

News from Birch Bayh

for further information—phone (202) 224-5623
in Indiana phone (317) 269-6240

FOR IMMEDIATE RELEASE
L.R. 11-80

HUNTINGTON, IND., JANUARY 16 -- The federal government is encroaching on business opportunities of small businesses to the tune of over $2 billion each year, Senator Birch Bayh (D.-Ind.) reported today.

Speaking at a meeting of the Huntington Chamber of Commerce this evening, the Senator told community leaders that a soon-to-be-released report by a Small Business Administration task force shows that the government competes with all business in such a way that more than $9 billion per year in potential business is done "in house" by federal agencies--business which could have done more economically by private firms. The Senator said the report also indicates that at least a quarter of this business could have been expected to go to small businesses.

"Study after study shows that our nation's small businesses are the most productive and innovative in the world," Bayh said. "Examples of Big Government encroaching on private enterprise abound over a broad spectrum of business utilities."

"Simply put, the government has no business getting into business," Bayh continued. The Senator announced he is going to ask the Small Business Committee in the Senate to start an investigation of the problems brought out in the report.

Bayh noted the SBA's report is particularly timely, since the White House Conference on Small Businesses is meeting this week in Washington. The conference is being attended by more than 2,000 people from every state in the U.S. involved in small businesses--including 41 from Indiana.

SMALL BUSINESS CONFERENCE ENDORSES BAYH LEGISLATION

The White House Conference on Small Business is expected to endorse two key proposals offered by Senator Bayh to increase productivity and innovation. The two bills concern problems of patent ownership and protection of patent rights.

One of the bills--introduced by Bayh and Senator Robert Dole (R.-Kan.)--specifically addresses the problems of assigning patent rights to private industry on inventions developed with the aid of government research funds. In the past, various federal agencies have had a conglomeration of regulations regarding this practice, regulations which frequently are contradictory.

The Bayh/Dole bill specifies a unified government policy which allows universities, nonprofit organizations and small businesses to retain title to inventions discovered while conducting government research.

"We have discovered that, especially in areas of medical research and science, many useful and much needed products are never commercialized and brought to the public. This is because a private firm which is in the position to undertake the necessary development steps is unwilling to invest the capital to do this unless it can be sure of protections guaranteed by a patent," Bayh said. He pointed out this bill has a provision which states that when an invention developed with the help of federal research dollars reaches a certain level of profitability, a portion of the profits are to be returned to the government up to the amount of the original grant.

The second Bayh bill to receive the Small Business Conference's endorsement provides an inexpensive alternative to litigation in patent validity cases. The bill allows the Patent Office to consider new data which might have been overlooked during the initial patent examination and to determine whether or not the patent should have been issued. This legislation will reduce litigation and make it much easier for small businesses--with limited financial resources--to protect their legitimate rights offered by patents.

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