

*Thompson -
For Bristol*

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 18, 1983

MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: GOVERNMENT PATENT POLICY

To the extent permitted by law, agency policy with respect to the disposition of any invention made in the performance of a federally-funded research and development contract, grant or cooperative agreement award shall be the same or substantially the same as applied to small business firms and nonprofit organizations under Chapter 38 of Title 35 of the United States Code.

In awards not subject to Chapter 38 of Title 35 of the United States Code, any of the rights of the Government or obligations of the performer described in 35 U.S.C. 202-204 may be waived or omitted if the agency determines (1) that the interests of the United States and the general public will be better served thereby as, for example, where this is necessary to obtain a uniquely or highly qualified performer; or (2) that the award involves co-sponsored, cost sharing, or joint venture research and development, and the performer, co-sponsor or joint venturer is making substantial contribution of funds, facilities or equipment to the work performed under the award.

In addition, agencies should protect the confidentiality of invention disclosure, patent applications and utilization reports required in performance or in consequence of awards to the extent permitted by 35 U.S.C. 205 or other applicable laws.

RONALD REAGAN

#

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 18, 1983

FACT SHEET

President Reagan has today signed a Memorandum to the heads of executive departments and agencies directing, to the extent permitted by law, a revision of the current policy with respect to rights in inventions made during performance of Government research and development contracts, grants or cooperative agreements. This Memorandum directs the agencies to adopt and implement the same or substantially the same policies for all R&D contractors as those set forth in Public Law 96-517 (Chapter 38 of Title 35 of the United States Code) for small businesses and nonprofit organizations. It is intended to achieve more uniform and effective Government-wide policies.

Inventions developed under Government support constitute a valuable national resource. With appropriate incentives, many of these inventions will be further developed commercially by the private sector. The new products and processes that result will improve the productivity of the U.S. economy, create new jobs, and improve the position of the U.S. in world trade. The policy established by the Memorandum is designed to provide such incentives.

Experience has shown that, in most instances, allowing inventing organizations to retain title to inventions made with Federal support is the best incentive to obtain the risk capital necessary to develop technological innovations. The new policy provides that, with limited exceptions, the inventing organizations may retain title to the invention, subject to license rights in the Government which will enable the Government to use the invention in its own programs. The Government will also normally retain the right to "march-in" and require licensing when the inventing organization fails to pursue development of the invention. In addition, the Department of Justice will develop an appropriate safeguard against anticompetitive retentions of title by organizations not subject to Public Law 96-517.

To the extent permitted by law, this Memorandum is applicable to all statutory programs including those that provide that inventions be made available to the public. Those agencies, such as National Aeronautics and Space Administration and the Department of Energy, which continue to operate under statutes which are inconsistent in respects with the Memorandum, are expected to make maximum use of the flexibility available to them to comply with the provisions and spirit of the Memorandum.

In order to promote uniformity, President Reagan has also asked the Director of the Office of Science and Technology Policy through the Federal Coordinating Council for Science, Engineering and Technology to evaluate the effectiveness of the implementation of the Memorandum and make recommendations for revision or modification of the Memorandum, OMB Circular A-124, the Federal Acquisition Regulation, or agency regulations, policies, or practices. The agencies will also provide the Council with data on the disposition and utilization of inventions resulting from their programs and on their use of patent rights clauses, exceptions and waiver authorities.

#

PATENTS, COPYRIGHTS AND RIGHTS IN DATA

Committee: Roger G. Ditzel, Chairman, Richard Cunningham, George H. Dummer, Howard Bremer, University of Wisconsin, William O. Burke, University of Georgia, Edward L. MacCordy, Washington University, Niels J. Reimers, Stanford University, Theodore C. Wood, Cornell University, Carol Wootten, Duke University, Edwin T. Yates, Johns Hopkins University.

1. FAR Part 27 - Patents, Data, and Copyright

Mr. Ditzel reported COGR's concern with the patent provisions the FAR Project Office proposed for incorporation into the new Federal Acquisition Regulation. He also reported COGR's principal concern as one where rights in data were shifted from university control to government control and title. COGR and a number of other associations and organizations took exception to those proposed regulations. So did Sen. Robert Dole (R-KS), who recommended to Vice President Bush that Part 27 not be published. It was reserved for later issuance.

It is our understanding that there now is some agreement among the principal federal agencies as to the substance of the desired federal acquisition regulation regarding patents, data, and copyrights and that the revised FAR, Part 27 is being drafted now. There apparently is no intention to circulate the revision under notice of proposed rulemaking procedures, since comments were invited on the original version. COGR expects to communicate with the head of OFPP and with regulatory affairs officials at OMB, so as to persuade OFPP to reconsider its refusal to have another public comment period. Many universities believe another round of public comment is necessary because the changes needed in Part 27 are substantial and far reaching.

2. Uniform Patent Procedures Act of 1983

Sen. Dole introduced legislation to extend to large companies the benefits of P.L. 96-517, the university and small business patent law amendments, and to modify that Act in ways which would be favorable to universities. Among other things, it would prescribe by statute much of what is now contained in OMB Circular A-124. It would extend the period for exclusive licenses, thus encouraging broader arrangements between universities and patent management firms. It would re-establish the principle of ownership of patent rights by the inventor or employing organization. Of interest to universities which manage federally funded research and development centers is language that repeals the statutory bias of the Department of Energy. That bias retains ownership of patent rights for the government. The bill (S. 2107) was introduced just as the Congress was about to adjourn for the holidays.

3. COGR Patents Brochure to be Revised

The COGR brochure entitled "Patents at Colleges and Universities - Guidelines for the Development of Policies and Programs," last revised in 1978, will be updated to reflect changes in the patent law since that time. The brochure will focus on an intellectual property overview that

recognizes the 1980 patent law (P.L. 96-517) and the soon to be published Federal Acquisition Regulation, which will encompass policy on dealing with technical data.

4. OMB Patent Rules for Universities to Sunset in 1985

OMB Circular A-124 implements P.L. 96-517 and provides policies, procedures and guidelines with respect to inventions made by small business and universities. This very helpful circular has a sunset review date no later than February 10, 1985. COGR expects to initiate a survey in an effort to document the effectiveness of P.L. 96-517. The COGR Patents, Copyrights and Rights in Data Committee is wrestling with framing the survey instrument. Roger Ditzel welcomes your assistance in this effort.

5. Voluntary Reporting Under OMB Circular A-124

Circular A-124 gives the agencies the right to receive periodic reports from universities on utilization of inventions; however, agencies are not to implement their rights to obtain these reports until a government-wide reporting format is established. This was to be one of the first tasks of the Department of Commerce as lead agency. Almost two years have passed since issuance of Circular A-124 and the Department has yet to issue reporting guidance. The Patents, Copyrights and Rights in Data Committee is deliberating on possible approaches to voluntary reporting as a way to preempt the agencies from pressing the Department of Commerce for burdensome reporting guidelines.