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Senate

FRIDAY, NOVEMBER 18, 1983

By Mr. DOLE (for himself, Mr. LAXALT, and Mr. DECONCINI):

S. 2171. A bill to amend title 35 of the United States Code for the purpose of creating a uniform policy and procedure concerning patent rights in inventions developed with Federal assistance, and for other purposes; to the Committee on Finance.

UNIFORM PATENT PROCEDURES ACT OF 1983

● Mr. DOLE. Mr. President, I am pleased to send to the desk for appropriate reference, on behalf of myself and Senators LAXALT and DECONCINI, the Uniform Patent Procedures Act of 1983. This legislation is designed to encourage the commercialization of inventions created pursuant to reseach and development work sponsored by the Federal Government under grant or contract; as such, it is a direct response to the challenge posed to America's economic future by foreign technological competition.

As we are all painfully aware, the lead that the United States has enjoyed over the past 30 years in technological innovation is under increasing jeopardy as our international competitors develop expertise in the research and development skills essential to the creation of new, high technology industries. The last 10 years, in particular, have witnessed a steady erosion of our competitive position in a number of important fields of endeavor, including automobile manufacturing, electronics, and steel production. While we embrace this competition as healthy and to be desired, we must nevertheless insure that our Government's policies encourage—not discourage—the development and marketing of inventions made by American entrepreneurs.

We have heard a lot of talk lately about the need for an industrial policy. To date, most of this talk has centered on proposals that I believe are unworkable at worst and highly speculative, at best—such as the creation of an industrial planning board sor research and development work under Federal grants and contracts.

The bill is modeled after legislation that former Senator Bayh and I sponsored in the 96th Congress, the University and Small Business Patent Procedures Act of 1980. That landmark legislation reformed agency patent procurement procedures that apply to research and development contracts with universities and small businesses in order to make possible greater commercialization of the breakthrough inventions that often result from such arrangements. Prior to the passage of that bill—now Public Law 96-517, university invention disclosures had shown a steady decline. Now, such disclosures are up, university and industry collaboration is at an alltime high, and many new technologies—such as the recent advances in gene engineering—are creating new opportunities for economic advancement while improving the quality of life.

What the 1980 law accomplished for universities and small businesses, this new legislation would accomplish for all contractors with the Government, regardless of size. It would end, once and for all, the frustrating bureaucratic maze which has hindered the retention of patent discoveries by the private sector and thereby inhibited the commercialization of those discoveries. With the Government now funding approximately 70 percent of the basic research done in the United States, we can no longer tolerate the abysmally low rate of commercialization that accompanies Federal ownership of new inventions. For example: Compared to a licensing rate of 33 percent for university-developed inventions, the Government has licensed less than 4 percent of inventions owned by it to the private sector for commercial use. This is primarily because of chaotic and inefficient agency patent procurement policies that strangle innovation with redtape.

The bill I send to the desk would eliminate this waste by allowing all contractors clear ownership of the inventions they make under Government research and development contracts and grants, while protecting the legitimate rights of the agencies to use the discoveries royalty free. In this way, it would encourage the private marketing of new discoveries and thus stimulate innovation. Of course, the agencies would have the power to require delivery of title to patents to the Government where special circumstances indicate that such action is in the public interest

try, in which politics rather than economics would inevitably be the predominate concern, we should let the private enterprise system do what it does best—produce new products and jobs that the public wants and needs. That is what this bill would do.

Mr. President, I send to the desk for inclusion in the RECORD at the conclusion of these remarks a brief summary of the bill's principal objectives, a sectional analysis, and the text of the legislation. I ask that these materials be printed in full for the use of my colleagues. As a member of the Judiciary Subcommittee on Patent, Copyright, and Trademark Law, I will be working closely with the chairman of that subcommittee, Senator MATHIAS, in organizing hearings upon the legislation and I will be working diligently for early action upon it in the next session of this Congress.

