1976

From the Desk of . . .

RAY HILL

5 Feb 77

Norm,

Many thanks for your letter and the xerox of the piece. I'll certainly keep in touch with him. (As I am waiting for the equipment for you.)

I'll get you that xerox of Galbraith in a while. Thanks again.

Ray

Norm, I did not restaple these individual letters etc. but left them in the package as we reproduced them R

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

OFFICE OF THE ASSISTANT SECRETARY
FOR ADMINISTRATION

September 17, 1976

IN REPLY REFER TO:

ACC-S

Mr. Philip G. Read
Director of Federal Procurement
Regulations
General Services Administration
Washington, D. C. 20406

Dear Mr. Read:

This letter is in response to your inquiry of July 23, 1976, requesting our comments on a proposed amendment to 41 CFR 1-9.1, Patents.

We support such an amendment to the FPR which includes provisions relating to Institutional Patent Agreements with educational and other nonprofit institutions having a technology transfer program meeting specified criteria. Thank you for the opportunity to comment on this matter.

If we can be of further assistance, please let us know.

Sincerely,

Thomas R. Whittleton

Thomas R. Whittleton
Director
Office of Procurement
and Contracts

OFFICE OF THE SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

SEP 21 1976

Mr. Philip G. Read
Director of Federal Procurement Regulations
Office of Procurement Management
General Services Administration
Washington, D.C. 20406

Dear Mr. Read:

This is in response to your letter dated July 23, 1976, requesting our review of a proposed amendment to Subpart 1-9.1, Patents, of the Federal Procurement Regulations.

The Department of the Treasury concurs in the proposed amendment to the Federal Procurement Regulations.

Thank you for giving us the opportunity to comment.

Sincerely,

Thomas P. O'Malley

Thomas P. O'Malley
Assistant Director
Office of Administrative Programs
(Procurement and Personal Property Mgt.)

U.S. GOVERNMENT
SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

Sept. 17, 1976

Mr. Philip G. Read
Director
Federal Procurement Regulations
General Services Administration
Washington, D.C. 20406

Dear Mr. Read:

This is in response to your letter of July 23, 1976 relative to the proposed changes to the FPR in regard to Institutional Patent Agreements. From both a legal and program viewpoint, We have no objection to the proposed change to Section 1-9.107-4 (a) or the new Section 1-9.109-7. We concur as proposed.

Sincerely,

R. F. McDermott, Director
Office of Procurement and
Technology Assistance

USIA
UNITED STATES
INFORMATION AGENCY
WASHINGTON 20547

September 21, 1976

Dear Mr. Read:

It is not anticipated that the proposed amendment of Federal Procurement Regulations, Subpart 1-9.1 dealing with Institutional Patent Agreements with educational and nonprofit institutions having a technology transfer program would have applicability toaany Agency contracts. However, we have reviewed the revision and have found it to be acceptable.

Thank you for the opportunity to review and comment on this proposed amendment.

Sincerely,

James T. McIlwee

James T. McIlwee
Chief
Contract and Procurement Division

Mr. Philip G. Read
Director, Federal Procurement Regulations
Office of Federal Management Policy
General Services Administration
Washington, D. C. 20406

Assistant Attorney General
Civil Division

Department of Justice
Washington 20530

17 SEP 1976

Mr. Philip G. Read
Director of Federal
Procurement Regulations
General Services Administration
Washington, D. C. 20406

Re: Proposed Amendment to FPR Concerning
Educational and Nonprofit Institutions

Dear Mr. Read:

This is in response to your letter of July 23, 1976 requesting the views of the Department of Justice on a proposed amendment of the Federal Procurement Regulations. The amendment would add provisions relating to "Institutional Patent Agreements" with educational and nonprofit institutions.

The thrust of the amendment is that educational and nonprofit institutions which meet certain criteria would be permitted to keep title to inventions growing out of Government research and development contracts, subject to (1) specified march-in rights with respect to those inventions, and (2) a royalty-free license in the Government. To carry out the policy, the proposal would provide in the FPR a form of agreement entitled "Institutional Patent Agreement."

We believe that the proposal appears reasonably acceptable as a limited experiment with a "title in the institution" approach.

We suggest the following modifications in the draft proposal:

(1) In subpar. 3(c)(1)(C), page 2, line 3 - change "or" to "and." This change would make the agreement contain the requirement that licensing by the institution will normally be nonexclusive, except where the desired practical or commercial application has not been achieved and is not likely to be expeditiously achieved through such licensing. This change will provide a stricter standard for other than nonexclusive licensing and will eliminate the alternative choices provided by the present structuring. Non-achievement of the desired application can be readily identified, but the alternative provided by the present wording would appear less susceptible of ascertainment and conducive to subjective decision. The existing choice between alternatives may invite resort to the less demanding test of unlikelihood of expeditious achievement as grounds for departure from the normal licensing called for. The weakness of the current language is that it forecloses nonexclusive licensing in the situation where the desired practical or commercial application could, in fact, have been expeditiously achieved contrary to the impression at time of licensing.

(2) Page 7, subpar. (b) - We urge that a "march-in" right in the Government be spelled out with respect to antitrust principles. Such right should be absolute and not subject to the provisions of IV(b)(A) and IV(b)(B). Although march-in for competitive reasons could be achieved under the present language of IV(b), such right would not be absolute. The urged addition could provide for the exercise of "march-in" rights "should the Government determine that the retention of principal or exclusive rights by the Institution will tend substantially to lessen competition or to result in undue concentration in any section of the country in any line of commerce to which the technology involved relates, or to create or maintain other situations inconsistent with the antitrust laws." A similar "march-in" provision is included in the proposed draft bill on Government Patent Policy emanating from the Committee on Government Patent Policy this year. The quoted antitrust standard is from the Federal Nonnuclear Energy Research and Development Act of 1974.

(3) Page 13, subpar. (b) - The periods prescribed regarding exclusive licensing should not be subject to extension; indeed, we believe that the maximum periods should be less than those in the proposed regulation.

We have noted the following typographical errors:

(1) Page 4, 2nd "WHEREAS" clause, line 2 - "and entire right" should read "an entire right."

(2) Page 5, subpar. (e), line 4 - letters transposed in "agencies."

(3) Page 5, subpar. (a), line 7 - letters transposed in "to."

(4) Page 5, subpar. (a), line 9 - "any" should read "an."

Sincerely,

IRVING JAFFE
Deputy Assistant Attorney General
Civil Division

VETERANS ADMINISTRATION
DEPARTMENT OF MEDICINE AND SURGERY
WASHINGTON, D.C. 20420

September 21, 1976

IN REPLY
REFER TO: 134A

Mr. Philip G. Read
Director of Federal Procurement
Regulations
Federal Supply Service
General Services Administration
Crystal Square No. 5, Room 1107
Washington, D. C. 20406

Dear Mr. Read:

We have reviewed and concur in the proposed change to FPR 1-9.1 on the subject of Institutional Patent Agreements. Attached for your information is a copy of a memorandum on the subject from our agency patent counsel.

