



96TH CONGRESS  
1ST SESSION

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IN THE OF THE  
UNITED STATES

Mr. introduced the following bill; which was  
read twice and referred to the Committee on

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A BILL

Entitled the "Science and Technology Research and Development  
Utilization Act of 1979."

1 Be it enacted by the Senate and House of Representatives  
2 of the United States of America in Congress assembled,

TITLE I--POLICY

Sec. 101. Findings.  
Sec. 102. Definition.

TITLE II--DISPOSITION OF PROPERTY RIGHTS IN  
INVENTIONS RESULTING FROM FEDERALLY-  
SUPPORTED RESEARCH AND DEVELOPMENT

Chapter 1.--Government Contractors

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Sec. 212. Limitations.  
Sec. 213. Invention disclosures.  
Sec. 214. March-in rights.  
Sec. 215. Government license in contractor-owned  
inventions.  
Sec. 216. Income sharing.  
Sec. 217. Reassignment of rights to inventor.

Chapter 2.--Federal Employees

Sec. 221. Reporting inventions.  
Sec. 222. Acquisition of title by the Government.  
Sec. 223. Presumptions of ownership.

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- Sec. 224. Reassignment of rights.
- Sec. 225. Incentive awards program.
- Sec. 226. Income sharing.

TITLE III--FEDERAL BUREAU OF SCIENCE AND TECHNOLOGY  
RESEARCH AND DEVELOPMENT UTILIZATION

- Sec. 301. Establishment.
- Sec. 302. Authorization for appropriations.

TITLE IV--DOMESTIC AND FOREIGN LICENSING OF  
GOVERNMENT-OWNED INVENTIONS

- Sec. 401. United States small business contractors.
- Sec. 402. Contractors other than United States small business contractors.
- Sec. 403. Limitations.

TITLE V--MISCELLANEOUS

- Sec. 501. Relationship to antitrust laws.
- Sec. 502. Joinder of parties.
- Sec. 503. Background rights.
- Sec. 504. Precedence of Act.
- Sec. 505. Assignment of existing Government-owned inventions.
- Sec. 506. Effective date.

1 TITLE I--POLICY

2 SEC. 101. FINDINGS.--The Congress, recognizing the  
3 profound impact of science, engineering, and technology  
4 policy on the economic, social, political, technological  
5 well-being, and the health and safety of the Nation as a  
6 whole, hereby finds and declares that:

7 (a) The national support of scientific and techno-  
8 logical research and development is indispensable to  
9 sustained noninflationary growth, job creation, and  
10 economic well-being, and it is in the national interest  
11 to maximize the benefits to the general public from  
12 such support.

1       (b) Scientific and technological developments and  
2       discoveries resulting from work performed with Govern-  
3       ment support constitute a valuable national resource  
4       which should be used in the public interest.

5       (c) The large number of inventions owned by the  
6       Government constitute a valuable national resource  
7       which is not being sufficiently and effectively utilized.

8       (d) There is a need for better coordination and  
9       direction of Government efforts to facilitate expeditious  
10      development of the products of federally-supported  
11      science and technology research and development.

12      (e) Federal policy on the allocation of rights to  
13      patentable inventions resulting from federally-supported  
14      research and development should strive to:

15           (1) obtain the best scientific and tech-  
16           nological effort for the Government,

17           (2) encourage technological innovation,

18           (3) foster competition and economic  
19           efficiency within the private sector,

20           (4) recognize the public's equity in the  
21           products of federally-supported research and  
22           development,

1           (5) promote the socially beneficial utilization  
2           of scientific and technological developments and  
3           discoveries resulting from federally-supported  
4           work, and

5           (6) strengthen the research base of the  
6           Nation.

7           (f) There is a need for the establishment and imple-  
8           mentation of a flexible, uniform Government-wide policy  
9           for the management and utilization of inventions result-  
10          ing from federally-funded research and development. This  
11          uniform policy should promote the progress of science and  
12          the useful arts, encourage the socially beneficial utiliza-  
13          tion of technological developments and discoveries, and  
14          safeguard the public interest.

15          SEC. 102. DEFINITIONS.--As used in this Act the  
16          term--

17          (a) "Federal agency" means an 'executive agency'  
18          as defined by section 105 of title 5, United States  
19          Code, and the military departments as defined by  
20          section 102 of title 5, United States Code.