Thank you, Mr. President.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF UNIFORM PATENT PROCEDURES ACT OF 1983

The bill would standardize agency patent procurement policies and procedures, and encourage private sector development of new discoveries made under a federal research and development contract, in the following specific ways:

It creates a presumption in favor of contractor ownership of new inventions developed under federal R&D contracts;

It prohibits agencies from requiring the surrender of so-called "background rights"[1] as a pre-condition to obtainment of a federal R&D contract except where the agency head personally determines that such rights are essential to the accomplishment of agency purposes in the contract;

It streamlines the procurement procedures, establishes one policy for all government agencies, and conforms that policy to the principles of Public Law 96-517;

It eliminates existing provisions of law that unnecessarily complicate the procurement process.

UNIFORM PATENT PROCEDURES ACT OF 1983: SECTIONAL ANALYSIS

Section 1: Title.

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

Section 2(a): Adds a new chapter to Title 35, US.C., the provisions of which would do the following:

Section 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."

Section 213: Definitions used in the Act.

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

Section 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 it 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 contractor.

Section 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.

Section 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.

Section 2b: Chapter headings redesignated.

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

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

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

Section 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.

Section 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.

S. 2171

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniform Patent Procedures Act of 1983".

SEC. 2. (a) Chapter 38 of title 35, United States Code, as added by Public Law 96-517, 94 Stat. 3018, is redesignated as chapter 18 of such title and all references to such chapter 38 shall be considered references to chapter 18.

(b) Part II of title 35, United States Code, is amended by inserting chapter 18, as redesignated herein, after chapter 17 of such title.

(c) The table of chapters for title 35 is amended by redesignating chapter 38 as chapter 18 and inserting such chapter and section designations at the end of part II.

SEC. 3. (a) Section 35 of the United States Code is amended by adding after chapter 18, as redesignated herein, a new chapter as follows:

"CHAPTER 19—PATENT RIGHTS IN INVENTIONS MADE WITH FEDERAL ASSISTANCE BY OTHER THAN SMALL BUSINESS FIRMS OR NONPROFIT ORGANIZATIONS

"Sec.
"212. Policy and objectives.
"213. Definitions.
"214. Responsibilities.
"215. Disposition of rights.
"216. March-in rights.
"217. Background rights.

"§ 212. Policy and objectives

"In addition to the policy and objectives set forth in section 200 of this title, it is the further policy and objective of the Congress to ensure that all inventions made with Federal support are used in a manner to promote free competition and enterprise.

"§ 213. Definitions

"As used in this chapter, the term—

"(1) 'Administrator' means the Administrator of the Office of Federal Procurement Policy or his or her designee;

"(2) 'contract' means any contract, grant, or cooperative agreement entered into between any Federal agency (other than the Tennessee Valley Authority) and any person other than a small business firm or nonprofit organization (as defined in section 201 of this title) where a purpose of the contract is the conduct of experimental, developmental, or research work; such term includes any assignment, substitution of parties or subcontract of any tier entered into or executed for the conduct of experimental, developmental, or research work in connection with the performance of that contract;

"(3) 'contractor' means any person or entity (other than a Federal agency, nonprofit organization, or small business firm, as defined in section 201 of this title) which is a party to the contract;

"(4) 'Federal agency' means an executive agency (as defined in section 105 of title 5, United States Code), and the military departments (as defined in section 102 of title 5, United States Code);

"(5) 'Government' means the Government of the United States of America;

"(6) 'invention' means any invention or discovery which is or may be patentable or otherwise protectable under this title, or any novel variety of plant which is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.);

"(7) 'practical application' means to manufacture (in the case of a composition or product), to practice (in the case of a process or method), or to operate (in the case of a machine or system), in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms or through reasonable licensing arrangements;

"(8) 'Secretary' means the Secretary of Commerce or his or her designee; and

"(9) 'subject invention' means any invention of a contractor conceived or first actually reduced to practice in the performance of work under a contract: *Provided,* That, in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act (7 U.S.C. 2401(d)) must also occur during the period of contract performance.

[1] "Background rights" refers to the contractor's interest in inventions and technical data which were not developed pursuant to a federal R&D contract, but which pre-dated that contract. It has been a common agency practice to automatically require federal contract participants to surrender such interests to the agency as a condition of obtaining a federal R&D contract.

"§ 214. Responsibilities

"(a) The Secretary is authorized to issue regulations which may be made applicable to all Federal agencies implementing the provisions of this chapter, and the Secretary shall proscribe standard patent rights provisions for use under this chapter. The regulations and the standard patent rights provisions shall be subject to public comment before their issuance.

