

116th Congress – 2nd Session
**NIST RETURN ON INVESTMENT LEGISLATIVE
PACKAGE 2020**

Red – Strike Out

Blue - Insert

1. Copyright in Federal Laboratory Computer Programs
(Primary authority reference in 17 USC 105; programmatic
implementation in 15 U.S.C. 3710)
2. Extend CRADA Information Protection Period (15 U.S.C.
3710a(c)(7)(B))
3. Stevenson-Wydler Act Regulatory Authority (15 U.S.C.
3710(g)(1))
4. Distribution of Royalties Received by Federal Agencies (15
U.S.C. 3710c)
5. Presumption of Government Rights to Employee Intellectual
Property (15 U.S.C. 3710d)
6. Clarifying CRADA Authority (15 U.S.C. 3710a(d)(1))
7. Expansion of Agreements for Commercializing Technology
(ACT) Authority (15 U.S.C. 3710e)
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9. Non-Profit Foundations (15 U.S.C. 3725)
10. Reporting and Metrics (15 U.S.C. 3710(f) and (g))

(1)
Copyright in Federal Laboratory Computer Programs
(17 U.S.C 105; 15 U.S.C. 3710)

INTENT: Legislative change is required to allow agencies a limited copyright for computer programs from federal laboratory research that are works of the United States Government, notwithstanding 17 USC 105. This narrowly tailored provision is confined to “computer programs” as defined in 17 USC 101, solely from federal laboratories engaged in research, and only where a federal laboratory has secured a federal copyright registration on behalf of the United States. The provision promotes the purpose of the Stevenson-Wydler Act, set forth in 15 USC 3702(3), to stimulate improved utilization of federally funded technology developments, which include software.

BILL TEXT:

Amend Section 11 of the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710) by inserting the following new subsection:

“(k)(1) Pursuant to section 105(d) of title 17, and subject to the requirements therein, the director of any Government-operated Federal laboratory may seek copyright protection on behalf of the United States in a work described in that section.

“(2) The Secretary is authorized to promulgate regulations to implement paragraph (1) of this subsection and to provide guidance for the management of works in which copyright protection is obtained.”

Amend 17 U.S.C. 105 by inserting the following new subsection:

“(d) Notwithstanding paragraph (a), copyright protection under this title is available for:

- (1) a computer program that is a work of the United States Government and is created at a Federal laboratory, as defined in section 4 of the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703), and which is a result of research, development, or engineering at the Federal laboratory, provided that the United States Government makes application for copyright registration under section 409 of this title pursuant to the authority granted under section 11(k) of such Act within 6 months from employee disclosure of the work to the Federal laboratory, and provided further that a certificate of registration is issued pursuant to section 410 of this title or following judicial review pursuant to section 701 et seq. of title 5; and
- (2) standard reference data prepared or made available by the Department of Commerce, provided the copyright is secured by the Secretary of Commerce in the manner set forth in section 6 of the Standard Reference Data Act (15 U.S.C. 209e).”

PURPOSE:

Legislation allowing the Federal Government to assert copyright protection limited to computer programs resulting from research and development at a federal laboratory ensures the Federal Government's full use of results of the nation's federal investment in research and development. The legislation enables a government-operated federal laboratory to secure copyright protection limited to computer programs that are products of research and development (R&D), if the federal laboratory makes application for copyright registration within six months from employee disclosure. This copyright protection will enable a federal laboratory to facilitate commercialization, consistent with the Stevenson-Wydler Act, a purpose of which is to stimulate improved utilization of inventions and software.

--END OF SECTION--

DRAFT

(2)

Extend CRADA Information Protection Period (15 U.S.C. 3710a(c)(7)(B))

INTENT: Legislative change is required to extend the potential CRADA information protection period to up to 12 years from up to 5 years specified in current statute. This change is needed so that agencies have, at their discretion, additional authorities to maintain the confidentiality of potentially sensitive data in cases where there is a demonstrable need to protect the information for a business collaborator to achieve practical application of products that result from CRADA work, especially for technologies that require substantially longer periods of time to reach practical application and protection through the patent process (such as pharmaceuticals and biologics).

BILL TEXT:

Amend Section 12(c)(7)(B) of the Stevenson Wylder Technology Innovation Act of 1980 (15 U.S.C. 3710a(c)(7)(B)) by striking “5” and inserting “12”.

PURPOSE:

Authority is sought to extend the potential CRADA information protection period to up to 12 years (from up to 5 years specified in current statute). This authority is needed in cases where there is a demonstrable need to protect the information for a business collaborator to achieve practical application of products that result from CRADA work. This will incentivize business collaboration with federal laboratories and provide sufficient data rights during the entire development and commercialization process, including clinical trials and Food and Drug Administration approval. Such a period is necessary to cover the timeframe for many technologies to be commercialized. By extending the protection period to up to 12 years, business collaborators are more likely to achieve commercialization without the threat of a Government release or disclosure of CRADA information to foreign or domestic competitors.

