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U.S. OKs Bills to Expand Patent Rights

WASHINGTON (FNS) — The White House has formally endorsed legislation pending in the House and Senate to allow the private sector to retain title to patents developed under federal research & development funding.

The pending bills (S. 1657 and HR 4564) would expand legislation Congress passed last year limiting such patent treatment to small businesses and non-profit institutions.

George Keyworth, who heads the President's Office of Science and Technology Policy, told the House Science and Technology Committee

the bills complement the Administration's approach to bolstering R&D. By permitting and encouraging private R&D establishments to retain patent rights developed under federal funding, he explained, the legislation "removes a major disincentive to the participation by a broad array of highly-skilled industrial scientists and engineers in important national R&D efforts."

Dr. Keyworth said increased participation in federal R&D efforts will have the added benefit of broadening and strengthening industrial R&D capabilities.

Industry likes the bills. Minnesota Mining & Manufacturing Co., represented by Cruzan Alexander, its chief patent counsel, told Congress 3M generally avoids federal R&D contracts for a variety of reasons, including government control and the fact that profit is usually in the form of a fixed fee which generally does not equal the greater potential profit sought by 3M from the sale of new products derived from its self-financed R&D efforts.

Mr. Alexander added that provisions of present law that deny large firms ownership in patents covering inventions they develop as federal

contractors constitute another major deterrent. He supported the pending bills as a means to encourage 3M and other large firms to contract with federal agencies.

Patent and Trademarks Commissioner Gerald Mossinghoff noted that this year the government will invest over \$32 billion in R&D programs, or 47 per cent of the over-all national investment in science and technology. He said the bills would establish a "truly uniform" patent policy, one which applies to all government agencies and their contractors.

He emphasized the importance of "march-in rights" established in the bills. These were said to provide an answer "to those who fear that giving commercial rights to government contractors will somehow permit suppression of the new technology or somehow have antitrust implications."

In a dissenting note, Admiral Hyman Rickover argued that contractors, especially large ones, should not be given title to government-financed inventions.

"Enactment of these bills," Admiral Rickover said, "would constitute a subsidy of large contractors and reduce competition. If we carry this idea to its logical extension, companies should give their employees the rights to inventions developed in the course of their employment."

— Lloyd Schwartz

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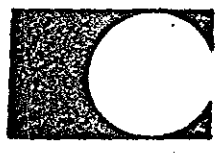
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Databit President Exits Company

ISELIN, N.J. — Peter Cohen, president of Databit, Inc., a Happaug, N.Y.-based maker of data communications multiplexers, which was acquired by Siemens Corp. in late 1979 (EN, Dec. 17, 1979), resigned last week.

John Scheiwe, vice-president and general manager, has been named interim replacement for Mr. Cohen.

Formal action on a replacement will be taken at the company's next board meeting on Oct. 12, a spokesman for Siemens said.

In a prepared statement, Mr. Cohen, who is one of the founders of the company, said he was not prepared to announce any future plans.

Cap Mktg. Mgr. Leaves Siemens

SCOTTSDALE, Ariz. — Don Eband, product marketing manager for capacitors at Siemens Components group, here, left the firm last week, it was learned. Contacted late Friday, the firm and Mr. Eband expressed differing accounts of his departure.

A Siemens corporate spokesman in Iselin, N.J., said Mr. Eband resigned voluntarily. Reached at his Arizona home, Mr. Eband said "It was not my impression that I resigned. I was laid off and told the budget could not afford me."

Mr. Eband said there have been other cutbacks here in the past 3

weeks, but he did not want to comment further "because I don't want to jeopardize Siemens," he added.

"I did not feel this was a fair way to treat an employe with 8½ years of seniority." He said he is considering several job offers.

The Siemens spokesman said Mr. Eband would be replaced by Mick McKeighan, who previously worked for Mr. Eband. There have been no other changes made, the spokesman said.

Siemens makes tantalum capacitors here.

Bass Hikes Stake in Fairchild Ind.

WASHINGTON — About 5 per cent of Fairchild Industries preferred stock — valued at approximately \$8.6 million — is held by Bass Equity Enterprises, a Fort Worth, Tex., investment firm, according to a filing

last week with the Securities and Exchange Commission.

Bass Equity said it currently holds 180,700 shares of \$3.60 cumulative convertible preferred stock of the Germantown, Md., manufacturer.