

105TH CONGRESS
1ST SESSION

H. R. 2544

To improve the ability of Federal agencies to license federally owned inventions.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 1997

Mrs. MORELLA introduced the following bill; which was referred to the Committee on Science, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To improve the ability of Federal agencies to license federally owned inventions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Technology Transfer
5 Commercialization Act of 1997”.

6 **SEC. 2. COOPERATIVE RESEARCH AND DEVELOPMENT**

7 **AGREEMENTS.**

8 Section 12(b)(1) of the Stevenson-Wydler Technology
9 Innovation Act of 1980 (15 U.S.C. 3710a(b)(1)) is

1 amended by inserting “or, subject to section 209 of title
2 35, United States Code, in a federally owned invention di-
3 rectly related to the scope of the work under the agree-
4 ment,” after “under the agreement,”.

5 **SEC. 3. LICENSING FEDERALLY OWNED INVENTIONS.**

6 (a) AMENDMENT.—Section 209 of title 35, United
7 States Code, is amended to read as follows:

8 **“§ 209. Licensing federally owned inventions**

9 “(a) AUTHORITY.—A Federal agency may grant an
10 exclusive or partially exclusive license on a federally owned
11 invention if—

12 “(1) granting the license is a reasonable and
13 necessary incentive to—

14 “(A) call forth the investment capital and
15 expenditures needed to bring the invention to
16 practical application; or

17 “(B) otherwise promote the invention’s uti-
18 lization by the public;

19 “(2) the Federal agency finds that the public
20 will be served by the granting of the license, as indi-
21 cated by the applicant’s intentions, plans, and ability
22 to bring the invention to practical application or oth-
23 erwise promote the invention’s utilization by the
24 public;

1 “(3) the applicant makes a commitment to
2 achieve practical utilization of the invention within a
3 reasonable time;

4 “(4) granting the license will not substantially
5 lessen competition or create or maintain a violation
6 of the antitrust laws; and

7 “(5) in the case of an invention covered by a
8 foreign patent application or patent, the interests of
9 United States industry in foreign commerce will be
10 enhanced.

11 “(b) MANUFACTURE IN UNITED STATES.—Licenses
12 shall normally be granted under this section only to a li-
13 censee who agrees that any products embodying the inven-
14 tion or produced through the use of the invention will be
15 manufactured substantially in the United States.

16 “(c) SMALL BUSINESS.—First preference for the
17 granting of licenses under this section shall be given to
18 small business firms having equal or greater likelihood as
19 other applicants to bring the invention to practical appli-
20 cation within a reasonable time.

21 “(d) TERMS AND CONDITIONS.—Licenses granted
22 under this section shall contain such terms and conditions
23 as the granting agency considers appropriate. Such terms
24 and conditions—

25 “(1) shall include provisions—

1 “(A) requiring periodic reporting on utili-
2 zation of the invention, and utilization efforts,
3 by the licensee; and

4 “(B) empowering the Federal agency to
5 terminate the license in whole or in part if the
6 agency determines that—

7 “(i) the licensee is not adequately exe-
8 cuting its commitment to achieve practical
9 utilization of the invention within a reason-
10 able time;

11 “(ii) the licensee is in breach of an
12 agreement described in subsection (b); or

13 “(iii) termination is necessary to meet
14 requirements for public use specified by
15 Federal regulations issued after the date of
16 the license, and such requirements are not
17 reasonably satisfied by the licensee; and

18 “(2) may include a requirement that the li-
19 censee provide the agency with a plan for develop-
20 ment or marketing the invention.

21 Information obtained pursuant to paragraph (1)(A) shall
22 be treated by the Federal agency as commercial and finan-
23 cial information obtained from a person and privileged and
24 confidential and not subject to disclosure under section
25 552 of title 5, United States Code.

1 “(e) PUBLIC NOTICE.—No license may be granted
2 under this section unless public notice of the availability
3 of a federally owned invention for licensing in an appro-
4 priate manner has been provided at least 30 days before
5 the license is granted. This subsection shall not apply to
6 the licensing of inventions made under a cooperative re-
7 search and development agreement entered into under sec-
8 tion 12 of the Stevenson-Wydler Technology Innovation
9 Act of 1980 (15 U.S.C. 3710a).”.

10 (b) CONFORMING AMENDMENT.—The item relating
11 to section 209 in the table of sections for chapter 18 of
12 title 35, United States Code, is amended to read as fol-
13 lows:

“209. Licensing federally owned inventions.”.

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