F. Inventions Conceived and Patented at Private Expense But Reduced to Practice in Performance of a Government-Funded Contract

It has been suggested to the Task Force that inventions having been conceived at private expense and which are identified by patents or patent applications but first actually reduced to practice in performance of a government-funded contract remain the property of the contractor, subject to a royalty-free, non-exclusive license to the government. The Task Force rejects this suggestion, as it does not properly take into consideration the contribution of the government in first reducing the invention to practice in all cases. It is recommended by the Task Force that this type of invention be brought to the attention of the agency funding the proposed contract under which such invention may be reduced to practice at the time of contracting so that the equities of both parties may be considered in making a disposition. The Task Force feels that this problem has been further mitigated by the proposal in that the contractor will at very least retain his option to exclusive commercial rights unless otherwise negotiated at the time of contracting.

James L. Whittaker, Esq., Chairman
Patent Operations, RCA Corporation

Norman J. Latker, Esq.
Chief, Patent Branch, BAL
Office of the General Counsel
Dept. of Health, Education & Welfare

John C. Green, Esq.
Research Staff
PTC Research Institute

* James E. Denny, Esq.
Director, Office of Government Inventions and Patents
United States Patent Office

R. Tenny Johnson, Esq.
General Counsel
Civil Aeronautics Board

James A. Dobkin, Esq.
Attorney
Arnold & Porter

William O. Quesenberry, Esq.
Departmental Patent Director
Office of Naval Research
Department of the Navy

L. Lee Humphries, Esq.
Aerospace and Systems Group
North American Rockwell Corp.

** Miles F. Ryan, Esq.
Attorney, Antitrust Division
Department of Justice

** Joel Davidow, Esq. (Alternate)
Attorney, Antitrust Division
Department of Justice

Maurice H. Klitzman, Esq.
Patent Operations
International Business Machines

* Mr. James E. Denny has filed a Minority Report attached hereto.

** Messrs. Ryan and Davidow participated in the deliberations of the Task Force, and many of their suggestions are reflected in the majority report, but they did not vote for or against the total report.

Gerald D. O'Brien, Esq.
Consultant to Study Group No. 6

O. A. Neumann, Esq.
Executive Secretary
FCST Committee on Government Patent Policy

APPENDIX A

GOVERNMENT PATENT POLICY

1. "Patent Rights Under Government Contracts" published by National Association of Manufacturers, Current Issues Series No. 8, November 1960.

2. "Statement of Principles for the Evaluation of Federal Government Patent Policy" published by National Council of Patent Law Associations. (1962)

3. "Government Ownership and Administration of Patents" by Howard I. Forman.

4. "Government Patent Policy" by Charles L. Shelton, published in Journal of Air Law and Commerce, Vol. 33. (1967)

5. "The Department of Defense Patent Policy at the Cross Roads: An Argument for the Retention of Traditional Incentives" by Arthur John Keeffe and David M. Lewis, Jr.; Catholic University Law Review, Vol. X. (1961)

6. "The National Aeronautics and Space Act of 1958 Patent Provisions" by Wilson R. Maltby; George Washington Law Review.

7. "The Utilization of Government-Owned Patented Inventions" by Mary A. Holman, published in Patent, Trademark, Copyright Journal of Research Education, Vol. 7, No. 2. (Summer and Fall 1963)

8. "Government Ownership of Patents" by Frank J. Wille, published in Fordham Law Review, Vol. XII, No. 2, May 1943.

9. "Patents Or Premiums" by John Boyle, published in JPOS of July 1944.

10. "Exploitation of Government-Owned Patents" by John Boyle, published in 35 JPOS 188, March 1953.

11. "Federal Employee Invention Rights -- Time to Legislate" by Marcus B. Finnegan and Richard W. Pogue, published in Michigan Law Review, Vol. 55, No. 7, May 1957.

12. "National Coordination for Space Exploration" by Paul G. Dembling, published in JAG Journal, February 1959.

13. "Property Rights in Inventions Under the National Aeronautics and Space Act of 1958" by Gerald D. O'Brien and Gayle Parker published in Federal Bar Journal, July 1959.

14. "Patents Arising From Government Sponsored Research" by Capt. George N. Rebillard, presented before ABA Annual Meeting, August 26, 1959. (JPOS, January 1960)

15. Statement of John W. Anderson, President, National Patent Council, to Patents Subcommittee of the House Committee on Science and Astronautics, November 30, 1959.

16. "National Aeronautics and Space Act of 1958" by Gordon H. Chenez, prepared May 10, 1960.

17. "Do the Atomic Energy Act and the National Aeronautics and Space Act Promote Adequate Space Advancements?" by Virginia Geoffrey, published in JPOS, September 1961.

