

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672
1373 SCOMM 51 BLUE RIBBON COMN. ON STATE PERSONNEL ACT 1978-1983



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left msg for Chris Noah 11/29/82
re: Dec 7th meeting
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THE ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY

November 19, 1982

Senator Bill Ray, Chairman
Blue Ribbon Commission on
the Personnel Act
Alaska State Legislature
Pouch YG
Juneau, Alaska 99811

Dear Senator Ray,

Based upon discussions held at our November 17, 1982 meeting, I am sending suggestions for consideration for the draft legislation entitled "An Act Relating to Government Interests in Intellectual Work Products Developed at the Expense of the State."

The Council suggests that this act be written similarly to the statutes adopted by the federal government. These statutes differ somewhat according to application for specific agencies, but generally all follow the same general philosophy, particularly related to patents. Also, the University of Alaska has an existing policy that works well and has stood the test of time, having been in effect for more than a decade. A general state policy might consider the university approach as well.

These various federal and university policy statements or statutes contain several key elements and philosophical tenets which may be helpful to you. In summary these are:

1. Recognition that patentable inventions produced in the line of work duty may be primarily owned by the sponsoring agency, but that, depending upon the specific circumstances, the originator might rightfully have a partial ownership interest, or at least that it is in the public welfare to award such partial ownership;
2. Recognition that in accepting ownerships of a potential invention, the government or agency accepts responsibility to pursue patenting and management of the patent in a fashion that promotes its usefulness to society;
3. Recognition that in order to promote employee intellectual pursuit, to avoid infringement upon individual freedom, to avoid unnecessary litigation, and to avoid much needless work on the part of agency personnel, that the policy statements or statutes are

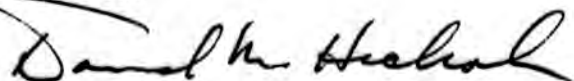
written to pertain strictly to patentable inventions. (We suggest that the existing wording in the draft bill, specifically the wording "intellectual work product" and its definitions as given in Section 39:52.099 are too broad to be effective and may well be challengeable on Constitutional grounds. The proposed statute, we suggest, should pertain to patentable inventions only.); and

4. Recognition, also that for every "idea" that eventually leads to a patent deemed desirable for agency ownership, there are dozens that do not. (Hence, we suggest that the state needs an inexpensive, effective mechanism to weed out ideas of an unpatentable nature or which, if patented, have no economic value to the state. Examination of established procedures will show that the process must start as close to the inventor as possible--specifically, within the agency wherein the employee works. Determination of patentability and/or desirability of patentability should be conducted within the employee's agency. Determination of desired state ownership should be made by the employer's agency acting in conjunction with the Attorney General's office. It may be appropriate to specify in the proposed bill that the ACST would act as a participant in the decision regarding appropriate share of state ownership, once desirability of patenting has been determined.)

A useful guide to framing a patent regulation for Alaska may be the enclosed copy of patent regulations used by the U.S. Department of Interior. Additionally, as earlier stated, another useful guide could be the patenting policy of the University of Alaska. The process used there involves initial internal determination of patentability, followed by a review made by a specialized non-profit patenting organization which then takes a percentage of ownership in payment for its services should all agree that the pursuit of a patent is desirable. In this case the shares in the ownership of the patent between the non-profit corporation, the university, and the inventor are negotiated.

We trust these comments are useful to you. As this bill proceeds in the legislation process we would be pleased to offer further information for your consideration or testify upon your request.

Sincerely,



David M. Hickok
Chairman

DMH/sw
Enclosure

§ 5.2

National Park Service will be granted by the head of the Service or his authorized representative in his discretion and on acceptance by the applicant of the conditions set forth in paragraph (d) (3) of this section.

(d) *Form of application.* The following form is prescribed for an application for permission to make a motion picture, television production, or sound track on areas administered by the United States Fish and Wildlife Service or the National Park Service:

To the head of the _____
Service, Department of the Interior _____
(Area)

- (1) Permission is requested to make, in the area mentioned above, a _____
(2) The scope of the filming (or production or recording) and the manner and extent thereof will be as follows _____
Weather conditions permitting, work will commence on approximately _____ and will be completed on approximately _____

(An additional sheet should be used if necessary.)

(3) The undersigned accepts and will comply with the following conditions:

- (i) Utmost care will be exercised to see that no natural features are injured, and after completion of the work the area will, as required by the official in charge, either be cleaned up and restored to its prior condition or left, after clean-up, in a condition satisfactory to the official in charge.
(ii) Credit will be given to the Department of the Interior and the Service involved through the use of an appropriate title or announcement, unless there is issued by the official in charge of the area a written statement that no such courtesy credit is desired.
(iii) Pictures will be taken of wildlife only when such wildlife will be shown in its natural state or under approved management conditions if such wildlife is confined.
(iv) [Deleted]
(v) Any special instructions received from the official in charge of the area will be complied with.
(vi) Any additional information relating to the privilege applied for by this application will be furnished upon request of the official in charge.

For _____
(Applicant)
(Company)
Bond Requirement \$ _____

Title 43—Public Lands: Interior

Approved: _____ (Date) _____
(Title) _____

[22 FR 1987, Mar. 26, 1957, as amended at 36 FR 2972, Feb. 13, 1971]

§ 5.2 Areas administered by the Bureau of Indian Affairs.

(a) *Individual Indians.* Anyone who desires to go on the land of an Indian to make pictures, television productions or sound tracks is expected to observe the ordinary courtesy of first obtaining permission from the Indian and of observing any conditions attached to such permission.

(b) *Indian groups and communities.* Anyone who desires to take pictures, including motion pictures, or to make a television production or a sound track of Indian communities, churches, kivas, plazas, or ceremonies performed in such places, must obtain prior permission from the proper officials of the place or community. Limitations which such officials may impose must be scrupulously observed.

(c) *Use of Indian lands.* If the filming of pictures or the making of television productions or sound tracks requires the actual use of Indian lands, a lease or permit must be obtained pursuant to 25 CFR Part 131.