21          (b) "Federal employees" means all employees as  
22          defined in section 2105 of title 5, United States  
23          Code, and members of the uniformed services;

1 (c) "agency head" means the head of any Federal  
2 agency, except that (1) the Secretary of Defense shall  
3 be the head of the Department of Defense and of each  
4 of the military departments and (2) in the case of any  
5 independent establishment, control over which is exercised  
6 by more than one individual, such term means the body  
7 exercising such control;

8 (d) "contract" means any contract, grant, agreement,  
9 commitment, understanding, cooperative agreement, or  
10 other arrangement entered into between any Federal  
11 agency and any person where a purpose of the contract  
12 is the conduct of experimental, developmental, or  
13 research work. Such term includes any assignment,  
14 substitution of parties, or subcontract of any type,  
15 entered into for the conduct of experimental,  
16 developmental, or research work in connection with  
17 the performance of that contract;

18 (e) "contractor" means any person party to a contract  
19 with a Federal agency;

20 (f) "invention" means any invention, discovery,  
21 innovation, or improvement which, without regard to  
22 the patentability thereof, falls within the classes of  
23 patentable subject matter as defined in title 35,  
24 United States Code;

1 (g) "disclosure" means a written statement suf-  
2 ficiently complete in technical detail to convey to  
3 one skilled in the art to which the invention pertains  
4 a clear understanding of the nature, purpose, operation,  
5 and as the case may be, physical, chemical, electrical,  
6 or other characteristics of the invention;

7 (h) "made under the contract" or "made under a  
8 contract" when used in relation to any invention means  
9 the conception or first actual reduction to practice of  
10 such invention in the course of any work under the  
11 contract or under a contract, respectively;

12 (i) "person" means any individual, partnership,  
13 public or private corporation, association, institution,  
14 public or private organization, or other entity;

15 (j) "practical application" means to manufacture,  
16 in the case of a composition or product, to practice  
17 in the case of a machine or system, and, in each case,  
18 under such conditions as to establish that the invention  
19 is being worked and that its benefits are available to  
20 the public generally, including, without limitation,  
21 to alleviate health, safety, or welfare needs, or to  
22 meet the requirements set by Government regulation,  
23 either on reasonable terms or through reasonable  
24 licensing arrangements;

1 (k) "small business firm" means a small business  
2 concern as defined in section 2 of Public Law 85-536  
3 (section 632 of title 15, United States Code) and  
4 implementing regulations of the Administrator of the  
5 Small Business Administration.

6 (l) "nonprofit organization" means universities  
7 and other institutions of higher education and organ-  
8 izations of the type described in section 501(c)(3)  
9 of the Internal Revenue Code of 1954 (section 501(c)(3)  
10 of title 26, United States Code) and exempt from  
11 taxation under section 501(a) of the Internal Revenue  
12 Code (section 501(a) of title 26, United States Code);

13 (m) "United States business entity" means any  
14 individual United States citizen engaged in business  
15 and any business entity created under the laws of the  
16 United States, which are not substantially owned or  
17 controlled, in fact, by foreign interests.

18 (n) "Bureau" means the Federal Bureau of Science  
19 and Technology Research and Development Utilization  
20 established under section 302 of title III of this  
21 Act;

1 (o) "Director" means the Director of the Federal  
2 Bureau of Technology Research and Development Utiliza-  
3 tion or the Director's designee;

4 (p) "Government" means the government of the United  
5 States of America; and

6 (q) "States" means the States and territories of the  
7 United States, the District of Columbia, and the  
8 Commonwealth of Puerto Rico.

9 TITLE II--DISPOSITION OF PROPERTY RIGHTS IN  
10 INVENTIONS RESULTING FROM FEDERALLY-  
11 SUPPORTED RESEARCH AND DEVELOPMENT

12 CHAPTER 1.--GOVERNMENT CONTRACTORS

13 SEC. 211. ACQUISITION OF TITLE BY THE GOVERNMENT.--

14 (a) Every contract shall provide that title to any  
15 invention made under the contract shall belong to the  
16 Bureau on behalf of the United States, provided that  
17 title will belong to the contractor, subject to the  
18 provisions of this Act, where--

19 (1) the contractor is a nonprofit organization  
20 with a technology transfer capability approved by  
21 the Bureau, or



1           (2) a panel consisting of the Attorney General,  
2           the Secretary of Commerce, and the head of the  
3           contracting Federal agency, acting according to  
4           regulations to be promulgated by the Attorney  
5           General and the Secretary of Commerce, determines  
6           that the prospective contractor will not enter into  
7           the contract unless the contractor acquires title  
8           to any invention made under the contract and that  
9           allowing the contractor to acquire title to such  
10          inventions is in the public interest.

11          (b) In the event subparagraph (a)(1) or (2) applies,  
12          as to any country in which the contractor fails to file  
13          a patent application within a reasonable time or fails  
14          to prosecute the patent application diligently, the  
15          Director, after giving notice to the contractor, shall  
16          have the right to grant requests by the inventor to  
17          acquire rights in the invention subject to the pro-  
18          visions of this Act or to receive title to the invention  
19          in the name of the Bureau on behalf of the United States.

20          SEC. 212. LIMITATIONS.--(a) In the event subparagraph  
21          211(a)(1) applies, when the contract with a nonprofit  
22          organization is for the operation of a Government-owned  
23          research or production facility, inventions made under  
24          the contract shall be treated according to the provisions  
25          of section 222.

1 (b) When, in the opinion of the Director, the  
2 obtaining of title by the contractor might impair  
3 national security, the Bureau shall obtain title to  
4 the invention on behalf of the United States.

5 SEC. 213. INVENTION DISCLOSURES.--(a) The contractor  
6 promptly, and at least six months prior to any public  
7 disclosure of information relating to an invention made  
8 under a contract, shall provide the contracting agency  
9 with a disclosure of each such invention. The agency  
10 promptly shall transmit any such disclosure to the Bureau.