--END OF SECTION--

(3)

Stevenson-Wydler Act Regulatory Authority (15 U.S.C. 3710(g)(1))

INTENT: NIST seeks the authority to formally collaborate with other federal agencies via the Interagency Working Group for Technology Transfer, originally established pursuant to Executive Order 12591, to issue regulations that provide guidance and clarity in implementing the Stevenson-Wydler Act, 15 U.S.C. 3701 *et seq.*

BILL TEXT:

Amend section 11 of the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(g)) as follows:

(g) Functions of Secretary

(1) The Secretary, ~~in consultation with other Federal agencies, may~~ shall convene an Interagency Working Group for Technology Transfer comprising those agencies with at least one Federal laboratory to share best practices for realizing ~~make available to interested agencies the expertise of the Department of Commerce regarding~~ the commercial potential of inventions and methods and options for commercialization which are available to the Federal laboratories, including research and development limited partnerships and cooperative research and development agreements; and

(2) The Secretary may issue such regulations as may be necessary to carry out the provisions of this chapter, acting through the Director of the National Institute of Standards and Technology and with the concurrence of the Interagency Working Group for Technology Transfer ~~develop and disseminate to appropriate agency and laboratory personnel model provisions for use on a voluntary basis in cooperative research and development arrangements; and~~

~~(C) furnish advice and assistance, upon request, to Federal agencies concerning their cooperative research and development programs and projects.~~

PURPOSE: Legislative change is required to grant the Department of Commerce authority to issue government-wide regulations for the Stevenson-Wydler Act. The Secretary of Commerce, acting through the NIST Director, would issue such regulations only following consultation and concurrence with other federal agencies via the Interagency Working Group for Technology Transfer. Originally established pursuant to Executive Order 12591, the Interagency Working Group for Technology Transfer would be formally convened by the Secretary of Commerce. This would not affect the ability of federal agencies to issue agency-specific implementing guidance.

--END OF SECTION--

(4)

Distribution of Royalties Received by Federal Agencies (15 U.S.C. 3710c)

INTENT: The proposed change will extend to federal employees at all agencies, and non-federal inventors who have assigned their rights to the Government, the increase in the patent royalty cap to up to \$500,000 per year, consistent with the increase outlined by the Department of Defense pilot program and authorized in the FY 2018 National Defense Authorization Act (Public Law 115-91). The bill would authorize federal laboratories to manage any copyright royalties received in the same manner as for patent royalties. In addition, the proposed change will clarify that “acquisition” of intellectual property is among the expenses for which royalty payments may be used.

BILL TEXT:

Amend Section 14 of the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710c) as follows:

*In Section (a)(1) strike through “**and (4)**” and insert “, (3) and (5)”;*

*In Section (a)(1) strike each instance of “**inventions**” and insert “inventions or works”; strike “**invention**” and insert “invention or work”;*

In Section (a)(1)(A)(i), insert at the end “, or to the contributor or co-contributors if a certificate of copyright registration is issued to the United States”;

*In Section (a)(1)(A)(ii), after “inventor of” insert “or contributor to”; strike each instance of “**inventions**” and insert “inventions or works”;*

In Section (a)(1)(A)(iii), after “invention” insert “or work”;

In Section (a)(1)(B), after “the balance of the royalties or other payments” insert “received from the licensing and assignment of an invention”;

In Section (a)(1)(B), after “The royalties or other payments” insert “received from the licensing and assignment of an invention”;

In Section (a)(1)(B) insert at the end the following new clause:

“(vi) for the acquisition, administration and licensing of intellectual property.”

In Section (a)(1), strike through subparagraph (a)(1)(C) and insert at the end of (a)(1) the following new subparagraphs as (a)(1)(C), (a)(1)(D), and (a)(1)(E):

“(C) The balance of the royalties or other payments received from the licensing and assignment of a work shall be transferred by the agency to its laboratories, with the majority share of the royalties or other payments from any work going to the laboratory where the work was created. The royalties or other payments received from the licensing and assignment of a work so transferred to any laboratory may be used or obligated by that laboratory during the fiscal year in which they are received or during the 2 succeeding fiscal years –

(i) to reward contributors of copyrighted computer programs;

(ii) to further information exchange among bureaus and laboratories of the agency or with another agency;

(iii) for education and training of employees consistent with the missions and objectives of the agency, bureau, or laboratory;

(iv) for payment of expenses incidental to the administration and licensing of intellectual property by the agency or laboratory with respect to copyrighted computer programs made at the bureau or laboratory, including the fees or other costs for the services of other agencies, persons, or organizations for intellectual property management and licensing services;

(v) for scientific research and development consistent with the research and development missions and objectives of the bureau or laboratory; or

(vi) for the acquisition, administration and licensing of intellectual property.

