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December 10, 1984

Mr. Roger Ditzel
Office of the Board of Patents
University of California
Systemwide Administration
2490 Channing Way
Berkeley, CA 94720

Re: First Draft of Implementing Regulations to Public Law 98-620

Dear Roger:

While there may be some points that I missed, it appears to me that the implementing regulations were well done by Norman Latker's group, given the constraints within which they have to work.

I am concerned about the small business preferment, but the implementing regulations make the best out of a bad deal. Attached is a letter to Norm which points out some of the problems with such a preference clause, which I hope will help bolster their defense against possible proposed changes from the small business community to have tougher implementing regulations that would make it very difficult for us to do business.

In respect of the provisions affecting DOE GoCos, the provisions that give the University of California concern are less of a problem to us in relation to the Stanford Linear Accelerator Center, considering its location and our royalty distribution policy.

That is, SLAC is effectively on campus and can be serviced by our technology licensing office just as any other laboratory on campus, so I do feel in effect we have licensing support "on facility." In respect of distribution of royalties, we now distribute the net royalties (after expenses and inventor payments) to the "Organized Research Fund of the Director of SLAC," so the clause that requires the funds to be directed to use at the facility is also not a problem clause.

But, in the abstract, I think we would all support your objections because I don't think anyone would want to have research sponsors telling us in which of our campus facilities we should physically place licensing personnel or to what use royalty funds should be specified, other than to research and educational purposes. It is a dangerous precedent. If agencies begin to specify uses of funds such as applications to specified areas of research, I don't think the academic officers of the University would stand for that.

If upon another review of the draft regulations I see the need to make further comments, I'll telephone them to you. In order to make your deadline of December 12, it was necessary to get this letter off to you today.

Very truly yours,

Niels Reimers
Director, Technology Licensing

cc: Remainder of COGR Patent Committee
Enclosure
NJR:kla