PATENTS, COPYRIGHTS AND RIGHTS IN DATA

Subcommittee: Mr. Clark McCartney, Chairman; Mr. Sam Kimble; Dr. Thomas Stelson; Mr. Howard Bremer; Mr. Lawrence Gilbert; Mr. Niels Reimers; Mr. Edwin Yates; Mr. Allen Segal.

Report: Mr. McCartney, Chairman

Publication Restriction - Department of Energy

As reported in the agenda for the June meeting, the Department of Energy has adopted a restrictive publication provision as part of its general patent clause 9-9.107-6, paragraph (g). As written, the clause permits DOE to unilaterally delay publication of academic papers developed under the contract, for an indefinite period.

COGR representatives met with DOE officials on two occasions, the first March 21, 1978 and the second May 31, 1978. As a result of these meetings alternative language has been worked out and agreed to by both DOE and COGR. This language differs from that published in the agenda of the June meeting in that, the time for review by DOE is further shortened.

The change as proposed and agreed to by both parties is set forth below. Italics identify revised language not presently published in 9-9.107-6(g).

9-9.107-6(g)

> In order that information concerning scientific or technical developments conceived or first actually reduced to practice in the course of or under the contract is not prematurely published so as to adversely affect patent interest of DOE, the Contractor agrees to submit to the *Contracting Officer or* Patent Counsel for patent review a copy of each paper 60 days prior to its intended publication date. The Contractor may publish such information after expiration of a 60-day period following such submission or prior thereto if specifically approved by the *Contracting Officer or* Patent Counsel, unless the Contractor is informed *in writing within the 60 day period,* that in order to protect patentable subject matter, publication must further be delayed. *In this event, publication shall be delayed up to 100 days beyond the 60-day period or such longer period as mutually agreed to.*

Additionally, DOE was asked to implement the revised wording by means of interim instructions to DOE operations offices, pending revision of the DOE Procurement Regulations.

In a matter closely related to publication restrictions resulting from patent review, COGR will be developing a proposal for inclusion in the DOE Procurement Regulations, that will permit prescreening of publications by institutions in instances where such a procedure is approved by DOE patent counsel. This will further assure publication of the results of research, free of governmental or other external restraints.

Institutional Patent Agreement

In a letter dated March 20, 1978, Senator Gaylord Nelson asked the Administrator, Office of Federal Procurement Policy to suspend implementation of the Institutional Patent Agreement (IPA) regulations until July 18, 1978 so Mr. Nelson's Subcommittee could hold hearings on use of the IPA. Mr. Nelson's request was honored and hearings were held on May 22 and 23, 1978. Testimony was given by Dr. Thomas Jones, Vice President for Research at Massachusetts Institute of Technology, on behalf of higher education. Dr. Jones was supported in his testimony by Mr. McCartney representing COGR and Mr. Arthur Smith also of MIT.

The essence of Dr. Jones' statement was the proposition that Institutional Patent Agreements are most suitable to answering the needs of the university for ownership and licensing of inventions while meeting the concerns of those advocating greater government control. An Institutional Patent Agreement such as that published by the General Services Administration on February 2, 1978, will most effectively attain the goals of government and the universities by assuring that technology developed by public funds is made available for public use as quickly and efficiently and inexpensively as possible.

Universities, individually are expected to offer additional testimony at later Senate hearings scheduled for mid-June.

The Department of Energy has indicated that it will not use an Institutional Patent Agreement irrespective of what happens to the GSA Institutional Patent Agreement regulations DOE Patent Counsel has said that the DOE legislation does not permit advance waivers, therefore DOE is precluded from using IPAs. He commented that DOE procedures contain about 90 percent of the IPA features, and that waivers are granted when merited. It was acknowledged, however, that his office is two years behind in considering waiver cases.

Government Patent Policy Legislation

Movement towards passage of the Thornton "Patent Bill" (HR 8596) has lost steam due to renewed interest in government patent policy by a number of influential members of Congress and by key governmental agencies and officals whose views are not in accord with those of Mr. Thornton.

Consideration is being given to a substitute bill, not yet congressionally sponsored, entitled "University and Small Business Research Utilization Act of 1978". Much like HR 8596 the substitute bill provides for uniform federal policy concerning rights in federally supported inventions made at universitites, non-proft organizations and small business firms. An important feature of the bill, will give the government a share of up to 50 percent of all net income from licensing received by the contractor, above $250,000 (or other specified amount) provided that in no event would the government be entitled to recover an amount greater than that portion of the government funding under the contract on which the invention was made.

Patents Rights Waivers - Department of Health, Education and Welfare

COGR has corresponded with the Assistant Secretary for Health, HEW and expressed concern about the delays being experienced in consideration of case by case patent rights waivers where institutions do not hold Institutional Patent Agreement with DHEW. Additionally, concern over the public policy implications of the suspension of GSA regulations on the use of IPAs was expressed. We asked the Assistant Secretary to retain an enlightened attitude with respect to use of the IPA within HEW and requested a meeting for early July to discuss the delays in granting new IPAs and delays in considering patent rights waivers.

Secrecy Order Imposed on Patent Disclosure

The University of Wisconsin has challenged a secrecy order imposed on a National Science Foundation research grant on computer security. The Department of Commerce, Patent and Trademark Office issued the secrecy order in April, saying that the study contained information that could be detrimental to national security if publicly disclosed. The research was unclassified and the secrecy order came as a complete surprise to the institution. Universities are concerned that the institution and its faculty remain free to disseminate new knowledge, without undue government interference. Concern is further expressed that undisclosed criteria for supressing publication is a dangerous precedent.

The Committee will follow with interest the university's request to the Patent Appeals Board for repeal of the secrecy order.

Assignment of Copyright Rights to Publishers

As an aftermath of the new copyright law, it has been brought to COGR's attention that the publishers of scientific and technical journals are now requiring authors to exclusively transfer all of their copyright rights to the publisher. It is not agreed that complete transfer of rights is required under the new law, but some publishers are taking a rather firm stance on this matter. Where publications are authored under federally sponsored agreements, transfer of entire rights to the publisher could put the institution in violation of copyright provisions of sponsored contract and grant projects.

Many authors are of the opinion that the publishers' approach is unduly restrictive in that it would prohibit the authors' using their research results in books or instructional media or other formats not of direct interest to the publisher.

The Subcommittee advised that the new copyright law does allow divisible format assignment; therefore, publishers requests are negotiable as to assignment of formats of copyrighted works.

Rights in Technical Data - Department of Energy

Questions were asked of DOE officials by institutional representatives seeking clarification of certain phrases included in the Rights in Technical Data clause, 9-9.202-3(g), Subparagraph (b) Allocation of Rights, states " the government shall have unlimited rights in technical data *first produced or specifically used* in the performance of the contract..." Under this provision the government appears to obtain unlimited rights in data prepared at private expense.

DOE responded by stating that two kinds of data are involved: "used" and "developed". The words "specifically used" were intended to prevent the government from taking all rights, inclucing background data not developed under the contract. Additionally, the term "first produced" was to act as a limiting influence on the government in obtaining that data not used first, or "second data". In other words data not first used on the contract would not be subject to the provisions of 9-9.202-3(g) subparagraph (b), nor would data developed outside of the contract.