11 (b) If the contractor fails to comply with paragraph  
12 (a), the contractor shall not be entitled to obtain either  
13 title to or any license in the invention, unless the  
14 Director determines that this prohibition should be  
15 waived in the national interest.

16 (c) Every person responsible under a contract for  
17 complying with paragraph (a) or for assisting the  
18 contractor in complying with paragraph (a) who shall  
19 willfully fail to comply or assist in complying with  
20 subparagraph (a) shall be deemed guilty of a misdemeanor,  
21 and, on conviction, shall be punished by fine not exceeding  
22 fifty thousand dollars plus the dollar value of the contract,  
23 or by imprisonment not exceeding two years, or by both  
24 said punishments, in the discretion of the court.

1        SEC. 214. MARCH-IN RIGHTS.-- Where a contractor or  
2 inventor has obtained title to an invention pursuant to  
3 subparagraph 211(a)(1) or (2), or paragraph 211(b), .

4        (a) said contractor or inventor shall be required at  
5 reasonable intervals determined by the Director to provide  
6 the Bureau with written reports on the utilization, or  
7 efforts at obtaining utilization, of the invention that  
8 are being made: Provided, that any such information shall  
9 be treated by the Bureau as confidential commercial or  
10 financial information and not subject to disclosure under  
11 the Freedom of Information Act.

12        (b) the Director shall have the right to require the  
13 contractor or its licensee or assignee to grant a  
14 nonexclusive, partially exclusive, or exclusive license  
15 to a responsible applicant or applicants in any field  
16 of use of the invention upon terms reasonable under the  
17 circumstances, or to grant such licenses itself, or  
18 to require an assignment of the invention to the  
19 Bureau on behalf of the Government, if the Bureau  
20 determines that the contractor or inventor or any  
21 licensee or assignee has not taken, or is not expected  
22 to take within a reasonable time, effective steps to  
23 achieve practical application of the invention in such  
24 field of use;

1 (c) said contractor or inventor, in the event a  
2 United States patent application is filed by or on its  
3 behalf or by any assignee, shall be required to include  
4 within the specification of such application and any  
5 patent issuing thereon a statement specifying that the  
6 invention was made with Government support and that the  
7 Government has certain rights in the invention; and

8 (d) in the case of a nonprofit organization,

9 (1) it shall be prohibited from assigning  
10 rights in the invention without the approval of  
11 the Bureau, except where such assignment is made  
12 to an organization having prior approval of the  
13 Bureau which has as one of its primary functions  
14 the management of inventions and which is not  
15 itself engaged in the manufacture or sale of  
16 products or processes that might utilize the  
17 invention or be in competition with embodiments  
18 of the invention and provided that such assignment  
19 is made subject to regulations promulgated hereunder;

20 (2) it, and any person deriving rights directly  
21 or indirectly from it, shall be prohibited from  
22 granting exclusive licenses under United States  
23 Letters Patent in the invention with a duration in

1 excess of the earlier of five years from first  
2 commercial sale or use of the invention or eight  
3 years from the date of the exclusive license,  
4 said period of exclusivity to be extended by a  
5 period equivalent to that time before regulatory  
6 agencies necessary to obtain premarket clearance  
7 and not voluntarily caused by the licensee; the  
8 Bureau may, in any particular case, approve a  
9 longer exclusive license; exclusive field of use  
10 licenses may be granted and commercial sale or use  
11 in one field of use shall not be deemed to end the  
12 exclusive period as to unrelated fields of use; and

13 (3) it shall be required to utilize for the  
14 support of scientific and technical research or  
15 education the balance of any royalties or income  
16 earned from the invention after the payment of  
17 expenses (including any payments to inventors)  
18 incidental to the administration of the invention.

19 SEC. 215. GOVERNMENT LICENSE IN CONTRACTOR-OWNED  
20 INVENTIONS.--Where a contractor has obtained title to  
21 an invention pursuant to subparagraph 211(a)(1) or (2),  
22 the Bureau shall retain on behalf of the Government

1 an irrevocable, nonexclusive, paid-up license to make,  
2 use, and sell the invention throughout the world by  
3 or on behalf of the Government and States and domestic  
4 local governments, unless the Director determines that  
5 it would not be in the public interest to acquire the  
6 license for the States and domestic local governments.

7 SEC. 216 INCOME SHARING.--In instances where the  
8 Bureau receives income on account of an invention made  
9 under a contract title to which has been acquired by  
10 the Government--

11 (a) the contracting Federal agency shall receive  
12 20% of the income received to use for science and tech-  
13 nology research and development programs, including the  
14 incentive awards program created by section 225 of this  
15 Act, and

16 (b) the contractor employee-inventor shall receive  
17 10% of the income received.