"(b) In order to obtain consistent practices under this chapter and chapter 18 of this title, the Secretary is authorized and directed (i) to consult with and advise Federal agencies concerning the effective and consistent implementation of these chapters, and (ii) to obtain from the agencies information and data relating to agency practices under these chapters.

"§ 215. Disposition of rights

"(a) Subject to subsection (c) of this section and to section 216 of this title, each contractor may elect to retain title, either worldwide or in such countries as it may choose, to any subject invention: *Provided, however,* That a Federal agency may, at the time of contracting, limit or eliminate this right, place additional restrictions or conditions on the contract that go beyond those set forth in subsection (c) of this section, expand the rights of the Government to license or sublicense, and alter or eliminate the contractor's right under paragraph (6) of subsection (c) of this section if—

"(1) it is determined by a Government authority which is authorized by statute or executive order to conduct foreign intelligence or counterintelligence activities that this is necessary to protect the security of such activities;

"(2) it is determined that the contractor is not located in the United States or does not have a place of business located in the United States, or is a foreign government; or

"(3) it is determined, on a case-by-case basis, that there are exceptional circumstances requiring such action to better promote the policies and objectives of sections 200 and 212 of this title.

"(b)(1) Each determination required by subsection (a) of this section shall be in writing and, except in the case of paragraph (1) of subsection (a) of this section, the agency shall, within 30 days after the award of the applicable contract, file with the Secretary a copy of each such determination. In the case of a determination under subsection (a)(3) of this section, the statement shall include an analysis supporting the determination and justifying the limitations and conditions being imposed. If the Secretary believes that any individual determination or pattern of determinations is contrary to the terms, policy, or objectives of this Act, the Secretary shall so advise the head of the agency concerned and the Administrator and recommend corrective actions.

"(2) Whenever the Administrator has determined that one or more Federal agencies are utilizing the authority of paragraph (2) or (3) of subsection (a) in a manner that is contrary to the terms, policy or objectives of this Act, the Administrator is authorized to issue policies, procedures, and guidelines describing classes of situation in which agencies may not utilize the provisions of paragraph (2) or (3) of subsection (a).

"(c) In accordance with the regulations to be issued by the Secretary, after public comment, each contract that the Government or any Federal agency acting on behalf of the Government may enter into shall employ a patent rights clause containing appropriate provisions to effectuate the following:

"(1) that the contractor disclose each subject invention within a reasonable time after it is made and that, upon request, the contractor will assign the Government title to any subject invention not disclosed within such time;

"(2) that, unless the Government has acquired the right to title under subsection (a) of this section—

"(A) the contractor make a written election, as to the retention of title to the subject invention within a reasonable time after disclosure under paragraph (1) of this subsection;

"(B) the Government may, upon request, receive title to any subject invention in any countries in which the contractor has not elected to retain title within such time;

"(C) a contractor electing to retain title to a subject invention will file patent applications within reasonable times; and

"(D) the Government may, upon request, receive title to any subject invention in any countries in which the contractor has failed to file patent applications within the reasonable times specified pursuant to subparagraph (C) of this subsection;

"(3) that with respect to any subject invention to which a contractor elects to retain title, the United States shall have (unless additional rights have been taken under subsection (a) of this section) a nonexclusive, nontransferable, irrevocable, paid-up license to make, use and sell the subject invention throughout the world by or on behalf of the United States: *Provided,* That the contract may provide for such additional rights, including the right to assign or have assigned foreign patent rights in the invention, as determined by the agency as necessary for meeting the obligations of the United States under any treaty or other international agreement, arrangement of cooperation, memorandum of understanding, or similar international arrangements, including military agreements relating to weapons development and production;

"(4) that the agency may require written reports on the commerical use or other forms of utilization or efforts toward obtaining commerical utilization made by the contractor or its licensees or assignees with respect to any subject invention to which the contractor elects title, pursuant to this section: *Provided,* That any such report, as well as any information on utilization of efforts toward obtaining utilization obtained as part of a proceeding under section 216 of this title, shall be treated by the Federal agency as commerical or financial information obtained from a person and privfleged or confidential and not subject to disclosure under the Freedom of Information Act (5 U.S.C. 552);

