UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON, D.C. 20240

GLP.DAG.135829

January 30, 1979

Philip G. Read
Acting Director
Federal Procurement Regulations
Directorate
Office of Acquisition Policy
General Services Administration
Washington, D. C. 20405

Dear Mr. Read:

To date the Department of the Interior has not entered into any institutional agreements under FPR Amendment 187, January 20, 1978, which prescribe Institutional Patent Agreement (IPA) policies and procedures.

Many of our bureaus and offices are precluded by statute (as interpreted by the Department's Solicitor's Opinion M-36637 of May 7, 1962, 69 ID 54) from entering into such agreement. Examples of specific prohibitive legislation are the Federal Coal Mine Health and Safety Acts of 1969, Public Law 91-173; the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, among others.

In those instances where R&D is not carried out under specific legislation governing patent policy, we follow the Federal Procurement Regulations 41 CFR 1-9.1--Patents, 40 F.R. 19314, May 7, 1975, and 40 F.R. 28067, July 3, 1975, which are based on the Presidential Memorandum of Government Patent Policy of August 23, 1971, 36 F.R. 16887, August 26, 1971.

Having consulted with your office when FPR Amendment was implemented and been advised that compliance therewith was permissive and not mandatory, and in view of the interim status of the implemented regulations pending on-going legislative and executive review of Government patent policy, we have recommended to the Solicitor that those bureaus which could follow FPR Amendment 187 should decline to do so as a matter of Departmental policy. There are a number of additional reasons why we have not entered into any institutional agreements as a matter of policy which we will be pleased to discuss at your convenience.

We trust that this responds adequately to your letter of January 23, 1979. However, if you have need for additional information, please contact us at your convenience.

Sincerely yours,

Donald A. Gardiner
Assistant Solicitor
Branch of Patents
Division of General Law

cc: A. Jackson, Assoc. Sol.
Division of General Law

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
GENERAL COUNSEL

January 31, 1979

Philip G. Read
Acting Director
Federal Procurement Regulations Directorate
Office of Acquistion Policy

Dear Phil:

In response to your letter of January 23, 1979 regarding Institutional Patent Agreements (IPA), this is to advise that we have entered into no IPA's either before or since July 18, 1978.

Quite a long time ago our R&D program personnel indicated a lack of enthusiasm for the IPA concept. Thus, since §1-9.107-4(a)(6) of the FPR appeared to make use of IPA's optional, we elected not to enter into any IPA's.

If you do not agree with our interpretation of 1-9.107-4(a)(6), please let me know. In the meantime I will again submit this issue to appropriate EPA personnel.

Sincerely,

Benjamin H. Bochenek
Patent Counsel
Contracts & General Administration
Branch (A-134)

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22314

IN REPLY
REFER TO DLA-G

31 January 1979

Mr. Philip G. Read
Acting Director
Federal Procurement Regulations Directorate
Office of Acquisition Policy
General Services Administration
Washington, D.C. 20405

Re: Institutional Patent Agreements--FPR
Amendment 187, January 20, 1978

Dear Mr. Read:

In reply to your letter of 23 January 1979, this Agency has not entered into any institutional patent agreement (IPA) either before or after 18 July 1978 primarily because this Agency enters into very few R & D contracts.

Sincerely,

M. C. Freudenberg

MAXWELL C. FREUDENBERG
Patent Counsel

DEPARTMENT OF THE ARMY
OFFICE OF THE JUDGE ADVOCATE GENERAL
WASHINGTON, D.C. 20310

REPLY TO ATTENTION OF:

DAJA-IP

31 January 1979

Mr. Philip G. Read
Acting Director
Federal Procurement Regulations Directorate
Office of Acquisition Policy
General Services Administration
Washington, D. C. 20405

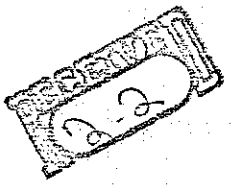
Dear Mr. Read:

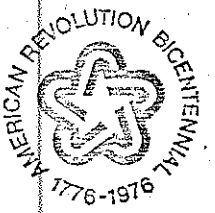
Reference is made to your letter of 23 January 1979 regarding our activity with Institutional Patent Agreements (IPA's). It is our understanding that IPA's are to be incorporated into Basic Agreements with appropriate educational and nonprofit institutions. The Office of Naval Research is assigned the duty of negotiating such agreements under DAR 4-118.5.

Assuming you have sent a similar letter to Mr. Kwitneski at ONR, his response should apply to all DoD activity.