18 SEC. 217. REASSIGNMENT OF RIGHTS TO INVENTOR.--In  
19 the case of a contractor invention to which the Govern-  
20 ment obtains title under section 211, where the Director  
21 determines that there is insufficient interest in the  
22 invention to justify seeking patent protection in any  
23 country, the employee-inventor may obtain a reassign-  
24 ment of the entire right, title, and interest in and  
25 to the invention for that country, or countries, subject

1 to the reserved Government license set forth in section  
2 215, and the march-in rights set forth in section 214,  
3 provided however, nothing in this paragraph shall prevent  
4 the Bureau from publishing or dedicating to the public  
5 such an invention if that action is in the public  
6 interest, and provided further, the employee-inventor  
7 may not assign, license, or otherwise transfer any  
8 rights in or to the invention to the contractor except  
9 by an arm's length transaction entirely negotiated after  
10 the inventor obtains rights to the invention from the  
11 Bureau.

12 CHAPTER 2.--FEDERAL EMPLOYEES

13 SEC. 221. REPORTING INVENTIONS.--(a) All inventions  
14 made by Federal employees while under the administrative  
15 jurisdiction of a Federal agency shall be reported  
16 promptly, and at least six months prior to any public  
17 disclosure, by such employees to the designated authority  
18 of that Federal agency which promptly shall be transmitted  
19 by the agency to the Bureau.

20 (b) If a Federal employee-inventor fails promptly,  
21 to report an invention to the designated authority,  
22 the employee shall not be entitled to obtain any  
23 rights in the invention or to receive an incentive  
24 award on account of the invention.

1 SEC. 222. ACQUISITION OF TITLE BY THE GOVERNMENT.--

2 (a) The Government shall obtain an assignment of the  
3 entire right, title, and interest in and to any invention  
4 made by any Federal employee if the Bureau determines that  
5 the invention bears a relation to the duties of the Federal  
6 employee-inventor or is made in consequence of the em-  
7 ployee's employment; the employee, as a condition of  
8 employment, is required to make such an assignment.

9 (b) In any case where the Director determines that  
10 the invention does not bear a relation to the duties  
11 of the Federal employee-inventor and was not made in  
12 consequence of the employee's employment, but was conceived  
13 or first reduced to actual practice with the use of  
14 Government facilities, equipment, materials, or funds,  
15 or with the time or services of other Government employees  
16 on official duty, the Federal employee-inventor shall be  
17 entitled to the entire right, title, and interest in and  
18 to the invention, subject to a nonexclusive, nontransferable,  
19 irrevocable, paid-up license to the Bureau on behalf of  
20 the Government to make, use, and sell the invention  
21 throughout the world by or on behalf of the United States  
22 and States and domestic local governments, unless the  
23 Bureau determines that it would not be in the public  
24 interest to acquire the license for States and domestic  
25 local governments. The employee at any time may assign



1 to the Bureau on behalf of the Government the entire  
2 right, title, and interest, or any part thereof, in and  
3 to any such invention in exchange for an agreed royalty.  
4 In such instances, the Bureau may agree to file and  
5 prosecute United States and foreign patent applications.  
6 Title to any such invention for which the Federal employee-  
7 inventor does not seek patent protection or otherwise  
8 claim title within ninety days of the Director's deter-  
9 mination shall vest in the Bureau on behalf of the  
10 Government.

11 (c) In all situations not falling within paragraphs  
12 (a) and (b), a Federal employee-inventor shall be  
13 entitled to the entire right, title, and interest in  
14 and to any invention made by the employee.

15 SEC. 223. PRESUMPTIONS OF OWNERSHIP.--(a) In applying  
16 the criteria of section 222 to the facts and circumstances  
17 relating to the making of any particular Federal employee-  
18 invention,

19 (1) it shall be presumed that an invention  
20 falls within paragraph 222(a) when made by a  
21 Federal employee who is employed or assigned  
22 to--

23 (A) invent, improve, or perfect  
24 any art, machine, manufacture, or com-  
25 position of matter;

1 (B) conduct or perform research and  
2 development work;

3 (C) supervise, direct, coordinate,  
4 or review federally-financed or con-  
5 ducted research or development work; or

6 (D) act in a liaison capacity among  
7 Federal or non-federal agencies or in-  
8 dividuals engaged in such work.

9 (2) it shall be presumed that an invention  
10 falls within paragraph 222(b) when made by any  
11 other Federal employee.

12 (b) Either presumption of subsection (a) may be  
13 rebutted by the facts or circumstances of the conditions  
14 under which any particular invention is made.

15 SEC. 224. REASSIGNMENT OF RIGHTS.--(a) In the case  
16 of an invention falling within paragraph 222(a), where  
17 the Director determines that there is insufficient interest  
18 in the invention to justify seeking patent protection in  
19 any country, the Federal employee-inventor may obtain a  
20 reassignment of the entire right, title, and interest in  
21 and to the invention for that country, or those countries,  
22 subject to the reserved Government license set forth  
23 in paragraph 222(b), provided however, nothing in this  
24 paragraph shall prevent the Bureau from publishing  
25 or dedicating to the public such an invention if  
26 that action is in the public interest.

