UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Productivity,
Technology and Innovation
Washington, D.C. 20230
(202) 377-1984

JUN 1 1987

MEMORANDUM FOR Robert Ortner
Under Secretary for Economic Affairs

Subject: Implementation of the Federal Technology Transfer Act of 1986

By memorandum of February 12, you asked that I consider forming a third operating unit in PTI that would combine the new responsibilities created under PL 99-502 and the NTIS patent licensing function. In my response of March 4, I suggested that any reorganization proposal should await clarification of the PTI budget situation.

With issuance of the Executive Order 12591, April 10, 1987, the strong likelihood of full OPTI funding in FY 1988, and the numerous 'competitiveness' legislative proposals affecting OPTI's agenda, I believe it is now time for this Department to assume publically a lead focal role in both the public and private sectors in implementing the Federal Technology Transfer Act. My primary recommendations are threefold:

1. That a new office, reporting to me, be created with the name, "Office of Federal Technology Management." The attached proposed modification to Departmental Order 10-1 provides for this change.

Regarding inclusion in that office of the NTIS patent licensing function, my discussions with Dr. Caponio and others indicate that no transfer of patent licensing functions should occur. However, there should be closer coordination between the proposed new Office of Federal Technology Management and the NTIS patent licensing function. I intend to take steps to ensure this close coordination.

Further, and building upon my comments of March 4, other OPTI programs are also critical and inextricably intertwined in the commercialization of federally funded technology, such as cooperative R&D consortia, R&D funding, assistance to State government technology commercialization programs, small business assistance, our work with industry, State governments and DoD on flexible manufacturing systems, productivity improvement information, and so forth. It is only by being successful in all of them will the U.S. achieve maximum success in its competitiveness objectives. These complementary and indespensable functions are provided by other OPTI units and NTIS.

2. That, the intra- and interagency committees and other activities undertaken by my office to implement the Federal Technology Transfer Act continue to proceed while the new office is under consideration.

3. That, given the proposed new PTI structure (with three constituent units) and the greatly enhanced Congressional and private sector attention to the role of technology and innovation, we believe the position of Deputy Assistant Secretary (DAS) for PTI should be filled, possibly by a career officer. Departmental Order 10-1 provides the authority for that DAS. In the meantime, I hope to have my de facto deputy, Jack Williams, designated as Acting DAS.

(signed)
D. B. Merrifield

D. Bruce Merrifield

Attachment

OPTI/Williams/mb/5/28/87
bc: Dr. Merrifield
Chron

OFFICE OF FEDERAL TECHNOLOGY MANAGEMENT

SECTION 1. PURPOSE

This Order prescribes the organization and the functions of the Office of Federal Technology Management.

SECTION 2. STATUS AND LINE OF AUTHORITY

The Office of Federal Technology Management, a constituent operating unit of the Department, shall be headed by a Director who shall report to and be responsible to the Assistant Secretary for Productivity, Technology and Innovation.

SECTION 3. FUNCTIONS

The Office of Federal Technology Management shall be the principal unit in the Department on issues and policies relating to technology developed in Federal laboratories, developed with Federal funding, or utilized by Federal programs and activities. In carrying out these responsibilities, the Office shall:

a. Assist the A/S for PTI to advise the Under Secretary for Economic Affairs and other Department officials on important policy questions and problems relating to private sector use of Federal technology.

b. Enhance the flow of Federally funded technologies to the private sector and minimize adverse effects of Federal programs on Federal technology developed by the private sector.

c. Assist the A/S for PTI to advise the Under Secretary for Economic Affairs in performing the lead agency functions delegated by the Secretary, concerning Federal technology management policy under Public Laws 96-480, 96-517, 98-620, 98-622, and 99-502 and Executive Orders 10096 and 12591 and the President's patent policy memorandum, including coordinating, monitoring, gathering relevant data, evaluating relevant programs and activities, developing uniform Government-wide standards for implementing Federal patent policy, preparing reports, disseminating information, making recommendations, and taking other actions necessary to assure maximium private sector opportunity for commercializing technology resulting from projects performed by Federal agencies or financed with Federal Government funds.

(1) Provide advice and assistance as requested by other Federal agencies on model agreements and cooperative research and development projects as authorized by paragraph 10(g)(1) of P.L. 99-502.

(2) Develop the biennial report required by subparagraph 10(g)(2) of P.L. 99-502 to the President and Congress on Government-wide use of the authorities provided in the Act.

(3) Issue, interpret, and maintain regulations under P.L. 96-517 and 98-620 on ownership of Government funded inventions (37 CFR Part 401) and licensing of Government-owned inventions (37 CFR Ch.IV).

(4) Interpret and administer the Government Employee Inventor Program under E.O. 10096, including recommendations for changing the Order if necessary to conform with new legislation.

(5) Interpret and administer Sections 1, 5 and 7 of the technology transfer program under Executive Order 12591.

(6) Work with agencies to help take advantage of the Statutory Invention Recording process authorized by P.L. 98-622 and develop the required annual report.

(7) Analyze, review and propose new legislation or other policies including Government-wide regulations on Federal agency management of technology developed by the Government or with Government funding, including preparation of the report to Congress and the President required by paragraph 10(g)(3) of P.L. 99-502.

d. Serve as Executive Director to the Chairman of the Federal Coordinating Council on Science, Engineering, and Technology Committee on Intellectual Property for Technology Transfer.

e. Develop a Government-wide policy on technical data used or developed at Government expense.

f. Develop training materials and programs for helping Federal laboratories or Federally-funded laboratories improve their technology transfer capabilities.

g. Chair the Commerce Committee on Laboratory Technology Management, to coordinate implementation of authorities delegated to DOC laboratories under subsection 11(a); the awards program authorized by section 12 of P.L. 99-502 and the distribution of royalties under Section 13 of P.L. 99-502.

(1) Draft Commerce regulations as may be necessary to comply with subsection 11(c) of P.L. 99-502.

