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Markup

HR 2544 (as amended by the agencies)

Sec. 2. Cooperative Research and Development Agreements.

Section 12(b)(1) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(b)(1) is amended by inserting "or, in the case of a government-operated laboratory and subject to sections 209(a)(6) and (b)(1)-(3) of Title 35, United States Code, ~~[in a]~~ may license any pre- existing federally owned invention directly related to the scope of the work under the agreement," after "under the agreement."

NO

Sec. 3. Licensing Federally Owned Inventions.

(a) AMENDMENT-Section 209 of Title 35, United States Code, is amended to read as follows:

Sec. 209. Licensing federally owned inventions.

~~Except as part of an authorized exchange of rights to settle a patent dispute or as authorized by law or treaty or in licensing its undivided rights in a jointly owned invention, a Federal agency may grant a license on a federally owned invention, other than a research license, only if the person requesting the license has supplied the agency with a plan for development and/or marketing of the invention. Such licenses shall be subject to the following restrictions:~~

(a) EXCLUSIVE LICENSES ~~[AUTHORITY]~~ A Federal agency may grant an exclusive, co-exclusive or partially exclusive license on [a] the federally owned invention only if-

NO

(1) granting the license is a reasonable and necessary incentive to -

(A) call forth the investment capital an expenditures needed to bring the invention to practical application; or

(B) otherwise promote the invention's utilization by the public;

Give multiple non-exclusive licenses & co-exclusive

two?

(2) the Federal agency finds that the public will be served by the granting of the license, as indicated by the applicant's intentions, plans, and ability to bring the invention to practical application or otherwise promote the invention's utilization by the public[,] and that the proposed scope of exclusivity is not greater than reasonably necessary to provide the incentive for bringing the invention to practical application or otherwise promote the invention's utilization by the public;

(3) the applicant makes a commitment to achieve practical application within a reasonable time;

(4) granting the license will not tend to substantially lessen competition or create a violation of the Federal antitrust laws; [and]

(5) in the case of an invention covered by a foreign patent application or patent, the interest of United States industry in foreign commerce will be enhanced[.] ;

(6) first preference for granting licenses under this section shall be given to small business firms having equal or greater likelihood as other applicants to bring the invention to practical application within a reasonable time; and

(7) a notice of intent to grant the license has been published and a copy sent to the Attorney General, at least 30 days before the license is granted and the Federal agency has considered all the timely filed comments to that notice.

(b) ALL LICENSES-A Federal agency may grant a license on a federally owned invention only if the person requesting the license has supplied the agency with a plan for development and/or marketing of the invention. Such licenses shall be subject to the following restrictions:

[(b)] (1) MANUFACTURE IN UNITED STATES- A Federal agency [Licenses] shall normally [be granted under this section] grant the right to use or sell any federally owned invention in the

United States only to a licensee that agrees that any products embodying the invention or produced through the use of the invention will be manufactured substantially in the United States.

([c] 2) SMALL BUSINESS-First preference for granting licenses under this section shall be given to small business firms having equal or greater likelihood as other applicants to bring the invention to practical application within a reasonable time;

(3) NON-DISCLOSURE OF CERTAIN INFORMATION- Information (other than the name of an applicant or licensee, type of license and field of use) obtained from an applicant or licensee pursuant to this section shall be treated by the Federal agency as commercial and financial information obtained from a person and not subject to disclosure under § 552 of title 5 of the United States Code.

(4) EXCEPTED PATENT LICENSES- The provisions of this section shall not apply to ~~a research license,~~ an exchange of patent rights by a Federal agency to settle a patent dispute or as authorized by law or treaty or in licensing its undivided rights in a jointly owned invention.

(~~d~~ c) TERMS AND ~~CONDITIONS~~-Licenses granted under this section shall contain such terms and conditions as the granting agency considers appropriate. Such terms and conditions--

(1) shall include provisions--

(A) retaining a royalty-free right for the Government of the United States and for any foreign government or international organization, pursuant to an existing or future treaty or international agreement, to practice or have practiced a federally owned invention on behalf of the Government of the United States, the foreign government or international organization;

([A] B) requiring periodic reporting on utilization of the invention, and utilization efforts, by the licensee;

([B] C) empowering the Federal agency to terminate the license in whole or in part if the agency determines that--

(i) the licensee is not ~~[adequately]~~ executing its commitment to achieve practical application of the invention ~~[within a reasonable time]~~, including commitments contained in any plan submitted in support of its request for a license, and the licensee cannot otherwise demonstrate to the satisfaction of the Federal agency that it has taken or can be expected to take within a reasonable time, effective steps to achieve practical application of the invention;

(ii) the licensee is in breach of an agreement described in subsection (b); [or]

(iii) termination is necessary to meet requirements for public use specified by Federal regulations issued after the date of the license, and such requirements are not reasonably satisfied by the licensee; [and] or

(iv) the licensee has been found by competent authority to violate the antitrust laws in connection with its performance under the license agreement.

~~[(2) may include a requirement that the licensee provide the agency with a plan for development or marketing the invention.]~~

~~[Information obtained pursuant to paragraph (1)(A) shall be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under 552 of title 5, United States Code.]~~

[(e) PUBLIC NOTICE-No license may be granted under this section unless public notice of the availability of a federally owned invention for licensing has been provided at least 30 days before the license is granted. This subsection shall not apply to the licensing of inventions made under a cooperative research and development agreement entered into under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a).]

[(f) NON-DISCLOSURE OF CERTAIN INFORMATION-Information (other than the name of an applicant or licensee, type of license and field of use) obtained from an applicant or licensee pursuant to this section

shall be treated by the Federal agency as commercial and financial information obtained from a person and not subject to disclosure under § 552 of title 5 of the United States Code.]

(b) CONFORMING AMENDMENT-The item relating to section 209 in the table of sections for chapter 18 of title 35, United States Code, is amended to read as follows:

209. Licensing federally owned inventions.

(c) AMENDMENT-Section 207(a)(2) of Title 35, United States Code, is amended by adding after "exclusive," "co-exclusive" and replacing "patent applications, patents, or other forms of protection obtained" by "invention."

Sec. 4. TECHNICAL AMENDMENTS TO THE FEDERAL TECHNOLOGY TRANSFER ACT-

1. Add in 15 U.S.C. § 3710c(a)(1)(A)(I) after "coinventors" - ", whose rights are assigned to the Government."

2. Delete "obtain or" in the first sentence of 15 U.S.C. § 3710d(a) and add at the end of section:

The agency may reassign its rights to the inventor(s) if it chooses not to continue prosecution of the patent application or to maintain the patent on the invention or otherwise commercialize the invention.

3. Delete the last sentence of 15 U.S.C. § 3710c(a)(B).

Sec. 5. JOINT INVENTIONS UNDER THE BAYH-DOLE ACT

Amend 35 U.S.C. § 202(e) by replacing "transfer" with "license," inserting after "such co-inventor" "the nonprofit organization or small business firm" and deleting "to the contractor subject to the conditions set forth in this chapter."

Sec. 6. RIGHTS IN PRIVATELY OWNED INVENTIONS

1. Add after "contract" in 35 U.S.C. § 207(a)(3) "including the acquiring of rights for the Federal Government in any invention when necessary to facilitate the licensing of a federally owned invention."

2. Add after "federally owned" in 35 U.S.C. § 207(a)(2) "or licensed."

3. Add after "other payments" in 15 U.S.C. § 3710c(a)(1)(A) "for rights in any federally owned invention."

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