further define reasonable time.

Page 15, Section 4.01 (16)(D)(b)(1) and (2); These amendments call for OFPP to recommend corrective actions rather than OMB. Was this intended, or should it be consistent with S-1657 Section 3.01 (b)(1)?

Page 16, line 15; Should not each federal agency not only be authorized, but encouraged to allow contractors to retain rights under prior awards? This would be consistent with the encouragemnt specified in PL 96-517.

Dennis, again I want to thank you for the opportunity to comment on this legislation, and would also like to take this opportunity to congratulate everyone concerned in the drafting. It is extremely well thought-out, and certainly should have the support of all the university community.

If I can be of any other help, please let me know.

Best personal regards,

Carl

Carl B. Wootten
Director

CBW:tc

cc: COGR Subcommittee on Patents and Trademarks
Mr. Milton Goldberg