"(5) that the contractor, in the event a United States patent application is filed by or on behalf or by any assignee of the contractor, will include within the specification of such application and any patent issuing thereon, a statement specifying that the invention was made with Government support and that the Government has certain rights in the invention;

"(6) that the contractor, in cases when it does not elect to retain title to a subject invention, shall retain a nonexclusive, royalty free, paid-up, worldwide license, including the right to sublicense affiliates, subsidiaries, and existing licensees to whom the contractor is legally obligated to sublicense in any subject invention to which the Government obtains title, which license shall be revocable only to the extent necessary for the Government to grant an exclusive license; *Provided, however,* That the contractor shall not be entitleld to such a license if the contractor has fraudulently failed to disclose the subject invention; and

"(7) such other administrative requirements that the Secretary determines to be necessary to effectuate the rights of the Government as specified in this chapter, which are not inconsistent with this chapter.

"(d) Agencies are authorized to include awards to inventors to stimulate reporting of subject inventions as an allowable element of cost if such reporting results in the agency initiating a statutory invention disclosure, the filing of a patent application, or issuance of a patent.

"(e)(1) A Federal agency may, at any time, waive all or any part of the rights of the United States under this section or section 216 of this title to any subject invention or class of subject inventions made or which may be made under a contract or class of contracts if the agency determines that—

"(A) the interestss of the United States and the general public will be best served thereby; or

"(B) the contract involves cosponsored, cost-sharing or joint venture research or development and the contractor or other sponsor or joint venturer is required to make a substantial contribution of funds, facilities, or equipment to the work performed under the contract.

"(2) The agency shall maintain a record, which shall be available to the public and periodically updated, of determinations made under paragraph (1) of this subsection.

"(3) In making determinations under paragraph (1) of this subsection, the agency shall consider at least the following objectives:

"(A) encouraging wide availability to the public of the benefits of the experimental, developmental, or research programs in the shortest practicable time;

"(B) promoting the commercial utilization of such inventions;

"(C) encouraging participation by private persons (including the most highly qualified persons) in the Government-sponsored experimental, developmental, or research programs; and

"(D) fostering competition and preventing the creation or maintenance of situations inconsistent with the antitrust laws of the United States.

"(4) With respect to contracts in which an agency invokes paragraphs (1) through (3) of subsection (a) of section 215, a Federal agency may, after a subject invention has been identified, waive any limits or additional restrictions or conditions placed on a contractor beyond those set forth in sections 215 and 216 and may allow the contractor to retain the license rights set forth in subsection (c)(6) of this section if such license rights were otherwise limited in the contract.

"(f) If a contractor does not elect to retain worldwide title to a subject invention, the Federal agency may consider and, after consultation with the contractor, grant requests for retention of rights by the inventor on such terms and conditions as the agency deems appropriate, subject to section 216 of this Act.

"(g) In any case when a Federal employee is a coinventor of any subject invention, the Federal agency employing such coinventor is authorized to transfer or assign whatever rights it may acquire in the subject invention from its employee to the contractor subject to the same conditions set forth in this title as are applicable to the rights the contractor derived through its own contract.

"§ 216. March-in rights

"(a) Where a contractor has elected to retain title to a subject invention under section 215 of this title, the Federal agency shall have the right (unless waived under

subsection (d) of section 215 of this title), pursuant to policies, procedures, and guidelines of the Secretary and subject to the provisions of subsection (b) of this section, to grant or require the contractor or his assignee to grant a nonexclusive, partially exclusive, or exclusive license to a responsible applicant or applicants, upon terms reasonable under the circumstances, if the head of the agency or his designee determines that such action is necessary—

"(1) because the contractor, assignee, or licensee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the invention;

"(2) to alleviate serious health or safety needs which are not reasonably satisfied by the contractor, his assignees or licensees; or

"(3) to meet requirements for public use specified by Federal regulation which are not reasonably satisfied by the contractors, his assignees of licensees.