(2) Develop and administer policies for distributing royalty income within the Department of Commerce in accordance with subsection 13(a) of P.L. 99-502.

h. Chair the executive subcommittee and provide staff to the DOC Interagency Committee on Laboratory Technology Management to coordinate implementation authorities delegated to DOC under subsection 10(g) of P.L. 99-502.

i. Prepare the reports from the Secretary to the President and Congress as required in P.L. 99-502.

j. In carrying out these functions the office will coordinate its activities with the other constituent units of PTI.

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Enhance the flow of Fed...

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Standard Form 52
Rev. Jan. 1982
U.S. Office of Personnel Management
FPM Chapter 296

EA 86-97.
06/09/86

REQUEST FOR PERSONNEL ACTION

Part I – Requesting Office – Also, complete Part II, Items 1 and 20-34 as necessary.

A. For Agency Use	B. For Additional Information Call: *(Name and Telephone Number)*
U. S. Department of Commerce	Doris Trunfio 377-4165

C. Personnel Action Requested	D. Proposed Effective Date	E. Requested By *(Signature, Title, and Date)*
Position Title Change		Norman J. Latker, Dir.,Fed. Tech. Mgmt Policy Di
F. Position Action Requested	**G. Proposed Effective Date**	**H. Approved By *(Signature, Title, and Date)***
		Jack Williams, Dir.,OPT D. Bruce Merrifield, A/S for PTI

I. Remarks By Requesting Office *(Note Supervisors: If action requested is employee resignation and if you know of additional or conflicting reasons for the resignation, please state these facts on a separate sheet and attach to SF 52.)*

F.T. Knickerbocker, Executive Director
for Ofc. of the U/S for Economic Affairs

Part II – For Preparation Of SF 50

1. Name *(Last, First, Middle)*	2. SSN	3. Position Sensitivity (Opt.)	4. Date of Birth
Allen, Joseph P.	229-68-1906		

5. Veteran Preference	6. Serv. Comp. Date *(Leave)*	7. Tenure	8. Retirement
1–None 2–5 Pt. 3–10 Pt. Disab. 4–10 Pt. Comp. 5–10 Pt. Other 6–10 Pt./30% Comp.			1–CS 2–FICA 3–FS 4–None 5–Other 6–CS Spec

9. FEGLI	10. FLSA	11. Sex	12. Citizenship	13. Comp. Level (Opt.)
	E–Exempt N–Nonexempt		1–US 8–Other	

14. Effective Date	15. Annuitant Indicator	16. Work Schedule	17. (Reserved For OPM Use)
	1. Reempl. Ann.-CS 2. RETO 3. RETM 4. RETO & CS 5. RETM & CS 9. Not Applicable	F–Full-time P–Part-time I–Intermittent G–FT Seasonal Q–PT Seasonal J–INT Seasonal	

18–A. NOAC	18–B. Nature of Action	19–A. NOAC	19–B. Nature of Action
18–C. Auth Code	**18–D. Authority**	**19–C. Auth Code**	**19–D. Authority**
18–E. Auth Code	**18–F. Authority**	**19–E. Auth Code**	**19–F. Authority**

20. FROM: Position Title and Number	27. TO: Position Title and Number
Patent Policy Liaison Specialist ~~1500501~~E	Technology Policy Liaison Specialist
21. Name and Location of Employing Office	**28. Name and Location of Employing Office**
U. S. Department of Commerce Office of the U/S for Economic Affairs Office of the A/S for PTI/OPTI Federal Technology Management Policy Division	U. S. Department of Commerce Office of the U/S for Economic Affairs Office of the A/S for PTI/OPTI Federal Technology Management Policy Division

22. Pay Plan & Occupational Code	23. Grade or Level	24. Step or Rate	25. Salary	26. Pay Basis	29. Pay Plan & Occupational Code	30. Grade or Level	31. Step or Rate	32. Salary	33. Pay Basis
GM-0301	15	00		PA	GM-0301	15	00		PA

34. Duty Station	35. Position Occupied	36. Appropriation Code *(Optional)*
Washington, D. C.	1–Competitive 2–Excepted 3–SES General 4–SES Career Reserved	C/601/1471-00/47-00/10C

37. Remarks

POSITION DESCRIPTION *(Please Read Instructions on the Back)*

1. Agency Position No.: 1500501E

2. Reason for Submission: [ ] Redescription [ ] Reestablishment [ ] New [X] Other
Explanation *(Show any positions replaced)*

Position Title Change

3. Service: [X] Dept'l [ ] Field

4. Employing Office Location: Washington, D. C.

5. Duty Station: Washington, D. C.

6. CSC Certification No:

7. Fair Labor Standards Act: [ ] Exempt [ ] Nonexempt

8. Employment/Financial Stmt Required: [ ] Yes [X] No

9. Subject to IA Action: [ ] Yes [X] No

10. Position Status: [ ] Competitive [ ] Excepted *(Specify)*

11. Position is: [ ] Supvrsry [ ] Managerial [X] Neither

12. Sensitivity: [ ] Critical [X] Noncritical [ ] Nonsensitive

13. Competitive Level Code:

14. Agency Use:

15. Classified/Graded by	Official Title of Position	Pay Plan	Occupational Code	Grade	Initials	Date
a. Civil Service Commission						
b. Department, Agency, or Establishment						
c. Bureau	Technology Policy Liaison Specialist	GM	0301	15		
d. Field Office						
e. Recommended by Supervisor or Initiating Office						

16. Organizational Title of Position *(if different from official title)*:

17. Name of Employee *(if vacancy, specify)*: Joseph P. Allen

18. Department, Agency, or Establishment: U. S. Department of Commerce

a. First Subdivision: Office of the Under Secretary for Economic Affairs

b. Second Subdivision: Office of the Assistant Secretary for Productivity, Technology&Inn

c. Third Subdivision: Office of Productivity, Tech. and Innovation

d. Fourth Subdivision: Federal Technology Management Policy Division

e. Fifth Subdivision:

