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[COMMITTEE PRINT]

JUNE 18, 1984

AMENDMENT IN THE NATURE OF A SUBSTITUTE

98TH CONGRESS
2D SESSION

H. R. 5003

To establish a uniform Federal system for management, protection, and utilization of the results of federally sponsored scientific and technological research and development, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 1984

Mr. FUQUA (for himself, Mr. BROWN of California, Mr. WALGREN, Mr. BOUCHER, Mr. SENSENBRENNER, and Mr. GREGG) introduced the following bill; which was referred jointly to the Committees on the Judiciary and Science and Technology

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To establish a uniform Federal system for management, protection, and utilization of the results of federally sponsored scientific and technological research and development, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That this Act may be cited as the "Uniform Science and Technology Research and Development Utilization Act".

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TITLE I—POLICY

FINDINGS

SEC. 101. The Congress, recognizing the profound impact of science and technology, finds and declares that—

(1) the United States has recently experienced a decline in industrial innovation and productivity which adversely affects domestic productivity, the rate of economic growth, the level of employment, the balance of trade, and the attainment of other national goals;

(2) the national support of scientific and technological research and development is indispensable to sustained growth and economic stability, and it is in

the national interest to maximize the benefits to the public for such investment;

(3) inventions resulting from Government-sponsored research and development constitute a valuable national resource which should be developed in a manner consistent with the public interest and the equities of the respective parties; and

(4) there is a need for the establishment and implementation of a flexible Government-wide policy to increase the utilization of the results of Government-sponsored research and development, and this policy should promote the progress of science and the useful arts, encourage the efficient commercial utilization of technological developments and discoveries, guarantee the protection of the public interest in the United States and foreign countries, and recognize the equities of the contracting parties.

PURPOSE

SEC. 102. It is the purpose of this Act—

(1) to establish and maintain a uniform Federal policy regarding property rights resulting from Government-sponsored science and technology research and development and, when not detrimental to the purpose for which the research was conducted, to stimulate more widespread commercial utilization of those results for the public good;

(2) to insure the effective implementation of the policy established by this Act, and to provide for monitoring its impact on innovation and technology development;

(3) to allocate rights to inventions by contractors which result in part or in whole from Government-funded activities so as to—

(A) encourage the participation of the most qualified and competent contractors,

(B) foster competition,

(C) reduce the administration burdens both for the Federal agencies and their contractors, and

(D) protect the public investment in research and development by promoting the widespread utilization of inventions;

(4) to provide measures to protect United States interests in foreign countries regarding the results of Government-sponsored science and technology research and development; and

(5) to amend or repeal other Acts which are inconsistent with the provisions of this Act.

TITLE II—IMPLEMENTATION

FUNCTIONS OF VARIOUS AGENCIES

SEC. 201. (a)(1) The Federal Coordinating Council for Science, Engineering, and Technology (established by sec-

tion 401 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651) and reestablished by Executive Order 12039 (hereinafter in this section referred to as the "Council") shall make recommendations to the Director of the Office of Science and Technology Policy (or his designee) and to the Secretary with regard to uniform policies, regulations, guidelines, and practices to carry out the provisions of this Act.

(2) For the purpose of assuring effective management of Government-owned inventions, the Secretary of Commerce shall chair a committee of the Council to formulate the recommendations required by this subsection. Such committee shall also include representatives of each Federal agency with a major research and development program. When adopted by the Director such recommendations shall be transmitted to Federal agencies through appropriate channels, including those provided in titles II and III.

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(b) In order to carry out the responsibilities set forth in subsection (a), the Council is authorized—

(1) to acquire data and reports from Federal agencies on the interpretation and implementation of this Act and related policies, regulations, and practices;

(2) to review on its own initiative, or upon request by a Federal agency, Federal agency implementation of the provisions of this Act;

(3) to analyze, on a continuing basis, data acquired by the Council;

(4) to consider problems and developments in the fields of intellectual property and matters connected therewith and the impact thereof on Government policy; and

(5) to publish annually a report on Council efforts, findings, and recommendations made under this section, which report shall include—

(A) relevant statistical data regarding the disposition of subject invention disclosures resulting from Government-sponsored research and development, including those inventions disclosed by small businesses and nonprofit organizations;

(B) any legislative or administrative recommendations to better achieve the purposes of this Act; and

(C) an analysis of the impact of Federal policies on the purposes of this Act.