"(b) A determination made pursuant to this section shall not be considered a contract dispute and shall not be subject to the Contract Disputes Act (41 U.S.C. 601 et seq.). Any contractor adversely affected by a determination under this section may, at any time within 60 days after the date the determination is issued, file a petition in the United States Claims Court, which shall have jurisdiction to determine the matter de novo and to affirm, reverse, or modify as appropriate, the determination of the Federal agency.

"§ 217. Background rights

"(a) Nothing contained in this chapter shall be construed to deprive the owner of any background patent or of such rights as the owner may have under such patent.

"(b) No contract shall contain a provision allowing a Federal agency to require the licensing to third parties of investions owned by the contractor that are not subject inventions unless such provision has been approved by the agency head and a written justification has been signed by such agency head. Any such provision will clearly state whether the licensing may be required in connection with the practice of a subject invention, a specifically identified work object, or both. The agency head may not delecate the authority to approve such provisions or to sign the justification required for such provisions.

"(c) A Federal agency will not require the licensing of third parties under any such provision unles the agency head determines that the use of the invention by others is necessary for the practice of a subject invention or for the use of a work object of the contract and that such action is necessary to achieve practical application of the subject invention or work object. Any such determination will be made on the record after an opportunity for an agency hearing, and the contractor shall be given prompt notification of the determination by certified or registered mail.".

(b) The table of chapters for title 35, United States Code, is amended by adding immediately after the item relating to chapter 18 as redesignated herein the following:

"19. Patent rights in inventions made with Federal assistance by other than small business firms or nonprofit organizations.".

(c) Chapter 18 of title 35, United States Code, as redesignated herein, is amended—

(1) by adding "or any novel variety of plant which is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.)" immediately after "title" in section 201(d);

(2) by adding ": *Provided*, That in the case of a variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act (7 U.S.C. 2401(d))) must also occur during the period of contract performance" immediately after "agreement" in section 201(e);

(3) in section 202(a), by amending clause (i) to read as follows: "(i) when the contractor is not located in the United States or does not have a place of business located in the United States; and

(4) by amending section 202(b) to read as follows: "(b)(1) The rights of the Government under paragraph (a) of this section shall not be exercised by a Federal agency unless it first determines that at least one of the conditions identified in subparagraphs (i) through (ii) of paragraph (a) exists. Except in the case of paragraph (a)(iii), the agency shall file with the secretary of Commerce, within 30 days after the award of the applicable funding agreement, a copy of such determination. In the case of a determination under paragraph (a)(ii), the statement shall include an analysis justifying the determination. If the Secretary of Commerce believes that any individual determination or pattern of determinations is contrary to the policies and objectives of this chapter or otherwise not in conformance with this chapter, the Secretary shall so advise the head of the agency concerned and the Administrator of the Office of Federal Procurement Policy, and recommend corrective actions.

"(2) Whenever the Administrator of the Office of Federal Procurement Policy has determined that one or more Federal agencies are utilizing the authority of subparagraph (i) or (ii) of paragraph (a) of this section in a manner that is contrary to the policies and objective of this chapter, the Administrator is authorized to issue regulations describing classes of situations in which agencies may not exercise the authorities of those subparagraphs.";

(5) by amending subparagraphs (1), (2), (3), and (4) of section 202(c) to read as follows:

"(1) That the contractor disclose each subject invention to the Federal agency within a reasonable time after it becomes known to contractor personnel responsible for the administration of patent matters, and that the Federal Government may receive title to any subject invention not disclosed to it within such time.

"(2) That the contractor make a written election within 2 years after disclosure to the Federal agency (or such additional time as may be approved by the Federal agency) whether the contractor will retain title to a subject invention: *Provided*, That in any case where publication, on sale, or public use, has initiated the 1 year statutory period in which valid patent protection can still be obtained in the United States, the period for election may be shortened by the Federal agency to a date that is not more than sixty days prior to the end of the statutory period: *And provided further*, That the Federal Government may receive title to any subject invention in which the contractor does not elect to retain rights or fails to elect rights within such times.

"(3) That a contractor electing rights in a subject invention agrees to file a patent application prior to any statutory bar date that may occur under this title due to publication, on sale, or public use, and shall thereafter file corresponding patent applications in other countries in which it wishes to retain title within reasonable times, and that the Federal Government may receive title to any subject inventions in the United States or other countries in which the contractor has not filed patent applications on the subject invention within such times.