Sincerely yours,

Clyde C. Cook

CLYDE C. COOK
Director, Supply Service

Enclosure

Show veteran's full name, VA file number, and social security number on all correspondence.

September 21, 1976

134A

Mr. Philip G. Read
Director of Federal Procurement
Regulations
Federal Supply Service
General Services Administration
Crystal Square No. 5, Room 1107
Washington, D. C. 20406

Dear Mr. Read:

We have reviewed and concur in the proposed change to FPR 1-9.1 on the subject of Institutional Patent Agreements. Attached for your information is a copy of a memorandum on the subject from our agency patent counsel.

Sincerely yours,

CLYDE C. COOK
Director, Supply Service

Enclosure

SEP 15 1976

Deputy Director, Supply Service (134A)

Assistant General Counsel (024)

Proposed Revision to FPR Subpart 1-9.1 Patents

1. This is in response to your memorandum request of August 2, 1976, for comments on the proposed revisions to the Federal Procurement Regulations, Subpart 1-9.1 Patents.

2. The proposed revision, prepared by the Ad Hoc Subcommittee on University Patent Policy, would add subsection (6) to 1-9.107-4(a). This new subsection would permit Federal agencies to enter into Institutional Patent Agreements with educational and other nonprofit institutions having a technology transfer program meeting the criteria set forth in 1-9.107(b). The revision would also retitle 1-9.107-6 to read, "Clauses for Domestic Contracts (short form) and Institutional Patent Agreements" and add a new subsection (c) to 1-9.107-6 which will set forth the patent rights under Institutional Patent Agreements, as well as a new section 1-9.109-7.

3. This office has reviewed the proposed revisions and we find no objection thereto. Use of the Institutional Patent Agreement approach with educational and other nonprofit institutions will be new to this agency, however, not new to the Federal Government. We are aware of at least one other agency which presently utilizes this approach and, we believe, experience has shown that the use of such agreements can facilitate the process of determining ownership rights and administration of any patents for inventions emanating from research efforts. The agency will not be divesting itself of control over rights in inventions, but allowing the institutions to administer patent rights in accordance with an Institutional Patent Agreement, entered into beforehand by the parties.

4. We do feel, however, that comment should be made with regard to another matter. Presently, a draft bill entitled, "National Intellectual Property Act of 1976" is before the Office of Management and Budget for approval. The exact effect that enactment of the bill would have on the proposed revisions to the FPR is not presently known. It appears evident, however, that if the bill is ultimately enacted, substantial changes or more likely, repeal of the FPR revisions under consideration will occur. The bill contains an entire chapter devoted to allocation of property rights in inventions resulting from Federally-sponsored research and development. No distinction is contained in the bill regarding contractors with technology transfer capabilities and those without such capabilities and, therefore, application of the FPR revisions, once the bill is enacted, would not be feasible. Under the bill, allocation of property rights in inventions will be handled uniformly as provided for in the bill, regardless of the nature of the contractor.

5. To summarize, we have no legal objection to the proposed FPR revisions, however, we do realize that enactment of the "National Intellectual Property Act of 1976" will effect those revisions. Enactment of that bill, however, is not expected to occur for quite some time and, therefore, we recommend concurrence in the FPR changes at this time.

JOHN B. DE LEO

UNITED STATES
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
WASHINGTON, D.C. 20545

SEP 20 1976

Mr. Philip G. Read, Director
Federal Procurement Regulations
General Services Administration
Federal Supply Service
Washington, DC 20406

Dear Mr. Read:

This is in response to your letter of July 23, 1976, requesting our views, including those of our patent counsel, on the proposed revision to Subpart 1-9.1, Patents, of the Federal Procurement Regulations.

We note that the proposed amendment represents the efforts of the University Patent Policy Ad Hoc Subcommittee of the Executive Subcommittee of the Committee on Government Patent Policy to develop a standard Institutional Patent Agreement (IPA) for use by all Government agencies and that an ERDA representative participated in the actual drafting of the proposed text of the IPA. We, therefore, support the approach taken in the proposed FPR Amendment; namely, that all Government agencies should have a standard text covering agreements with educational and other nonprofit institutions which have an approved technology transfer program, provided the agreement has the requisite flexibility to permit deviations where required by our statutes. Based on our review of this amendment, it appears that the proposed IPA has this requisite flexibility in that the provisions permit an agency to deviate on a case-by-case contract situation or where required by statute.

It should be emphasized, however, that ERDA has interpreted Section 9(d) of the Federal Nonnuclear Energy Research and Development Act of 1974 (P. L. 93-577) as not authorizing the Administrator or his designee to automatically waive, at the time of contracting, title to inventions to nonprofit educational institutions having an approved technology transfer capability. Rather, ERDA on a case-by-case determination is considering waiver requests by nonprofit educational institutions, applying the criterion that the fact that the institution has an approved technology transfer capability is not in and of itself justification for the grant of an advance waiver. In our report to Congress, this issue was identified as one in which possible legislative clarification or modification may need to be addressed.

Furthermore, under the proposed new section 1-9.109-7, there are provisions for negotiation of IPA's. Under the approach contained therein each institution is required to submit certain information to each agency with which it desires to enter into an IPA. We would support the establishment of an interagency group which would be the central Government contact for receiving and evaluating the various applications for approval of an institution's technology transfer program. ERDA presently in its waiver determinations takes into account the fact of whether or not the requestor has an existing approved technology transfer program with any other Government agency, since we have not established a procedure or criteria for approving technology transfer programs.

With respect to the text of the proposed amendment, we have some suggested changes for your consideration, and we have marked up a number of pages to reflect them.

We appreciate the opportunity to provide these comments.

Sincerely,

/s/ Harry M. Taylor

for Richard P. White, Chief
Policy Development Branch
Division of Procurement

Enclosure:
Pertinent marked up pages of
proposed FPR Amendment

Panama Canal Co.

SEP 20 1976

Mr. Philip G. Read
Director of Federal
Procurement Regulations
General Services Administration
Federal Supply Service
Washington, D.C. 20406

Dear Mr. Read:

This is in reply to your letter of July 23, 1976, regarding a proposed revision to Subpart 1-9.1, Patents. The Panama Canal Company has no objection to the proposed revision.

Sincerely yours,

Thomas M. Constant
Secretary, Panama Canal Company

OFFICE OF THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

November 1, 1976

Mr. Philip G. Read
Director of Federal Procurement Regulations
General Services Administration
Washington, D.C. 20406

Dear Mr. Read:

This is in reply to your letter of July 23, 1976, requesting comments on proposed coverage in the Federal Procurement Regulations (FPR) Subpart 1-9.1, Patents, on Patent Agreements with educational and other nonprofit institutions having a technology transfer program meeting specified criteria.