(d) *Employment of Indians.* Any motion picture or television producer who obtains a lease or permit for the use of Indian land pursuant to 25 CFR Part 131 shall be expected to pay a fair and reasonable wage to any Indians employed in connection with the production activities.

[22 FR 1987, Mar. 26, 1957]

PART 6—PATENT REGULATIONS

Subpart A—Inventions by Employees

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6.2 Report of invention.
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6.4 Action by Solicitor.
6.5 Rights in inventions.
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6.7 Domestic patent protection.
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- Sec.
6.10 Publicity concerning after patent application
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- 6.51 Purpose.
6.52 Patents.
6.53 Unpatented invention
6.54 Use or manufacture by Government.
6.55 Terms of licenses or
6.56 Issuance of licenses.
6.57 Evaluation Committee

AUTHORITY: 5 U.S.C. 301; Statutory Plan No. 3 of 1950, Executive Order 10096, 15 FR 10100; Executive Order 10930, 26 FR 258

SOURCE: 29 FR 260, Jan. 6498, May 19, 1964, unless

Subpart A—Inventions

§ 6.1 Definitions.

As used in this subpart

- (a) The term "Department" means the Department of the Interior.
(b) The term "Secretary" means the Secretary of the Interior.
(c) The term "Solicitor" means the Solicitor of the Department of the Interior, or anyone authorized by him.

(d) The term "Commissioner" means the Commissioner of Patents and Trademarks, Assistant Commissioner for the Commissioner of Patents and Trademarks.

(e) The term "invention" means any new and useful art, process, machine, manufacture, or composition of matter, or any new improvement thereof, or any new, original, or ornamental design for an article of manufacture, which is or may be patented under the laws of the United States.

(f) The term "employee" means any person who is employed by the Department of the Interior in connection with the performance of his duties, and whose invention is made during the performance of his duties, or in the course of his special circumstances in a special duty are concerned, except that such exemption in or the needs of the Department such exemption to be subject to the approval of the Commissioner.

Title 43—Public Lands: Interior

Approved: _____
(Date)

(Title)

1987, Mar. 26, 1957, as amended at
72, Feb. 13, 1971]

Areas administered by the Bureau of
Indian Affairs.

Individual Indians. Anyone who
to go on the land of an Indian
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sound tracks is expected to ob-
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permission from the Indian
observing any conditions at-
to such permission.

Indian groups and communities.
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ng motion pictures, or to make
vision production or a sound
of Indian communities,
es, kivas, plazas, or ceremonies
ned in such places, must obtain
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the place or community. Limi-
which such officials may
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Use of Indian lands. If the film-
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productions or sound tracks re-
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Employment of Indians. Any
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1987, Mar. 26, 1957]

PART 6—PATENT REGULATIONS

Subpart A—Inventions by Employees

Definitions.
port of invention.
tion by supervisory officials.
tion by Solicitor.
ents in inventions.
eals by employees.
domestic patent protection.
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re patent application is filed.

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Sec.

- 6.10 Publicity concerning the invention
after patent application is filed.
- 6.11 Condition of employment.

Subpart B—Licenses

- 6.51 Purpose.
- 6.52 Patents.
- 6.53 Unpatented inventions.
- 6.54 Use or manufacture by or for the Gov-
ernment.
- 6.55 Terms of licenses or sublicenses.
- 6.56 Issuance of licenses.
- 6.57 Evaluation Committee.

AUTHORITY: 5 U.S.C. 301; sec. 2, Reorgani-
zation Plan No. 3 of 1950, 15 FR 3174; Ex-
ecutive Order 10096, 15 FR 389; and Execu-
tive Order 10930, 26 FR 2583.

SOURCE: 29 FR 260, Jan. 10, 1964; 29 FR
6498, May 19, 1964, unless otherwise noted.

Subpart A—Inventions by Employees

§ 6.1 Definitions.

As used in this subpart:

(a) The term "Department" means
the Department of the Interior.

(b) The term "Secretary" means the
Secretary of the Interior.

(c) The term "Solicitor" means the
Solicitor of the Department of the In-
terior, or anyone authorized to act for
him.

(d) The term "Commissioner" means
the Commissioner of Patents, or any
Assistant Commissioner who may act
for the Commissioner of Patents.

(e) The term "invention" means any
new and useful art, process, method,
machine, manufacture, or composition
of matter, or any new and useful im-
provement thereof, or any new variety
of plant, or any new, original and or-
namental design for an article of man-
ufacture, which is or may be patent-
able under the laws of the United
States.

(f) The term "employee" as used in
this part includes a part time consul-
tant, a part time employee or a special
employee (as defined in 18 U.S.C. 202)
of the Department insofar as inven-
tions made during periods of official
duty are concerned, except when spe-
cial circumstances in a specific case re-
quire an exemption in order to meet
the needs of the Department, each
such exemption to be subject to the
approval of the Commissioner.

(g) The term "governmental pur-
pose" means the right of the Govern-
ment of the United States (including
any agency thereof, state, or domestic
municipal government) to practice and
have practiced (made or have made,
used or have used, sold or have sold)
throughout the world by or on behalf
of the Government of the United
States.

(h) The "making of the invention"
means the conception or first actual
reduction to practice of such inven-
tion.

§ 6.2 Report of invention.

(a) Every invention made by an em-
ployee of the Department shall be re-
ported by such employee through his
supervisor and the head of the bureau
or office to the Solicitor, unless the in-
vention obviously is unpatentable. If
the invention is the result of group
work, the report shall be made by the
supervisor and shall be signed by all
employees participating in the making
of the invention. The original and two
copies of the invention report shall be
furnished to the Solicitor. The Solic-
itor may prescribe the form of the
report.

(b) The report shall be made as
promptly as possible, taking into con-
sideration such factors as possible pub-
lication or public use, reduction to
practice, and the necessity for protect-
ing any rights of the Government in
the invention. Although it is not nec-
essary to withhold the report until the
process or device is completely reduced
to practice, reduction to practice as-
sists in the preparation of a patent ap-
plication and, if diligently pursued,
protects the interests of the Govern-
ment and of the inventor. If an inven-
tion is reduced to practice after the in-
vention report is filed, the Solicitor
must be notified forthwith.