(D) All royalties or other payments retained by the agency, bureau, or laboratory after payments have been made pursuant to subparagraph (A), (B) and (C) that are unobligated and unexpended at the end of the second fiscal year succeeding the fiscal year in which the royalties and other payments were received shall be paid into the Treasury.

(E) As used in this section, the term “contributor” means a laboratory employee who is a creator of an original expression in a copyrighted computer program, and the term “work” means a computer program that is a work of the United States Government and is created at a Federal laboratory and covered by section 105(d) of title 17.”;

After section (a)(2) insert the following new paragraph as (a)(3):

“(3) If, after payments to contributors under paragraph (1), the royalties or other payments received by an agency in any fiscal year exceed 5 percent of the budget of the agency for that year, 75 percent of such excess shall be paid to the Treasury of the United States and the remaining 25 percent may be used or obligated under paragraph (1)(C). Any funds not so used or obligated shall be paid into the Treasury of the United States.”;

and renumber the following paragraphs accordingly.

In new section (a)(4) after “Any payment made to an inventor” insert “or contributor”;

In new section (a)(4) after “as such shall continue after the inventor” insert “or contributor”;

In new section (a)(4) strikethrough “Payments made under this section shall not exceed \$150,000 per year to any one person, unless the President approves a larger award (with the excess over \$150,000 being treated as a Presidential award under section 4504 of title 5).” and insert “Payments made under this section to an inventor shall not exceed \$500,000 per year to any one person, unless the President approves a larger award (with the excess over \$500,000 being treated as a Presidential award under section 4504 of title 5).”;

In new section (a)(4) insert the following new sentence at the end of the paragraph:

“Payments made under this section to a contributor shall not exceed \$150,000 per year to any one person, unless the President approves a larger award (with the excess over \$150,000 being treated as a Presidential award under section 4504 of title 5).”;

After section (a)(5) insert the following new paragraph as (a)(6):

“(6) The Secretary, acting through the Director of the National Institute of Standards and Technology, shall conduct a pilot program to assist Federal agencies implementing the provisions of this section regarding payment of royalties or other payments to contributors.

(A) As part of the pilot program, the Secretary shall collect information including:

- (i) each payment,***
- (ii) the number of works registered by Federal agencies,***
- (iii) the number of fully executed licenses for works that received royalty income,***
- (iv) the total earned royalty income,***
- (v) statistical information related to the total earned royalty income, including the top 1 percent, 5 percent, and 20 percent of the licenses, the range, and the median, except where disclosure of such information would reveal the amount of royalty income associated with an individual license, licensee, or contributor.***

(B) The Secretary, through the Interagency Working Group for Technology Transfer, shall promote the sharing of best practices and lessons learned under the pilot program.

(C) At the conclusion of the pilot program, the Secretary shall transmit to the appropriate committees of the Senate and House of Representatives a report on the effectiveness of the pilot program, including findings, conclusions, and recommendations for improvements. Upon consideration of the report, Congress may authorize authority for royalties or other payments to contributors, including at an increased amount not to exceed \$500,000.

(D) The pilot program under this section shall terminate 5 years after the date of enactment of this Act.

PURPOSE: NIST seeks this legislative change to raise the annual cap on patent royalty payments made to a federal employee, or to non-federal inventors who have assigned their rights to the Government, from \$150,000 to \$500,000, consistent with the increase outlined by the Department of Defense pilot program and authorized in the FY 2018 National Defense Authorization Act (Public Law 115-91). In addition, the acquisition of intellectual property is explicitly included among the expenses for which royalty payments may be used by federal laboratories, which will clarify the ability of federal laboratories to consolidate intellectual property to facilitate commercialization. In addition, distribution of royalties received for works in a manner consistent with existing incentives for inventions are authorized, which will support the ability of Federal laboratories to achieve technology transfer under the Stevenson-Wydler Act. The Secretary of Commerce is directed to conduct a five-year pilot program to assist Federal agencies implementing royalty distributions for works, and to report to the appropriate congressional committees. During the pilot program, annual payments to any contributors to registered federal works shall not exceed \$150,000 unless the President approves a larger award (with the excess over \$150,000 being treated as a Presidential award under section 4504 of title 5). At the conclusion of the pilot program, Congress may consider an increase in royalty distribution payments to contributors to registered federal software works to match the annual cap on patent royalty payments to inventors, not to exceed \$500,000.

--END OF SECTION--

(5)

**Presumption of Government Rights to Employee Intellectual Property
(15 U.S.C. 3710d)**

INTENT: Legislative change is required to codify the federal employee's requirement to report inventions and other intellectual property and to assign all right, title, and interest in work-related inventions and other intellectual property to the Federal Government.