The concept of Institutional Patent Agreements (IPAs) is acceptable, but applying such agreements only to educational and nonprofit institutions is not acceptable. Educational and nonprofit institutions constitute a minute segment of the economy engaged in research, while private industry spurred by the profit motive constitutes the largest research factor in our economy. The Government should seek the broadest market in order to obtain the greatest return from the tax dollar it invests in research. Therefore, unless the proposed FPR coverage on IPAs includes on an ad-hoc basis, application to private industry as well as educational and nonprofit organizations, I oppose the coverage as discriminatory and not maximizing possible benefits to the Government.

Sincerely,

Barnett M. Anceleitz

Barnett M. Anceleitz
Director of Installations
and Logistics

---

the largest research factor in our economy. The Govern-

michigan technological university

houghton, michigan 49931

division of research
906/487-2225

314

Mr. Philip G. Read
Director of Federal Procurement
Regulations
Federal Supply Service
General Services Administration
Washington, DC 20406

Dear Mr. Read:

This is in response to your letter of August 5, 1976, which solicits the views of my organization on the amendment of Federal Procurement Regulations to provide for Institutional Patent Agreements. Michigan Technological University is a non-profit educational institution which has an existing, successful, technology transfer program.

Let me begin by strongly endorsing the principle of Institutional Patent Agreements--it has been our experience that everyone benefits from this rational approach to the problem of putting into practical use and commerce the inventions and discoveries made at non-profit institutions. That the "build a better mousetrap....." adage is flatly untrue has long been known by those of us facing the practical challenge of insuring that newly developed technology is put to work for the benefit of mankind. The misconception that eager licensees will line up with fat royalty offers for any patentable invention has long been espoused by many legislators and bureaucrats who lack experience in buying and selling technology; my recent paper, "Triggering Technology Transfer" (copy enclosed), discusses approaches and challenges to technology transfer in practical terms.

With this preface, I turn to some detailed comments regarding the proposed FPR Revision dated January 1976:

3.(C)--relating to non-exclusive versus exclusive licensing: Who is to exercise the judgment as to whether "the desired practical or commercial application has not been achieved or is not likely to be expeditiously achieved" through non-exclusive licensing?

3.(D)--also relating to exclusive licensing: Who is to judge what period of time will be necessary to "provide the incentive for bringing the invention...."?

3.(E)--relating to royalty charges: Who is to decide "what is reasonable under the circumstances"?

3.(I)--assignments "to approved patent management organizations": What and where is the procedure for a patent management organization to obtain approval for assignment of inventions?

3.(c)(2)--the Standard Institutional Patent Agreement: V.(c) specifies that "the Government may duplicate and disclose Subject Invention disclosures." My university objects to premature publicity with respect to invention disclosures as being inimical to our interests and the Government's interest in obtaining suitable patent coverage--at least until after patent applications have been filed. Even in that circumstance, it is often undesirable to publish invention disclosure information. We therefore recommend that paragraphs (c) and (d) be reworded to make public disclosure of invention disclosure materials an optional matter, depending upon the judgment of those who are working on obtaining patent protection for the inventions.

VI.(b)--contains onerous reporting requirements which tend to negate the value of the proposed policy. For instance, why is it necessary for the Agency to have a copy of the patent application as filed, and why does the Agency need a copy of the assignment from the inventor to the institution? Unlike Federal agencies, the universities do not have manpower available to prepare and submit copies of sensitive documents to Federal departments which have neither the need for such detail nor the space to store the applications and assignments. It should surely be sufficient for the Agency to receive an annual report listing the titles, filing dates and serial numbers of all invention disclosures on which patent applications have been filed by the institution--with the option of requesting copies of relevant documents, as proposed in subparagraph (viii).

Subparagraph (iv) is positively insulting to the universities. Exhibit A confirms, with full legal trappings, the legal responsibility which had already been established by legal agreement and, in addition, confirmed by a statement required in each patent specification, as per paragraph VI.(b)(iii). This is bureaucracy carried to the ultimate extreme, and Michigan Technological University strongly recommends that the entire requirement of that subparagraph (iv), together with Exhibit A, be deleted from the proposed revision.

VII.--(incorrectly labeled VIII, p. 10 of the draft): Paragraph (a) includes three alternatives; presumably the word "or" should follow the semicolon at the end of subparagraphs (i) and (ii). Even with the addition of this alternative, we object to the specification of fixed time periods--eight months in the first paragraph and six months in the second. In patent matters, it is our experience that each specific case must have decisions of this kind made as a result of circumstances which exist, uniquely, for that particular case. We therefore recommend that subparagraphs (i) and (ii) be rewritten to generalize the elapsed time for foreign filings; e.g. "foreign filings shall be made at an appropriate date following the filing of a corresponding U.S. application, so as to obtain suitable foreign protection with a minimum risk of premature disclosure, etc."

IX

XI.(b)--specifies a period of five or eight years for an exclusive license. It is our experience that these times are not long enough to bring many inventions to the marketplace and still assure a return on the investment of the exclusive licensee. We recommend that these time periods be extended to eight years from the date of the first commercial sale or ten years from the date of the exclusive license, whichever occurs first--if we are to attract a licensee to make an investment in and market new technology developed under Federal contract or grant auspices.

Additional comments which follow are related to paragraph 1-9.109-7, Negotiation of Institutional Patent Agreements; several of the requirements for information from the performing institution are of questionable value. Paragraph (a), sub-paragraphs (8) and (9)(vii) request vague plans, intentions and descriptions which are literally impossible to generalize upon. It is our experience that each invention owned by the University requires a separate and distinctive "game plan" and marketing strategy--as well as royalty schedules which most emphatically must be tailored to fit the particular invention. For instance, Michigan Tech has just licensed a new proprietary development (molded wood particle pallet production and products); the first licensee has obtained substantially better terms and larger exclusive production territory than subsequent licensees will be offered. Product cost is substantially dependent upon the geographical location of the production facility, and sales price is also dependent upon the distance from the factory to the customer. Market demand from region to region is also sharply different, so that annual minimums could not possibly be the same for each licensee. Consequently, we submit that the simple existence of a patent and licensing program and the existence of licensees (perhaps some sample license agreements might be filed with the Agency) is suitable evidence that an institution is capable of effecting technology transfer via the licensing route.

A final comment concerns the use of the word "insuring" in paragraph (b)(iii) and (iv) of the last section. Our experience indicates that one can never insure that inventions are promptly identified and timely disclosed or that, consequently, they can be evaluated for inclusion in the institution's program. We can demonstrate, of course, that our institution has procedures for the prompt identification and timely disclosure and procedures for the evaluation for inclusion of inventions disclosed.....but, unfortunately, we can never insure that inventions will always be identified and disclosed. Perhaps some more appropriate wording might be substituted?