Sincerely,

WILLIAM G. GAPCYNSKI
Chief, Intellectual
Property Division





DEPARTMENT OF THE NAVY
OFFICE OF NAVAL RESEARCH
ARLINGTON, VIRGINIA 22217

IN REPLY REFER TO
315:FGN:sd

1 FEB 1979

Mr. Philip G. Read, Acting Director
Federal Procurement Regulations Directorate
Office of Acquisition Policy
General Services Administration
Washington, D.C. 20405

Dear Mr. Phil Read:

In response to the questions asked in your letter of January 23, 1979, the Department of the Navy has not entered into any Institutional Patent Agreements (IPAs) since July 18, 1978. In fact, we have received no letters or inquiries from anyone since July 18, 1978 concerning IPAs, and so there is no question as to whether we are or are not following the FPR procedures concerning IPAs. During the moratorium on IPAs prior to July 18, 1978, we did receive one request from a university for a Department of Defense IPA; however, to the best of our knowledge, that university has taken no action since July 18, 1978 to indicate they are still interested in a Department of Defense IPA. Thus, the Department of the Navy is aware of only one premature request for an IPA.

We in the Government patent family are a fairly close-knit group, particularly through the Government Patent Lawyers Association, and we assume knowledge of important personnel changes travels quickly, but our assumptions are not always correct. Bill Quesenberry retired on December 31, 1978 and I have been selected to replace Bill officially once the paper work has been approved. I intend to continue providing our assistance and cooperation on FPR patent matters to you and other interested Government agencies so that sometime in the future people will no longer be able to comment that there are well over 20 patent policies of various Government agencies.

Sincerely yours,

al Kwitnieski

A. F. KWITNIESKI
Acting Assistant Chief for Patents/
Patent Counsel for the Navy

OFFICE OF THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

GENERAL COUNSEL

February 1, 1979

Mr. Philip G. Read
Acting Director
Federal Procurement Regulations Directorate
Office of Acquisition Policy
General Services Administration
Washington, D.C. 20405

Dear ~~Mr. Read~~ Phil:

This is in reply to your letter of January 23, 1979, asking for information on the use of the Institutional Patent Agreement permitted by FPR Amendment 187 of January 27, 1978. The Department of Transportation has not entered into any IPAs, and currently does not contemplate doing so.

Sincerely,

Harold P. Deeley, Jr.
Patent Counsel

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

February 2, 1979

OFFICE OF THE
GENERAL COUNSEL

Mr. Philip G. Read
Acting Director
Federal Procurement Regulations Directorate
Office of Acquisition Policy
General Services Administration
Washington, D. C. 20405

Dear Mr. Read:

This refers to your January 23 letter regarding the use of Institutional Patent Agreements in this Department.

Specifically, you asked whether we have entered into any IPA's since July 18, 1978. We have not. The remainder of your questions were all contingent on an affirmative response to your initial question.

If I may be of any further assistance, please let me know.

Sincerely,

Leroy B. Randall
Acting Chief, Patent Branch

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, D.C. 20324

2 February 1979

Mr. Philip G. Read
Acting Director
Federal Procurement Regulations Directorate
Office of Acquisition Policy
General Services Administration
Washington, D.C. 20405

Dear Mr. Read

This is in response to your letter of January 23, 1979 regarding implementation of FPR Amendment 182 relating to Institutional Patent Agreement (IPA) policies and procedures. The answers to your specific questions are:

1. No.

2. Not applicable.

3. There are a number of reasons as discussed below.

The apparent reason that the FPR IPA procedures are not followed in the Air Force is because this Department is guided by the Defense Acquisition Regulation (DAR), and the FPR IPA procedures have not been implemented in the DAR. However, we do not view this as an obstacle to entering into an IPA should the appropriate occasion arise.

The primary reason that the Air Force has not used the IPA procedures is that there has been no need. The IPA procedures were developed primarily to satisfy a desire of title policy agencies to qualify under the "exceptional circumstances" provision of the presidential policy statement. The Air Force has few contracts wich fall within this situation and, since July 18, 1978, none in which an IPA was either requested or considered to be appropriate. Air Force contracts with universities and nonprofit institutions normally include either the "Retention by the Contractor" clause or the "Deferred" clause, depending upon whether or not the contractor has an effective program for transfer of technology as by the licensing of inventions, as set forth in DAR 9-107.3(a)(3)(iii). The Air Force maintains a list of contractors considered to have such a program and uses the

"Retention by the Contractor" clause in those contracts. No Air Force institutional contractor has yet requested an IPA; in fact, some have even expressed a preference for the "Deferred Short Form" clause over the "Retention by the Contractor" clause, and have asked not to be included on the list.

Under these circumstances, it was not considered necessary to implement the IPA procedures in the DAR.

Sincerely

JOSEPH E. RUSZ
Chief, Patents Division
Office of The Judge Advocate General

Department of Energy
Washington, D.C. 20545

FEB 14 1979

Mr. Philip G. Read
Acting Director
Federal Procurement Regulations Directorate
Office of Acquisition Policy
General Services Administration
Washington, D.C. 20405

Dear Phil:

This is in response to your letter of January 23, 1979, in which you ask three questions concerning this Department's implementation of FPR Amendment 187 on Institutional Patent Agreements (IPA).

