PATENTS, COPYRIGHTS AND RIGHTS IN DATA

Committee: Mr. Clark A. McCartney, Chairman; Dr. Thomas E. Stelson; Mr. Howard Bremer, University of Wisconsin; Mr. Lawrence Gilbert, Boston University; Mr. Niels Reimers, Stanford University; Mr. Allen Segal, Texas A&M University; Mr. Arthur Smith, Massachusetts Institute of Technology; and Mr. Edwin Yates, Johns Hopkins University.

Report: Mr. McCartney, Chairman

New Patent Legislation

The Dole-Bayh "Patent Bill" (S-414) was introduced in the Senate on February 9, 1979. A companion bill on the House side is expected to be introduced by Mr. Rodino. The bill provides universities and small businesses, first option to rights in their inventions resulting from federally supported work, with certain exceptions. It also provides for recoupment of government investment in some instances.

The agenda for the February COGR meeting carried a report on two other legislative initiatives; a bill proposed by Senator Harrison Schmitt, and an Administration effort. Both initiatives generally would vest title to inventions resulting from federal supported work with the government, but with various title options for different types of contractors.

It was reported that Senator Schmitt joined the Dole-Bayh effort and will refrain from reintroducing the patent bill he proposed last year. It was also reported that the Administration effort has not received the necessary support to carry it through the legislative process. Consequently, it is expected that the Administration effort will diminish.

Use of Institutional Patent Agreements

Following reinstatement of the Institutional Patent Agreement (IPA) the Department of Defense was asked to abandon use of its deferred patent provision in favor of the IPA.

DOD responded that use of the IPA would be considered under Phase II of the Research Task Agreement effort.

Should the Dole-Bayh bill (S-414) be enacted into law, in its present form, questions surrounding use of the IPA with DOD or other agencies will be moot.

Protection for Sensitive Data Submitted in Proposals - Proprietary Data Legend

The Committee has developed a proprietary data legend to protect sensitive data submitted in proposals. It is suggested for use where one wants to protect information in proposals from premature release under exemption 4 of the Freedom of Information Act. The legend is as follows:

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1. New Patent Legislation

The Dole-Bayh "Patent Bill" (S-3496) was not voted on during the previous congressional session, however, support for its reintroduction is all but assured. The Bill was reviewed by the Subcommittee and comments were submitted to Senator Bayh just before the new year. The Bill provides to universities, first option to rights in their inventions, with certain exceptions. It also provides for recoupment of government investment in some instances.

In spite of the optimism and support expressed for S-3496, there are reports that the Administration is considering drafting its own version of a patent bill. It is not clear at this time whether an administration bill would provide different treatment for universities than it would provide for industry or whether all would be treated uniformly.

A third legislative initiative has been proposed by Sen. Schmitt (R-NMex) which would provide after-the-fact determination or deferred patent rights. Under present government policy, deferred rights give title to inventions, under a contract, to the government but the contractor reserves a non-exclusive royalty free license and the right to request greater rights. In addition to after-the-fact determination an institution would need to have an acceptable technology transfer program prior to the time of requesting a waiver of government title. This presents a double barrier that isn't now embodied in existing policy.

Mr. McCartney will report more fully on Patent legislation in February.

2. Use of the Institutional Patent Agreement - DOD

Following reinstatement of the Institutional Patent Agreement (IPA), the Committee asked the Department of Defense to abandon use of its deferred patent provision with those institutions that qualify for IPAs.

It was suggested that the IPA is particularly well suited for inclusion in the Master Research Agreement now being developed by the DOD.

A response to our requests said, "This matter is of interest to DOD from an overall DOD Patent Policy view and its effect upon scientific investigators. We will take this matter under consideration in Phase II of our Master Research Agreement effort..."