This lengthy dissection of the proposed FPR Revision is not intended to imply that we are not in favor of the change. Indeed, Michigan Technological University strongly supports the principle which is embodied in the changes--we have entered into a similar agreement with the U.S. Department of Health, Education, and Welfare. It would be desirable, in our opinion, to make some modifications to the proposed Revision--as indicated by the remarks above.

Justice

SEP 17 1976

Mr. Philip G. Read
Director of Federal
Procurement Regulations
Federal Supply Service
General Services Administration
Washington, D.C. 20406

Dear Mr. Read:

Reference your letter dated July 23, 1976, concerning a proposed amendment to Subpart 1-9.1, Patents, of the Federal Procurement Regulations.

The Department of Justice has no comment on the proposed revision.

Sincerely,

original signed by

William H. O'Donoghue
Chief, Administrative Programs Section
Security and Administrative Programs Staff
Office of Management and Finance

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

OFFICE OF OPERATIONS

SEP 21 1976

Mr. Philip G. Read, Director
Federal Procurement Regulations
Federal Supply Service
General Services Administration
Washington, D.C. 20406

Dear Mr. Read:

This is in response to your letter of July 23, 1976, requesting our comments on a proposal to amend the Federal Procurement Regulations with reference to Institutional Patent Agreements.

The proposed amendment should more expeditiously bring about the utilization of technology developed under Government grants and contracts by educational and other non-profit institutions. Accordingly, we recommend implementation.

Sincerely,

E. ALVAREZ
Director

DEPARTMENT OF STATE

Washington, D.C. 20520

September 15, 1976

Mr. Philip G. Read
Director of Federal
Procurement Regulations
Crystal Square Bldg. 5
Room 1107
Washington, D.C. 20406

Dear Mr. Read:

This is in reply to your letter of July 23 in which you requested the Department's views on the addition of provisions dealing with Institutional Patent Agreements with educational and other nonprofit institutions. The proposal has been circulated to interested offices within the Department and they have indicated they offer no objections to the proposal.

Sincerely,

Harry M. Hite
Supply Management
Representative
Supply and Transportation
Division

FCC
Federal Communications Commission

314

August 25, 1976

2800

General Services Administration
Federal Supply Service
Washington, D.C. 20406

Attn: Philip G. Read

RE: Institutional Patent
Agreements

Dear Mr. Read:

Pursuant to the request made in your letter of July 23, 1976, this office reviewed the proposed amendment to Subpart 1-9.1 of the Federal Procurement Regulations.

This office concurs with the proposed amendment.

Sincerely,

Kenneth A. Gordon
Contracting Officer

DM/jf

Hearst File 314

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION

Federal Supply Service
Washington, DC 20406

July 23, 1976

Dear Sir:

This proposed amendment of the Federal Procurement Regulations (FPR) which is enclosed is forwarded to you for consideration in your capacity as a member of the Interagency Procurement Policy Committee.

The proposal concerns Subpart 1-9.1, Patents, and involves the addition of provisions dealing with Institutional Patent Agreements with educational and other nonprofit institutions having a technology transfer program meeting specified criteria.

An ad hoc subcommittee of the Committee on Government Patent Policy developed the proposal and it has the approval of the full Committee.

In view of the action by the Committee, it is now appropriate to solicit formal agency views. It would be desirable, of course, for your agency's patent counsel to be involved in this matter.

I would like to receive your views on the proposal, in duplicate, by September 18, 1976. Questions should be directed to Mr. Norman Latker (496-7056).

Sincerely,

Philip G. Read

PHILIP G. READ
Director of Federal Procurement Regulations

Enclosure

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

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GSA DC 76-10924

4. Page 5, Allocation of Principal Rights, paragraph (a), line 7, delete the word "ot" and substitute "to"; line 9, delete the word "any" and substitute "an".

These two changes also correct typographical errors.

5. Page 7, Minimum Rights Acquired by the Government, paragraph (c), rewrite the first sentence to read:

> Notwithstanding section III (a) or any other provisions of this agreement, the Institution agrees to license or assign Subject Inventions as directed by the Agency to comply with the terms of any applicable international agreement.

This change substantially shortens the first sentence of paragraph (c) and considerably enhances the readability thereof.

6. Page 8, Invention Identification, Disclosures, and Reports, subparagraph (a)(i), rewrite the last sentence of the subparagraph to read:

> Such disclosure shall be furnished directly to the Agency even though there are requirements under the contract for the submission of other reports which may reference or disclose the Subject Invention.

This change shortens the sentence and also enhances the readability thereof. The change also eliminates the words "progress or financial" and substitutes the word "other".

7. Page 12, Patent Rights Clause, paragraph (c) at the top of the page, rewrite the first six lines to read:

> The Contractor shall include in any subcontract either this clause or the "Patent Rights - Acquisition by the Government" clause found in 41 CFR 1-9.107-5 if a purpose of the subcontract is experimental, developmental, or research work. If a subcontractor refuses to accept either

This change shortens the first six lines and also clarifies the meaning of the paragraph. The words "Except as provided below" were intentionally deleted. It is difficult to determine what is meant by the words "provided below". The words "provided below" could be construed as referring to subject matter within the same paragraph or could also be construed as referring to subject matter set forth in paragraph (b) on page 12. It will be noted that paragraph (b) on page 12 is not part of the Patent Rights Clause.

Printing Job 76-11193 Attn: Ms. Kemp rm. 2662

FPR-D List (As of 7-21-76)

FOR NEW ADDRESSOGRAPH PLATES - PLEASE DESTROY ALL OLD FPR-D ADDRESSOGRAPH PLATES

INTERAGENCY PROCUREMENT POLICY COMMITTEE

MAILING LIST

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UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION

Federal Supply Service
Washington, D.C. 20406

AUG 3 1976

IDENTICAL LETTERS SENT TO AN INDUSTRY LISTING THAT WAS SPECIALLY DEVELOPED FOR THIS PROPOSAL (FPR AMENDMENT) (COPY OF ADDRESSEES ATTACHED)

Mr. Neil Mulcahy
Pharmaceutical Manufacturers Association
1155 - 15th Street, N.W.
Washington, D.C. 20005

PATENT BRANCH, OGC
DHEW

AUG 4 1976

Dear Mr. Mulcahy:

The Federal Procurement Regulations (FPR) are prescribed by GSA and are applicable to the procurements of civilian executive agencies. The entire regulation is republished annually by the Office of the Federal Register in a paperback volume (Chapter 1, Title 41, Code of Federal Regulations).

A proposed amendment concerning patents has been developed (copy enclosed) which we would like to bring to your attention. The proposal concerns Subpart 1-9.1, Patents, and involves the addition of provisions dealing with Institutional Patent Agreements with educational and other nonprofit institutions having a technology transfer program meeting specified criteria.

An ad hoc subcommittee of the Committee on Government Patent Policy, Federal Council for Science and Technology, developed the proposal, and it has the approval of the full Committee.