FUNCTIONS OF THE SECRETARY OF COMMERCE

SEC. 202. (a) For the purpose of assuring the effective management of Government-owned inventions, the Secretary is authorized—

(1) to assist Federal agency efforts to promote the licensing and utilization of Government-owned inventions;

(2) to assist Federal agencies in seeking and maintaining protection on inventions in foreign countries, including the payment of fees and costs connected therewith;

(3) to consult with and advise Federal agencies as to areas of science and technology research and development with potential for commercial utilization;

(4) to publish notification of all federally-owned inventions that are available for licensing or assignment;

(5) to evaluate inventions referred by Federal agencies, and patent applications filed thereon, in order to identify those inventions with the greatest commercial potential and to insure promotion and utilization by the public of inventions so identified; and

(6) to initiate regulations to be promulgated by the Director of the Office of Management and Budget after full consideration of agency and public comments.

TITLE III—ALLOCATION OF RIGHTS

RIGHTS OF THE GOVERNMENT AND THE CONTRACTOR

SEC. 301. (a) Subject to subsection (c) and to section 303, each contractor may elect to retain title, either worldwide or in such countries as it may choose, to any subject invention. Where not in violation of existing treaties or laws of the United States, a Federal agency may, at the time of

contracting, limit or eliminate this right, place additional restrictions or conditions in the contract that go beyond those set forth in subsection (c), expand the rights of the Government to license or sublicense, or alter or eliminate the contractor's right under subsection (c)(7), if—

(1) it is determined by a Government authority which is authorized by statute or Executive order to conduct foreign intelligence or counterintelligence activities that this is necessary to protect the security of such activities;

(2) the contractor is not located in the United States or does not have a place of business located in the United States, is a foreign government, or is subject to the control of a foreign government;

(3) the contract is related to or associated with an international treaty, agreement, memorandum of understanding, or other arrangement, including (but not limited to) agreements of cooperation in science and technology and military agreements related to weapons development or production, and it is determined by the agency that rights of the Government in any subject inventions beyond the license right provided in subsection (c)(3) are necessary for the agency to fulfill its obligations under the international treaty, agreement, or arrangement;

(4) the principal purpose of the contract is to develop or improve products, processes, or methods which will be required for compliance with government regulations;

(5) a third party is sponsoring research or development activities at a government-owned contractor-operated facility under an agreement allocating to the third party rights to inventions arising from such activities, when the sponsor elects to retain rights under that agreement; or

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(6) the agency determines that there are exceptional circumstances requiring such action.

(b) Each determination made by a Federal agency under the authority of subsection (a) shall be in writing. In the case of a determination under subsections (a)(3), (a)(4), or (a)(6), the statement shall include an analysis supporting the determination and justifying the limitations and conditions being imposed. If the contractor believes that a determination is contrary to the terms, policy, or objectives of this Act, or constitutes an abuse of discretion, the determination shall be subject to the Contract Disputes Act (41 U.S.C. 601 et seq.). The Director of the Office of Management and Budget (or his designee) is authorized to issue policies, procedures, and guidelines describing classes of situations in

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which Federal agencies may or may not utilize the provisions of subsections (a)(3), (a)(4), or (a)(6).

(c) In accordance with regulations issued under this Act, each contract shall employ a patent rights clause containing appropriate provisions as needed to effectuate the following rights and requirements:

(1) The contractor must disclose each subject invention to the contracting Federal agency within a reasonable time after it is made, and the Government may receive title to any subject invention not disclosed within such reasonable time.

(2) Unless the Government has acquired the right to title in accordance with subsection (a)—

(A) the contractor must make a written election, as to the retention of title to the subject invention, within one year after disclosure under paragraph (1) (or such additional time as may be approved by the Federal agency);

o 12(c) *(B) if the contractor does not elect to retain worldwide title to a subject invention, the Federal agency may consider and, after consultation with the contractor, grant requests for retention of rights by the inventor on such terms and conditions as may be deemed appropriate by the agency and subject to section 303;*

(C) a contractor electing to retain title to a subject invention must file patent applications within a reasonable time;

(D) the Government may receive title to any subject invention in any countries in which the contractor does not retain title pursuant to subparagraphs (B) and (C); and

(E) in any case where a Federal agency employee is either—

(i) a coinventor, with a contractor employee, of a subject invention, or

(ii) an inventor of an invention made under a contract involving cosponsored, cost-sharing, or joint venture research or development and the contractor is required to make a substantial contribution of funds, facilities, personnel, data, or equipment to the work performed under the contract,

the Federal agency is authorized to transfer or assign whatever rights it may acquire, or may have the right to acquire, in the invention, from its employee to the contractor subject to the same conditions as those which are applicable under this Act to the rights the contractor derived through its own contract.