19. Employee Review *This is an accurate description of the major duties and responsibilities of my position*

Signature of Employee *(optional)*

20. **Supervisory Certification.** *I certify that this is an accurate statement of the major duties and responsibilities of this position and its organizational relationships, and that the position is necessary to carry out Government functions for which I am responsible. This certification is made with the knowledge that this information is to be used for statutory purposes relating to appointment and payment of public funds, and that false or misleading statements may constitute violations of such statutes or their implementing regulations*

a. Typed Name and Title of Immediate Supervisor: Norman J. Latker, Director, Federal Technology Management Policy Division

Signature: N. J. Latker Date: 5/27/86

b. Typed Name and Title of Higher-Level Supervisor or Manager *(optional)*: Jack Williams, Director, Office of Productivity, Technology, & Innovation

Signature: Jack Williams Date: 6/1/86

21. **Classification/Job Grading Certification.** *I certify that this position has been classified/graded as required by Title 5, U. S. Code, in conformance with standards published by the Civil Service Commission or, if no published standards apply directly, consistently with the most applicable published standards*

Typed Name and Title of Official Taking Action

Signature Date

22. Standards Used in Classifying/Grading Position

Information for Employees. The standards, and information on their application, are available in the personnel office. The classification of the position may be reviewed and corrected by the agency or the Civil Service Commission. Information on classification/job grading appeals, and complaints on exemption from FLSA, is available from the personnel office or the Commission.

23. Position Review	Initials	Date	Initials	Date	Initials	Date	Initials	Date	Initials	Date
a. Employee *(optional)*										
b. Supervisor										
c. Classifier										

24. Remarks

25. Description of Major Duties and Responsibilities *(see attached)*

(1) Supervisory Certification

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3. That, given the proposed new PTI structure (with three constituent units) and the greatly enhanced Congressional and private sector attention to the role of technology and innovation, we believe the position of Deputy Assistant Secretary (DAS) for PTI should be filled, possibly by a career officer. Departmental Order 10-1 provides the authority for that DAS. In the meantime, I hope to have my de facto deputy, Jack Williams, designated as Acting DAS.

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FORM SEC-20
(REV 6-85)

CLEARANCE SHEET

U.S. DEPARTMENT OF COMMERCE
OFFICE OF MANAGEMENT
ANALYSIS AND CONTROL

(DOO or DAO Number)
DOO 35-10

TITLE

OFFICE OF FEDERAL TECHNOLOGY MANAGEMENT

PURPOSE

SUBJECT

New DOO 35-10, "Office of Federal Technology Management."

STATEMENT OF THE ISSUE

The Under Secretary for Economic Affairs proposes the establishment of a new Office of Federal Technology Management.

ANALYSIS

Enactment of the Federal Technology Transfer Act of 1986, and issuance of Executive Order 12591 on April 10, 1987, placed the Department is a lead role in the private sector commercialization of technology resulting from Federally-funded research. The assigned responsibilities are technically and politically significant; and a specialized organizational unit is required to support top-level Department management decisions and actions in carrying out those responsibilities.

The attached DOO 35-10 establishes the Office of Federal Technology Management within the Office of the Assistant Secretary for Productivity, Technology and Innovation. The Office will be the principal unit in the Department for analysis, planning, coordination, reporting, and general oversight during the performance of the responsibilities under the Act and Executive Order 12591.

The attached DOO 35-10 will not affect current budgetary or staffing requirements of the Office of the Under Secretary for Economic Affairs.

RECOMMENDATION

I recommend that you sign the attached DOO 35-10.

Attachment

cc: General Counsel

Please return to room 5317 after each clearance.

	PREPARED BY	CLEARED BY	CLEARED BY	CLEARED BY	CLEARED BY	CLEARED BY
SURNAME AND ORGANIZATION *(Typed)*	R. Ingram OMO/MAD	R. Ortner US/EA				
INITALS AND DATE	RI 10-23-87					
DATE	TO: Assistant Secretary for Administration					
	Based on above concurrences your approval of the subject order is recommended.					

Director, Office of Management and Organization

USCOMM-DC 85-9003

TRANSMITTAL _____

United States of America DEPARTMENT OF COMMERCE	DEPARTMENT ORGANIZATION ORDER 35-10	
DEPARTMENT ORGANIZATION ORDER SERIES	DATE OF ISSUANCE	EFFECTIVE DATE

SUBJECT

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b. Improve the flow of Federally funded technologies to the private sector, and minimize adverse effects of Federal programs on Federal technology developed by the private sector.

c. Assist the Assistant Secretary in advising the Under Secretary on the performance of lead-agency functions regarding Federal technology management policy in accordance with specific delegations of authority from the Secretary and associated laws, directives, and regulations. The Office shall:

1. Provide advice and assistance, as requested by other Federal agencies, on model agreements and cooperative research and development projects authorized by P.L. 99-502;

2. Develop the biennial report to the President and Congress required by P.L. 99-502 on Governmentwide use of the authorities provided in the Act;

management decisions and actions on issues, policies, legislation, regulations, and

3. Issue, interpret, and maintain regulations under P.L. 96-517 and 98-620, consonant with the provisions of DOO 10-6, as amended, on the ownership of Government funded inventions, and licensing of Government-owned inventions;

4. Serve as Government spokesperson, in consultation with the Department of State and other agencies, in the disposition of rights to ownership of Federal technology under the intellectual property clauses of science and technology agreements with foreign governments;

5. Interpret and administer the Government Employee Inventor Program under Executive Order 10096, including recommendations to change the Order if necessary to conform with new legislation;

6. Interpret and administer Sections 1, 5, and 7 of Executive Order 12591 on the transfer of Federally funded technology to the private sector;

7. Work with other Government agencies to take advantage of the Statutory Invention Recording process authorized by P.L. 98-622, and develop the required annual report;

8. Analyze, review, and propose new legislation or policies, including Governmentwide regulations on Federal agency management of technology developed by the Government or with Government funding; and

9. Prepare the report from the Secretary to the President and Congress on copyright and other barriers to the transfer of Federally-funded computer software and the feasibility of maintaining an inventory of Federally-funded training software as required in P.L. 99-502.

