

SECTIONAL ANALYSIS

Sec. 1: Title

Sec. 2: Conforms P.L. 96-517 chapter designations to U.S.C.A. codification.

Sec.3a: Adds a new chapter to Title 35, U.S.C., the provisions of which would do the following:

Sec. 212: States the policy objective of the Act, to "insure that all inventions made with federal support are used in a manner to promote free competition and enterprise."

Sec. 213: Definitions used in the Act.

Sec. 214: Authorizes the Secretary of Commerce to issue implementing regulations for the Act.

Sec. 215: Provides that federal contractors may automatically own inventions they make under Government R&D unless:

- 1) it is determined that the discovery is needed for foreign intelligence or counterintelligence purposes;
- 2) the contractor is not located in the U.S., or is a foreign government; or
- 3) it is determined on a case-by-case basis that exceptional circumstances require federal ownership.

Such determinations will be made in writing and filed with the Secretary of Commerce to prevent abuse of these exceptions to contractor ownership. In cases of abuse, the Secretary shall notify the Administrator of the Office of Federal Procurement Policy who may issue guidelines ending such practices.

This section also provides that, in instances where the contractor does not elect to file a patent application in the United States or abroad, the agency may then assert ownership if it desires to do so.

In addition, Section 215 also stipulates that the agency may use a subject invention royalty free and can require that it be kept updated on utilization of the invention by the contractor.

Sec. 216: Provides that agencies may force contractors to grant licenses to competitors for using an invention made under federal R&D if effective steps are not being taken toward commercialization; to alleviate serious health or safety needs not being satisfied by the contractor; or to meet requirements for public use specified by federal regulations not being satisfied by the contractor. Agency determinations on mandatory licenses may be appealed by the contractor within 60 days to the United States Claims Court.

Sec. 217: Protects contractors from the threat that agencies might require them to give up privately developed technologies to competitors in order to secure a contract, unless specifically approved by the agency head. Such determinations can be made only after an agency hearing with prompt notification to the contractor.

Sec. 2b: Chapter headings redesignated.

Sec. 2c: Repeals certain limitations placed upon university licensing by present law, in order to encourage more collaboration between industry and universities.

Sec. 3 : Repeals old patent policies so that this Act may implemented uniformly.

Sec. 4: Specifies that nothing in this Act shall be construed to grant any any civil or criminal immunity from any antitrust law of the United States.

Sec. 5: Provides that the Act becomes effective six months after enactment, and authorizes agencies to apply its provisions to pre-existing contracts where deemed appropriate.

Sec. 6: Provides that the Secretary of Commerce shall report to the Congress within 24 months, and every two years thereafter, on the implementation of this Act along with any recommendations for legislative or administrative changes.