BILL TEXT:

Amend Section 15 of the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710d) by striking subsection (a) in its entirety and inserting the following:

“(a) In general

(1) The Government shall obtain the entire right, title and interest in and to all inventions made by any Federal employee (A) during working hours, or (B) with a contribution by the Government of facilities, equipment, materials, funds, or information, or of time or services of other Federal employees on official duty, or (C) within his or her field of research or within his or her official employment responsibility and activity.

(2) Any invention made by a Federal employee as described in (1) shall be disclosed by the Federal employee to the agency that employs the Federal employee within 10 months of the earlier of the date of conception or actual reduction to practice of the invention. An agency, at its discretion, may implement regulations shortening this requirement to a period of no less than 60 days. The Government shall obtain and the Federal employee shall assign the entire right, title, and interest in and to any invention conceived or actually reduced to practice by a Federal employee that is not disclosed to the Government within 10 months or shorter disclosure period required by agency regulation, from the earlier of the date of conception or actual reduction to practice of the invention.

(3) Any invention made by a Federal employee as described in (1) shall be presumed to be owned by the Government, and the Federal employee shall assign the entire right, title, and interest in and to the invention to the Government. A Federal employee that disagrees with the presumption of ownership and obligation of assignment may request, from the agency employing the Federal employee, a determination of rights in and to the invention and shall do so within thirty (30) days of the disclosure pursuant to paragraph (2), which period may be extended by the head of an agency for good cause shown. The request shall provide all grounds and justification for leaving rights with the Federal employee. If the request is not made by the Federal employee within such thirty (30) day or extended period, the Government shall retain all right, title, and interest in and to the invention, and

the Federal employee shall assign the entire right, title, and interest in and to the invention to the Government.

(4) If a Federal agency which has ownership of or the right of ownership to an invention made by a Federal employee does not intend to file for a patent application or otherwise promote commercialization of such invention, the agency shall (upon request) allow the inventor, if the inventor is a Federal employee or former employee who made the invention during the course of employment with the Government, to obtain or retain title to the invention, subject to reservation by the Government of a nonexclusive, nontransferable, irrevocable, paid-up license to practice the invention or have the invention practiced throughout the world by or on behalf of the Government. In addition, the agency may condition the inventor's right to title on the timely filing of a patent application.

(5) Any computer program that is a work as defined in this chapter shall be disclosed by the Federal employee who created the work to the Federal laboratory that employs the Federal employee.

(6) Any work pursuant to (5) created by a Federal employee within the scope of his or her employment shall be considered a work made for hire and the Government shall be the author. A Federal employee who discloses as required under (5) but who contests that the Government is the author may request, from the agency employing the Federal employee, a determination of rights in and to the work and shall do so within thirty (30) days of the disclosure pursuant to (5) which period may be extended by the head of an agency for good cause shown. The request shall provide all grounds and justification for leaving rights with the Federal employee. If the request is not made by the Federal employee within such thirty (30) day or extended period, the Government shall remain and shall be the author the work.

(7) The Secretary may promulgate regulations and guidelines to implement this subsection.”

PURPOSE:

This provision codifies the presumption of obligation of assignment of inventions from federal employees to the Federal Government established by Executive Order 10096, dated January 23, 1950, and implemented in 37 C.F.R. Part 501. The provision relieves the government from the administrative burden of conducting rights determination for the nearly 5,000 invention disclosures made annually by federal employees, the great majority of which are not contested, while safeguarding an employee's right to request such a determination within thirty days from disclosing the invention to the agency. The change also ensures timely disclosure of employee inventions to the government. In addition, this provision provides that a computer program prepared by a federal employee within the scope of his or her employment is considered a “work made for hire.”

--END OF SECTION--

DRAFT

(6)

Clarifying CRADA Authority (15 U.S.C. 3710a)

INTENT: Statutory change is required to clarify government use rights in CRADA inventions and remove conflicting and outdated definitions regarding who may collaborate under a CRADA with a federal laboratory.

BILL TEXT:

Amend Section 12 of the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(b)(1)) by inserting the following new subparagraph:

“(D) An obligation on the part of the collaborating party, in the event a United States patent application is filed by or on behalf of the collaborating party or by any assignee of the collaborating party, to include within the specification of such application and any patent issuing thereon, a statement specifying that the invention was made with Government support and that the Government has certain rights in the invention.”

Amend Section 12 of the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(b)(2)) by inserting at the end of the paragraph the following provision:

“, and an obligation on the behalf of the collaborating party, in the event a United States patent application is filed by or on behalf of the collaborating party or by any assignee of the collaborating party, to include within the specification of such application and any patent issuing thereon, a statement specifying that the invention was made with Government support and that the Government has certain rights in the invention”.