d. Serve as Executive Director to the Chairman of the Federal Coordinating Council on Science, Engineering, and Technology Committee on Intellectual Property for Technology Transfer.

e. Develop a Governmentwide policy on technical data used or developed at Government expense.

f. Develop training materials and programs to help Federal laboratories or Federally-funded laboratories improve their technology transfer capabilities.

g. Chair the Commerce Committee for Implementing the Federal Technology Transfer Act, whose purpose is to coordinate the implementation of authorities assigned to the Department under P.L. 99-502.

h. Draft Department regulations to comply with subsection 11(c) of P.L. 99-502 on cooperative research and development agreements.

i. Develop and administer policies for distributing royalty income within the Department in accordance with subsection 13(a) of P.L. 99-502.

and the feasibility of maintaining an inventory of Federally-funded training software

j. Chair the executive subcommittee and provide staff to the Interagency Committee for Federal Laboratory Technology Transfer to coordinate implementation of authorities under subsection 10(g) of P.L. 99-502.

k. In carrying out these functions, the Office shall coordinate with other units in the Office of the Assistant Secretary and, as appropriate, with other affected operating units of the Department.

_____
Under Secretary for Economic Affairs

Approved:

_____
Assistant Secretary for Administration

FORM SEC-20
(REV. 6-85)

CLEARANCE SHEET

U.S. DEPARTMENT OF COMMERCE
OFFICE OF MANAGEMENT
ANALYSIS AND CONTROL

(DOO or DAO Number)
DOO 35-10

TITLE

OFFICE OF FEDERAL TECHNOLOGY MANAGEMENT

PURPOSE

SUBJECT

New DOO 35-10, "Office of Federal Technology Management."

STATEMENT OF THE ISSUE

The Under Secretary for Economic Affairs proposes the establishment of a new Office of Federal Technology Management.

ANALYSIS

Enactment of the Federal Technology Transfer Act of 1986, and issuance of Executive Order 12591 on April 10, 1987, placed the Department is a lead role in the private sector commercialization of technology resulting from Federally-funded research. The assigned responsibilities are technically and politically significant; and a specialized organizational unit is required to support top-level Department management decisions and actions in carrying out those responsibilities.

The attached DOO 35-10 establishes the Office of Federal Technology Management within the Office of the Assistant Secretary for Productivity, Technology and Innovation. The Office will be the principal unit in the Department for analysis, planning, coordination, reporting, and general oversight during the performance of the responsibilities under the Act and Executive Order 12591.

The attached DOO 35-10 will not affect current budgetary or staffing requirements of the Office of the Under Secretary for Economic Affairs.

RECOMMENDATION

I recommend that you sign the attached DOO 35-10.

Attachment

cc: General Counsel

Please return to room 5317 after each clearance.

	PREPARED BY	CLEARED BY	CLEARED BY	CLEARED BY	CLEARED BY	CLEARED BY
SURNAME AND ORGANIZATION *(Typed)*	R. Ingram OMO/MAD	R. Ortner US/EA				
INITALS AND DATE	RI 10-23-87	10/30/87				
DATE	TO: Assistant Secretary for Administration					
	Based on above concurrences your approval of the subject order is recommended.					

Director Office of Management and Organization

USCOMM-DC 85-9003

TRANSMITTAL _____

United States of America DEPARTMENT OF COMMERCE	DEPARTMENT ORGANIZATION ORDER 35-10	
DEPARTMENT ORGANIZATION ORDER SERIES	DATE OF ISSUANCE	EFFECTIVE DATE

SUBJECT

OFFICE OF FEDERAL TECHNOLOGY MANAGEMENT

SECTION 1. PURPOSE.

This Order establishes and prescribes the functions of the Office of Federal Technology Management.

SECTION 2. STATUS AND LINE OF AUTHORITY.

The Office of Federal Technology Management, a constituent operating unit of the Department of Commerce, shall be headed by a Director who shall report and be responsible to the Assistant Secretary for Productivity, Technology and Innovation (the "Assistant Secretary").

SECTION 3. FUNCTIONS.

The Office of Federal Technology Management shall be the principal unit in the Department providing analysis, planning, coordination, reporting, and general oversight of responsibilities under the Federal Technology Transfer Act of 1986 and Executive Order 12591 of April 10, 1987. The Office shall support top-level management decisions and actions on issues, policies, legislation, regulations, and technical considerations regarding technology developed in Federal laboratories, developed with Federal funding, or used by Federal programs and activities. In carrying out these responsibilities, the Office shall:

a. Assist the Assistant Secretary in advising the Under Secretary for Economic Affairs (the "Under Secretary") and other Department officials on important policy questions and problems regarding private sector use of Federal technology.

b. Improve the flow of Federally funded technologies to the private sector, and minimize adverse effects of Federal programs on Federal technology developed by the private sector.

c. Assist the Assistant Secretary in advising the Under Secretary on the performance of lead-agency functions regarding Federal technology management policy in accordance with specific delegations of authority from the Secretary and associated laws, directives, and regulations. The Office shall:

1. Provide advice and assistance, as requested by other Federal agencies, on model agreements and cooperative research and development projects authorized by P.L. 99-502;

2. Develop the biennial report to the President and Congress required by P.L. 99-502 on Governmentwide use of the authorities provided in the Act;

management decisions and actions on issues, policies, legislation, regulations, and

3. Issue, interpret, and maintain regulations under P.L. 96-517 and 98-620, consonant with the provisions of DOO 10-6, as amended, on the ownership of Government funded inventions, and licensing of Government-owned inventions;

4. Serve as Government spokesperson, in consultation with the Department of State and other agencies, in the disposition of rights to ownership of Federal technology under the intellectual property clauses of science and technology agreements with foreign governments;

5. Interpret and administer the Government Employee Inventor Program under Executive Order 10096, including recommendations to change the Order if necessary to conform with new legislation;

6. Interpret and administer Sections 1, 5, and 7 of Executive Order 12591 on the transfer of Federally funded technology to the private sector;

