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February 16, 1978

Mr. Stuart Eizenstat
Assistant to the President
for Domestic Affairs and Policy
The White House
Washington, D.C. 20500

Dear Mr. Eizenstat:

The Committee on Governmental Relations supports the views expressed on the awarding of patent rights developed by colleges and universities in the performance of federally sponsored research in Dr. Peltason's letter to you of February 14, 1978.

We are concerned that the policies of many agencies do not provide sufficient economic incentives to attract private investment in inventions made under government grants and contracts. Without such incentives, inventions may go underdeveloped thus reducing the pay-off to the United States and its citizens for the substantial investment in research.

The General Services Administration recently published final rules in the Federal Register encouraging government-wide use of the Institutional Patent Agreement (43 FR 4424, February 2, 1978). The Federal Procurement Regulations were amended by the General Services Administration to provide for use of Institutional Patent Agreements (IPA) in contracts with universities. Universities with satisfactory technology transfer programs may be granted rights to inventions made under contracts with federal agencies. Institutional Patent Agreements permit those institutions to retain rights to inventions and related patents that result from such contracts. The IPA has protections for the government that include:

-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.

We urge you to consider this approach, in that the mechanism is now in place and only requires directing agencies to use the IPA rather than encouraging them to use it.

While it is our preference to have the Uniform Research and Development Utilization Act of 1977, H.R. 8596, became law, until this occurs we strongly favor use of the Institutional Patent Agreement as a means for assuring technology transfer.

If you have any questions about this matter, we would be pleased to discuss them with you.

Sincerely,

Reagan Scurlock

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