If this is a matter of interest to your organization, I would appreciate your views on the proposal, in duplicate, by October 8, 1976. Questions should be directed to Mr. Norman Latker, Patent Council, Westwood Building, Room 5A03, c/o National Institutes of Health, Bethesda, Maryland 20014 (301/496-7056).

Sincerely,

Philip G. Read
(Signed)

copies to: Mr. Norman Latker
Mr. O. A. Newman

PHILIP G. READ
Director of Federal Procurement Regulations

2 Enclosures

Keep Freedom in Your Future With U.S. Savings Bonds

Letter of 8/3/76

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Washington, D.C. 20036

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No such request
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r. Louis Wolk
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atents, Trademarks, and
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ochester, New York 14627

NJL

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION

Federal Supply Service
Washington, DC 20406

NOV 10 1976

PATENT BRANCH, OGC
NOV 15 1976

Mr. Norman Latker
Patent Council
Westwood Building, Room 5A03
National Institutes of Health
Bethesda, Maryland 20014

Dear Norm Latker:

The responses received from agencies and industry on your proposed amendment to Subpart 1-9.1, Patents, of the Federal Procurement Regulations regarding institutional patent agreements are forwarded, as requested, for your evaluation and use in preparing a revised proposal.

Sincerely,

PHILIP G. READ
Director of Federal Procurement Regulations

Enclosures

RESPONSES RECEIVED BY AGENCIES AND INDUSTRY ON PROPOSED AMENDMENT TO SUBPART 1-9.1, PATENTS, OF THE FEDERAL PROCUREMENT REGULATIONS

Agency	Date
National Aeronautics and Space Adm.	9/27/76
Department of Defense	9/28/76
Department of Housing and Urban Developmt.	9/17/76
Department of the Treasury	9/21/76
Small Business Administration	9/17/76
U.S. Information Agency	9/21/76
Department of Justice, Civil Division	9/17/76
Agency for International Development	9/17/76
Department of the Interior	No date
Department of the Interior, Office of the Solicitor	9/3/76
Library of Congress	9/13/76
Veterans Administration	9/21/76
Panama Canal Company	9/20/76
Energy Research & Development Adm.	9/20/76
Department of Justice	9/17/76
Department of Agriculture	9/21/76
Department of State	9/15/76
Federal Communications Commission	8/25/76
Department of Transportation	11/1/76

Industry	Date
Michigan Technological University	10/21/76
University of Minnesota	10/7/76
New York University	10/7/76
Cornell University	10/8/76
Colorado State University	10/7/76
The University of Connecticut	10/5/76
American Patent Law Association	10/21/76 2nd response
The University of Georgia	10/5/76
Purdue Research Foundation	10/6/76
Society of University Patent Adm.	10/5/76
The Pennsylvania State University	10/1/76
National Assoc. of College & University Business Officers	9/28/76
Pharmaceutical Manufacturers Assoc.	9/29/76
Aerospace Industries Association of America, Inc.	9/27/76
University of Washington	9/23/76
Research Triangle Institute	9/10/76
Stanford University	9/8/76
Council of Defense & Space Industry Assoc.	9/14/76
The University of Rochester	8/31/76

NOV 9 1976

Industry (continued	Date
Rutgers	8/10/76
American Patent Law Association	8/4/76 1st response
Wisconsin Alumni Research Foundation	9/17/76
California Institute of Technology	8/17/76
University of California	8/16/76
American Society of Civil Engineers Construction Division	8/18/76
Washington University, St. Louis	8/17/76
Massachusetts Institute of Technology	9/13/76
University of Virginia	9/22/76
Michigan State University	9/17/76
~~The University of Rochester, Medical Ctr.~~	~~8/31/76~~ ok -
Battelle Memorial Institute	10/4/76
United States General Accounting Office	11/12/76
Research Corporation	9/24/76
Stanford Research Institute -	8/12/76
Washington State U.	10/5/76
EPA	11/15/76

(36)

5th response

National Aeronautics and
Space Administration
Washington, D.C.
20546

SEP 27 1976

Reply to Attn of: HP

Mr. Philip G. Read
Director of Federal Procurement Regulations
Federal Supply Service
General Services Administration
Washington, DC 20406

Dear Mr. ~~Read~~ Phil:

This is in response to your letter of July 23, 1976, requesting our comments on a proposed amendment to Subpart 1-9.1, Patents, of the Federal Procurement Regulations, which involves the addition of provisions concerning Institutional Patent Agreements with educational and other nonprofit institutions.

Although we have no objection to the proposed Institutional Patent Agreement for use by other agencies, when appropriate, it is not applicable to NASA because of our statutory patent requirements and the patent waiver policies developed thereunder. NASA could, however, give consideration to any qualifying institution under an Institutional Patent Agreement when reviewing patent waiver requests.

We appreciate the opportunity to comment on the proposed amendment to the Federal Procurement Regulations.

Sincerely,

Neil

J. O'Neil Mackey, Jr.
Deputy Assistant Administrator
for Procurement

314

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

INSTALLATIONS AND LOGISTICS

28 September 1976

Mr. Philip G. Read
Director of Federal Procurement Regulations
General Services Administration
Washington, D. C. 20406

Dear Mr. Read:

This will acknowledge your letter of 23 July 1976 requesting comments on the proposed amendment of Subpart 1-9.1 relating to Institutional Patent Agreements.

Attached for your evaluation and consideration is the Patents Subcommittee report of 9 September 1976 on the proposed amendment. This report is considered self-explanatory and concludes that the proposed Institutional Patent Agreements coverage is appropriate for inclusion in ASPR with the attached, suggested editorial changes.

Sincerely,

for THOMAS F. BLAKE, JR.
Colonel, USAF
Chairman, ASPR Committee

Attachment
as stated

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

DEPARTMENT OF THE NAVY
OFFICE OF NAVAL RESEARCH
ARLINGTON, VIRGINIA 22217

IN REPLY REFER TO
303:RTC:sm
9 Sep 1976

MEMORANDUM FOR CHAIRMAN, ASPR COMMITTEE

SUBJECT: ASPR Case 76-120, Institutional Patent Agreements

I. PROBLEM:

To review the proposed amendment to Subpart 1-9.1 of the Federal Procurement Regulations relating to Institutional Patent Agreements and provide the ASPR Committee with comments thereon together with a proposed letter to the General Services Administration (GSA) for the Chairman's signature.

II. RECOMMENDATION:

1. The Institutional Patent Agreement proposed by GSA is appropriate in concept for inclusion in ASPR.

2. Before incorporating the Institutional Patent Agreement into ASPR, DOD should wait until GSA has received all comments on the proposed amendment to Subpart 1-9.1 and has prepared a final version of the proposed amendment.

3. When a final version has been prepared, DOD representatives should meet with GSA representatives to coordinate the incorporation of the Institutional Patent Agreement into ASPR. The procedures for the use of Institutional Patent Agreements as set forth in the proposed amendment to Subpart 1-9.1 will possibly have to be revised somewhat before incorporation into ASPR to reflect the DOD organizational structure and to accommodate DOD contracting procedures.