1 (b) Where the Director finds, on the basis of new  
2 evidence, that the Bureau has acquired rights in an  
3 invention greater than the Government is entitled to,  
4 assert under the criteria of section 222, the Director  
5 shall take such action to correct the inequity as is  
6 reasonable in the circumstances, including the granting  
7 of greater rights to the Federal employee-inventor.

8 SEC. 225. INCENTIVE AWARDS PROGRAM.--(a) Incentive  
9 awards may be granted to Federal employee-inventors,  
10 as a matter of discretion, in order to--

11 (1) monetarily reward or otherwise recognize  
12 Federal employees for inventions, and

13 (2) stimulate inventive creativeness and  
14 encourage Federal employees to disclose their  
15 inventions and thus to enhance the transfer  
16 and utilization of related technology.

17 (b) These awards shall be granted pursuant to the  
18 provisions of chapter 45 of title 5 and chapter 57 of  
19 title 1 of the United States Code, and in accordance  
20 with implementing regulations issued thereunder except  
21 as modified by this Act. Existing statutory provisions  
22 for awards shall remain unaffected by this section.

23 (c) In granting awards under this section, due  
24 consideration shall be given to--

1           (1) the extent to which the invention  
2 advances the state of the art;

3           (2) the amount expended by the employee-  
4 inventor in making such invention;

5           (3) the importance of the invention in  
6 terms of its value and benefits to the United  
7 States;

8           (4) the extent to which the invention has  
9 achieved utilization by the public; and

10          (5) the amount of any compensation previ-  
11 ously received by the employee-inventor for  
12 or on account of the use of such invention  
13 by the United States.

14          (d) Subject to the provisions of this section, any  
15 agency head and the Director are authorized, upon their  
16 own initiative or upon application of any person, to  
17 initiate the incentive award process. Awards of up to  
18 \$10,000 may be made by an agency head or by the Director.  
19 Awards in excess of \$10,000 but not in excess of \$50,000  
20 may be granted jointly by an agency head and the Director  
21 upon determining that the invention is highly exceptional  
22 and unusually outstanding. Awards in excess of \$50,000  
23 may be made in those instances where the agency head  
24 and the Director recommend to the Director of the Office  
25 of Management and Budget that a Presidential award be

1 made. Upon endorsement by the Director of the Office  
2 of Management and Budget and approval by the President,  
3 an award in excess of \$50,000 may be granted.

4 (e) A cash award under this section shall be in addition  
5 to the regular pay of the recipient. Acceptance of  
6 a cash award under this section constitutes an agree-  
7 ment that any use by the Government of an idea, method,  
8 or device for which the award is made does not form  
9 the basis of a claim of any nature against the Government  
10 by the recipient, his heirs, or assigns.

11 (f) A cash award and expense for honorary recognition  
12 of a Federal employee-inventor shall be paid from the  
13 fund or appropriation of the sponsoring Federal agency,  
14 or the Bureau, except that the President shall determine  
15 the amount of the award to be paid by each Federal  
16 agency for Presidential awards.

17 SEC. 226. INCOME SHARING.--In instances where the  
18 Bureau receives income on account of an invention made  
19 by a Federal employee-inventor,--

20 (a) the Federal agency employing the employee-inventor  
21 shall receive 20% of the income received to use for  
22 science and technology research and development, including  
23 the incentive award program created by section 225, and

1 (b) the Federal employee-inventor shall receive 10%  
2 of the income received, in addition to his regular  
3 salary and any award as provided in section 225.

4 TITLE III--FEDERAL BUREAU OF SCIENCE AND TECHNOLOGY  
5 RESEARCH AND DEVELOPMENT UTILIZATION

6 SEC. 301. ESTABLISHMENT.--(a) By the effective date  
7 of this Act, the Secretary of Commerce, subject to the  
8 provisions of Reorganization Plan No. 5 of 1950, shall  
9 establish within the Department of Commerce the Federal  
10 Bureau of Science and Technology Research and Development  
11 Utilization. The Bureau shall be headed by a Director  
12 appointed by the President, with the advice and consent  
13 of the Senate. The Director shall receive compensation at  
14 the rate specified for level V positions in the Execu-  
15 tive Schedule. The Director shall have authority,  
16 subject to the Civil Service and Classification Laws,  
17 to appoint such personnel, including hearing examiners,  
18 as are necessary in the exercise of its functions. The  
19 Director is authorized to make such expenditures and  
20 enter into such contracts as are necessary in the  
21 exercise of the Bureau's functions. The Bureau shall  
22 have an official seal which shall be judicially noticed.

23 (b) The objects and purposes of the Bureau shall be  
24 to coordinate, direct, and review the implementation

1 and administration of the uniform Government policy set  
2 forth in this Act with respect to the ownership and  
3 utilization of inventions resulting from federally-  
4 supported research and development, and to monitor on  
5 a continuing basis the impact of Federal science and  
6 technology policies on innovation and technology develop-  
7 ment, and report its findings and recommendations annually  
8 to the Director of the Office of Science and Technology  
9 Policy.

