PATENTS, COPYRIGHTS AND RIGHTS IN DATA

Subcommittee: Mr. Clark McCartney, Chairman; Mr. Sam Kimble; Dr. Thomas Stelson; Mr. Howard Bremer, Wisconsin; Mr. Lawrence Gilbert, Boston; Mr. Neils Reimers, Stanford; Mr. Allen Segal, Texas A&M; Mr. Edwin Yates, Johns Hopkins.

Report: Mr. McCartney

Government Patent Policy

Government patent policy at the present time is being influenced by hearings that were held by Senator Gaylord Nelson of Wisconsin and by the Thornton "Patent Bill", H.R. 8596.

The principal thrust of Mr. Thornton's bill would permit agencies to vest title with the contractor, to patents resulting from government supported research. The thrust of the Nelson hearings was to build a record advocating a government "take all" policy. COGR has gone on record in support of the Thornton legislation and has urged NSF, DHEW, OMB and the Office of Science and Technology Policy (OSTP) to support H.R. 8596.

A position paper, developed by the American Council on Education and supported by COGR and the American Association of Universities as well as other higher education associations was submitted to Senator Nelson to become part of the hearing record.

In mid January, a group of AAU presidents and ACE Staff Counsel and two COGR representatives met with a member of the White House, Domestic Policy staff and a staff member of OSTP to present views on government patent policy in regard to inventions developed by colleges and universities in the performance of federally funded research. The group was advised by the White House staff that current thinking, was to remain with the status quo, unless the forces for change could strongly justify a different position.

The group was encouraged to present the position of higher education in a written communication to Mr. Eizenstat and Dr. Press. Essentially, the position taken was unequivocally to support H.R. 8596. Recognizing that support for H.R. 8596 might not be forthcoming from the White House, the ACE recommended that "In the absence of support for this proposal (H.R. 8596) the higher education community strongly favors the maintenance of the existing federal policy permitting diverse policies within the various federal agencies rather than vesting patent rights in the government or establishing a policy of deferred determinations."

COGR followed with a letter to Dr. Press and Mr. Eizenstat supporting HR 8596 suggesting mandatory use of the Institutional Patent Agreement exceptwhere barred by statute, would be preferable in the event support would not be given for HR 8596.

The application of the royalty sharing provision to research grants is questionable. Unlike grants for curriculum development where the production of media material is central to the grant award, books arising as the result of research grant activities are incidential to the grant award. This clause would require the institution to insert itself between the author and publisher in negotiating book publishing agreements. This is unacceptable to those institutions which have no financial interest in agreements between publisher and author.

HUD Terms and Conditions Unacceptable

Some institutions have reported negotiations with the Department of Housing and Urban Development over unacceptable and inappropriate terms and conditions. HUD uses the term "grant contract" which makes it unclear as to whether the provisions apply to contracts, grants or both. In other respects the terms are unclear and violate OMB Circular A-110. For example:

-Grant payments can be withheld for various broad reasons, many of which are unclear in their meaning.

-Grant budget revisions must be approved in writing, in advance, irrespective of amount.

-Publications of all types under the grant must be approved by HUD in advance of release.

-Grant suspension or termination requires the payback of all funds received under the grant.

The Committee will be in touch with HUD to resolve these matters.

Institutional Patent Agreement - General Services Administration

The General Services Administration published final rules amending the Federal Procurement Regulations to provide for the use of Institutional Patent Agreements in contracts with universities. Institutions with satisfactory technology transfer programs may be granted rights to inventions made under contracts with federal agencies, unless barred by statute. IPAs permit those institutions to retain the rights to inventions and related patents that result from such contracts. The IPA provisions were published in the Federal Register of February 2, 1978, (43 FR 4424 to 4428). The rules are effective March 20, 1978, but may be observed earlier.

The IPA is encouraged for use by federal agencies. While the granting of an IPA permits institutions to retain rights to inventions and related patents, it carries with it institutional responsibilities. Some of these responsibilities are:

-A provision requiring prompt reporting of inventions to the government.

-A requirement that institutional royalty receipts be utilized for educational or research purposes.

-A provision permitting the government to exclude individual contracts.

-A provision for government approval of assignment to other than approved patent management organizations.

Electric Power Research Institute (EPRI)

Several optional patent clauses are used by EPRI in its contracts and in negotiated subcontracts with educational institutions. The clauses will soon be made available to the Committee office and provided to member institutions on request, to assist in negotiating agreements with EPRI where it would be beneficial to the institution to be informed of the options used.

Protection for Sensitive Data Submitted in Proposals

The agenda for the February 2, 1978 meeting carried a notice governing the treatment of technical and financial data contained in proposals submitted to NASA. In essence information in proposals carrying a restrictive legend would be protected as trade secrets from premature release under the Freedom of Information Act.

The Committee is continuing to consider whether a restrictive legend, similar to the NASA notice, would be appropriate for inclusion in all unsolicited proposals submitted by institutions so as to protect institutional patent rights.

Publication Restrictions - Department of Energy

The Department of Energy is using a new publication clause in its contracts that requires papers developed under the contract to be submitted to DOE patent counsel for patent review 60 days prior to their intended publication. Additionally, DOE Counsel may restrict publication for an indefinite period to protect patentable subject matter in the paper. COGR has written to Mr. Tashjian, Director of Procurement expressing concern that universities remain unencumbered in their pursuit and publication of new knowledge.

New Copyright Law P.L. 94-533

The Subcommittee meeting included an intense discussion of the new copyright law: in attendance were Marlene Morrisey of the Library of Congress, Copyright Office; Michael Cardozo and Peter Wolff of NACUA. College and university use of books, articles, music, films and videotape is directly affected by the new law, but weeks after the effective date, many questions about the law remain unresolved:

Music Royalties

Under the new law, colleges and universities have lost their general exemption from paying royalties or license fees for performing copyrighted music on their premises.

Off-the-Air Recordings

Can the use of a videotaped segment of a television series be used as the basis for a class discussion, without permission from, or payment to, the copyright owners.

Computer Copyright

The National Commission on New Technological Uses of Copyright (CONTU) is to submit recommendations to the President and Congress by July 31, 1978 on copyright issues in the computer area.

Photocopying

Photocopying of copyrighted materials is permitted within the doctrine of "fair use". Guidelines for photocopying have been developed by the Ad Hoc Committee on Copyright Law Revision, but they are presented only as minimum standards. Maximum limits will depend on court decisions yet to be made.

Because of varying interpretations of the new law, COGR has deferred revision and publication of its copyright brochure.

Three publications might prove useful for those who seek additional information on the copyright law: