COGR
an organization of research universities

COUNCIL ON GOVERNMENTAL RELATIONS
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June 10, 1985

Dr. Norman Latker
Director, Federal Technology Management
Office of Productivity, Technology, and Innovation
Department of Commerce
14th Street and Constitution Avenue, N.W.
Herbert C. Hoover Building
Washington, D.C. 20230

Dear Dr. Latker:

The following remarks on behalf of the Council on Governmental Relations and its member institutions, are in response to the Department of Commerce's regulations implementing P.L. 98-620.

1. Although it is realized that it will not be a part of 37 CFR, COGR would like to see Section I of OMB Circular A-124 included with the implementing regulations as published in the Federal Register. It is likely that many will use the regulations as published in the Federal Register for reference purposes and, therefore, those administrative guidelines will be conveniently available.

2. COGR would like the regulations to urge as strongly as possible that they be used in a retroactive manner where permissible in the interest of uniformity.

3. In Section 401.5(f) it is suggested that the words "of the facility" be removed from the substitute paragraph (k)(3) of the clause at Section 401.14(a). The proposed terminology dictates absolutely the use of residual royalties earned and retained by the contractor. This would adversely affect the ability of the contractor to utilize such funds with appropriate flexibility. It is COGR's contention that the contractor should have the opportunity to lump its royalty income and use it in the support of educational and scientific pursuits in its discretion to the extent permitted by law.

4. Also in relation to Section 401.5(f), COGR would like to see the last paragraph of that Section inserted into the standard patent rights clause, with appropriate modification for that particular use, as a definition of GOCO operation. In any event, COGR believes it desirable, if not essential, to have a GOCO definition in the standard patent rights clause.

5. In order to maintain the uniformity of government patent policy, which was one of the primary goals of P.L. 96-517, and as now modified by P.L. 98-620, it is desirable that

Section 401.10 be expanded to urge all agencies to utilize a waiver policy where a federal employee is a co-inventor of any invention made under a funding agreement with a university. We are aware that the Veterans' Administration and the Department of Agriculture have already taken differing positions in such situations. We can foresee other agency policies developing in this regard. This will lead us back into the non-uniformity and accompanying administrative problems which these laws were designed to overcome - a highly undesirable possibility.

6. It is imperative that universities be given as much latitude as possible in selecting appropriate licensees. Therefore, the small business preference clause at Section 401.7 should leave with the universities the greatest possible discretion in this regard. In no event should an individual agency be placed in the arbiter's role in any dispute which might arise under this Section as the result of a university's licensing activity.

7. In the revised standard patent rights clause prescribed by Section 401.14(a) there is concern should the absolute time limit be imposed for the filing of patent applications in additional countries. To permit universities greater flexibility and allow more time to make decisions on foreign filing of patent applications, COGR would like to see the second sentence of subparagraph (a)(3) revised to read as follows:

> "The contractor will <u>authorize the filing of</u> patent applications in additional countries within either ten months...." (underlining supplied)

8. A number of COGR institutions have written to you individually with reference to developing administrative procedures for handling sexually propagated novel plant varieties. It is the intent of COGR through several of its concerned institutions to work with the Department of Agriculture as well as appropriate university associations to determine whether alternatives and different regulations might be needed or useful, whereupon appropriate modifications to or amendments of the regulation can be proposed for consideration by the Department of Commerce.

COGR appreciates the opportunity to comment on the proposed regulation on behalf of its member institutions and is prepared to provide you with such additional information on these comments as you may believe necessary to your considerations.

Sincerely,

Milton Goldberg