(3)(A) With respect to any subject invention to which a contractor elects to retain title, the Government shall have (in addition to any rights that have been taken under subsection (a)) a nonexclusive, nontransferable, irrevocable, paid-up license to make, use, and sell the subject invention throughout the world by or on behalf of the Government and may, if provided in the funding agreement, have additional rights to sublicense any foreign government or international organization pursuant to any existing or future treaty or agreement.

(B) When the contract is part of a major multiyear research or technology development program and it is in the national interest, the Federal agency may retain an exclusive license in the program's field of use to facilitate the ultimate commercialization, transfer, or use of the technology.

(4) The Federal agency shall require annual written reports for the first 3 years following receipt of title by an inventor and may require other written reports on the efforts to obtain commercial utilization made by the contractor or its licensees or assignees with respect to any subject invention to which the contractor elects title pursuant to this section, except that any such report, as well as any information on utilization or ef-

forts toward obtaining utilization obtained as part of a proceeding under section 303, shall be treated by the agency as a trade secret or as commercial or financial information obtained from a person and privileged or confidential and not subject to disclosure under section 552 of title 5, United States Code.

(5) The contractor, in the event a United States patent application is filed by or on its behalf or by any assignee of the contractor, must include within the specification of such application and any patent issuing thereon a statement specifying that the Government has certain rights in the invention.

(6) The balance of any royalties or income earned on subject inventions by a contractor operating a Government-owned, contractor-operated facility up to a total equal to 3 percent of that facility's annual budget (if the invention was made in the facility) shall, after payment of patenting costs, licensing costs, and other expenses (including payments to inventors), be used for scientific research and development in the facility consistent with the mission and objectives of such facility with priority given to activities that increase the licensing potential of other inventions of the facility, with any such royalties or income in excess of 3 percent of the facility's budget being used by the head of the

agency to further that agency's mission; and to the extent practical the patenting and licensing of the inventions involved shall be administered by contractor employees on location at the facility.

(7) The contractor, in cases when it has the choice under subsection (a) to retain title to the invention involved but does not elect to retain title or loses title under section 303(c), may retain a nonexclusive, royalty-free, paid-up, worldwide license (including the right to sublicense affiliates, subsidiaries, and existing licensees to whom the contractor is legally obligated to sublicense) in any subject invention to which the Government obtains title, which license shall be limited or revocable only to the extent necessary for the Government to grant an exclusive license; except that the contractor shall not be entitled to such a license if the contractor has fraudulently failed to disclose the subject invention.

(8) A transfer by the contractor of rights in any subject invention shall be subject to the rights of the Government provided by this section and sections 302, 303, and 304.

(9) The clause may impose any other administrative requirements which may be necessary to effectuate rights of the Government and the contractor as speci-

fied in this Act, to the extent not inconsistent with this Act.

WAIVER

SEC. 302. (a) A Federal agency may at any time waive all or any part of the rights of the Government under sections 301(a) and 303(c) in any subject invention or class of subject inventions which are or may be made under a contract of the agency if the agency determines that—

(1)(A) the contract involves cosponsored, cost-shared, or joint venture research or development and the contractor or other sponsor or joint venturer is required to make a substantial contribution of funds, facilities, personnel, data, or equipment to the work performed under the contract, or

(B) the conditions justifying acquisition of title by the Government under section 301(a) no longer exist or do not apply in the case of the subject invention; and

(2) the interests of the Government and the general public will be best served thereby.

(b) The Federal agency shall maintain a record, which shall be made public and periodically updated, of derterminations made under subsection (a).