(c) For the protection of the rights
of the Government and of the inven-
tor, invention reports and memoranda
or correspondence concerning them
are to be considered as confidential
documents.

(d) An invention report shall include
the following:

(1) A brief but pertinently descrip-
tive title of the invention;

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(2) The full name, residence, office address, bureau or office and division, position or title, and official working place of the inventor or inventors;

(3) A statement of the evidence that is available as to the making of the invention, including information relative to conception, disclosures to others, and reduction to practice. Examples of such information are references to signed, witnessed and dated laboratory notebooks, or other authenticated records pertaining to the conception of the invention, operational data sheets, analysis and operation evaluation reports pertaining to a reduction to practice, and visitor log books, letters and other documents pertaining to disclosures to others. These need not be submitted with the report, only the identifying data is required, e.g., volume and page number in a laboratory notebook;

(4) Information concerning any past or prospective publication, oral presentation or public use of the invention;

(5) The problem which led to the making of the invention;

(6) The objects, advantages, and uses of the invention;

(7) A detailed description of the invention;

(8) Experimental data;

(9) The prior art known to the inventor(s) and the manner in which the invention distinguishes thereover;

(10) A statement that the employee:

(i) Is willing to and does hereby assign to the Government:

(a) The entire right (foreign and domestic) in the invention;

(b) The domestic rights only, but grants to the Government an option to file for patent protection in any foreign country, said option to expire as to any country when it is decided not to file thereon in the United States, or within six months after such filing;

(ii) Requests, pursuant to § 6.2(e), a determination of the respective rights of the Government and of the inventor.

(c) If the inventor believes that he is not required by the regulations in this subpart to assign to the Government the entire domestic right, title, and interest in and to the invention, and if he is unwilling to make such an assignment to the Government, he shall, in

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his invention report, request that the Solicitor determine the respective rights of the Government and of the inventor in the invention, and he shall include in his invention report information on the following points, in addition to the data called for in paragraph (d) of this section:

(1) The circumstances under which the invention was made (conceived, actually reduced to practice or constructed and tested);

(2) The employee's official duties, as given on his job sheet or otherwise assigned, at the time of the making of the invention;

(3) The extent to which the invention was made during the inventor's official working hours, the extent use was made of government facilities, equipment, funds, material or information, and the time or services of other government employees on official duty;

(4) Whether the employee wishes a patent application to be prosecuted under the Act of March 3, 1883, as amended (35 U.S.C. 266), if it should be determined that he is not required to assign all domestic rights to the invention to the Government; and

(5) Whether the employee would be willing, upon request, to voluntarily assign foreign rights in the invention to the Government if it should be determined that an assignment of the domestic rights to the Government is not required.

§ 6.3 Action by supervisory officials.

(a) The preparation of an invention report and other official correspondence on patent matters is one of the regular duties of an employee who has made an invention and the supervisor of such employee shall see that he is allowed sufficient time from his other duties to prepare such documents. The supervisor shall ascertain that the invention report and other papers are prepared in conformity with the regulations of this part; and, before transmitting the invention report to the head of the bureau or office, shall check its accuracy and completeness, especially with respect to the circumstances in which the invention was developed, and shall add whatever com-

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ments he may deem to be desirable. The supervisor shall file whatever information he has concerning the government commercial value of the invention.

(b) The head of the bureau or office shall make certain that the report is as complete as possible. He shall report the information may be available to the agency concerning the government commercial value of the invention and the foreign countries likely that the invention is the most useful and would have the best commercial value.

(c) If the employee invents that the Solicitor determine the value of the invention, the bureau or office shall submit recommendations with respect to such determination.

(d) The head of the bureau or office shall indicate whether, in his opinion, the invention is likely to be in the public interest, and shall set out the facts supporting his opinion whenever the employee's report does not contain information on this point.

§ 6.4 Action by Solicitor.

(a) If an employee invents pursuant to paragraph (a) of this section that such determination by the Solicitor shall determine the rights of the employee in the invention and to the Government in and to the invention. His determination shall be subject to review by the Commission on Executive Orders and 10930 and the regulations issued by the Commission with the approval of the President.

(b) If the Government obtains the entire domestic right, title, and interest in and to the invention made by an employee, the Solicitor, subject to the approval of the Commissioner of the Interior, may take such action as he deems necessary to protect the invention in the United States.

§ 6.5 Rights in inventions.

(a) The rules prescribed in this subpart shall be applied to the respective rights of the Government and of an employee

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report, request that the terminate the respective Government and of the he invention, and he shall is invention report infor- the following points, in ad- e data called for in para- this section:

rcumstances under which n was made (conceived, ac- ced to practice or con- l tested);

mployee's official duties, as : job sheet or otherwise as- he time of the making of n;

xtent to which the inven- ade during the inventor's king hours, the extent use of government facilities, funds, material or infor- d the time or services of rnement employees on offi-

her the employee wishes a plication to be prosecuted Act of March 3, 1883, as 35 U.S.C. 266), if it should ined that he is not required ll domestic rights to the in- the Government; and

ther the employee would be pon request, to voluntarily eign rights in the invention vernment if it should be de- that an assignment of the rights to the Government is ed.

on by supervisory officials.

preparation of an invention and other official correspond- patent matters is one of the duties of an employee who has invention and the supervisor employee shall see that he is sufficient time from his other prepare such documents. The or shall ascertain that the in- report and other papers are in conformity with the regu- f this part; and, before trans- the invention report to the the bureau or office, shall s accuracy and completeness, y with respect to the circum- n which the invention was de- and shall add whatever com-

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ments he may deem to be necessary or desirable. The supervisor shall add to the file whatever information he may have concerning the governmental and commercial value of the invention.

