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From: Joe Allen
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Thank you.

This is the legislative counsel's re-draft.

DRAFT

TO: JOE ALLEN
TY TAYLOR

Original signature of Member

105TH CONGRESS
1ST SESSION

H. R. ____

IN THE HOUSE OF REPRESENTATIVES

Mrs. MORELLA introduced the following bill; which was referred to the Committee on _____

A BILL

To improve the ability of Federal agencies to license federally owned inventions.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Technology Transfer Commercialization Act of 1997".

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 a federally owned invention," after "under the agreement,".

SEC. 3. LICENSING FEDERALLY OWNED INVENTIONS.

(a) AMENDMENT.—Section 209 of title 35, United States Code, is amended to read as follows:

"§ 209. Licensing federally owned inventions

"(a) AUTHORITY.—A Federal agency may grant an exclusive or partially exclusive license on a federally owned invention if—

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

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

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

"(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;

"(3) the applicant makes a commitment to achieve practical utilization of the invention within a reasonable time;

"(4) granting the license will not substantially lessen competition or create or maintain a violation of the antitrust laws; and

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

"(b) MANUFACTURE IN UNITED STATES.—Licenses shall normally be granted under this section only to a licensee who agrees that any products embodying the invention or produced through the use of the invention will be manufactured substantially in the United States.

"(c) SMALL BUSINESS.—First preference for the granting of 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.

"(d) 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) requiring periodic reporting on utilization of the invention, and utilization efforts, by the licensee; and

"(B) 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 utilization of the invention within a reasonable time;

"(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

"(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 section 552 of title 5, United States Code.

"(e) PUBLIC NOTICE.—No license may be granted under this section unless public notice in an appropriate manner has been provided at least 30 days before the li-

of the availability of a patent application for licensing

cense 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).".

(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.".