Amend Section 12 of the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(b)(3)) by striking subparagraph (A) in its entirety and inserting the following:

(A) accept, retain, and use funds, personnel, services, facilities, equipment, intellectual property, or other resources from a collaborating party and provide personnel, services, facilities, equipment, intellectual property, or other resources with or without reimbursement to a collaborating party (but not funds to non-Federal parties);

Amend Section 12 of the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a) by deleting subparagraph (d).

PURPOSE:

The CRADA provision, 15 USC 3710a, includes an internal inconsistency with respect to who may collaborate with a federal laboratory. 15 USC 3710a(a)(1) provides that a Federal laboratory may enter into a CRADA with, *inter alia*, “other Federal agencies. However, the definition section of the same provision, 15 USC 3710a(d)(1), defines a

CRADA as “any agreement between one or more Federal laboratories and one or more non-Federal parties.” This definition is commonly interpreted to restrict collaborations to those in which there is at least one non-federal party. This inconsistency has impeded the ability of federal laboratories to engage in collaborations with other laboratories, including with government-owned, contractor-operated laboratories. This provision would also delete the definition of “laboratory,” which is unnecessary because “Federal laboratory” is already defined in 15 UCS 3703 and other definitions in this section that have been determined by the Department of Energy to be outdated or unnecessary.

--END OF SECTION--

DRAFT

(7)

**Expansion of Agreements for Commercializing Technology (ACT)
Authority (15 U.S.C. 3723a)**

INTENT: Legislative change is required to extend use of Agreements for Commercializing Technology (ACT) to all Government-Owned, Contractor-Operated Laboratories (GOCOs) under the Stevenson-Wydler Act. Currently, only Department of Energy National Laboratories have this authority.

BILL TEXT:

Amend the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) by inserting after section 28 (15 U.S.C. 3723) the following new section 29 (3723a):

“29. Agreements for Commercializing Technology

(a) Agreements with Non-Federal Entities.

The head of each Federal agency may permit the director of any of its Government-owned, contractor-operated laboratories to perform work for non-Federal entities on a fully reimbursable basis and to execute agreements for commercializing technology with a non-Federal entity, including a non-Federal entity already receiving Federal funding that will be used to support activities under the agreements, provided that such funding is solely used to carry out the purposes of the Federal funding, with the exception of any fee paid to the contractor-operated laboratory which may be retained by the contractor and used according to terms of its contract.

(b) Restriction.—The requirements of chapter 18 of title 35, United States Code (commonly known as the “Bayh-Dole Act”) shall apply if—

(1) the agreement is a funding agreement (as that term is defined in section 201 of that title); and

(2) at least one of the parties to the funding agreement is eligible to receive rights under that chapter.

(c) Submission to Agency.—Each director of a Government-owned, contractor-operated laboratory shall submit to the head of the Federal agency, with respect to each agreement entered into under this section—

(1) a summary of information relating to the relevant project;

(2) the total estimated costs of the project;

(3) estimated commencement and completion dates of the project; and

(4) other documentation determined to be appropriate by the head of the Federal agency.

(d) Certification.—The head of the Federal agency shall require the contractor of the affected Government-owned, contractor-operated laboratory to certify that each activity carried out under a project for which an agreement is entered into under this section—

(1) is not in direct competition with the private sector; and

(2) does not present, or minimizes, any apparent conflict of interest, and avoids or neutralizes any actual conflict of interest, as a result of the agreement under this section.”

(e) This authority does not pertain to Federal agencies that have agency-specific authorities for agreements for commercializing technology elsewhere in statute, for example, the authorization in the Atomic Energy Act and Department of Energy Research and Innovation Act on which the Department of Energy relies for the use of Agreements for Commercializing Technology and the promulgation of implementing regulations.

PURPOSE:

The expansion of the ACT authority to all agency heads for use by GOCO laboratories would provide flexibility in accessing the unique knowledge, capabilities, and facilities at these laboratories through partnerships with non-federal entities, without hampering the laboratories intended government mission and function. The proposed legislation is modeled after the permanent ACT authority accorded to the Department of Energy (DOE) pursuant to Public Law 115-246 to carry out the ACT pilot program as announced on December 8, 2011. DOE conducted a pilot that relied on DOE’s underlying authority to conduct reimbursable work under the Atomic Energy Act and shifted certain risks to the contractor that the Federal Government cannot waive, such as advance payments and performance guarantees, and further permitted the contractor to accept additional compensation from a sponsor in exchange for accepting any such risks. The legislation proposed here would accord discretion to the head of a federal agency to permit the director of any of its GOCO laboratories to execute ACT agreements. The ACT authority is not intended to replace other technology transfer mechanisms, but to provide an alternative mechanism for creating partnerships between federal laboratories and non-federal entities.