(b) The head of the bureau or office shall make certain that the invention report is as complete as circumstances permit. He shall report whatever information may be available in his agency concerning the governmental and commercial value of the invention, and the foreign countries in which it is likely that the invention would be most useful and would have the great- est commercial value.

(c) If the employee inventor requests that the Solicitor determine his rights in the invention, the head of the bureau or office shall state his conclusions with respect to such rights.

(d) The head of the bureau or office shall indicate whether, in his judgment, the invention is liable to be used in the public interest, and he shall set out the facts supporting his conclusion whenever the employee's invention report does not contain sufficient in- formation on this point.

§ 6.4 Action by Solicitor.

(a) If an employee inventor requests pursuant to paragraph (e) of § 6.2, that such determination be made, the Solicitor shall determine the respective rights of the employee and of the Government in and to the invention. His determination shall be subject to review by the Commissioner in proper cases under Executive Orders 10096 and 10930 and the rules and regula- tions issued by the Commissioner with the approval of the President.

(b) If the Government is entitled to obtain the entire domestic right, title and interest in and to an invention made by an employee of the Depart- ment, the Solicitor, subject to review by the Commissioner in proper cases, may take such action respecting the invention as he deems necessary or ad- visable to protect the interests of the United States.

§ 6.5 Rights in inventions.

(a) The rules prescribed in this section shall be applied in determining the respective rights of the Govern- ment and of an employee of the De-

partment in and to any invention made by the employee.

(b)(1) Except as indicated in the suc- ceeding paragraphs, (b)(1)–(4), of this section, the Government shall obtain the entire domestic right, title, and in- terest in and to any invention made by an employee of the Department (i) during working hours, or (ii) with a contribution by the Government of facilities, equipment, materials, funds, or information, or of time or services of other government employees on official duty, or (iii) which bears a direct relation to or is made in consequence of the official duties of the inventor.

(2) In any case where the contribu- tion of the Government, as measured by any one or more of the criteria set forth in paragraph (b)(1) of this sec- tion, to the invention is insufficient equitably to justify a requirement of assignment to the Government of the entire domestic right, title, and inter- est in and to such invention, or in any case where the Government has insuf- ficient interest in an invention to obtain the entire domestic right, title, and interest therein (although the Government could obtain same under paragraph (b)(1) of this section), the Solicitor, subject to the approval of the Commissioner, shall leave title to such invention in the employee, sub- ject, however, to the reservation to the Government of a nonexclusive, irrevoc- able, royalty-free license in the inven- tion with power to grant sublicenses for all governmental purposes, such reservation, in the terms thereof, to appear, where practicable, in any patent, domestic or foreign, which may issue on such invention.

(3) In applying the provisions of paragraphs (b)(1) and (2) of this sec- tion to the facts and circumstances re- lating to the making of any particular invention, it shall be presumed that any invention made by an employee who is employed or assigned (i) to invent or improve or perfect any art, machine, manufacture, or composition of matter, or (ii) to conduct or perform research, development work, or both, or (iii) to supervise, direct, coordinate, or review Government financed or conducted research, development work, or both, or (iv) to act in a liaison capacity among governmental or non-

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such longer period as
er may, for good cas
any case) after the
copy of the Solicito
employee, the empl
reply thereto with-
and file one copy the
licitor.

(c) After the time of reply to the Solicitor is expired and if the employee requested in his appeal for the hearing of one of the employee (or whom he designates) of attorney filed before the hearing) and the Solicitor shall be otherwise of hearing begins, oral is limited to thirty minutes. The employee need not attorney or request a secure full consideration and his arguments. such consideration Commissioner when intend to file a reply report.

[illegible]

(b) On receipt of a copy of an appeal filed pursuant to paragraph (a) of this section, the Solicitor shall, subject to considerations of national security, or public health, safety, or welfare, promptly furnish both the Commissioner and the inventor with a copy of a report containing the following information about the invention involved in the appeal:

(1) A copy of a statement containing the information specified in § 6.5(c), and

(2) A detailed statement of the points of dispute or controversy, together with copies of any statements or written arguments that may have been filed, and of any other relevant evidence that the Solicitor considered in making his determination of Government interest. Within 25 days (or

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the provisions of paragraph (a) of this section shall be the expiration of the period in § 6.6 for the appeal, or it may be made for a longer period of such period as the Commissioner acquiesces in the Solicitor's decision. The Commissioner shall review the decision of the Solicitor and the decision respecting the appeal shall be final, subject to the employee or the Solicitor's appeal to the Commissioner or such longer period as the Commissioner may, for good cause shown in writing, fix in any appeal notice of such decision for the reconsideration. A copy of such decision shall be filed by the employee or the Solicitor within the time specified in § 6.5(b)(1) or (2).

employees.

Any employee who is aggrieved by the decision of the Solicitor under § 6.5(b)(1) or (2) may appeal the determination within 30 days (or such longer period as the Commissioner may, for good cause shown in writing, fix after receiving notice of the determination, two copies of the appeal to the Commissioner. The Commissioner shall then forward one copy of the appeal to the Solicitor. The employee or the Solicitor shall, subject to the approval of national security, or public health, safety, or welfare, furnish both the Commissioner and the Solicitor with a copy of the appeal and the following information: (a) a statement containing the facts of the case as specified in § 6.5(c), and (b) a statement of the dispute or controversy, together with copies of any statements or documents that may have been filed of any other relevant facts considered by the Solicitor in his determination of the appeal. Within 25 days (or

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such longer period as the Commissioner may, for good cause shown, fix in any case) after the transmission of a copy of the Solicitor's report to the employee, the employee may file a reply thereto with the Commissioner and file one copy thereof with the Solicitor.

(c) After the time for the employee's reply to the Solicitor's report has expired and if the employee has so requested in his appeal, a date will be set for the hearing of oral arguments by the employee (or by an attorney whom he designates by written power of attorney filed before, or at the hearing) and the Solicitor. Unless it shall be otherwise ordered before the hearing begins, oral arguments will be limited to thirty minutes for each side. The employee need not retain an attorney or request an oral hearing to secure full consideration of the facts and his arguments. He may expedite such consideration by notifying the Commissioner when he does not intend to file a reply to the Solicitor's report.