10 (c) The Bureau is authorized and directed to--

11 (1) receive invention disclosures from  
12 Federal agencies as provided for in sections  
13 213 and 221 and rights to inventions as provided  
14 in section 505;

15 (2) evaluate, with the assistance of the  
16 originating agency, other Federal agencies, or  
17 nongovernmental personnel, inventions disclosed  
18 and reported to it in order to identify those  
19 inventions as to which domestic or foreign  
20 proprietary protection should be sought, and  
21 apply for, obtain, and maintain patents or  
22 other forms of protection in the United States  
23 and in foreign countries on such inventions or  
24 publish or dedicate to the public such inventions;

1           (3) promote the licensing of inventions  
2 covered by Government-owned patent applications,  
3 patents, or other forms of protection obtained;

4           (4) grant nonexclusive, partially exclusive,  
5 or exclusive licenses under Government-owned  
6 patent applications, patents, or other forms of  
7 protection as provided in Title IV;

8           (5) make market surveys and other investigations  
9 for determining the potential of Government-owned  
10 inventions for domestic and foreign licensing  
11 and other forms of utilization;

12           (6) acquire technical information and engage  
13 in negotiations and other activities to promote  
14 the licensing and development of Government-owned  
15 inventions and to enhance their marketability and  
16 utilization in the public interest;

17           (7) withhold publication or release to the  
18 public of information disclosing any invention in  
19 which the Government owns a right, title, or  
20 interest for a reasonable time in order for  
21 patent applications to be filed and prosecuted;

22           (8) receive funds from fees, royalties, sales,  
23 or other management of government-owned inventions  
24 authorized under this Act: Provided, however,



1 That such funds shall be used only for the purposes  
2 of this Act;

3 (9) develop and manage a Government-wide  
4 program designed to stimulate the transfer of  
5 Government-owned technology to American business  
6 entities through the development, demonstration,  
7 and dissemination of information regarding  
8 potential applications;

9 (10) consult and advise Federal agencies as  
10 to areas of science and technology research and  
11 development with potential for socially beneficial  
12 utilization;

13 (11) consult and advise Federal agencies in  
14 each Federal agency's development and imple-  
15 mentation of a technology utilization program  
16 whose specific program objectives shall include,  
17 but not be limited to--

18 (A) expediting and facilitating the  
19 application and use of technology by shorten-  
20 ing the time between generation of new tech-  
21 nological developments and their use in the  
22 economy, and providing greater incentives for  
23 the use of socially beneficial innovations;

1 (B) encouraging multiple secondary uses  
2 of technology in industry, education, and  
3 Government where there is a wide spectrum of  
4 technological problems and needs; and

5 (C) understanding more fully the tech-  
6 nology-transfer process and its impact on  
7 the economy; and

8 (12) with the assistance of the Attorney General  
9 when necessary, take all suitable and necessary steps  
10 to protect and enforce the rights of the United States  
11 in any invention; and

12 (13) issue binding regulations through appropriate  
13 channels to implement and interpret this Act.

14 SEC. 302. AUTHORIZATION FOR APPROPRIATIONS.--There  
15 are hereby authorized to be appropriated such sums as  
16 may be necessary to carry out the provisions of this  
17 Act.

18 TITLE IV--DOMESTIC AND FOREIGN LICENSING OF  
19 GOVERNMENT-OWNED INVENTIONS

20 SEC. 401. UNITED STATES SMALL BUSINESS FIRM CONTRACTORS.--

21 (a) Where an invention as to which the Bureau obtains  
22 title on behalf of the Government is made under a contract  
23 with a small business firm which is a United States  
24 business entity, subject to the provisions of section  
25 403, that firm shall be entitled to negotiate with the

1 Director for an exclusive, partially exclusive, or  
2 nonexclusive license under any patent application  
3 filed or patent obtained by the Bureau to make, use,  
4 sell, and sublicense the invention. The Director is  
5 authorized to grant such a license upon terms the  
6 Director considers reasonable in the circumstances.

7 (b) In the event the contractor does not obtain,  
8 or having obtained surrenders, a license under this  
9 section, the Director shall treat the invention under  
10 section 402 as one made under a contract with a  
11 contractor which was not a United States small business  
12 firm.

13 SEC. 402. CONTRACTORS OTHER THAN UNITED STATES SMALL  
14 BUSINESS FIRMS.--(a) Where an invention as to which the  
15 Bureau obtains title on behalf of the Government is  
16 made under contract with a contractor which is not a  
17 United States small business firm, the Director, by  
18 public notice in the Federal Register and otherwise,  
19 subject to the provisions of section 403, shall offer  
20 to license exclusively, partially exclusively, and non-  
21 exclusively, the right to make, use, sell, and sublicense  
22 the invention under any United States patent application  
23 filed or United States patent obtained. In granting  
24 licenses, the following preferences shall be observed--

25 (1) first, nonexclusively to any United States  
26 business entity,

1           (2) second, exclusively or partially exclusively  
2           to the United States small business firm which,  
3           in the opinion of the Director, offers the best  
4           terms for such exclusive or partially exclusive  
5           license, and

6           (3) third, exclusively or partially exclusively  
7           to the United States business entity which, in the  
8           opinion of the Director, offers the best terms for  
9           such exclusive or partially exclusive license.