(c) In making determinations under subsection (a)(1)(A), the Federal agency shall consider section 102 and at least the additional objectives of—

(1) encouraging wide availability to the public of the benefits of Government-sponsored research and development in the shortest practicable time;

(2) promoting the commercial utilization of inventions made under Government contracts;

(3) encouraging participation by highly qualified private persons in Government-sponsored research and development programs; and

(4) fostering competition and preventing the creation or maintenance of situations inconsistent with the antitrust laws.

(d) When an agency waives all or part of its rights in an invention under section 301(a), the contractor shall be permitted to take title subject to this section and sections 301(c), 303, and 304 of this Act.

MARCH-IN RIGHTS

SEC. 303. (a) Where a contractor has elected to retain title to a subject invention under section 301 or 302, the Federal agency shall have the right, subject to the provisions of subsection (b) of this section, to require the contractor or his assignee to grant a nonexclusive, partially exclusive, or exclusive license to a responsible applicant or applicants, upon terms reasonable under the circumstances, if the head of the

agency or his designee determines that such action is necessary—

(1) because the contractor, assigneee, or licensee has not taken, or is not expected to take within a reasonable time, effective steps to achieve the practical application of the subject invention;

(2) to alleviate serious health or safety needs which are not reasonably satisfied by the contractor or his assignees or licensees; or

(3) to meet requirements for public use specified by Federal regulation which are not reasonably satisfied by the contractor or his assignees or licensees.

(b) A determination made pursuant to this section shall be subject to the Contract Disputes Act (41 U.S.C. 601 et seq.), and in cases described in paragraphs (1) and (3) of subsection (a) the agency's determination shall be held in abeyance pending the exhaustion of appeals under such Act.

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(c) A contractor's election to retain title under section 301(a) or to receive title under section 302(d), with respect to any invention, is conditioned on a good faith effort to do further research or product development on the invention. If in its first three annual reports under section 301(c)(4) or after such additional time as is provided by the contracting agency, the contractor does not meet minimum standards set out in agency regulations requiring further development or

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commercialization of the invention, title to the invention shall transfer to the contracting agency as a matter of law.

BACKGROUND RIGHTS

SEC. 304. (a) Nothing contained in this Act shall be construed to deprive the owner of any background patent of such rights as the owner may have under such patent.

(b) No contract shall contain a provision allowing a Federal agency to require the licensing to third parties of inventions owned by the contractor that are not subject inventions unless such provision has been approved, and a written justification has been signed, by the head of the agency (or his designee). Any such provision shall clearly state whether the licensing may be required in connection with the practice of a subject invention, a specifically identified work object, or both. The head of the agency may not delegate the authority to approve such provisions or to sign the justification required for such provisions to a level lower than Assistant Secretary in the case of a Department or Assistant Administrator or comparable official in the case of any other agency.

(c) A Federal agency shall not require the licensing of third parties under any such provision unless the head of the agency (or his designee who holds as a minimum the rank of Assistant Secretary, Assistant Administrator, or its equivalent) determines that the use of the invention by others is necessary for the practice of a subject invention or for use of a work object of the contract and that such action is necessary

to achieve the practical application of the subject invention or work object. Any such determination shall be on the record after an opportunity for the contractor to participate in an agency hearing, and the contractor shall be given prompt notification of the determination by certified or registered mail.

TITLE IV—MISCELLANEOUS

DEFINITIONS

SEC. 401. As used in this Act (other than in section 402)—

(1) the term "person" means any person as defined in section 1 of title 1, United States Code;

(2) the term "Government" means the Government of the United States of America;

(3) the term "Federal agency" means an executive agency (as defined in section 105 of title 5, United States Code), and the military departments (as defined in section 102 of title 5, United States Code);

(4) the term "small business firm" means a small business concern as defined in section 2 of the Small Business Act (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration; and

(5) the term "nonprofit organization" means a university or other institution of higher education or an organization of the type described in section

501(c)(3) of the Internal Revenue Code of 1954 and exempt from taxation under section 501(a) of such Code, or any nonprofit, scientific, or educational organization qualified under a State nonprofit organization statute;

(6) the term "contract" means any contract, grant, or cooperative agreement entered into between a Federal agency (other than the Tennessee Valley Authority) and any person other than a small business firm or nonprofit organization where a purpose of the contract is the conduct of experimental, developmental, or research work; and such term includes any assignment, substitution of parties, or subcontract of any tier entered into or executed for the conduct of experimental, developmental, or research work in connection with the performance of that contract;