(d) After a hearing on the appeal, if a hearing was requested, or after expiration of the period for the inventor's reply to the Solicitor's report, if no hearing is set, the Commissioner shall issue a decision on the matter, which decision shall be final after the period for asking reconsideration expires or on the date that a decision on a petition for reconsideration is finally disposed of. Any request for reconsideration or modification of the decision must be filed within 30 days from the date of the original decision (or within such an extension thereof as may be set by the Commissioner before the original period expires). The Commissioner's decision shall be made after consideration of the statements of fact in the employee's appeal, the Solicitor's report, and the employee's reply, but the Commissioner, at his discretion and with due respect to the rights and convenience of the inventor and the Solicitor, may call for further statements on specific questions of fact or may request additional evidence in the form of affidavits or depositions on specific facts in dispute.

§ 6.7 Domestic patent protection.

(a) The Solicitor, upon determining that an invention coming within the scope of § 6.5(b)(1) or (2) has been made, shall thereupon determine whether patent protection will be sought in the United States by the Department for such invention. A controversy over the respective rights of the Government and of the inventor in any case shall not delay the taking of the actions provided for in this section. In cases coming within the scope of § 6.5(b)(2), action by the Department looking toward such patent protection shall be contingent upon the consent of the inventor.

(b) Where there is a dispute as to whether paragraphs (b)(1) or (2) of § 6.5 applies in determining the respective rights of the Government and of an employee in and to any invention, the Solicitor will determine whether patent protection will be sought in the United States pending the Commissioner's decision on the dispute, and, if he determines that an application for patent should be filed, he will take such rights as are specified in § 6.5(b)(2), but this shall be without prejudice to acquiring the rights specified in § 6.5(b)(1) should the Commissioner so decide.

(c) Where the Solicitor has determined to leave title to an invention with an employee under § 6.5(b)(2), the Solicitor will, upon the filing of an application for patent and pending review of the determination by the Commissioner, take the rights specified in that paragraph, without prejudice to the subsequent acquisition by the Government of the rights specified in § 6.5(b)(1) should the Commissioner so decide.

(d) In the event that the Solicitor determines that an application for patent will not be filed on an invention made under the circumstances specified in § 6.5(b)(1) giving the United States the right to title thereto, the Solicitor shall subject to considerations of national security, or public health, safety, or welfare, report to the Commissioner promptly upon making such determination, the following information concerning the invention:

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(1) Description of the invention in sufficient detail to permit a satisfactory review;

(2) Name of the inventor and his employment status;

(3) Statement of the Solicitor's determination and reasons therefor.

The Commissioner, may, if he determines that the interest of the Government so requires and subject to considerations of national security, or public health safety, or welfare, bring the invention to the attention of any Government agency to whose activities the invention may be pertinent, or cause the invention to be fully disclosed by publication thereof.

§ 6.8 Foreign filing.

(a) *By Government.* (1) In every case where the employee has indicated pursuant to § 6.2(d)(10), his willingness to assign the domestic patent rights in the invention to the Government, or where it has been determined pursuant to § 6.5 that the Government shall obtain the entire domestic patent rights, the Government shall reserve an option to acquire assignment of all foreign rights including the rights to file foreign patent applications or otherwise to seek protection abroad on the invention.

(2) The Government's option shall lapse as regards any foreign country:

(i) When the Solicitor determines after consultation with the agency most directly concerned, not to cause an application to be filed in said foreign country or otherwise to seek protection of the invention, as by publication;

(ii) When the Solicitor fails to take action to seek protection of the invention in said foreign country (a) within six months of the filing of an application for a United States patent on the invention, or (b) within six months of declassification of an invention previously under a security classification, whichever is later.

(b) *By Employee.* (1) No Department employee shall file or cause to be filed an application for patent in any foreign country on any invention in which the Government has acquired the entire (foreign and domestic) patent rights, or holds an unexpired option to acquire the patent rights in

Title 43—Public Lands: Interior

said foreign country, or take any steps which would preclude the filing of an application by or on behalf of the Government.

(2) An employee may file in any foreign country where the Government has not exercised its option acquired pursuant to § 6.2(d)(10), to do so, or determines not to do so.

(3) The determination or failure to act as set forth in § 6.8(a)(2) shall constitute a decision by the Government to leave the foreign patent rights to the invention in the employee, subject to a nonexclusive, irrevocable, royalty-free license to the Government in any patent which may issue thereon in any foreign country, including the power to issue sublicenses for governmental purposes or in furtherance of the foreign policies of the Government or both.

§ 6.9 Publication and public use of invention before patent application is filed.

(a) Publication or public use of an invention constitutes a statutory bar to the granting of a patent for the invention unless a patent application is filed within one year of the date of such publication or public use. In order to preserve rights in unpatented inventions, it shall be the duty of the inventor, or of his supervisor if the inventor is not available to make such report, to report forthwith to the Solicitor any publication or use (other than experimental) of an invention, irrespective of whether an invention report has previously been filed. If an invention report has not been filed, such a report, including information concerning the public use or publication, shall be filed at once. If an invention is disclosed to any person who is not employed by the Department or working in cooperation with the Department upon that invention, a record shall be kept of the date and extent of the disclosure, the name and address of the person to whom the disclosure was made, and the purpose of the disclosure.

(b) No description, specification, plan, or drawing of any unpatented invention upon which a patent application is likely to be filed shall be published, nor shall any written descrip-

Subtitle A—Office of

tion, specification, plan such invention be furnished other than an employee or a person working with the Department, unless the Solicitor, in his opinion that the interest of the Government will not be prejudiced by such action. If any publication of the invention, not approved by the Solicitor, comes to the attention of the inventor, it shall be the duty of the person to report such action to the Solicitor.

§ 6.10 Publicity concerning invention after patent application is filed.