"(4) With respect to any invention in which the contractor elects rights, the Federal agency shall have a nonexclusive, nontransferrable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any subject invention throughout the world; *Provided*, That the funding agreement may provide for such additional rights, including the right to assign or have assigned foreign patent rights in the subject invention, as are determined by the agency as necessary for meeting the obligations of the United States under any treaty, international agreement, arrangement of cooperation, memorandum of understanding, or similar arrangement, including military agreements relating to weapons development and production.".

(6) by adding the following new paragraph at the end of section 202:

"(g) A Federal agency may at any time waive all or any part of the rights of the United States under paragraphs (c) (4) through (8) of this section, section 203 and section 204 of this chapter, to any subject inventions made under a funding agreement or class of funding agreements if the agency determines (1) that the interests of the United States and the general public will be best served thereby: or (2) the funding agreement involves cosponsored, cost sharing or joint venture research or venturer is required to make or has made a substantial contribution of funds, facilities, or equipment to the work performed under the funding agreement. The agency shall maintain a record, which shall be available to the public and periodically updated, of determinations made under this paragraph. In making such determinations under clause (A) of this paragraph, the agency shall consider at least the following objectives:

"(1) encouraging the wide availability to the public of the benefits of the experimental, developmental, or research program in the shortest practicable time;

"(2) promoting the commercial utilization of such inventions;

"(3) encouraging participation by private persons, including the most highly qualified persons, in Government-sponsored experimental, developmental, or research programs."; and

(7) by striking out "may" in section 202(c)(5) and inserting in lieu thereof "as well as any information on utilization or efforts at obtaining utilization obtained as part of a proceeding under section 203 of this chapter shall";

(8) by striking out "and which is not, itself, engaged in or does hold a substantial interest in other organizations engaged in the manufacture or sales of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention" in clause (A) of section 202(c)(7) and by striking out clause (B) of section 202 (c)(7) and redesignating clauses (C) and (D) of such section as clauses "(B)" and "(C)", respectively;

(9) by adding at the end of section 203 the following:

"A determination pursuant to this section shall not be considered a contract dispute and shall not be subject to the contract Disputes Act (41 U.S.C. 601 et seq.). Any contractor, assignee, or exclusive licensee adversely affected by a determination under this section may, at any time within 60 days after the determination is issued; file a petition in the United States Claims Court, which shall have jurisdication to determine the manner de novo and to affirm, reverse, or modify as appropriate, the determination of the Federal agency.";

(10) by amending section 206 to read as follows:

"§ 206. Uniform clauses and regulations.

"The Secretary of Commerce may issue regulations which may be made applicable to Federal agencies implementing the provisions of sections 202 through 204 of this chapter and shall establish standard funding agreement provisions required under this chapter. The regulations and the standard funding agreement shall be subject to public comment before their issuance.";

"(11) by amended section 207 by adding the following new paragraph at the end thereof:

"For the purpose of assuring the effective management of Government-owned inventions, the Secretary is authorized to—

"(A) assist Federal agency efforts to promote the licensing and utilization of Government-owned inventions;

"(B) assist Federal agencies in seeking protection and maintaining inventions in foreign countries, including the payment of fees and costs connected therewith; and

"(C) consult with and advise Federal agencies as to areas of science and technology research and development with potential for commercial utilization.";

(12) by amending section 208 by striking out "Administrator of General Services" and inserting in lieu thereof "Secretary of Commerce";

(13) by amending section 209—

(A) by striking our subsection (c)(2);

(B) by redesignating subsection (c)(3) as subsection (c)(2); and

(C) by striking out all in paragraph (d) after "objections" and inserting in lieu thereof a period; and

(14) by adding "of the United States" in section 211 after "law".

SEC. 3. (a) Section 205(a) of the Act of August 14, 1946 (7 U.S.C. 1624(a)), is amended by striking out the last sentence thereof.

(b) Section 501 (c) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 951(c)) is amended by striking out the last sentence thereof.

(c) Section 106(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1395(c)) is repealed.