(7) the term "contractor" means any person or entity (other than a Federal agency, nonprofit organization, or small business firm) which is a party to a contract;

(8) the term "Secretary" means the Secretary of Commerce;

(9) the term "Director" means the Director of the Office of Science and Technology Policy, or his designee;

(10) the term "invention" means any invention or discovery which is or is reasonably believed by the contractor to be patentable or otherwise protectable under title 35, United States Code, or any novel variety of plant which is or is reasonably believed by the contractor to be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.);

(11) the term "subject invention" means any invention of a contractor conceived or first actually reduced to practice in the performance of work under a contract, except that in the case of a variety of plant the date of determination (as defined in section 41(d) of the Plant Variety Protection Act (7 U.S.C. 2401(d)) must also occur during the period of contract performance;

(12) the term "practical application" with respect to any invention means the manufacture (in the case of a composition or product), practice (in the case of a process or method), or operation (in the case of a machine or system) of such invention under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms or through reasonable licensing arrangements;

(13) the term "antitrust law" means the laws included within the definition of the term "antitrust laws" in section 1 of the Clayton Act (15 U.S.C. 12), as amended;

(14) the term "background patent" means a domestic patent covering an invention or a discovery (A) which is not a subject invention, (B) which is owned or controlled by the contractor at any time through completion of the contract, (C) which the contractor but not the Government has the right to license to others without obligation to pay royalties thereon, and (D) infringement of which cannot reasonably be avoided upon the practice of a subject invention of the contract; and

(15) the term "United States" includes the territories, possessions, and the District of Columbia.

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AMENDMENTS TO OTHER ACTS

SEC. 402. The following Acts are hereby amended as follows:

(1) Section 205(a) of the Act of August 14, 1946 (7 U.S.C. 1624(a); 60 Stat. 1090), is amended by striking out the last sentence.

(2) Section 501(c) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 951(c); 83 Stat. 742) is amended by striking out the last sentence.

(3) Section 106(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1395(c); 80 Stat. 721) is repealed.

(4) Section 12(a) of the National Science Foundation Act of 1950 (42 U.S.C. 1871(a); 82 Stat. 360) is repealed.

(5) Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182; 68 Stat. 943) is repealed; except that such section shall continue to be effective with respect to (A) any application for a patent in which the statement under oath referred to in such section has been filed or requested to be filed by the Commissioner of Patents and Trademarks prior to the effective date of this Act, and (B) any right retained by the Government under section 301(a) (1) through (7) of this Act.

(6) The National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.; 72 Stat. 426) is amended—

(A) by striking out section 305 (42 U.S.C. 2457); except that subsections (c), (d), and (e) of such section shall continue to be effective with respect to any application for patents in which the written statement referred to in subsection (c) of such section has been filed or requested to be filed by the Commissioner of Patents and Trademarks prior to the effective date of this Act;

(B) by striking out "(as defined by section 305)" in section 306(a) (42 U.S.C. 2458(a)), and by striking out "the Inventions and Contributions Board, established under section 305 of this Act" in such section and inserting in lieu thereof "an Invention and Contributions Board which shall be established by the Administrator within the Administration";

(C) by adding at the end of section 203(c) (42 U.S.C. 2473(c)) the following new paragraph:

"(14) to provide effective contractual provisions for the prompt and effective reporting of the results of the activities of the Administration, including full and complete technical reporting of any invention made in the course of or under any contract of the Administration, whether or not patentable under title 35, United States Code."; and

(D) by adding at the end of section 203 (42 U.S.C. 2473) the following new subsection:

"(d) For the purposes of chapter 17 of title 35, United States Code, the Administration shall be considered a defense agency of the United States.".

(7) Section 6 of the Act of July 7, 1960 (30 U.S.C. 666; 74 Stat. 337), is amended by striking out the first sentence.

(8) Section 4 of the Helium Act Amendments of 1960 (50 U.S.C. 167b; 74 Stat. 920) is amended by striking out all after "utilization" and inserting in lieu thereof a period.

(9) Section 32 of the Arms Control and Disarmament Act (22 U.S.C. 2572; 75 Stat. 634) is repealed.

