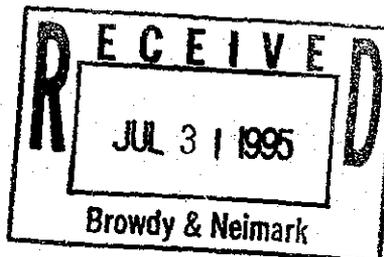


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From: JOE Allen

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Thank you.

NORMY please look over. Call and
let me know if you have changes.
I'll fax to Ben + Doug

Joe

Recommendations on Administration comments on draft Morella bill.

1. ATP comments--- not acceptable, provided amendment overrides Bayh-Dole for case-by-case disposition of university patents. The commentary also misstates the requirements of the American Technology Preeminence Act which does not require taking patent rights away from universities.

2. Accept, harmless word-smithing.

3. Reject, harmful word-smithing. "Reasonable terms and conditions" are not defined. The Morella bill spells out how rights are to be disposed. The amendment is unnecessary and could open a window for the bureaucracy to undermine your intent in their interpretation of this language if it became law.

4. Redundant. The field of use is defined upfront before the negotiation is completed so of course it relates to the scope of the CRADA.

5. No, this seeks to amend the provisions of Bayh-Dole about licensing EXISTING Government inventions which now require public notification. This provision would allow companies to get inventions "off the shelf" without anyone knowing they were being licensed, while those going through Bayh-Dole would still have to give public notice. This amendment would really draw the wrath of the "public interest" groups who would accuse you of unethically giving Government funded inventions away without due process.

This is a legitimate problem, and Bayh-Dole could be amended to make off the shelf licensing easier. However, this could be controversial and was not discussed in the hearings.

6- 12. No, this restates the current provisions of the bill without adding any value other than saying the same thing differently. There could also be some technical mistakes that we do not realize are in there. No real benefit for changing your current draft.

13. Consider adopting. Having a march-in right for not making adequate efforts to bring the product to market parallels the provisions of Bayh-Dole and seem reasonable given that the Morella bill guarantees exclusivity to spur companies to move efficiently toward commercialization.

14. Adopt. DOD is very strong on having the ability to have Government purpose rights for technologies they help fund. This is consistent with Bayh-Dole and the Federal Technology Transfer Act. **YOU CAN EXPECT THAT DOD WILL FIGHT FOR INCLUSION OF THIS LANGUAGE.**

15. Drop. This language creates real confusion. It implies that agencies can give companies rights to software or trade secrets that Government employees create without the actual legal authority to do so. There is no real benefit to this language and it will really confuse agencies and industry what you meant.

16. Accept. This is a good point.

17. **Reject.** This undermines existing policies dating back to President Truman allowing employees to file for foreign patent rights if their agencies decline to do so. You current language is perfectly clear that royalties are to be shared with inventors when their agencies have "licensed or assigned title" to their inventions.

18. **Confusing what they mean. Reject until meaning clarified.**

19. **This is really your call. I like your current language. While this may create some administrative burdens, it is an important signal to Government inventors that they are valuable parts of the system.**

20. **Reject, your current Section 5 already covers this situation.**