Your first question asks whether DOE has entered into any Institutional Patent Agreements (IPA) since July 18, 1978, the effective date of the FPR amendment concerning IPAs. DOE has not entered into any IPAs either before or since that date. Under the two statutes which define DOE's patent policy, the Atomic Energy Act of 1954, as amended, and the Federal Nonnuclear Energy Research and Development Act of 1974 (Nonnuclear Act), DOE does not have specific authority to grant IPAs.

As you know, under the FPR amendment, when an agency approves the technology transfer program of "a university or a nonprofit organization", the institution or organization thereafter is automatically entitled to the provisions of the IPA in all R&D contracts (except operating contracts) with the agency.

The FPR amendment presents two statutory problems for DOE. Neither the Atomic Energy nor Nonnuclear Acts mention IPAs. Section 9(d)(11) of the Nonnuclear Act provides that where a "nonprofit educational institution" has a DOE-approved technology transfer program, such program may be considered as a substitute for the marketing and manufacturing capabilities of industry as one of eleven statutory considerations to be weighed in granting a waiver at the time of contracting. An approved technology transfer program is not stated as being the basis for granting an IPA however.

The second problem is that the FPR authorizes IPAs for "nonprofit organizations." Aside from the point that DOE is not specifically authorized to grant IPAs, DOE is not permitted under its statutes to grant advance waivers to "nonprofit organizations" based on the consideration of an

approved technology transfer program. In other words, the consideration in Section 9(d)(11) of the Nonnuclear Act does not apply to "nonprofit organizations" but instead applies only to "nonprofit educational institutions".

Your second question asks whether, in granting IPAs since July 18, 1978, DOE has followed the FPR procedures. While, as explained above, DOE does not grant IPAs, DOE, in addition to following its own statutory patent policy, follows FPR procedures and criteria for approving technology transfer programs.

Your third question asks for reasons why the FPR procedures have not been followed since July 18, 1978. As you can see from the above explanation, DOE's statutory provisions do not encompass IPAs. It has been argued that DOE should interpret Section 9(c) of the Nonnuclear Act (which authorizes grant of waiver to a class of persons) as a means to effectively grant IPAs to universities. However, such an interpretation would violate the statutory ground rules for granting waivers because the waiver would have been based on only one consideration to the exclusion of the other ten considerations spelled out in Section 9(d) of the Act. In addition, the Conference Report for the Act provides legislative intent requiring universities be treated essentially like industrial firms in regard to weighing considerations for waivers.

The above discussion has concerned comparison of IPAs with DOE waivers granted at the time of contracting as affected by DOE-approved technology transfer programs. With respect to waivers requested by universities for inventions identified after the time of contracting, if the university has a DOE-approved technology transfer program, then, under Section 9-9.109-6(h)(5) of DOE patent regulations, the university is presumed to have met the other statutory criteria (i.e., considerations). This means that grant of a waiver for an invention identified after contracting is virtually automatic unless it is indicated that under one or more of the criteria the presumption is inapplicable.

I hope the above information is of help to you. If you have any questions, please contact me on 353-4018.

Sincerely,

James E. Denny
Acting Assistant General Counsel
for Patents

GENERAL COUNSEL OF THE
UNITED STATES DEPARTMENT OF COMMERCE
Washington, D.C. 20230

MAR 1 1979

Philip G. Read
Acting Director
Federal Procurement Regulations
Directorate
Office of Acquisition Policy
General Services Administration
Washington, D.C. 20405

Dear Phil,

In response to your letter of January 23 this Department has not entered into any IPA's since July 18, 1978. However, we do expect to enter into one or two during the next few months. If we do we will follow the FPR procedures.

With best regards,

Robert B. Ellert
Assistant General Counsel
for Science and Technology

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

12 March 1979

Mr. Philip G. Read
Acting Director
Federal Procurement Regulations
Office of Acquisition Policy
General Services Administration
Washington, DC 20405

Dear Mr. Read:

In preparing a response to your letter inquiring as to our Agency's use of Institutional Patent Agreements (IPAs), an informal survey of Agency licensing procedures was made. Based on this survey, we offer the following answers to your questions:

1. Have you entered into any IPAs since July 18, 1978, the effective date of the FPR Amendment concerning IPAs?

No, we have not.

2. Regarding IPAs entered into since July 18, 1978, have you followed FPR procedures?

Not applicable because we have not entered into any IPAs.

3. If the FPR procedures were not followed since July 18, 1978, please indicate the reasons.

Not applicable since the Agency follows the FPR procedures as closely as is practicable.