--END OF SECTION--

(8)

Other Transactions (15 U.S.C. 3723b)

INTENT: Legislative change is required to authorize federal laboratory support of emerging technologies and industries of the future, such as artificial intelligence, advanced manufacturing, quantum information science, and advanced wireless communication networks. This authority will support the ability of federal laboratories to advance the agency's mission through R&D collaborations by simplifying, accelerating, tailoring, and executing partnership agreements and complementing their use of Cooperative Research and Development Agreements.

BILL TEXT:

Amend the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) by inserting after new section 29 (3723a) the following new section 30 (3723b):

"30. Other Transactions

(a) General authority

- (1) Each Federal agency may permit the director of any of its Government-operated Federal laboratories to enter into such other transactions as may be necessary in the conduct of the work of the Federal laboratory and on such terms as the director of the Federal laboratory considers appropriate, for the purposes of stimulating improved utilization of federally funded technology developments, including inventions, software, and training technologies, by State and local governments and the private sector.*
- (2) As provided for under section 552(b)(3) of title 5, United States Code, the Federal agency may protect from disclosure, for up to 12 years after the date on which the information is developed, any information developed pursuant to a transaction under this section that would be protected from disclosure under section 552(b)(4) of title 5, United States Code, if obtained from a person other than a Federal agency.*
- (3) Nothing in this paragraph (a) is intended to limit or augment the authorization of agencies to utilize agency-specific authorities for other transactions elsewhere in statute. At their own discretion, agencies may utilize the authorities granted to them in this paragraph (a) or elsewhere in statute.*

(b) Limitations -- A Federal laboratory using the authorities granted in (a) may only enter into such other transactions when:

- (1) A warranted contracting officer determines that use of a contract, grant or cooperative agreement, including a cooperative research and development agreement, would be insufficient to achieve the purposes of this chapter; and*
- (2) For any transaction greater than \$5M, the Federal agency's senior procurement executive has reviewed the transaction prior to its execution.*

(c) Procedures and Reporting

(1) The authority provided in this section shall not be used until the Secretary, in consultation with the Director of the Office of Management and Budget, issues guidance for Federal laboratory use of this authority, after such guidance has been published for public comment.

(2) Agencies shall report on the use of the authorities granted in (a) in accordance with 15 U.S.C. 3710(f)."

PURPOSE:

As noted in GAO-16-209, Other Transaction Agreements, “other transaction authority... allows an agency to enter into agreements ‘other than’ standard government contracts or other traditional mechanisms. Agreements under this authority are generally not subject to federal laws and regulations applicable to federal contracts or financial assistance, allowing agencies to customize their other transaction agreement to help meet project requirements and mission needs.” Furthermore, agreements under this authority provide additional partnering flexibilities and complement use of Cooperative Research and Development Agreements, providing a Federal laboratory the ability to contribute funds to a collaboration or to negotiate intellectual property terms better tailored to a particular research effort. Proposed section 30 would authorize federal agencies that do not currently have other transaction authority to permit the director of an agency’s federal laboratory to enter into other transactions, providing a new partnering mechanism which complements existing technology transfer authorities in order to further the development and commercialization of federally funded technologies from lab-to-market. It will enable federal laboratories to enter into the types of partnerships necessary in today’s innovation networks when the principal purpose of the agreement is support of emerging technologies and industries of the future in ways that advance an agency’s mission. Guidance published in connection with this provision will require that officers who are authorized to enter into transactions under section 30 possess a level of responsibility, business acumen, and judgment that enables them to operate in the relatively unstructured environment of other transactions. Federal labs will also be responsible for ensuring that these officers are supported through appropriate training and oversight, commensurate with the risks and complexity of the agreement.

---END OF SECTION---

(9)

Non-Profit Foundations (15 U.S.C. 3723c)

INTENT: Legislative change is required to authorize federal laboratories to establish non-profit foundations that will advance their missions by attracting private sector investment to accelerate technology maturation, transfer, and commercialization of R&D outcomes. The proposed authority will assist federal laboratories currently lacking authority to establish a non-profit foundation to develop, adopt, and use consistent policies and practices to establish such foundations.

BILL TEXT:

Amend the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq) by adding after new section 30 (3723b) the following new section 31 (3723c):

“§31. Foundations

(a) IN GENERAL.—A Government-owned Federal laboratory may establish or enter into an agreement with a non-profit organization to establish a Federal laboratory Foundation in support of its mission. Such a Foundation shall not be an agency or instrumentality of the United States Government, and the United States shall not be liable for any debts, defaults, acts, or omissions of the Foundation. In the case of a Government-owned, contractor operated laboratory, the Foundation shall have a separate governance structure from and shall be managed independently of the Government-owned, contractor operated laboratory.

(b) PURPOSE.—The purpose of a Foundation established under this section shall be to support the Government-owned Federal laboratory in its mission.

