Cover Sheet

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DRAFT

MEMORANDUM FOR Ernest Ambler
Director, National Bureau of Standards

FROM: Robert Ortner
Under Secretary for Economic Affairs

SUBJECT: Delegation of Authorities Under P.L. 99-502

I was very pleased to see the desire of NBS to quickly implement the Federal Technology Transfer Act and, if we agree on the following points, I am hereby giving you the official delegation of responsibility to pursue cooperative research agreements with the private sector pursuant to the law and the Executive Order.

(1) You have emphasized the support NBS has for prompt sharing of royalties with your employed inventors, which you rightly maintain is a key element to success of the Act. While not explicit in your letter, I believe we both understand that this will be done by NBS directly under agreements entered into by your MOU directors rather than through NTIS. NTIS will make these royalty payments when they license NBS inventions outside the Act. We need to ensure that our laboratory directors and employees understand that these payments will be promptly made by the laboratory.

(2) The NBS MOU directors, as a part of their authorities under the Act and these delegations, must have authority to file for patent protection for inventions made outside the Federal Technology Transfer Act when these can be included in a cooperative research and development agreement with industry. It is important that such decisions clearly belong to our laboratory directors without the need for committee endorsement. This point should be clarified for the NBS Invention and Patent Committee.

(3) I concur in your decision to immediately redelegate these authorities to the managers of MAJOR ORGANIZATIONAL UNITS (MOUs) within NBS. Your decision to allow the MOU managers to negotiate licensing rights to resulting inventions with the private sector is consistent with the Department's policies and those outlined in the law. My staff is very impressed with the enthusiasm of your Office of Research and Technology Applications and I believe your decision to allow the ORTA to assist your MOU directors will be very productive.

I am looking forward to working with you on implementing this Act. As similar delegations are made to NOAA and NTIA, we will be calling a meeting of the Commerce laboratory directors and I believe the experience and expertise of NBS will be very helpful to the other Commerce agencies in their implementation efforts.