Invention Reporting

The position taken by DOD's patent staff, as manifested in proposed mark-ups of S. 1657, represents a drastic change in existing DOD reporting and related forfeiture requirements and is not a simple continuation of existing policies. We urge you to reexamine this new position and to support S. 1657 as now written which adequately protects the interests of DOD. (As a possible alternative, a requirement for disclosure within a reasonable time after "first actual reduction to practice" (but not conception) would be acceptable.)

S. 1657 requires disclosure within a reasonable time after contractor administrative personnel become aware of the invention and provides for possible forfeiture when disclosure is not made within that time. Obviously, as a practical matter, the earliest time a contractor can report anything is after it becomes aware of it.

Under the proposed DOD language, contractors would be subject to forfeiture for failure to disclose within a reasonable time after making, which includes both "conception" and "reduction to practice". While current DOD patent clauses place an obligation on the contractor to report inventions within 6 months from their

making, the forfeiture provisions of the clauses are not tied to this time. In particular, forfeiture for nonreporting (not late reporting) is only applicable when there is a failure to report within 6 months after a patent application has been filed or within 6 months after a final certification of inventions under the contract has been made. The final certification is made 3 months after completion of work under the contract. The current clauses are clearly aimed at situations in which failure to report is fraudulent.

Under the mark-up proposed by DOD, current practice would be reversed. Title to numerous inventions would be placed under a cloud, since as a practical matter, it is simply not possible to report inventions within 6 months or probably any other time period, after conception without sweeping in unfinished projects. Contractors would have to report on hundreds of untried and untested ideas (conceptions) just to be sure they were covered on the ones that later were tested and showed indications of practicality. While contractors would literally have to do that under current DOD clauses, the more practical forfeiture requirements of the same clauses have avoided the need to literally comply. Thus, this has never proven a real problem.

S. 1657, as now written, will in fact give DOD the same disclosure it has always been getting. Indeed, it might even

require contractors to make earlier disclosure in some cases, since its forfeiture provisions in most instances will be earlier than those in existing DOD clauses. On the other hand, S. 1657 as now written is administratively practical and will not place a cloud over the title to inventions conctractors wish to retain. In contrast, the proposed DOD mark-up would create clouds over numerous inventions.