(c) ACTIVITIES. —Activities of the Foundation may include

(i) the receipt, administration, solicitation, acceptance and use of funds, gifts, devises, or bequests, either absolutely or in trust of real or personal property or any income therefrom or other interest or equity therein for the benefit of, or in connection with, the mission of the Government-owned Federal laboratory. A gift, devise, or bequest may be accepted by the Foundation even though it is encumbered, restricted, or subject to beneficial interests of private persons if any current or future interest therein is for the benefit of the Federal laboratory in its research and development activities. Contributions, gifts, and other transfers made to or for the use of a Foundation established under this section shall be regarded as contributions, gifts, or transfers to or for the use of the United States.

(ii) the conduct of support studies, competitions, projects, research and other activities that further the purposes of the Foundation.

(iii) programs for fostering collaboration and partnerships with researchers from the Federal and State governments, institutions of higher education, federally funded research and development centers, industry and nonprofit organizations for the research, development or commercialization of federally supported technologies.

(iv) programs for leveraging technologies to support new product development that supports regional economic development.

(v) administering prize competitions to accelerate private sector competition and investment.

(vi) provision of fellowships and grants to research and development personnel at, or affiliated with, federally funded centers. Such fellowships and grants may include stipends, travel, health insurance benefits and other appropriate expenses. The recipients of fellowships shall be selected by the donors and the Foundation upon the recommendation of the employees in the Federal laboratory where the fellow would serve, and shall be subject to agreement of the head of the agency whose mission is supported by the Foundation.

(vii) supplementary programs to provide for:

(A) scientists of other countries to serve in research capacities in the United States in association with the Federal laboratory whose mission the Foundation supports, or elsewhere, or opportunities for employees of the Federal laboratory whose mission the Foundation supports to serve in such capacities in other countries, or both;

(B) the conduct and support of studies, projects, and research, that may include stipends, travel and other support for personnel in collaboration with national and international non-profit and for-profit organizations;

(C) the conduct and support of forums, meetings, conferences, courses, and training workshops that may include undergraduate, graduate, post-graduate, and post-doctoral accredited courses and the maintenance of accreditation of such courses by the Foundation at the State and national level for college or continuing education credits or for degrees;

(D) programs to support and encourage teachers and students of science at all levels of education and programs for the general public which promote the understanding of science;

(E) programs for writing, editing, printing, publishing, and vending of books and other materials; and

(F) the conduct of other activities to carry out and support the purpose described in subsection (b).

(d) TRANSFER OF FUNDS.—Notwithstanding any other provision of law, a Foundation established under this section may transfer funds to the Government-owned Federal laboratory and the Government-owned Federal laboratory may accept transfers of funds from the Foundation.”.

(e) APPLICABILITY. —This section is not intended to conflict with or supersede specific Federal agency laws governing the authority, scope, establishment and use of nonprofit organizations.

PURPOSE: Non-profit foundations benefit federal R&D agencies by employing mechanisms that federal agencies cannot always readily pursue, such as receiving and actively seeking funding that are deemed gifts and other monetary donations from private donors and organizations. For example, the Foundation for the National Institutes of Health (FNIH) can raise non-federally appropriated funds that support agency R&D activities. In addition, foundations sponsored or initiated by federal and state entities have facilitated technology commercialization and generated revenue to reinvest in R&D. Foundations act synergistically with agency and federal laboratory technology transfer offices and serve to increase the capacity for identifying collaborative R&D and other opportunities.

--END OF SECTION--

DRAFT

(10)
Reporting and Metrics
(15 U.S.C. 3710(f) and (g))

INTENT: Legislative change is necessary to include reporting requirements in view of a prospective limited copyright for computer programs from federal laboratory research, to require federal laboratories to report data on intellectual property resulting from their own R&D, and to require reporting of information on federal laboratory partnership opportunities, facilities, equipment and tools, expertise, services, and other relevant assets under the Stevenson-Wydler Act. Agency reporting requirements are updated to include copyrights and eliminate obsolete reporting requirements.

BILL TEXT:

Amend Section 11 of the Stevenson Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710) by revising subsections (f) and (g) as follows:

“11. Utilization of Federal technology

(f) Agency reports on utilization

(1) In general

Each Federal agency which operates or directs one or more Federal laboratories or which conducts activities under subsection (k) of this section or sections 207 and 209 of title 35 shall report annually to the Office of Management and Budget, **as part of the agency's annual budget submission,** on the activities performed by that agency and its Federal laboratories under the provisions of this section and of sections 207 and 209 of title 35.

