

News from Senator

BOB DOLE



(R - Kansas) SH 141 Hart Building, Washington, D.C. 20510

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CONTACT: WALT RIKER,
SCOTT RICHARDSON 202/224-6521

DOLE ANNOUNCES LEGISLATION TO REMEDY PROBLEMS WITH GOVERNMENT PATENT POLICIES

WASHINGTON -- Kansas Senator Bob Dole announced today that he will introduce legislation that would simplify and make uniform the patent procurement policies of federal agencies that sponsor research and development work under federal grants and contracts. Dole serves as Chairman of the Senate Judiciary Subcommittee on Courts.

The Dole bill would put an end to confusion and red tape that presently inhibits the commercialization of inventions developed with federal research and development funds. Under current law, each federal agency is authorized to establish its own policies and procedures with regard to the commercial use of patents created under federal grants and contracts. The resulting maze of regulations has discouraged major research and engineering companies from participating in government contracts because of the uncertainties of being able to put new inventions developed under federal contracts to commercial use.

The legislation is modeled after a bill sponsored by Dole and enacted into law in 1980 that reformed such procedures as they apply to universities and small businesses. Industry experts have given credit to that legislation for a substantial rise in commercial use of inventions developed by university researchers. One notable example of the effects of the 1980 law has been the growth of the gene engineering industry during the past two years.

The new bill would apply the principles of the 1980 law -- simplicity and uniformity in agency patent procurement policies -- to all federal research and development grants and contracts, not just those involving universities and small business. It would also establish a presumption in favor of retention of patent rights to new inventions by private sector companies that develop them, in order to encourage the maximum possible commercial use of those inventions.

"This effort is the end result of a 25 year effort to develop a uniform, concise government patent policy," said Dole. "If enacted, this bill would eliminate waste by allowing all contractors clear ownership of the inventions they make under government research and development contracts and grants, while protecting the legitimate rights of the agencies to use the discoveries royalty free. In this way we would encourage the private marketing of new discoveries and stimulate innovation. Of course, the agencies would have the power to require delivery of title to a patent to the government where special circumstances indicate that such action is in the public interest."

The bill is being cosponsored by Senators Paul Laxalt (R-Nev.) and Dennis DeConcini (D-Ariz.), and is supported by the Licensing Executives Society, a group of industry executives representing companies involved in federal research and development efforts.

SUMMARY OF UNIFORM PATENT PROCEDURES ACT OF 1983

The bill would standardize agency patent procurement policies and procedures, and encourage private sector development of new discoveries made under a federal research and development contract, in the following specific ways:

- It creates a presumption in favor of contractor ownership of new inventions developed under federal R&D contracts;
 - It prohibits agencies from requiring the surrender of so-called "background rights"* as a pre-condition to obtainment of a federal R&D contract except where the agency head personally determines that such rights are essential to the accomplishment of agency purposes in the contract;
 - It streamlines the procurement procedures, establishes one policy for all government agencies, and conforms that policy to the principles of P.L. 96-517;
 - It eliminates existing provisions of law that unnecessarily complicate the procurement process.
- * "Background rights" refers to the contractor's interest in inventions and technical data which were not developed pursuant to a federal R&D contract, but which pre-dated that contract. It has been a common agency practice to automatically require federal contract participants to surrender such interests to the agency as a condition of obtaining a federal R&D contract.