10          No exclusive or partially exclusive license shall be  
11          granted until the invention has been publicly available  
12          for licensing for six months. No license shall be granted  
13          except upon terms that the Director determines to be  
14          reasonable in the circumstances.

15          (b) Where an invention as to which the Bureau obtains  
16          title on behalf of the Government is made under a contract  
17          with a contractor which was not a United States small  
18          business firm, the Director, by public notice in the  
19          Federal Register and otherwise, subject to the provisions  
20          of section 403, shall offer to license exclusively,  
21          partially exclusively, and nonexclusively, the right to  
22          make, use, sell, and sublicense the invention under any  
23          foreign patent application filed or foreign patent obtained.  
24          In granting licenses, the following preferences shall be  
25          observed--

1           (1) first, nonexclusively to any United States  
2 business entity,

3           (2) second, exclusively or partially exclusively  
4 to the United States small business firm which, in  
5 the opinion of the Director, offers the best terms  
6 of all United States small businesses for such  
7 exclusive or partially exclusive license,

8           (3) third, exclusively or partially exclusively  
9 to the United States business entity which, in the  
10 opinion of the Director, offers the best terms  
11 of all United States business entities for such  
12 exclusive or partially exclusive license,

13           (4) fourth, nonexclusively to any business  
14 entity of a developing country appearing in a  
15 list of approved developing countries which the  
16 Secretary of State shall prepare and publish from  
17 time to time,

18           (5) fifth, exclusively or partially exclusively  
19 to the business entity of a developing country  
20 appearing on a list of approved developing countries  
21 which the Secretary of State shall prepare and  
22 publish from time to time which, in the opinion of  
23 the Director, offers the best terms of all such  
24 business entities for such exclusive or partially  
25 exclusive license,

1           (6) Sixth, nonexclusively to any business  
2           entity of a country not appearing on a list of dis-  
3           approved countries which the Secretary of State  
4           shall prepare and publish from time to time, and

5           (7) seventh, exclusively or partially exclusively  
6           to the business entity of a country not appearing  
7           on a list of disapproved countries which the Secretary  
8           of State shall prepare and publish from time to time,  
9           which, in the opinion of the Director, offers the best  
10          terms of all such business entities for such exclusive  
11          or partially exclusive license.

12          No exclusive or partially exclusive license shall be  
13          granted until the invention has been publicly available  
14          for licensing for one year. No license shall be granted  
15          except upon terms that the Director determines to be  
16          reasonable in the circumstances.

17          SEC. 403. LIMITATIONS.--(a) The Director may decline  
18          to license an invention under section 401 or section 402  
19          if he determines that licensing the invention would be  
20          contrary to the national interest.

21          (b) Any license granted under section 401 or 402  
22          shall provide by its terms that the licensee shall act  
23          to commercialize the invention within an agreed time,  
24          and the Bureau shall have the right to require the  
25          licensee to grant a nonexclusive, partially exclusive,

1 or exclusive license to a responsible applicant in any  
2 field of use of the invention upon terms reasonable  
3 in the circumstances, or to grant such licenses itself,  
4 or to revoke the license, if the Bureau determines  
5 that the licensee has not taken, or is not expected to  
6 take within a reasonable time, effective steps to  
7 achieve practical application of the invention in such  
8 field of use. The licensee shall be required at  
9 reasonable intervals determined by the Director to  
10 provide the Bureau with written reports on the utiliza-  
11 tion, or efforts at obtaining utilization, of the invention  
12 that are being made: Provided, that any such information  
13 shall be treated as confidential commercial or financial  
14 information and not subject to disclosure under the  
15 Freedom of Information Act; and

16 (c) Any license granted under section 401 or 402  
17 shall reserve to the Bureau on behalf of the Government  
18 the right to make, use, and sell the invention throughout  
19 the world by or on behalf of the United States and States  
20 and domestic local governments, unless the Director  
21 determines that it would not be in the public interest  
22 to reserve such rights for the States and domestic  
23 local governments.

24 (d) No person, directly or indirectly, having exclusive  
25 rights in more than fifty patented inventions may obtain

1 or retain an exclusive or partially exclusive license  
2 in any invention made under a contract. A person shall  
3 be deemed not to have exclusive rights in any patented  
4 invention which is offered for license to others on.  
5 reasonable terms.

6 TITLE V--MISCELLANEOUS

7 SEC. 501. RELATIONSHIP TO ANTITRUST LAWS.--Nothing  
8 in this Act shall be deemed to convey to any person immunity  
9 from civil or criminal liability, or to create any  
10 defense to actions, under any antitrust law.

11 SEC. 502. JOINDER OF PARTIES.--(a) The licensee of  
12 rights in any invention covered by a patent owned by  
13 the Bureau on behalf of the United States shall have  
14 the right to bring suit for patent infringement in any  
15 court of competent jurisdiction to enforce such rights  
16 without joining the United States as a party in such  
17 suit.