(2) Contents

The report shall include-

(A) an explanation of the agency's technology transfer **program activities** for the preceding fiscal year and the agency's plans **for conducting its technology transfer function, including its plans for securing intellectual property rights in laboratory to manage** innovations with commercial promise **and plans for managing its intellectual property so as to advance** consistent with the agency's mission and benefitting the competitiveness of United States industry; and

(B) information on technology transfer activities for the preceding fiscal year, including-

(i) the number of patent applications filed;

(ii) the number of patents received;

(iii) the number of works registered for copyright protection in the United States on behalf of the United States, pursuant to 17 U.S.C. 105(d);

(iv)~~(iii)~~ the number of fully-executed licenses which received **royalty** income from licensing in the preceding fiscal year, **categorized by whether they are exclusive, partially-exclusive, or non-exclusive, and the time elapsed from the date on which**

~~the license was requested by the licensee in writing to the date the license was executed;~~

~~(v)(iv) the total **earned royalty** income from licensing; including such statistical information as the total earned royalty income, of the top 1 percent, 5 percent, and 20 percent of the licenses, the range of royalty income, and the median, except where disclosure of such information would reveal the amount of royalty income associated with an individual license or licensee;~~

~~(v) what disposition was made of the income described in clause (iv);~~

~~(vi)(vi) the number of licenses terminated for cause; **and**~~

~~(vii) the number of Cooperative Research and Development agreements and/or Space Act Agreements;~~

~~(viii) the number of Other Transactions executed under this title;~~
~~and~~

~~(ix)(vii) any other parameters or discussion that the agency deems relevant or unique to its practice of technology transfer.~~

(3) Copy to Secretary; ~~Attorney General; Congress~~

The agency shall transmit a copy of the report to the Secretary of Commerce ~~and the Attorney General~~ for inclusion in the annual summary report to Congress and the President required by subsection (g)(2).

(4) Public availability

Each Federal agency reporting under this subsection ~~is also strongly encouraged to shall~~ make ~~the information contained in such report~~ available to the public through Internet sites, updated at least annually; or other electronic means.

(A) the information contained in such report;

(B) information on intellectual property which is available for licensing from the Federal agency; and

(C) information on Federal research and development programs, facilities, equipment and tools, expertise, services, and other relevant assets which are made available to the public by the Federal agency.

(g) Functions of Secretary

(1) The Secretary, ~~in consultation with other Federal agencies may,~~ shall convene an Interagency Working Group for Technology Transfer comprising those agencies with at least one Federal laboratory to —

(A) share best practices for realizing ~~make available to interested agencies the expertise of the Department of Commerce regarding~~ the commercial potential of inventions and methods and options for commercialization which are available to the Federal laboratories, including research and development limited partnerships and cooperative research and development agreements; and

(2) The Secretary may issue such regulations as may be necessary to carry out this chapter, acting through the Director of the National Institute of Standards and Technology and with the concurrence of the Interagency Working Group for Technology Transfer ~~develop and~~

~~disseminate to appropriate agency and laboratory personnel model provisions for use on a voluntary basis in cooperative research and development arrangements; and~~
~~(C) furnish advice and assistance, upon request, to Federal agencies concerning their cooperative research and development programs and projects.~~

(2) Summary.—

(A) Annual ~~report~~ summary required.—~~Each fiscal year, The the~~ Secretary, ~~in consultation with the Attorney General and the Commissioner of Patents and Trademarks,~~ shall ~~submit each fiscal year, beginning 1 year after November 1, 2000,~~ make available to the public a summary ~~report to the President, the United States Trade Representative, and the Congress~~ on the use by Federal agencies ~~and the Secretary~~ of the technology transfer authorities specified in this chapter and in sections 207 and 209 of title 35.

(B) Content.—The ~~report~~ summary shall—

- (i) draw upon the reports prepared by the agencies under subsection (f);
- (ii) discuss technology transfer best practices and effective approaches in the licensing and transfer of technology in the context of the agencies' missions; and
- (iii) discuss the progress made toward development of additional useful measures of the outcomes of technology transfer programs of Federal agencies.

(C) Public availability.—The Secretary, through the Director of the National Institute of Standards and Technology, shall make the ~~report~~ summary available to the public through Internet sites ~~or other electronic means.~~

~~(3) Not later than one year after October 20, 1986, the Secretary shall submit to the President and the Congress a report regarding—~~

- ~~(A) any copyright provisions or other types of barriers which tend to restrict or limit the transfer of federally funded computer software to the private sector and to State and local governments, and agencies of such State and local governments; and~~
- ~~(B) the feasibility and cost of compiling and maintaining a current and comprehensive inventory of all federally funded training software.~~

PURPOSE: NIST seeks this legislative change to more effectively track the outcomes and benefits of federal R&D spending. Reporting of information on federal laboratory research and development programs, facilities, equipment and tools, expertise, services, and other relevant assets enhances visibility of the federal innovation ecosystem and aids in opening access to federal R&D resources, such as federal laboratories, expertise, and equipment, among others.

--END OF SECTION--