In order that the public have the greatest possible knowledge of the inventions in which the Government has transferable interests, the Solicitor shall, within limitations prescribed by the Department, by the agency, by the division, or by the inventor himself in his own industry, cause the invention to be published in the greatest extent possible. It shall be the duty of the inventor, or of his supervisor if the inventor is not available to make such report, to report forthwith to the Solicitor any publication or use (other than experimental) of an invention, irrespective of whether an invention report has previously been filed. If an invention report has not been filed, such a report, including information concerning the public use or publication, shall be filed at once. If an invention is disclosed to any person who is not employed by the Department or working in cooperation with the Department upon that invention, a record shall be kept of the date and extent of the disclosure, the name and address of the person to whom the disclosure was made, and the purpose of the disclosure.

§ 6.11 Condition of employment.

(a) The regulations prescribed in this subtitle shall be a condition of employment for all employees of the Department. These regulations shall be effective as to future contracts to be entered into by any employee of the Department with any person of the Government.

(b) If a patent application is made by an employee of the Government to the Government, the employee shall retain the right, title and interest in the invention, but will

—Public Lands: Interior

entry, or take any steps to preclude the filing of an application or on behalf of the

employee may file in any form where the Government has used its option acquired under § 6.2(d)(10), to do so, or to do so.

Termination or failure to comply in § 6.8(a)(2) shall constitute a condition by the Government for the foreign patent rights to be in the employee, subject to the Government in any case, irrevocable, royalty-free, the Government in any case may issue thereon in any form, including the power to enforce for governmental furtherance of the foreign of the Government or

on and public use of invention after patent application is filed.

tion or public use of an invention constitutes a statutory bar to the filing of a patent application for the invention one year of the date of invention or public use. In the event rights in unpatented invention shall be the duty of the employee of his supervisor if the invention is available to make such report forthwith to the Solicitor of the Interior, or publication or use (other than for the Government) of an invention, if whether an invention has previously been filed. If an invention has not been filed, the report has not been filed, the report, including information on the public use or publication of the invention, shall be filed at once. If an invention is made by any person who is employed by the Department or in cooperation with the Department that invention, shall be kept of the date and time of disclosure, the name and address of the person to whom the disclosure was made, and the purpose of the disclosure.

description, specification, drawing of any unpatented invention in which a patent application is to be filed shall be published in any written descrip-

Subtitle A—Office of the Secretary of the Interior

§ 6.52

tion, specification, plan, or drawing of such invention be furnished to anyone other than an employee of the Department or a person working in cooperation with the Department upon that invention, unless the Solicitor is of the opinion that the interests of the Government will not be prejudiced by such action. If any publication disclosing the invention, not previously approved by the Solicitor, comes to the attention of the inventor or his supervisor, it shall be the duty of such person to report such publication to the Solicitor.

§ 6.10 Publicity concerning the invention after patent application is filed.

In order that the public may obtain the greatest possible benefit from inventions in which the Secretary has transferable interests, inventions assigned to the Secretary upon which patent applications have been filed shall be publicized as widely as possible, within limitations of authority, by the Department, by the originating agency, by the division in which the inventor is employed, and by the inventor himself in his contacts with industries in which the invention is or may be useful. Regular organs of publication shall be utilized to the greatest extent possible. In addition, it shall be the duty of the Solicitor, upon being advised of the issuance of any patent assigned to the Secretary, to take steps towards listing the patent as available for licensing, where feasible.

§ 6.11 Condition of employment.

(a) The regulations in this subpart shall be a condition of employment of all employees of the Department and shall be effective as to all their inventions. These regulations shall be effective without regard to any existing or future contracts to the contrary entered into by any employee of the Department with any person other than the Government.

(b) If a patent application is filed upon an invention which has been made by an employee of the Department under circumstances that entitle the Government to the entire domestic right, title and interest in and to the invention, but which has not been

reported to the Solicitor pursuant to the regulations in this subpart, title to such invention shall immediately vest in the Government, as represented by the Secretary, and the contract of employment shall be considered an assignment of such rights.

Subpart B—Licenses

§ 6.51 Purpose.

It is the purpose of the regulations in this subpart to secure for the people of the United States the full benefits of Government research and investigation in the Department of the Interior (a) by providing a simple procedure under which the public may obtain licenses to use patents and inventions in which the Secretary of the Interior has transferable interests and which are available for licensing; and (b) by providing adequate protection for the inventions until such time as they may be made available for licensing without undue risk of losing patent protection to which the public is entitled.

[31 FR 10796, Aug. 13, 1966]

§ 6.52 Patents.

Patents in which the Secretary of the Interior has transferable interests, and under which he may issue licenses or sublicenses, are classified as follows:

(a) *Class A.* Patents, other than those referred to in paragraph (c) of this section, which are owned by the United States, as represented by the Secretary of the Interior, free from restrictions on licensing except such as are inherent in Government ownership;

(b) *Class B.* Patents in which the interest of the United States, as represented by the Secretary of the Interior, is less than full ownership, or is subject to some express restriction upon licensing or sublicensing (including patents upon which the Secretary of the Interior holds a license, patents assigned to the Secretary of the Interior or as trustee for the people of the United States, and patents assigned to the Secretary of the Interior upon such terms as to effect a dedication to the public);

§ 6.53

(c) *Class C. Patents and patent rights acquired by the Secretary of the Interior pursuant to the Act of April 5, 1944 (58 Stat. 190; 30 U.S.C. 321-325), and any amendments thereof.*

[29 FR 260, Jan. 10, 1964, as amended at 31 FR 10796, Aug. 13, 1966]

§ 6.53 Unpatented inventions.

The Secretary of the Interior may also have transferable interests in inventions which are not yet patented. In order to protect the patent rights of the Department, for the eventual benefit of the public, a license may be granted with respect to such an invention only if (a) a patent application has been filed thereon; (b) the invention has been assigned to the United States, as represented by the Secretary of the Interior, and the assignment has been recorded in the Patent Office; and (c) the Solicitor of the Department is of the opinion that the issuance of a license will not prejudice the interests of the Government in the invention. Such licenses shall be upon the same terms as licenses relating to patents of the same class, as described in § 6.52.