It appears from the informal survey of our negotiators that the institutions themselves prefer the standard long and short forms for patent rights currently found in the Regulation. There is no hard evidence of the above comment, but it remains the visceral expression of our line negotiating officials.

I hope our responses will be sufficient to assist you in formulating your reply to Mr. Reimers.

Sincerely,

Matthew F. Jodziewicz

Matthew F. Jodziewicz
Office of General Counsel

NATIONAL SCIENCE FOUNDATION
WASHINGTON, D.C. 20550

nsf

OFFICE OF THE
GENERAL COUNSEL

March 21, 1979

Mr. Philip G. Read
Acting Director
Federal Procurement
Regulations Directorate
Office of Acquisition Policy
General Services Administration
Washington, D. C. 20405

Dear Mr. Read:

This is in response to your request for information regarding the National Science Foundation's policies and practices of awarding Institutional Patent Agreements.

To assist you in your survey, I am pleased to provide the following information, in response to the three questions posed regarding the IPA's. Since July 18, 1978, the Foundation has entered into two Institutional Patent Agreements in accordance with its published regulations appearing in Title 45 CFR, Part 650. We have at the present time two additional applications for IPA's that we are about to execute and four agreements that will be executed to renew some that have or are about to expire.

We have examined FPR Amendment 187, compared it to our own regulations and find that they are nearly identical in coverage, scope, and requirements. The only significant difference that we have noted is the length of the exclusive licenses that may be awarded by the institution. The NSF regulations allow for exclusive licenses for three years from the date of first commercial sale or eight years from date of the exclusive license, whichever occurs first. The FPR allows for five and eight years respectively. Otherwise, the treatment of the Institutional Patent Agreement is substantially identical.

Although these similarities exist between the FPR's and the NSF regulations, it is our position that we have considerable flexibility in the award of Institutional Patent Agreements when we are dealing with universities and non-profit organizations in the conduct of research under grants and other assistance awards. In almost every instance where NSF provides funds to universities and non-profit organizations to conduct research, it does so under the authority of its own statute, National Science Foundation Act of 1950, as amended, rather than the Federal Property and Administrative Services Act, since these activities are not procurement related and the awards are exempt from the coverage of the Federal Procurement Regulations in general.

We intend to continue accepting applications for Institutional Patent Agreements and awarding them where the institutions meet the necessary criteria spelled out in 45 CFR, 650. We fully anticipate that these regulations will remain closely parallel to the FPR requirements as the philosophy is the same in both cases.

I hope this information will be of assistance to you. If you have any further questions, do not hesitate to contact me. I can be reached at 632-5837.

Sincerely yours,

Martin Lefkowitz
Assistant to the General Counsel

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

March 23, 1979

Philip G. Read
Acting Director
Federal Procurement
Regulations Directorate
Office of Acquisition Policy
General Services Administration
Washington, D.C. 20405

Dear Mr. Read:

This will respond to your letter of January 23, 1979 concerning the Agency for International Development's use of Institutional Patent Agreement.

To date we have no Institutional Patent Agreements, so the answer to the three questions posed in your letter is no.

Last summer MIT approached us about establishing an Institutional Patent Agreement, but did not follow through on their initiative for unknown reasons.

If I can be of further assistance in this matter please do not hesitate to ask.

Very truly yours,

Ralph C. Oser
Attorney Advisor

SUBJECT: Responses to the January 23, 1979, letter to agencies regarding Institutional Patent Agreements.

Letters Received

Department of the Air Force
Department of the Army
Central Intelligence Agency
Department of Commerce
Defense Logistics Agency
Department of Energy
Environmental Protection Agency
Department of Health, Education, and Welfare
Department of the Interior
National Science Foundation
Department of the Navy
Department of State
Department of Transportation

Telephone Responses

Department of Agriculture

No IPA's per telephone conversation with Howard Silverstein on February 8, 1979.

Nuclear Regulatory Commission

No IPA's per telephone conversation with Jerry Cook on March 23, 1979.

National Aeronautics and Space Administration

No IPA's per telephone conversation with Bob Kempf on March 21, 1979. Kempf stated that NASA has no authority under Section 305 of the Space Act to enter into IPA's.

Enclosure
March 29, 1979

30 MAR 1979

Senator Birch Bayh
United States Senate
Committee on the Judiciary
Subcommittee on the Constitution
Washington, D.C. 20510

Dear Senator Bayh:

Thank you for your March 12, 1979, letter to Mr. Philip G. Read, Director, Federal Procurement Regulations (FPR) Directorate, regarding Institutional Patent Agreements (IPAs).

Most of the agencies contacted have responded to Mr. Read's inquiry concerning agency implementations of the FPR Amendment 187 on IPAs. Copies of the letters received are enclosed, as requested. An enclosure contains a list of the agencies that responded and the information furnished by telephone.

We appreciate the opportunity to provide this information.

Sincerely,

Enclosures