7. Work with other Government agencies to take advantage of the Statutory Invention Recording process authorized by P.L. 98-622, and develop the required annual report;

8. Analyze, review, and propose new legislation or policies, including Governmentwide regulations on Federal agency management of technology developed by the Government or with Government funding; and

9. Prepare the report from the Secretary to the President and Congress on copyright and other barriers to the transfer of Federally-funded computer software and the feasibility of maintaining an inventory of Federally-funded training software as required in P.L. 99-502.

d. Serve as Executive Director to the Chairman of the Federal Coordinating Council on Science, Engineering, and Technology Committee on Intellectual Property for Technology Transfer.

e. Develop a Governmentwide policy on technical data used or developed at Government expense.

f. Develop training materials and programs to help Federal laboratories or Federally-funded laboratories improve their technology transfer capabilities.

g. Chair the Commerce Committee for Implementing the Federal Technology Transfer Act, whose purpose is to coordinate the implementation of authorities assigned to the Department under P.L. 99-502.

h. Draft Department regulations to comply with subsection 11(c) of P.L. 99-502 on cooperative research and development agreements.

i. Develop and administer policies for distributing royalty income within the Department in accordance with subsection 13(a) of P.L. 99-502.

j. Chair the executive subcommittee and provide staff to the Interagency Committee for Federal Laboratory Technology Transfer to coordinate implementation of authorities under subsection 10(g) of P.L. 99-502.

k. In carrying out these functions, the Office shall coordinate with other units in the Office of the Assistant Secretary and, as appropriate, with other affected operating units of the Department.

Robert Ortner BEB
Under Secretary for Economic Affairs

Approved:

Assistant Secretary for Administration

Norm

03 NOV 1987

To : OPTI Directors

From: Jack Williams

Please see the attached memo on travel, and inform me of any speech invitations. I will assist in getting the OK.

OPTI

UNITED STATES DEPARTMENT OF COMMERCE
The Under Secretary for Economic Affairs
Washington D.C. 20230

October 30, 1987

MEMORANDUM TO: Office/Bureau Directors
Economic Affairs

FROM: Robert Ortner
Under Secretary for
Economic Affairs

As was announced at the Senior Staff Meeting, all speech invitations must be coordinated within the Department of Commerce. These invitations should be submitted to this Office so that they can be forwarded to the Secretary's Office for approval. This means that no commitments, travel arrangements, disbursements or orders can be approved without the advance concurrence of the Office of the Under Secretary for Economic Affairs. The Department reserves the right to assign alternative speakers if it is deemed that a different individual would be more appropriate.

9-25-87

OFFICE OF FEDERAL TECHNOLOGY MANAGEMENT

1. Significant accomplishments during the past year:

o Led the development of the President's Competitiveness Initiative and preparation of Executive Order 12591, "Facilitating Access to Science and Technology," designed to provide additional impetus for expeditious implementation of the Federal Technology Transfer Act.

o Established the Interagency Committee for Federal Laboratory Technology Transfer. Chaired the executive working group, a forum through which agencies exchange information and experiences on issues related to managing Federal laboratory technology.

o Established the intra-agency DOC Committee for Implementing the Federal Technology Transfer Act to assist the two DOC agencies with laboratories in delegating authorities and implementing other aspects of that Act and monitoring their progress.

o Developed models for cooperative R&D and licensing agreements between Federal laboratories and universities, state and local government agencies, and private companies.

o Oversaw contractor preparation of a training course for agency and laboratory personnel. Held a four-day training session to explain the new authorities granted to laboratories by the Technology Transfer Act.

o Developed a laboratory systems plan which explains the process of laboratory technology management and the issues and activities that need to be considered.

o Monitored implementation of the Technology Transfer Act by other agencies and prevented DOE from publishing regulations that are contrary to the Act.

o Generated the format for a government-wide technical data policy.

o Assisted Congressional staff in understanding implementation of provisions of the Technology Transfer Act.

o Helped specific agencies draft the necessary orders for delegating authorities under the Act.

Major setbacks:
--

explain the new authorities granted to laboratories by the

2. Management and program goals for 1988 and 1989 and long-term changes for the 1990's:

o Develop and administer policies for disposition of Federally funded technology in international research and development agreements.

o Facilitate and assist industry, state and local government, and university access to Federal technology in government laboratories, universities, and R&D contractors.

o Develop improved technology management techniques for Federal laboratories.

o Improve education programs for Federal laboratory personnel on technology management and extend the programs to the universities.

14. Elaborate on the need for the 1989 Federal technology management initiative:

The Office has the responsibility for creating a policy environment in which maximum commercialization of Federally funded technology is encouraged, including cooperative ventures in fields such as biotechnology and superconductors. For a policy office, as distinct from a program office, it is impossible to quantify benefits resulting directly from its operation. The overall goals are the creation of new jobs, new companies, increased economic activity, and improved competitiveness in world markets. The extent to which these developments can be credited to this office or any such office cannot be determined precisely.

However, the types of benefits that we expect to result from additional funding include:

o International technology agreements that either bring new technologies into this country or stop the one-way flow of Federally funded technology to foreign competitors.

o An increase in invention disclosures and licensing of Federal employee inventions in Federal laboratories similar to the increases that have been experienced in the past six years by major research universities. In that period, universities licensed almost one-third of their patents, while fewer than 5% of Federal government patents were licensed.

o Substantially greater collaboration among Federal laboratories and U.S. industry, with synergistic benefits for both, again similar to the increases experienced by major research univerisities.

o Improved ability of Federal laboratories to attract and retain inventive staff.

Politically, proper emphasis and performance of this program may be adequate to deter efforts to move the United States from its current system of decentralized, market-oriented decisionmaking to a centralized government-led or coordinated system as employed by Japan, France, and other major international competitors. This program is to provide the tools and build the knowledge for effective, decentralized decisions on how best to use technology created by Federal laboratories or by Federal R&D contractors.