§ 6.54 Use or manufacture by or for the Government.

A license is not required with respect to the manufacture or use of any invention assigned or required to be assigned without restrictions or qualifications to the United States when such manufacture or use is by or for the Government for governmental purposes. A license or sublicense may be required, however, for such manufacture or use in the case of Class B patents or patent rights when the terms under which the Secretary of the Interior acquires interests therein necessitate the issuance of a license or sublicense in such circumstances.

[31 FR 10796, Aug. 13, 1966]

§ 6.55 Terms of licenses or sublicenses.

(a) No license or sublicense shall be granted under any patent in which the Secretary of the Interior has transferable interests, except as set forth under these regulations, the terms and conditions of which shall be expressly

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stated in such license and sublicense. The terms of licenses and sublicenses issued under this subpart shall not be unreasonably restrictive.

(b) To the extent that they do not conflict with any restrictions to which the licensing or sublicensing of Class B patents and unpatented inventions may be subject, all licenses and sublicenses relating to Class A and Class B patents and unpatented inventions shall be subject to the following terms and provisions, and to such other terms and conditions as the Solicitor may prescribe:

(1) The acceptance of a license or sublicense shall not be construed as a waiver of the right to contest the validity of the patent. A license or sublicense shall be revocable only upon a finding by the Solicitor of the Department that the terms of the license or sublicense have been violated and that the revocation of the license or sublicense is in the public interest. Such finding shall be made only after reasonable notice and an opportunity to be heard.

(2) Licenses and sublicenses shall be nontransferable. Upon a satisfactory showing that the Government or public will be benefited thereby, they may be granted to properly qualified applicants royalty-free. If no such showing is made, they shall be granted only upon a reasonable royalty or other consideration, the amount or character of which is to be determined by the Solicitor. A cross-licensing agreement may be considered adequate consideration.

(3) Licensees and sublicensees may be required to submit annual or more frequent technical or statistical reports concerning practical experience acquired through the exercise of the license or sublicense, the extent of the production under the license or sublicense, and other related subjects.

(4) A licensee or sublicensee manufacturing a patented article pursuant to a license or sublicense shall give notice to the public that the article is patented by affixing thereon the word "patent", together with the number of the patent, or when, from the character of the article, this cannot be done, by fixing to it, or to the package in

Subtitle A—Office of

which it is enclosed, a such notice.

(c) Licenses and sublicenses relating to Class C patents shall be granted upon conditions as may be prescribed by the Secretary of the Interior pursuant to sections 3 and 4 of the Act of April 5, 1944, and a thereof.

[29 FR 260, Jan. 10, 1964
FR 10796, Aug. 13, 1966]

§ 6.56 Issuance of licenses.

(a) Any person desiring to obtain a license or sublicense relating to an invention of the Secretary of the Interior shall apply to the Solicitor of the Department for an application stating:

(1) The name, address, and occupation of the applicant;

(2) The nature of his invention;

(3) The patent or other rights in the invention which he desires a license or sublicense;

(4) The purpose for which he desires a license;

(5) His experience in the field of the desired license;

(6) Any patents, licenses, or other rights which he has in the field of the desired license;

(7) The benefits, if any, which he expects to derive from his proposed use of the invention.

(b) It shall be the duty of the Solicitor, after consultation with the most directly interested parties, to determine whether or not a license or invention involved is in the public interest for a license, and with the Patent and Trademark Office if royalties are charged, to determine whether a license shall be granted. The Solicitor shall determine that a license is in the public interest and he shall execute on behalf of the Secretary, an appropriate license.

§ 6.57 Evaluation Committee.

At the request of the Secretary, an Evaluation Committee may be established by the Secretary to determine royalty rates with respect to inventions for which a license may be charged.

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such license and sublicense. of licenses and sublicenses or this subpart shall not be bly restrictive.

he extent that they do not th any restrictions to which ng or sublicensing of Class B nd unpatented inventions bject, all licenses and subli- ting to Class A and Class B nd unpatented inventions bject to the following terms sions, and to such other conditions as the Solicitor ibe:

acceptance of a license or shall not be construed as a the right to contest the va- patent. A license or subli- l be revocable only upon a the Solicitor of the Depart- the terms of the license or have been violated and that tion of the license or subli- the public interest. Such all be made only after rea- tice and an opportunity to

ses and sublicenses shall be rable. Upon a satisfactory hat the Government or be benefited thereby, they anted to properly qualified royalty-free. If no such made, they shall be granted a reasonable royalty or sideration, the amount or of which is to be determined Solicitor. A cross-licensing may be considered ade- leration.

sees and sublicensees may i to submit annual or more technical or statistical re- erning practical experience hrough the exercise of the sublicense, the extent of the under the license or subli- other related subjects.

ensee or sublicensee manu- a patented article pursuant e or sublicense shall give ne public that the article is y affixing thereon the word ogether with the number of or when, from the charac- article, this cannot be done, o it, or to the package in

Subtitle A—Office of the Secretary of the Interior

which it is enclosed, a label containing such notice.

(c) Licenses and sublicenses relating to Class C patents and patent rights shall be granted upon such terms and conditions as may be prescribed pursuant to sections 3 and 5 of the Act of April 5 1944, and any amendments thereof.

[29 FR 260, Jan. 10, 1964, as amended at 31 FR 10796, Aug. 13, 1966]

§ 6.56 Issuance of licenses.

(a) Any person desiring a license relating to an invention upon which the Secretary of the Interior holds a patent or patent rights may file with the Solicitor of the Department of the Interior an application for a license, stating:

- (1) The name, address, and citizenship of the applicant;
- (2) The nature of his business;
- (3) The patent or invention upon which he desires a license;
- (4) The purpose for which he desires a license;
- (5) His experience in the field of the desired license;
- (6) Any patents, licenses, or other patent rights which he may have in the field of the desired license; and
- (7) The benefits, if any, which the applicant expects the public to derive from his proposed use of the invention

(b) It shall be the duty of the Solicitor, after consultation with the bureau most directly interested in the patent or invention involved in an application for a license, and with the Evaluation Committee if royalties are to be charged, to determine whether the license shall be granted. If he determines that a license is to be granted, he shall execute on behalf of the Secretary, an appropriate license.