18. A Model International Convention on Inventions in Space" by Jack Larsen, presented at October 13, 1961 meeting of American Rocket Society Space Flight Report to the Nation.

19. "Patent Policy for Communications Satellites: A Unique Variation" by Robert F. Allnutt, published in Marquette Law Review, Vol. 46, 1962.

20. "Government Recognition and Acquisition of Patent Rights" by Charles W. Small, published in Cleveland-Marshall Law Review, May 1962.

21. "Government Patent Policy" published in HERE's THE ISSUE, Vol. July 9, 1962.

22. "On Assignment of Patent Rights on Inventions Made Under Government Research Contracts" by Wassily Leontief, published in Harvard Law Review, Vol. 77, No. 3., January 1964.

23. "Space Technology: Pay-off From Spin-off" by John G. Welles and Robert H. Waterman, Harvard Business Review, July-August 1964.

24. "Legislative Problems in the Field of Patents and Patent Policy" by Emilio Q. Daddario, published in Patents & Programs, The Source and Impact of Advancing Technology, 1965.

25. "Regulation of Industry Through Government Contracts -- Have we Reached the Point of Diminishing Returns?" by Paul F. Hannah, published in The Business Lawyer, November 1965.

26. "Utilization of Government-Owned Health and Welfare Inventions" by Norman J. Latker and Ronald J. Wylie, published in JPOS, Vol. SLVII, No. 11, November 1965.

27. "Practice Before the Patent Office Under Section 152 of the Atomic Energy Act and Section 305 of the National Aeronautics and Space Act" by Jerald B. Rosenblum, published in Federal Bar Journal, Vol. 25, No. 1, Winter 1965.

28. "President's Statement on Government Patent Policy: A Springboard for Legislative Action" by Howard I. Forman, published in Federal Bar Journal, Vol. 25, No. 1, Winter 1965.

29. "Utilization or Dispensation -- Suggestions for the Government's Patent Procurement Program" by Peter Berger, published in JPOS, July 1966.

30. "Federal Patent Policy" by Donald G. Daus, published in JPOS, October 1966.

31. "Inventions in Orbit: The Patent Waiver Regulations of the National Aeronautics and Space Administration Revisited" by Lawrence R. Caruso, published in Howard Law Journal, Winter 1966.

32. "Patent Policy in Government Research and Development Contracts" by James A. Dobkin, Virginia Law Review, Vol. 53, 1967.

33. "NASA's Patent Policy" by John Manning, published in BPLA NEWS, No. 3, 1967.

34. "Effective Use of Government-Owned Rights to Inventions: Publication Versus Patenting" published in Georgetown Law Journal, Vol. 55, 1967.

35. "Patent Problem: Who Owns the Rights?" by William W. Eaton, published in Harvard Business Review, July-August 1967.

36. "Inventor of Fluidic Devices Now Applies the Technology" published in Product Engineering, September 25, 1967.

37. "Patents and U.S. Foreign Policy" by Leonard J. Robbins, published in IDEA, Vol. 11, No. 4, 1968.

38. "Patents: A Relatively Unrealized Asset" by Major Ludwig E. Lippert, Jr., published in JAG Law Review, March-April 1968.

39. "Reduction to Practice of Space Inventions" by Robert F. Kempf, presented to Space Conference in March 1968.

40. "Transfer of Space Technology to the American Consumer: The Effect of NASA's Patent Policy" by Samuel I. Doctors, Minnesota Law Review, Vol. 52, No. 4, March 1968.

41. "Government, Industry, and the Research Partnership: The Case of Patent Policy" by Henry Lambright, published in May/June 1968 Public Administration Review.

42. "Benefit Concept Further Refined by ASBCA TRW Opinion" by Howard W. Wright, published in The Federal Accountant, December 1968.

43. "Patent Practices of the Department of the Interior" by Edward O. Ansell, presented before Symposium on Emerging Patent Practices and Data Policies of Government Agencies on January 15 and 16, 1969.

44. "Intellectual Property and the Air Force" by Paul M. Pahules published in JAG Law Review, Fall 1969.

45. "Concentration of Patents From Government Financed Research in Industry" by Donald Watson and Mary Holman, ublished in Review of Economics and Statistics, pp. 375-381.

46. Statement by Dr. John S. Foster, Director of Defense Research and Engineering, on Independent Research and Development in the DOD, before House Armed Services Investigating Subcommittee, March 2, 1970.

47. "Army Reserve Officer Spends Two Weeks on Active Duty with Patents Division of Office of Judge Advocate General" published in January 1960 JPOS.

48. "What is Congress Doing About the Patent System?" by Elmer J. Corn published in September 1960 JPOS.