15. Why OFTM is involved in intellectual property issues:

Responsibilities for intellectual property matters have historically been divided in the Department of Commerce between operational requirements, handled by the Patent and Trademark Office, and policy development, which has been handled by OPTI and its predecessors. As early as July of 1977, the Committee on Intellectual Property and Information of the Federal Coordinating Council for Science, Engineering, and Technology (FCCSET) was chaired by the Assistant Secretary for Science and Technology, a predecessor of the position of Assistant Secretary for PTI. The responsibilities for policy development have remained since that time with OPTI.

OPTI is the lead Federal agency in carrying out the Administration's patent policy aimed at maximum commercialization of inventions made in the performance of Federally funded research and development. Experience has shown that allowing inventing organizations to retain title to inventions made with Federal support is the best incentive to obtain the risk capital needed to develop technological innovations. The Administration's policy is contained in Executive Order 12591.

With regard to the data system to be established by the Federal Laboratory Consortium, we are not able to monitor what systen they are considering, but we are clearly working from different databases and any duplication is expected to be minimal.

1 SEP 1987

Federal Technology Management Division

FY 1988 highlights

Provide assistance in developing new legislation on handling computer software and technical data produced in government-owned and operated laboratories.

Provide staff support to Congress for possible legislative changes in technology transfer and related topics.

Chair the Executive Working Group of the Interagency Committee for Federal Laboratory Technology Transfer.

Chair the intraagency Department of Commerce Committee for Implementing the Federal Technology Transfer Act.

Prepare the following Secretarial reports to the President and the Congress:

- --Copyright provisions or other barriers which tend to restrict or limit the transfer of federally-funded computer software to the private sector and to state and local governments, and the feasibility of compiling and maintaining an inventory of all federally-funded software.

- --Implementation by the agencies of the authorities specified by the Federal Technology Transfer Act.

- --Use of the Statutory Invention Registration procedure by the Federal agencies.

Review and modify as necessary Executive Order 10096.

Perform lead agency function in overseeing implementation of P.L. 96-517, and draft and implement the standard contract provision required.

Develop means for assisting laboratory technology managers in identifying valuable technology.

Assist USTR in implementing fairness requirements relating to whether foreign companies or governments permit U.S. persons to enter into cooperative R&D agreements and licensing arrangements on a basis comparable to that by U.S. laboratories.

Develop and administer policies for disposition of federally-funded technology in international R&D agreements.

Assist in creation of joint initiatives by state and local governments and regional organizations with Federal laboratories to encourage technology transfer and stimulate innovation.

Follow up on educational programs relating to implementing the Federal Technology Transfer Act.

18 SEP 198
18 SEP 1987
FY '88

MBO

Objective:

Commercialization of Federal Technology

Significance:

The Federal government funds approximately one-half of all U.S. R&D and approximately seventy percent of all basic research. The government has a poor record in transmitting that R&D to the private sector for developing new commercial products and processes. This MBO seeks to improve substantially that record.

Strategy:

o Provide decentralized authority for technology management through legislative, regulatory, and administrative mechanisms.

o Provide incentives and tools to assist decentralized management of technology.

o Coordinate exchange of ideas and training methods on decentralized technology management through interagency and intraagency committees.

Organization: OEA
Person: Norman Latker
DOC goal: c.1, c.2

Suborganization: OFTM
Phone: 377-0659
Monitoring level:

Resources:	FY 1988 1st qtr	2nd qtr	3rd qtr	4th qtr
$ planned ($K)	87.5	87.5	87.5	87.5
$ actual ($K)				
Staff-yrs. planned	1.25	1.25	1.25	1.25
Staff-yrs. actual				

Performance:

1.
planned
actual

2.
planned
actual

3.
planned
actual

4.
planned
actual

9-10-87

MILESTONES	1988 OND	1988 JFM	1988 AMJ	1988 JAS	1989 OND	1989 JFM	1989 AMJ	1989 JAS	
Hold four interagency committee meetings to implement Federal lab legislation	0	0	0	0					15
Assist development of government-wide policy on computer software and tech data			0						15
Assist development of legislation on technology management at DOE		0							25
Prepare report on barriers to transfer of computer software		0							10
Prepare report on implementation of P.L. 99-502 by agencies					0				25
Prepare report on agency use of Statutory Invention Registration procedure			0						10

OBJECTIVE.

	MILESTONES	1988 OND	1988 JFM	1988 AMJ	1988 JAS	1989 OND	1989 JFM	1989 AMJ	1989 JAS	
1	Hold four interagency committee meetings to implement Federal lab legislation	0	0	0	0					10
2	Develop means for assisting lab managers in identifying valuable technology			0						5
3	Assist development of government-wide policy on computer software and tech data			0						10
4	Assist development of legislation on technology management at DOE	0								15
5	Review and modify as necessary Exec. Order 10096				0					5
6	Draft and implement standard contract provision for FAR and DOE under P.L. 96-517				0					15
7	Develop policies for federally-funded tech in international agreements		0							5
8	Develop language for implementing Dole-Rockefeller amendment		0							5
9	Develop educational programs for lab personnel	0								5
10	Prepare report on barriers to tranfer of computer software and on software inventory	0								5
11	Prepare report on implementation of P.L. 99-502 by agencies					0				15
12	Prepare report on agency use of Statutory Invention Registration procedure			0						5

Prepare report on

MANAGEMENT PLANNING OBJECTIVES

FISCAL YEAR 1987
MBO TITLE (goal)

Commercialization of Federal technology	$300

FISCAL YEAR 1988
MBO TITLE (goal)

Commercialization of Federal technology	$350

FISCAL YEAR 1989
MBO TITLE (goal)

Commercialization of Federal technology	$850

Office of Federal Technology Management

Objective

Commercialization of Federal Technology

Resources required

The cost of this project for FY 1988 is $350,000. Present resources are sufficient to carry out this project. (Obligations and outlays are the same.)

	FY 1987	FY 1988	FY 1989
Cost	$300,000	$350,000	$850,000
Staff years	4.5	5	9

Significance

Increased technology transfer from Federally-supported R&D to the private sector is an essential part of increasing U. S. international competitiveness and economic growth. In the past the Federal Government has had a very poor record of commercializing the many important discoveries made under its sponsorship. OFTM seeks to redress this problem through encouraging decentralized management of inventions for closer cooperation with the private sector.