(d) Section 12(a) of the National Science Foundation Act of 1950 (42 U.S.C. 1871(a)) is repealed.

(e) (1) Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182) is repealed: *Provided, however,* That such section shall continue to be effective with respect to any application of a patent in which the statement under oath referred to in such section has been filed or requested to be filed by the Commissioner of Patents and Trademarks prior to the effective date of this Act.

(2) The item relating to section 152 in the table of contents of the Atomic Energy Act of 1954 is amended to read as follows:

"Sec. 152. Repealed".

(f) The National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.) is amended by—

(1) repealing subsections (a)-(h) and (j) of section 305 thereof (42 U.S.C. 2457): *Provided, however,* That subsections (c), (d), and (e) of such section shall continue to be effective with respect to any application for patents in which the written statement referred to in subsection (c) of such section has been filed or requested to be filed by the Commissioner of Patents and Trademarks prior to the effective date of this Act;

(2) striking out in section 306(a) thereof (42 U.S.C. 2458(a)), "(as defined by section 305)", and by striking "the Inventions and Contributions Board, established under section 305 of this Act" and inserting in lieu thereof "an Inventions and Contributions Board which shall be established by the Administrator within the Administration; and

(3) striking out in section 203(c) thereof "(42 U.S.C. 2473(c)), the following: "(including patents and rights thereunder)".

(g) Section 6 of the Act of July 7, 1960 (30 U.S.C. 666), is repealed.

(h) Section 4 of the Helium Act Amendments of 1960 (50 U.S.C. 167c) is amended by striking out all after "utilization" and inserting in lieu thereof a period.

(i) Section 32 of the Arms Control and Disarmament Act (22 U.S.C. 2572) is repealed.

(j) Subsection (e) of section 302 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 302(e)) is repealed.

(k) Subsections (a) through (k), (m), and (n) of section of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5909) are repealed.

(l) Section 5(d) of the Consumer Product Safety Act (15 U.S.C. 2054(d)) is repealed.

(m) Section 3 of the Act of April 5, 1944 (30 U.S.C. 323), is repealed.

(n) Section 8001(c)(3) of the Solid Waste Disposal Act (42 U.S.C. 6981(c)(3)) is repealed.

(o) Section 6(e) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3705(e)) is repealed.

(p) Section 10(a) of the Act of June 29, 1935 (u U.S.C. 427i(a)) is amended by striking the last sentence thereof.

(q) Section 427(b) of the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 937(b) is amended by striking the last sentence thereof.

(r) Section 306(d) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1226(d)) is amended by striking the first two sentences thereof.

(s) Section 21(d) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2218(d)) is repealed.

(t) Section 6(b) of the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 (42 U.S.C. 5585(b)) is amended by striking "7, 8, and 9" and inserting in lieu thereof "7 and 8".

(u) Section 12 of the Native Latex Commercialization and Economic Development Act of 1978 (7 U.S.C. 178j) is repealed.

(v) Section 408 of the Water Research and Development Act of 1978 (42 U.S.C. 7979) is repealed.

(w)(1) Section 173 of the United States Synthetic Fuels Corporation Act of 1980 (42 U.S.C. 8773) is repealed.

(2) The item relating to section 173 in the table of sections of the Energy Security Act (42 U.S.C. 8701 et seq.) is amended to read as follows:

"Sec. 173. Repealed.".

SEC. 4. Nothing in this Act shall be deemed to convey to any person immunity from civil or criminal liability, or to create any defense to actions, under any antitrust law of the United States.

SEC. 5. (a) This Act shall take effect 6 months after the date of enactment of this Act.

(b) After the effective date of this Act, each Federal agency is authorized, notwithstanding any other law governing the disposition of rights in subject inventions, to allow a contractor or an inventor to retain title to subject inventions made under contracts awarded prior to the effective date of this Act, subject to the same terms and conditions as would apply under this Act had the contract been entered into after the effective date of this Act.

SEC. 6. Within 24 months after the date of enactment of this Act and every two years thereafter, the Secretary of Commerce shall submit to Congress a report of the implementation of chapters 18 and 19 of title 35, United States Code, including any recommendations for legislative or administrative changes to better achieve the policies and objectives of such chapters.●