49. "Patent Law" by William R. Lane, published in December 1960 JPOS.

50. "Hindsight: DOD Study Examines Return on Investment in Research" published in November 1966 issue of SCIENCE.

51. "Defensive Patenting and Some Proposed Choices" by William J. Bethurum published in Winter 1965 Federal Bar Journal.

52. "Government Patent Policy and the New Mercantilism" by Benjamin Gordon published in Winter 1965 Federal Bar Journal.

53. "Need for a Federal Policy to Foster Invention Disclosures by Contractors and Employees" by Wilson R. Maltby published in Winter 1965 Federal Bar Journal.

54. "Impact of Government's Patent Policies on the Economy and the American Patent System" by Howard I. Forman Published in 1963 PATENT PROCUREMENT & EXPLOITATION.

55. "What is Congress Doing About the Patent System" by Kimball S. Syman published in March, 1961, Vol. XLIII, No. 3, Journal of the Patent Office Society.

56. "A Plea for a Proper Balance of Proprietary Rights" by Robert H. Rines in IEE Spectrum, April 1970.

57. "Government Patent Policy: A Case Study of the N.A.S.A." by Joseph R. Mason published in the Nebraska Journal of Economics and Business, Winter 1970.

58. "Economic Concentration, Monopoly, and NASA's Waiver Policy" by Mary A. Holman published in the Nebraska Journal of Economics and Business, Winter 1971.

59. "The Patent Provisions of the National Aeronautics and Space Act of 1958", by Gerald D. O'Brien, published in Journal of the Patent Office Society, pages 651-656, September 1959, Vol. XLI, No. 9.

60. "Invention Disclosure Review Board" by Colonel Morton J. Gold, published in JAG L. Rev., Fall-1969, pages 340-351.

61. "Federal Patent Policy: An Instrument in the Regulation of Industry" by H. Fredrick Hamann, published in Southern California Law Review, Vol. 39, No. 4, 1966, pages 491-525.

62. "Patents and Licensing Policy" published in Aerospace Management, Vol. 5, No. 1, 1970, pages 126-130.

63. "Present and Proposed Governmental Licensing Program," by Lee Stam, Cal/Tech, paper presented at LES Meeting, 4-24-70.

64. "Government Ownership and Administration of Patents", by Howard I. Forman, published on pages 360-383.

65. "The Financing of Research and Development Projects Contracted to Private Firms: An Economic Study of the Patent Policy of the National Aeronautics and Space Administration," by Joseph Robert Mason, submitted to the Dept. of Economics in partial fulfillment of the requirements for the degree of Doctor of Philosophy in the Graduate School of Boston College.

66. Donald S. Watson and Mary A. Holman, An Evaluation of the Patent Policies of the National Aeronautics and Space Administration, a report prepared for NASA and published by the U.S. House Committee on Science and Astronautics, 89th Cong., 2d sess. (Washington, D. C.: U.S. Government Printing Office, 1966), pp. 47-52.

67. Watson and Holman, op. cit., p. 35 and p. 69; and Harbridge House, Inc., Government Patent Policy Study, vol. 4: Effect of Government Patent Policy on Commercial Utilization and Competition (Boston: Harbridge House, 1968), pp. 1-2.

1A. Presidential Memorandum and Statement of Government Patent Policy of August 23, 1971.

1B. Presidential Memorandum and Statement of Government Patent Policy of October 10, 1963.

2. Armed Services Procurement Regulations, Chapter IX - Part 1

3. Postal Service Procurement Regulations, POD Form 2149A (April 1969) pages 3, 4, 5, 6

4. Department of Commerce Procurement Regulations, PD-GP-1 (11-70) pages 18 through 38

5. NASA Act of 1958 (PL 85-568), Section 305

6. NASA Procurement Regulations - Chapter IX

7. AEC Act of 1954 (PL 83-703) - Chapter 13

8. AEC Procurement Regulations - Section 9-9.5000 et seq.

9. NASA Waiver Regulations 14 CRF 1245.100 et seq.

10. FAA Procurement Regulations, Forms FAA P-3 (10/15/69) pages 10,11,12 and FAA P-5 (11/1/69) pages 8 and 9

11. Proposed DOT Procurement Regulations

12. CODSIA Letter dated May 14, 1971 to DOT re the Proposed DOT Procurement Regulations

13. Bureau of National Affairs Patent, Trademark & Copyright Journal dated 5-27-71, pages A-1, A-2 and A-3

14. CODSIA Letter dated May 10, 1971 to ASPR Committee re Patent Costs

15. Remarks of James E. Denny Before the Intellectual Property Rights Seminar, Smithsonian Institution, April 7, 1971