Federal technology commercialization is a component of Departmental subgoals C-1, promoting private sector capital formation, job creation, and new and expanding industries; and C-2. promoting the development and application of science and technology in U. S. business and industry.

Method of Accomplishment

OFTM will continue its lead agency function of promoting a closer collaboration between Federally-funded R&D establishments and U. S. business. Because the Government now funds $60 billion of R&D annually (half of the U. S. total) and more than 70 percent of U. S. basic research, transferring scientific and technical discoveries to the private sector for development will have a mojor impact on American innovation, job creation, and international competitiveness. Through lack of efficient management of these discoveries, many important inventions are currently allowed to escape overseas.

To ensure closer cooperation between Federally-funded R&D and the private sector, the major objective for FY 1988 will be the

implementation of the Federal Technology Transfer Act of 1986 and Executive Order 12591. Together, these allow Federally owned and operated laboratories to better manage their inventions. They open up a tremendous source of new technologies for commercialization to the private sector if properly implemented.

An interagency committee formed under OFTM leadership to assist agencies in increasing technology transfer from their Federally owned and operated laboratories will hold at least four meetings to exchange ideas and information on how to implement Federal lab legislation expeditiously.

The office will continue its efforts to assist in developing government-wide policy to guide agencies in handling technical data generated by Federal labs or from Federal funding. This area includes such important technologies as computer software, and must be carefully managed to encourage maximum commercialization of important products.

The office will also be involved in developing legislation on the management of technology developed at Department of Energy labs. Some aspects of DOE's R&D were not covered by the Federal Technology Transfer Act.

Several reports dealing with technology transfer are mandated by the Technology Transfer Act and other legislation. The first is a report on copyright provisions or other barriers which limit or restrict the transfer of Federally funded computer software to the private and non-Federal government sectors.

The second report will summarize the use by the agencies and the Secretary of Commerce of the authorities specified in the Act. Information needed from other agencies will be gathered through the interagency committee discussed above.

The final report covers agency use of the Statutory Invention Registration procedure established by P.L. 98-622. This procedure provides agencies will a less expensive alternative to patents by which they can obtain defensive protection for inventions produced in their labs. Information for this report will be obtained directly from the agencies involved.

Management Responsibility

Commercializing Federal Technology--Norman Latker, Director, Office of Federal Technology Management, 4837 HCHB, 377-0659.

the Technology Transfer Act and other legislati...

OFFICE OF FEDERAL TECHNOLOGY MANAGEMENT

SECTION 1. PURPOSE

This Order prescribes the organization and the functions of the Office of Federal Technology Management.

SECTION 2. STATUS AND LINE OF AUTHORITY

The Office of Federal Technology Management, a constituent operating unit of the Department, shall be headed by a Director who shall report to and be responsible to the Assistant Secretary for Productivity, Technology and Innovation (PTI).

SECTION 3. FUNCTIONS

The Office of Federal Technology Management shall be the principal unit in the Department on issues and policies relating to technology developed in Federal laboratories, developed with Federal funding, or utilized by Federal programs and activities. In carrying out these responsibilities, the Office shall:

a. Assist the Assistant Secretary for PTI to advise the Under Secretary for Economic Affairs and other Department officials on important policy questions and problems relating to private sector use of Federal technology.

b. Enhance the flow of Federally funded technologies to the private sector and minimize adverse effects of Federal programs on Federal technology developed by the private sector.

c. Assist the Assistant Secretary for PTI to advise the Under Secretary for Economic Affairs in performing the lead agency functions delegated by the Secretary, concerning Federal technology management policy under Public Laws 96-480, 96-517, 98-620, 98-622, and 99-502, Executive Orders 10096 and 12591, and the President's Patent Policy Memorandum of February 18, 1983. The lead agency functions include coordinating, monitoring, gathering relevant data, evaluating relevant programs and activities, developing uniform Government-wide standards for implementing Federal patent policy, preparing reports, disseminating information, making recommendations, and taking other actions necessary to assure maximium private sector opportunity for commercializing technology resulting from projects performed by Federal agencies or financed with Federal Government funds. Specific responsibilities include the following:

(1) Provide advice and assistance as requested by other Federal agencies on model agreements and cooperative research and development projects as authorized by paragraph 10(g)(1) of P.L. 99-502.

(2) Develop the biennial report to the President and Congress required by subparagraph 10(g)(2) of P.L. 99-502 on Government-wide use of the authorities provided in the Act.

(3) Issue, interpret, and maintain regulations under P.L. 96-517 and 98-620 on ownership of Government funded inventions (37 CFR Part 401) and licensing of Government-owned inventions (37 CFR Ch.IV).

(4) Serve as Government spokesperson, in consultation with the Department of State and other agencies, in the disposition of rights to ownership of Federal technology under the intellectual property clauses of science and technology agreements with foreign countries.

(5) Interpret and administer the Government Employee Inventor Program under E.O. 10096, including recommendations for changing the Order if necessary to conform with new legislation.

(6) Interpret and administer Sections 1, 5 and 7 of Executive Order 12591 on the transfer of Federally funded technology to the private sector.

(7) Work with agencies to help take advantage of the Statutory Invention Recording process authorized by P.L. 98-622 and develop the required annual report.

(8) Analyze, review and propose new legislation or other policies including Government-wide regulations on Federal agency management of technology developed by the Government or with Government funding.

(9) Prepare the report from the Secretary to the President and Congress on copyright and other barriers to the transfer of Federally-funded computer software and the feasibility of maintaining an inventory of Federally-funded training software as required in P.L. 99-502.

d. Serve as Executive Director to the Chairman of the Federal Coordinating Council on Science, Engineering, and Technology Committee on Intellectual Property for Technology Transfer.

e. Develop a Government-wide policy on technical data used or developed at Government expense.