(10) Section 302(e) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 302(e); 79 Stat. 5) is repealed.

(11) Subsections (a), (c), (d), (e), (f), (j), (m), and (n) of section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908; 88 Stat. 1887) are repealed; and subsection (b) of such section 9 shall not apply to contracts with nonprofit organizations other than contracts for the operation of Government-owned contractor-operated facilities.

(12) Section 5(d) of the Consumer Product Safety Act (15 U.S.C. 2054(d); 88 Stat. 1211) is repealed.

(13) Section 3 of the Act of April 5, 1944 (30 U.S.C. 323; 58 Stat. 191), is repealed.

(14)(A) Section 8001(c)(3) of the Solid Waste Disposal Act (42 U.S.C. 6981(c)(3); 90 Stat. 2829) is repealed.

(B) Section 8004(c)(2) of such Act is amended by striking out "notwithstanding section 6981(c)(3) of this title".

(15) Chapter 18 of title 35, United States Code, is amended—

(A) in section 201(b), by inserting "scholarship, fellowship, training grant," immediately after "grant", and by inserting "educational," after "developmental," each place it appears.

(B) by inserting "or any novel variety of plant which is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.)" immediately after "title" in section 201(d);

(C) by inserting ", except that in the case of a sexually propagated variety of plant, the date of determination (as defined in section 41(d) of the Plant Variety Protection Act (7 U.S.C. 2401(d)) must also occur during the period of contract performance" immediately after "agreement" in section 201(e);

(D) in section 202(a)—

(i) by amending clause (i) to read as follows: "(i) when the contractor is not located in the United States or does not have a place of business located in the United States or is subject to the control of a foreign government"; and

(ii) by striking out "or (iii)" and inserting in lieu thereof the following: ", (iii) when the funding agreement is related to or associated with an international treaty, agreement, memorandum of understanding, or other arrangement including

(but not limited to) agreements of cooperation in science and technology or military agreements relating to weapons development or production, and it is determined by the agency that rights in the Government greater than a nonexclusive license are necessary for the agency to fulfill its obligations under the international treaty, agreement, memorandum of understanding, or other arrangement, (iv)";

(iii) by inserting before the period at the end of the first sentence the following new clauses: "(v) the principal purpose of the contract is to develop or improve products, processes, or methods which will be required for compliance with Government regulations; or (vi) a third party is sponsoring research or development activities at a government-owned contractor operated facility under an agreement allocating to the third party rights to inventions arising from such activities, when the sponsor elects to retain rights under that agreement.";

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(E) by amending section 202(b) to read as follows:

"(b)(1) The rights of the Government under paragraph (a) shall not be exercised by a Federal agency unless it first

determines that at least one of the conditions identified in clauses (i) through (vi) of paragraph (a) exists. In the case of a determination under clauses (ii), (iii), or (v) of paragraph (a) the statement shall include an analysis justifying the determination. If the contractor believes that a determination is contrary to the policies and objectives of this chapter or constitutes an abuse of discretion by the agency, the determination shall be subject to the Contract Disputes Act (41 U.S.C. 601 et seq.).

"(2) The Director of the Office of Management and Budget (or his designee) is authorized to issue policies, procedures, and guidelines describing classes of situations in which agencies may or may not exercise the authorities of clauses (i), (ii), (iii), and (v) of paragraph (a).";

(F)(i) by amending paragraphs (1), (2), and (3) of section 202(c) to read as follows:

"(1) A requirement that the contractor disclose each subject invention to the contracting Federal agency within a reasonable time after it becomes known to contractor personnel responsible for the administration of patent matters, and that the Federal Government may receive title to any subject invention not disclosed to it within such time.

"(2) A requirement that the contractor make a written election within 2 years after disclosure to the

Federal agency (or such additional time as may be approved by the Federal agency) whether the contractor will retain title to a subject invention, except that (A) in any case where publication, sale, or public use has initiated the one year statutory period in which valid patent protection can still be obtained in the United States, the period for election may be shortened by the Federal agency to a date that is not more than 60 days prior to the end of the statutory period, and (B) the Federal Government may receive title to any subject invention in which the contractor does not elect to retain rights or fails to elect rights within such time.

