OSU Communication

Subject: Proposed Regulations for Federally Funded Inventions

RECEIVED

'85 MAY 20 P1:00

Date: May 15, 1985

From: James B. Wilkens, Patent Administrator, 422-6079

To: Kenneth W. Sloan, OSU Research Foundation

JBW

cc RF
COGR
Patent Cmtt

The Department of Commerce has proposed new regulations, published at 50 Fed. Reg. 13524ff (April 4, 1985), to implement P.L. 98-620 as 37 CFR Part 401. Two areas of concern about these proposed regulations have been identified.

The first relates to the granting of requests for relief from obsolete requirements imposed under patent rights clauses of earlier funding agreements, particularly with respect to restrictions on the duration of exclusive licenses for subject inventions. A directive to agencies in the proposed regulations to be liberal in granting such requests refers only to funding agreements subject to OMB Bulletin 81-22 or Circular A-124. It seems likely that this was an oversight, and that the broad intention was to have that directive apply to such restrictions imposed under any earlier funding agreement. A copy of a suggestion I have already submitted to Commerce regarding this concern is attached. You will note that I have suggested as an alternative an even broader directive covering relief from all obsolete requirements imposed under patent rights clauses of funding agreements, not just those relating to the duration of exclusive licenses.

The second concern relates to the inclusion of novel plant varieties within the definition of "subject inventions", as required by P.L. 98-620. There appears to be at least some potential for this to be construed as calling for a huge volume of invention disclosures, elections, etc., under the Standard Patent Rights Clause, since plant breeding projects may produce very large numbers of novel varieties that could qualify for protection under the Plant Variety Protection Act. The majority of these have no direct practical value, but disclosing them with the requisite specificity might become a significant burden. (While patentable inventions can be both described and patented generically, plant varieties seem to require individual treatment.) There is a further concern that the normal practice of not protecting or releasing most of such new varieties might be found to be in conflict with obligations to seek legal protection and to promote availability and use, unless elections were made not to retain title. But in view of the time that may be required to properly evaluate new varieties, such elections might have to be made prematurely. (It might be prudent to downplay questions relating to whether a requirement to file for Plant Variety Protection is implied where title is retained, in order to avoid a formal clarification that it is.) A draft amendment providing for at least partial relief from these concerns in certain limited circumstances is attached.

In view of your extensive involvement with COGR and your wide acquaintance among research administrators, I would like to solicit your suggestions and cooperation in circulating either or both of these suggested amendments for review and possible concerted action during the comment period, which expires June 3, 1985.

JBW/sl
Enclosures