(7) Work with agencies to help take advantage of

f. Develop training materials and programs for helping Federal laboratories or Federally-funded laboratories improve their technology transfer capabilities.

g. Chair the Commerce Committee for Implementing the Federal Technology Transfer Act, whose purpose is to coordinate implementation of authorities delegated to DOC laboratories under subsection 11(a) of P. L. 99-502, the awards program authorized by section 12 of the same Act, and the distribution of royalties under Section 13 of the same Act.

h. Draft Commerce regulations as may be necessary to comply with subsection 11(c) of P.L. 99-502 on cooperative research and development agreements.

i. Develop and administer policies for distributing royalty income within the Department of Commerce in accordance with subsection 13(a) of P.L. 99-502.

j. Chair the executive subcommittee and provide staff to the Interagency Committee for Federal Laboratory Technology Transfer to coordinate implementation authorities delegated to DOC under subsection 10(g) of P.L. 99-502.

k. In carrying out these functions the office will coordinate its activities with the other constituent units of the office of the Assistant Secretary for PTI.

OFFICE OF FEDERAL TECHNOLOGY MANAGEMENT

SECTION 1. PURPOSE

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a. Assist the Assistant Secretary for PTI to advise the Under Secretary for Economic Affairs and other Department officials on important policy questions and problems relating to private sector use of Federal technology.

b. Enhance the flow of Federally funded technologies to the private sector and minimize adverse effects of Federal programs on Federal technology developed by the private sector.

c. Assist the Assistant Secretary for PTI to advise the Under Secretary for Economic Affairs in performing the lead agency functions delegated by the Secretary, concerning Federal technology management policy under Public Laws 96-480, 96-517, 98-620, 98-622, and 99-502, Executive Orders 10096 and 12591, and the President's Patent Policy Memorandum of February 18, 1983. The lead agency functions include coordinating, monitoring, gathering relevant data, evaluating relevant programs and activities, developing uniform Government-wide standards for implementing Federal patent policy, preparing reports, disseminating information, making recommendations, and taking other actions necessary to assure maximium private sector opportunity for commercializing technology resulting from projects performed by Federal agencies or financed with Federal Government funds. Specific responsibilities include the following:

(1) Provide advice and assistance as requested by other Federal agencies on model agreements and cooperative research and development projects as authorized by paragraph 10(g)(1) of P.L. 99-502.

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(5) Interpret and administer the Government Employee Inventor Program under E.O. 10096, including recommendations for changing the Order if necessary to conform with new legislation.

(6) Interpret and administer Sections 1, 5 and 7 of Executive Order 12591 on the transfer of Federally funded technology to the private sector.

(7) Work with agencies to help take advantage of the Statutory Invention Recording process authorized by P.L. 98-622 and develop the required annual report.

(8) Analyze, review and propose new legislation or other policies including Government-wide regulations on Federal agency management of technology developed by the Government or with Government funding.

(9) Prepare the report from the Secretary to the President and Congress on copyright and other barriers to the transfer of Federally-funded computer software and the feasibility of maintaining an inventory of Federally-funded training software as required in P.L. 99-502.

d. Serve as Executive Director to the Chairman of the Federal Coordinating Council on Science, Engineering, and Technology Committee on Intellectual Property for Technology Transfer.

e. Develop a Government-wide policy on technical data used or developed at Government expense.

[illegible] agencies to help take advantage of

f. Develop training materials and programs for helping Federal laboratories or Federally-funded laboratories improve their technology transfer capabilities.

g. Chair the Commerce Committee for Implementing the Federal Technology Transfer Act, whose purpose is to coordinate implementation of authorities delegated to DOC laboratories under subsection 11(a) of P. L. 99-502, the awards program authorized by section 12 of the same Act, and the distribution of royalties under Section 13 of the same Act.

h. Draft Commerce regulations as may be necessary to comply with subsection 11(c) of P.L. 99-502 on cooperative research and development agreements.

i. Develop and administer policies for distributing royalty income within the Department of Commerce in accordance with subsection 13(a) of P.L. 99-502.

j. Chair the executive subcommittee and provide staff to the Interagency Committee for Federal Laboratory Technology Transfer to coordinate implementation authorities delegated to DOC under subsection 10(g) of P.L. 99-502.

k. In carrying out these functions the office will coordinate its activities with the other constituent units of the office of the Assistant Secretary for PTI.

UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Productivity, Technology and Innovation
Washington, D.C. 20230
(202) 377-1984

JUN 1 [illegible]

MEMORANDUM FOR Robert Ortner
Under Secretary for Economic Affairs

Subject: Implementation of the Federal Technology Transfer Act of 1986

By memorandum of February 12, you asked that I consider forming a third operating unit in PTI that would combine the new responsibilities created under PL 99-502 and the NTIS patent licensing function. In my response of March 4, I suggested that any reorganization proposal should await clarification of the PTI budget situation.

With issuance of the Executive Order 12591, April 10, 1987, the strong likelihood of full OPTI funding in FY 1988, and the numerous 'competitiveness' legislative proposals affecting OPTI's agenda, I believe it is now time for this Department to assume publically a lead focal role in both the public and private sectors in implementing the Federal Technology Transfer Act. My primary recommendations are threefold:

1. That a new office, reporting to me, be created with the name, "Office of Federal Technology Management." The attached proposed modification to Departmental Order 10-1 provides for this change.

Regarding inclusion in that office of the NTIS patent licensing function, my discussions with Dr. Caponio and others indicate that no transfer of patent licensing functions should occur. However, there should be closer coordination between the proposed new Office of Federal Technology Management and the NTIS patent licensing function. I intend to take steps to ensure this close coordination.

Further, and building upon my comments of March 4, other OPTI programs are also critical and inextricably intertwined in the commercialization of federally funded technology, such as cooperative R&D consortia, R&D funding, assistance to State government technology commercialization programs, small business assistance, our work with industry, State governments and DoD on flexible manufacturing systems, productivity improvement information, and so forth. It is only by being successful in all of them will the U.S. achieve maximum success in its competitiveness objectives. These complementary and indespensable functions are provided by other OPTI units and NTIS.