18 (b) In the event this right is exercised, the licensee  
19 shall notify the Bureau promptly of the suit and all  
20 parties to the suit shall serve the Bureau with copies  
21 of papers required to be served on a party to the suit  
22 as though the United States were party to the suit.

23 (c) The Bureau shall have the right, with the  
24 assistance of the Attorney General when necessary, to  
25 intervene in any suit in which the validity or coverage  
26 of a Government-owned patent is an issue.



1        SEC. 503. BACKGROUND RIGHTS.--In any contract, the  
2        Government may negotiate a license to practice for its  
3        own use any invention not made under the contract which  
4        belongs to the contractor. Subject to such exceptions  
5        as the Director may promulgate from time to time,  
6        no prospective contractor shall be required, as  
7        a condition for being eligible for a contract, to  
8        agree to transfer to the Government any other rights  
9        to inventions belonging to it which were not made  
10       under the contract.

11       SEC. 504. PRECEDENCE OF ACT.--(a) This Act shall  
12       take precedence over any other act which would require  
13       a disposition of rights in inventions resulting from  
14       federally-supported research and development in a manner  
15       inconsistent with this Act including, without limitation,  
16       the following--

17                (1) Section 10(a) of the Act of June 29, 1935,  
18       as amended by Title I of the Agricultural Research  
19       and Marketing Act of August 14, 1946 (7 U.S.C.  
20       427i(a); 60 Stat. 1085);

21                (2) Section 205(a) of the Agricultural Research  
22       and Marketing Act of August 14, 1946 (7 U.S.C.  
23       1624(a); 60 Stat. 1090);

1           (3) Section 501(c) of the Federal Coal Mine  
2 Health and Safety Act of 1969 (30 U.S.C. 951(c);  
3 83 Stat. 742);

4           (4) Section 106(c) of the National Traffic  
5 and Motor Vehicle Safety Act of 1966 (15 U.S.C.  
6 1395(c); 80 Stat. 721);

7           (5) Section 12 of the National Science Foundation  
8 Act of 1950 (42 U.S.C. 1871(a); 82 Stat. 360);

9           (6) Section 152 of the Atomic Energy Act of  
10 1954 (42 U.S.C. 2182; 68 Stat. 943);

11          (7) Section 305 of the National Aeronautics  
12 and Space Act of 1958 (42 U.S.C. 2457; 72 Stat. 426);

13          (8) Section 6 of the Coal Research and Develop-  
14 ment Act of 1960 (30 U.S.C. 666; 74 Stat. 337);

15          (9) Section 4 of the Helium Act Amendment of  
16 1960 (50 U.S.C. 167b, 74 Stat. 920);

17          (10) Section 32 of the Arms Control and Disarmament  
18 Act of 1961 (22 U.S.C. 2572; 75 Stat. 634);

19          (11) Subsection (b) of section 4 of the Saline  
20 Water Conversion Act of 1961 (P.L. 87-295; 75 Stat.  
21 628) as amended by subsection (d) of section 6 of the  
22 Saline Water Conversion Act of 1971 (P.L. 92-60;  
23 42 U.S.C. 1954(b); 75 Stat. 628);

24          (12) Section 303 of the Water Resources Research  
25 Act of 1964 (42 U.S.C. 1961c-3; 78 Stat. 332);

1           (13) Subsection (e) of section 302 of the  
2           Appalachian Regional Development Act of 1965 (40  
3           U.S.C. App. 302(e), 79 Stat. 5);

4           (14) Subsection (e) of section 203 of the Solid  
5           Waste Disposal Act (42 U.S.C. 3253(c); 70 Stat.  
6           997);

7           (15) Subsection (a)(2) of section 216 of title  
8           38, United States Code;

9           (16) Section 9 of the Federal Nonnuclear Energy  
10          Research and Development Act of 1974 (42 U.S.C.  
11          5901; 88 Stat. 1878);

12          (17) Section 3 of the Act of June 22, 1976  
13          (42 U.S.C. 1959d, note; 90 Stat. 694);

14          (18) Section 5(c) of the Tennessee Valley  
15          Authority Act of 1933 (16 U.S.C. 831d(i); 48 Stat.  
16          61);

17          (19) Section 5(d) of the Consumer Product Safety  
18          Act (15 U.S.C. 2054(d); 88 Stat. 1211);

19          (20) Section 3 of the Act of April 5, 1944  
20          (30 U.S.C. 323; 58 Stat. 191); and

21          (21) Section 8001 of the Solid Waste Disposal  
22          Act (42 U.S.C. 6981; 90 Stat. 2892).

23          (b) This Act shall be construed to take precedence  
24          over any future act unless that act specifically cites  
25          this Act and provides that it shall take precedence over  
26          this Act.

1        SEC. 505.    ASSIGNMENT OF EXISTING GOVERNMENT-OWNED  
2    INVENTIONS.--Upon the effective date of this Act, the  
3    heads of all Federal agencies owning any right, title,  
4    or interest in any patent application or patent shall  
5    transfer and assign such rights to the Bureau on behalf  
6    of the United States.

7        SEC. 506.    EFFECTIVE DATE.--This Act shall take  
8    effect 180 days after the date of enactment.