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Nader Calls GSA Policy On Researchers' Patents Giveaway of U.S. Rights

By Ward Sinclair
Washington Post Staff Writer

A new government policy allowing universities to profit from inventions developed with federal research money will deprive the Treasury of millions of dollars in potential income, Ralph Nader charged yesterday.

Consumer advocate Nader and an associate, Dr. Sidney M. Wolfe, said the new policy, which took effect yesterday, will result in an "unconstitutional giveaway" of government patent rights.

Nader and Wolfe made their protest in a letter to Joel Solomon, administrator of the General Services Administration, which announced plans to establish the new policy last month.

A spokesman at GSA said that Solomon had not seen the Nader-Wolfe letter and that the agency would have no comment on it yesterday.

"If this policy is implemented, it is likely that — over the next decade—these institutions will reap hundreds of millions of dollars of profits from work supported by the federal government," they said.

Nader and Wolfe cited the departments of Defense, Energy and Health, Education and Welfare whose research grants "result in the discovery of medical devices such as artificial hearts, energy-saving devices and electronic equipment."

Under the rule, announced Feb. 2 by GSA in a statement in the Federal Register, the federal grant recipients in such situations will be able to retain commercial rights and income from their discoveries.

GSA's little-noticed announcement said the new policy had been recommended by a federal coordinating council, acting on the advice of a committee on intellectual property and information.

The rule was issued without the customary period for public comment and, while the policy was to take effect yesterday, GSA said that in some instances it could take effect beforehand.

Nader and Wolfe charged that GSA had gone beyond its authority in issuing the rule. They also said that Congress has made it clear that it has never intended GSA to have the authority to dispose of the rights to government-owned patents and inventions.

The GSA rule applies to universities and certain nonprofit organizations whose research work has been entirely funded through federal contracts.

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