4. Certain editorial changes should be made in the proposed Institutional Patent Agreement to eliminate ambiguities and typographical errors therein as well as to enhance the readability thereof. Such changes will also shorten certain portions of the proposed Institutional Patent Agreement. These editorial changes are illustrated in TAB A.

III. DISCUSSION:

1. The Subcommittee considers Institutional Patent Agreements to be appropriate for use in DOD contracts and can visualize no problems of an unusual nature that might arise from their use. The proposed Institutional Patent Agreement in concept is considered to be sound.

AMERICAN REVOLUTION BICENTENNIAL 1776-1976
Exploring new horizons to protect our heritage

of the proposed amendment.

303:RTC:sm

SUBJECT: ASPR Case 76-120, Institutional Patent Agreements

2. The procedures or instructional material in ASPR for incorporating Institutional Patent Agreements into DOD contracts may have to assume a form slightly different than the procedures appearing in the proposed amendment to subpart 1-9.1 but such procedures can best be written after the final version of the proposed amendment has been prepared. In particular, the proposed procedures appearing on pages 1, 2, and 3 of Subpart 1-9.1 may have to be modified in a suitable manner when incorporated into ASPR. Such procedures may have to be modified to recite that the Office of Naval Research will be assigned the responsibility for administrating Institutional Patent Agreements for DOD and that Institutional Patent Agreements will be incorporated into DOD contracts by reference.

3. The editorial changes in the proposed Institutional Patent Agreement are illustrated and explained in TAB A.

4. A proposed letter to GSA is attached as TAB B.

5. All members of the Subcommittee concur on the comments set forth herein.

PATENTS SUBCOMMITTEE

ROBERT T. CRAWFORD, Chairman, ONR, Navy
M. C. FREUDENBERG, DSA
LT. COL. H. M. HOUGEN, DAJA-PA, Army
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M. S. POSTMAN, AF/JACP, Air Force
L. ROSS, NAVMAT, Navy

TAB A
Case 76-120

EDITORIAL CHANGES IN THE PROPOSED INSTITUTIONAL PATENT AGREEMENT

1. Page 4, second WHEREAS clause, rewrite the clause to read:

> WHEREAS, the Institution is desirous of entering into an agreement whereby it may retain the entire right, title, and interest in and administer inventions made in the course of or under research supported by the Agency, subject to certain rights acquired by the Government;

This change eliminates a typographical error and also enhances the readability of the clause by placing the words "subject to certain rights acquired by the Government" at the end of the WHEREAS clause.

2. Page 4, Scope of Agreement, rewrite the first sentence to read:

> This Agreement defines the rights of the parties hereto regarding the allocation of rights in Subject Inventions reported after the date of this agreement and made under contracts entered into prior to _____ 3/, except contracts specifically excluded by the Agency.

This change clarifies the meaning of the first sentence. The sentence as it currently appears in the proposed Institutional Patent Agreement includes the words "prior to" and "any future contract". These words create an ambiguity concerning the applicability of an Institutional Patent Agreement to contracts awarded prior to the effective date of the Institutional Patent Agreement and to the reporting of inventions under such contracts. The substitute words "except contracts specifically excluded by the Agency" clarify the meaning of the sentence. In rewritten form, the sentence can clearly be construed to mean that an Institutional Patent Agreement will be applicable to contracts awarded prior to the effective date of the Institutional Patent Agreement, unless the prior contracts are amended to specifically exclude the applicability of the Institutional Patent Agreement.

3. Page 5, paragraph (e), line 4, delete "Agnecies" and substitute "Agencies".

This change corrects a typographical error.

Thank you for the opportunity to comment on the proposal. I will be pleased to elucidate upon these remarks--either for clarification or for additional emphasis--in the event that you find such amplification desirable.

Sincerely,

Thomas P. Evans

Thomas P. Evans
Director of Research

TPE:mmo
Enc.
cc: Norman J. Latker, NIH

'fice of the Administrator

UNIVERSITY OF MINNESOTA
TWIN CITIES

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332 Morrill Hall
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October 7, 1976

Mr. Philip G. Read
Director of Federal Procurement Regulations
General Services Administration
Federal Supply Service
Washington, D.C. 20406

Dear Mr. Read:

This letter is in response to your letter of August 4, 1976 relative to Subpart 1-9.1 of the Federal Procurement Regulations and deals specifically with Institutional Patent Agreements with educational and other non-profit institutions having a technology transfer program meeting specified criteria.

We have carefully reviewed the proposed FPR revision and advocate its adoption. It is our opinion that the adoption of Institutional Patent Agreements on a government-wide basis is definitely in the public interest as they facilitate the expeditious transfer into public use of the results of government sponsored research. The adoption of this amendment will encourage more organizations to acquire a technology transfer capability because of the assurance presented that all discoveries, either government or organization funded, will be available to carry the load costwise which such a technology transfer program entails.

With respect to educational institutions, we believe they have a unique capability not present where title passes to the government in the availability of the inventor to perform the considerable scientific support that is necessary to market high technology inventions.

Sincerely,

G. Willard Fornell

G. Willard Fornell
Patent Administrator

GWF:tfh

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Telephone: (212) 598-2191

October 7, 1976

Mr. Philip G. Read
Division of Federal
Procurement Regulations
General Services Administration
Washington, D.C. 20406

Dear Mr. Read:

We have examined the proposed amendment to FPR subpart 1-9.1 regarding provisions dealing with institutional patent agreements with educational and other non-profit institutions. I would like to say at the outset that we favor a uniform institutional patent agreement between educational institutions and all federal agencies. I think it is clear that the administrative burden to both the agencies and the grantee institutions would be considerably lessened.

The amendment as contained in your letter of August 3, 1976 meets with our approval; we think that it will help to eliminate many of the difficulties and objections to the present system of case-by-case justification of a particular patent clause in each grant or contract. We have the following comments to make:

Under section IX(f), "Administration of Inventions", it seems that the language is unnecessarily constraining, particularly the last phrase beginning, "In such cases..." The implication is that preference would be given to organizations or individuals other than those listed in part (f). Thus, it appears that the regulations require the grantee to act in an unnecessarily discriminatory manner.

Under section 1-9.109-7(b)(5) the wording does not make clear the evaluation criteria for assessing "an active and effective promotional program." This is of particular concern to us since the Department of the Navy, for example, has interpreted technology transfer capability to mean that the grantee must demonstrate representative patents and licenses in specific fields of technology. (ONR memorandum of February 17, 1976, ref: 610:JKP:dcl). The Navy's interpretation thus clearly favors those organizations which have already secured patents and licenses and effectively eliminates the entry of other institutions into the field of technology transfer. We would therefore recommend that part 1-9.109-7(b)(5) be worded to read "Procedures for insuring an active and effective program of licensing and marketing of inventions."