"(3) A requirement that a contractor electing rights in a subject invention agree to file a patent application prior to any statutory bar date that may occur under this title due to publication, sale, or public use, and shall thereafter file corresponding patent applications in other countries in which it wishes to retain title within reasonable times, and that the Federal Government may receive title to any subject inventions in the United States or other countries in which the contractor has not filed patent applications on the subject invention within such times.";

(ii) by amending paragraph (4) of section 202(c) by inserting "(A)" after "(4)", and by adding at the end thereof the following new subparagraph:

"(B) When the contract is part of a major, multiyear research or technology development program and it is in the national interest, the Federal agency may retain an exclusive license in the program's field of use to facilitate the ultimate commercialization, transfer, or use of the technology.";

(G) by striking out "may" in section 202(c)(5) and inserting in lieu thereof "as well as any information on utilization or efforts at obtaining utilization obtained as part of a proceeding under section 203 of this chapter shall";

(H) by striking out clauses (A) and (B) in section 202(c)(7) and redesignating clauses (C) and (D) of such section as clauses (A) and (B), respectively;

(I) by adding at the end of section 202 the following new paragraph:

"(g)(1) A Federal agency may at any time waive all or any part of the rights of the United States, under section 202(a) and section 204 of this chapter, to any subject inventions made under a funding agreement or class of funding agreements if the agency determines that (A)(i) the funding agreement involves cosponsored, cost sharing, or joint venture

research or development and the contractor or other sponsor or joint venturer is required to make or has made a substantial contribution of funds, facilities, personnel, data, or equipment to the work performed under the funding agreement or (ii) the conditions justifying acquisition of title by the Government under section 202(a) no longer exist or do not apply in the case of the subject invention, and (B) the interests of the United States and the general public will be best served thereby. The agency shall maintain a record, which shall be made public and periodically updated, of determinations made under this paragraph.

"(2) In making determinations under subparagraph (1)(A)(i) of this paragraph, the agency shall consider at least the following objectives:

"(A) encouraging the wide availability to the public of the benefits of Government-sponsored research and development in the shortest practicable time;

"(B) promoting the commercial utilization of inventions made under Government funding agreements;

"(C) encouraging participation by highly qualified private persons in Government-sponsored research and development programs; and

"(D) fostering competition and preventing the creation or maintenance of situations inconsistent with the antitrust laws.";

(J) by adding at the end of section 203 (after and below paragraph (d)) the following new sentence: "A determination pursuant to this section shall be subject to the Contract Disputes Act (41 U.S.C. 601 et seq.), and in cases described in paragraphs (a) and (c), the agency's determination shall be held in abeyance pending the exhaustion of appeals under such Act.";

(K) by adding at the end of the chapter the following new section:

"§ 212. Assignment of title or rights

"Upon determination that to do so is in the best interests of the government, an agency may assign title or other rights to an invention to a person where such title or rights are held by the Government under such terms and procedures as will yield an appropriate financial return and as will encourage the domestic commercial use of such technology."; and

(M) by adding at the end of the table of sections for the chapter the following new item:

"212. Assignment of title or rights.".

(16) Section 10(a) of the Act of June 29, 1935 (7 U.S.C. 427i(a)), is amended by striking out the last sentence.

(17) Section 427(b) of the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 937(b)) is amended by striking out the last sentence.

(18) Section 306(d) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1226(d)) is amended by striking out the first two sentences.

(19) Section 21(d) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2218(d)) is repealed.

(20) Section 6(b) of the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 (42 U.S.C. 5585(b)) is amended by inserting "as amended" after "this title".

(21) Section 12 of the Native Latex Commercialization and Economic Development Act of 1978 (7 U.S.C. 178j) is repealed.

(22) Section 408 of the Water Research and Development Act of 1978 (42 U.S.C. 7879) is repealed.

RELATIONSHIP TO ANTITRUST LAWS

SEC. 403. Nothing in this Act shall be deemed to convey to any person immunity from civil or criminal liability, or to create any defense to actions, under any antitrust law.

EFFECTIVE DATE

SEC. 404. (a) This Act shall take effect six months after the date of the enactment of this Act.

(b) After the effective date of this Act, each Federal agency is authorized to allow a contractor or an inventor to retain title to any subject inventions made under contracts awarded prior to the effective date of this Act, subject to the

same terms and conditions as those which would apply under this Act had the contract been entered into after the effective date of this Act.

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