[illegible] in your letter of [illegible]

We hope that you have found our comments useful; we are hopeful that the present non-uniform, administratively complex, and often discriminatory procedures will be amended. Please be assured of our willingness to be of any assistance.

Sincerely yours,

Victor Medina
Assistant Director

VM:kdo

Cornell University
123 Day Hall, P.O. Box D.H.
Ithaca, New York 14853

314

October 8, 1976

Mr. Philip G. Read
Director of Federal Procurement
Regulations
General Services Administration
Federal Supply Service
Washington, D.C. 20406

Dear Mr. Read:

We have read with great interest the report of the University Patent Policy ad-hoc sub-committee relating to the expeditious development of civilian use of inventions resulting from research funded by the federal government. We have also reviewed with care the proposed revisions to the federal procurement regulations which included a standard institutional patent agreement for general use.

We would like to express our support of the efforts of the sub-committee and the proposed FPR revisions as well as the IPA itself. We trust that the following comments will be taken in the light of that general approval. They are offered as constructive criticism rather than opposition.

By virtue of the fact that the proposed revision is basically the addition of a sub-section (6) to 1-9.107-4 (a) it is likely that the requirements it contains will be interpreted as being inapplicable to organizations other than educational and non-profit operations. I suspect that this is not the intent and that further changes to the FPR should be considered.

As a case in point, I refer to section IV Minimum Rights Acquired by the Government subsection (c). As I understand the situation, the requirements that led to IV (c) are such that they should be generally applicable. As to the section itself, FPR section 1-9.107-5 (e) sets forth the obligations and the applicable clauses to be used in the event the agency head or his duly authorized designee may determine them to be necessary. It specifies that the license to the government shall include the right of the government to sub-license foreign governments pursuant to any treaty or agreement with such foreign governments. Section IV (c) of the IPA is somewhat different in that it requires action on the part of the institution to request identification of those cases in which obligations may exist.

The reference to "contract support and international agreement and treaty" seems to us to be vague and we are concerned about the obligation that we must follow "such other directions of the agency as are deemed necessary by the agency to comply with the terms of any applicable international agreements." We believe it should be the obligation of the agency to advise the institution at the time of a proposed grant or contract of any such requirements, and that they should not be retroactive. Directions of the agency to which we will be obligated should be clearly stated and understood prior to contract execution.

Section V (a) requires a complete technical disclosure for each subject invention within six months after conception or first reduction to practice and section III (a) requires that such disclosure be accompanied by the institution's election as to whether it wishes to retain entire right, title and interest in the invention. Assuming the most favorable, but most unlikely situation in which the institution is aware of an invention immediately upon conception or first reduction to practice, this would mean that the decision as to filing would have to be made within six months at best. Our experience indicates to us that this period is unrealistic in terms of normal reporting practices of inventors coupled with the time required for patent and commercial evaluation. Solicitation of commercial interest, analysis of the market, review of industrial requirements on obtaining approvals for new projects usually take a considerably longer period. What we are suggesting here is not omission of time frames but some added flexibility to the institution to make a thorough assessment possible.

With regard to section VIII which provides for assignment of rights to the IPA holder from sub-contractors, we would like to see some language added to eliminate this requirement if the sub-contractor is itself an IPA holder. We assume that for the purposes of section VIII that the requirement is intended to apply to sub-contractors who are not educational or non-profit institutions.

While we understand the reasoning that led to the provisions of section IX (f), and we find that these restrictions might at times lend force to our decisions in such matters, it is our view that we are in perhaps the best position to assess possible conflicts. It is our interpretation that these provisions will not restrict the institution from licensing a current or former employee (or student) or group of employees or an organization of which an employee is a member if to do so would bring the benefits of the invention promptly to the public. On this point we are referring to X (f) iii.

With regard to "march in rights", it would be helpful if it were possible to develop more specific criteria although we recognize this

may be most difficult. We do, however, suggest that the decision on such matters be specified to rest at the highest level within a given agency.

Sincerely,

Thomas R. Rogers
Associate Vice-President
for Research

TRR/lk

LORADO
STATE
ERSITY
FORT COLLINS
COLORADO
80521

vice president for research

October 7, 1976

Mr. Philip G. Read
Director
Federal Procurement Regulations
General Services Administration
Washington, D.C. 20406

Dear Mr. Read:

The Colorado State University administrative office for patents and inventions is pleased at the prospect of an amendment to the Federal Procurement Regulations of the General Services Administration which would initiate a uniform patent policy for all civilian agencies who qualify for an institutional patent agreement. Much of the difficulty in administering inventions at the university would be eliminated through an institutional patent agreement of this type enabling a more efficient and sizable technology transfer program to evolve.

We are in agreement with the proposed FPR revision with the exception of the terms set forth in Section IX(b). The restriction of five or eight years placed on the term of exclusive licenses would not always provide adequate time for the product to reach the commercial marketplace or for the licensor and licensee to recover costs and a reasonable royalty. There are examples where this restriction could be a problem. One would be an invention offered on an exclusive basis where additional research and development was necessary to bring the invention to a patentable and marketable stage. Development work of this type could take any number of years to complete. A second example where this restriction could be a problem would occur should an unduly long period of time be required for premarketing approval, i.e., new drug approval. Often, the time required for new drug approval could run as long as five years in itself. A more favorable clause might read in part:

"Any exclusive license issued by the institution under a U.S. Patent shall be for a limited period of time and such period shall not, unless otherwise approved by the Agency, exceed the life of the patent (patent renewals excluded) or ten years, whichever is longest. Any exclusive license issued by the institution for a nonpatented invention shall be for a limited period of time and such period shall not, unless otherwise approved by the Agency, exceed ten years from the date of the first commercial sale or use in the United States of America of a product or process embodying the invention."

A clause such as this would provide the university and the licensee with an opportunity to recover all costs incurred in the development and patenting of an invention as well as receive a reasonable royalty income. The royalty income to the university would be used to support educational and research activities and provide an incentive to those faculty and staff members involved in research projects.

The opportunity to comment on the proposed amendment to the FPR is appreciated and we look forward to the possibility of participating in an institutional patent agreement with the General Services Administration.

Very truly yours,

Cynthia J. Hanson

Cynthia J. Hanson
Administrative Assistant

c.c. R.J. Woodrow, President
Society of University Patent Administrators

Duplicate

The University of Connecticut

STORRS, CONNECTICUT 06268

THE GRADUATE SCHOOL
Research Foundation
U-133

October 5, 1976

PATENT COUNSEL, GSA

OCT 13 1976

Mr. Philip G. Read
Director of Federal Procurement Regulations
General Services Administration
Federal Supply Service
Washington, D. C. 20406

Dear Mr. Read:

I wish to acknowledge your letter of August 3, seeking comment on proposed amendments to section 1-9.1, FPR, which would establish an Institutional Patent Agreement. The objective is excellent, and I hope that you find sufficiently enthusiastic endorsement of the plan, and sufficiently few irreconcilable institutional requests, that it can be adopted.

The posture of the University of Connecticut is determined largely by state statutes, attached. These statutes have been augmented by guidelines of the Board of Trustees and administrative procedures to encourage invention disclosures. The University has had since 1954 an agreement with Research Corporation, which examines 15-20 disclosures annually.

Comments

I. Scope of Agreement

It is implied that the University, when it is a subcontractor to a prime contract of a federal agency is bound only by its own statutes and regulations regarding patents and licensing. Is this a correct interpretation? Section VIII does not really answer the question.

II. Definitions

Possibly include "institution", clarifying relationship to constituent schools, colleges, institutes and Agricultural Experiment Station.

III. Allocation of Principal Rights

It is not clear whether the University may assign its rights to the inventor when that person has been associated professionally with a government contract. If the institution wishes to make such assignment, or alternatively an assignment in the public interest to a private corporation, is such permission to be granted only upon application of the inventor or representative of the private corporation to the governmental agency?

Are these questions presumed to be covered by the last sentence of section III (a)?

IV.

It is not clear under what circumstances the agency will determine that it is or is not in the public interest to acquire licenses for states and domestic municipal governments. Presumably inventions made without government support would be patented and licensed for sale or use by state or municipal governments, and it is not difficult to discern irreconcilable institutional policies concerning federally supported or non-federally supported inventions.

I am also uneasy about the meaning of a "non-exclusive, non-transferable paid up license" for the U.S. government, and the requirement that the institution "grant to responsible applicants, upon request of the government, a license . . .". It is simply not clear whether the agreement gives the right to own, assign or license patents, or whether the agency retains the right to order the issuance of a license (B) (b), "to fulfill public health or safety needs, or for other public purposes . . .".

V, VI, VII

No comment

VIII.

Is a subcontract by institutions to a private contractor possible in practice under provision of section VIII? If it is implied by the statement that the institution "will seek direction" from the agency, that the agency will comply, perhaps it would be more expedient to eliminate the entire provision. It is not difficult to imagine that the process of "seeking direction" might require an inordinate period of time, effectively slowing the accomplishment of the purpose of the contract.

IX (f) (i)

Does this provision prevent assignment of patent rights to the inventor? Is this section in conflict with last sentence of section III (a)? See also second paragraph of section X.

XII.

Does this section give special rights to the agency concerning employees paid in part by the Agricultural Experiment Station?

Sincerely yours,

Hugh Clark
Associate Dean

Attachment
HC:cs
cc: Mr. Norman Latker
Mr. Raymond Woodrow

practice under provision of section VIII. If it is implied by the statement

Copied from: General Statutes of Connecticut, Revision of 1958 and the 1965 Supplement to the General Statutes 9/30/6

Sec. 10-124. Research foundation. Definitions. As used in sections 10-125 to 10-131, inclusive, "university" means The University of Connecticut; "board" means the board of trustees of the university; "foundation" means the research foundation established in accordance with section 10-125; "employee" means any member of the faculty or staff of the university or the foundation, or any other employee thereof; "invention" means any invention or discovery and shall be divided into the following categories: A. Any invention conceived by one employee solely, or by employees jointly; B. any invention conceived by one or more employees jointly with one or more other persons; C. any invention conceived by one or more persons not employees. (1949 Rev., S. 3278.)

Sec. 10-125. Establishment and management of foundation. The board is authorized to establish and manage the foundation as provided herein. The foundation may, subject to direction, regulation and authorization or ratification by the board: (1) Receive, solicit, contract for and collect, and hold in separate custody for purposes herein expressed or implied, endowments, donations, compensation and reimbursement, in the form of money paid or promised, services, materials, equipment or any other things tangible or intangible that may be acceptable to the foundation; (2) disburse funds acquired by the foundation from any source, for purposes of instruction, research, invention, discovery, development or engineering, for the dissemination of information related to such activities, and for other purposes approved by the board and consistent with sections 10-124 to 10-131, inclusive; (3) file and prosecute patent applications and obtain patents, relating to inventions or discoveries which the university may be justly entitled to own or control, wholly or partly, under circumstances hereinafter defined; and receive and hold in separate custody, assignments, grants, licenses and other rights in respect to such inventions, discoveries, patent applications and patents; (4) make assignments, grants, licenses or other disposal, equitably in the public interest, of any rights owned, acquired or controlled by the foundation, in or to inventions, discoveries, patent applications and patents; and to charge therefor and collect, and to incorporate in funds in the custody of the foundation, reasonable compensation in such form and measure as the board authorizes or ratifies; and (5) execute contracts with employees or others for the purpose of carrying out the provisions of sections 10-124 to 10-131, inclusive. All property and rights of every character, tangible and

intangible, placed in the custody of the foundation in accordance with said sections shall be held by the foundation in trust for the uses of the university. The entire beneficial ownership thereof shall vest in the university and the board shall exercise complete control thereof. (1949 Rev., S. 3279.)

Sec. 10-126. Ownership of inventions. The university shall be entitled to own, or to participate in the ownership of, and to place in the custody of the foundation to the extent of such ownership, any invention, on the following conditions: (a) The university shall be entitled to own the entire right, title and interest in and to any invention in category A, in any instance in which such invention is conceived in the course of performance of customary or assigned duties of the employee inventor or inventors, or in which the invention emerges from any research, development or other program of the university, or is conceived or developed wholly or partly at the expense of the university, or with the aid of its equipment, facilities or personnel. In each such instance, the employee inventor shall be deemed to be obligated, by reason of his employment by the university, to disclose his invention fully and promptly to an authorized executive of the university; to assign to the university the entire right, title and interest in and to each invention in category A; to execute instruments of assignment to that effect; to execute such proper patent applications on such invention as may be requested by an authorized executive of the university, and to give all reasonable aid in the prosecution of such patent applications and the procurement of patents thereon; (b) the university shall have the rights defined in subsection (a) of this section with respect to inventions in category B, to the extent to which an employee has or employees have disposable interests therein; and to the same extent the employee or employees shall be obligated as defined in said subsection (a); (c) the university shall have no right to inventions in category C, except as may be otherwise provided in contracts, express or implied, between the university or the foundation and those entitled to the control of inventions in category C. (1949 Rev., S. 3280.)

Sec. 10-127. Employees to share in proceeds. Each employee who conceives any invention and discharges his obligations to the university as hereinbefore provided shall be entitled to share in any net proceeds that may be derived from the assignment, grant, license or other disposal of such invention. The amount of such net proceeds shall be computed by, or with the approval of, the board, with reasonable promptness after collection thereof, and after deducting from gross proceeds such costs and expenses as may be reasonably allocated to the particular invention or discovery. A minimum of twenty per cent of the amount of such net proceeds shall be paid to