§ 6.57 Evaluation Committee.

At the request of the Solicitor, an Evaluation Committee will be appointed by the Secretary to recommend royalty rates with respect to any patents or inventions for which royalties may be charged.

§ 7.2

PART 7—EMPLOYEES: INTEREST IN LANDS AND RESOURCES

Sec.

- 7.1 Authority.
- 7.2 Definitions.
- 7.3 Prohibition.
- 7.4 Exceptions.
- 7.5 Multiple Use Advisory Boards.
- 7.6 Applications for a farm unit.
- 7.7 Requests for advice.
- 7.8 Penalty.

AUTHORITY: R.S. 452; 5 U.S.C. 301, 43 U.S.C. 11.

SOURCE: 27 FR 3812, Apr. 20, 1962, unless otherwise noted.

§ 7.1 Authority.

The regulations in this part are based on (a) section 161 of the Revised Statutes (5 U.S.C. 22) which authorizes the Secretary of the Interior to prescribe regulations not inconsistent with law for the government of his Department and the conduct of its officers and employees; and (b) section 452 of the Revised Statutes (43 U.S.C. 11) which prohibits employees of the Bureau of Land Management from directly or indirectly purchasing or becoming interested in the purchase of any of the public land, and which provides that any person who violates the section shall forthwith be removed from his office.

§ 7.2 Definitions.

(a) The term "employee" as used in this part includes any person employed by the Department of the Interior, or any of its bureaus or offices however designated.

(b) The term "interest" means any direct or indirect ownership in whole or in part of the lands or resources in question, or any participation in the earnings therefrom, or the right to occupy or use the property or to take any benefits therefrom based upon a lease or rental agreement, or upon any formal or informal contract with a person who has such an interest. It includes membership in a firm, or ownership of stock or other securities in a corporation which has such an interest: *Provided*, That stock or securities traded on the open market may be purchased by an employee if the ac-



JUNEAU, ALASKA

Alaska State Legislature

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Senator Bill Ray, Chairman

Pouch YG
Mail Stop 3123
Juneau, Alaska 99811
(907) 465-4442

MEMORANDUM

September 22, 1982

TO: Chris Noah, Executive Director
Council on Science and Technology

FROM: Teresa B. Cramer *Terry*
Administrative Assistant

SUBJECT: Draft Bill Relating to Government Interests in Discoveries
and Inventions

I am enclosing a copy of the draft bill on patents and have noted below the discussion at our last meeting. The commission will meet on October 15 to review a second draft to the bill and would welcome any comments the Council on Science and Technology cares to make. I am enclosing a memorandum about the time and place of the meeting for your information.

The following are the changes proposed to the draft bill at the last Blue Ribbon Commission meeting. The language which was discussed may be revised by the bill drafter, Jim Lear, as he prepares the next draft, but until then it stands.

Page 1 Delete: inures solely to the benefit
Line 16 Insert: is the property
Line to read: employee is the property of the state if
the discovery or
Explanation: Make the language consistent with language
on page 2, line 5

Page 1 There was considerable discussion about whether "information"
Line 20 was clear enough. Some commission members were concerned
that an insignificant item of information gained on the
job might trigger the state's claim to a discovery or
invention which was otherwise the independent work of an
employee. Other members pointed out that under AS 39.52.010(c)
on page 2, lines 13-22, the council could elect to waive
the state's interest in the discovery or invention in
those circumstances. Mr. Lear may decide to redraft the
language on line 20 or it may remain in its present form.

Memo to Chris Noah
September 22, 1982
Page Two

- Page 2
Line 9 Insert between "the" and "entire": public officer's
or employee's
Line to read: (2) assign to the state the public
officer's or employee's entire right, title, and interest
in and to the discovery or invention; and
Explanation: Clarification
- Page 2 Change citation to: AS 39.52.010(b)
Explanation: Identify the particular subsection which
applies.
- Page 2
Line 23
to Page 3
Line 8 Mr. Lear will be redrafting Sec. 39.52.020 to make clear
that state employees are entitled to 20 percent of the
net proceeds only if the state actually receives revenues
from the patent. If the state realizes internal savings
from use of the patent, the employee will not be entitled
to 20 percent of the savings.
- Page 3
Line 10 Insert between "employee" and "who": or contracting party
Explanation: The additional language makes clear that
independent contractors will be governed by the terms of
their contracts.
- Page 3
Lines 25-27 Mr. Lear will check the provisions of Alaska's Arbitration
Act and probably provide that the council will abide by
those terms rather than giving the council the power and
responsibility of adopting its own system of arbitration.
- Page 4
Lines 1-2 Delete: , the Alaska Energy Center (AS 46.12), or the
Alaska Resources Corporation (AS 37.12)
Line to read: city of Alaska.
Explanation: The commission decided that all state
employees should be governed by the same policy on patents.
Mr. Lear will add a section to this bill repealing the
statutes which currently give the Energy Center and the
Resources Corporation the right to hold patents.

ADDITIONAL LANGUAGE

The commission also recommended that new employees be made aware of the state's patent interests and that they be required to sign a statement acknowledging the state's rights to employment-related discoveries and inventions. Mr. Lear will be drafting language to include in the bill.

Mr. Lear was also requested to draft legislation to protect the state's interests in copywrites, particularly in computer programs. When he has completed a draft bill, I will send you a copy.

TBC:lmk
Enclosures

8/30/82 mtg
Re: Dale Young

August 2, 1982

Teresa B. Cramer
Administrative Assistant
Blue Ribbon Commission
Pouch YG
Mail Stop 3123

Dear Ms. Cramer:

I have worked for the Department of Fish and Game since March 30, 1976. My position is the Regional Hatchery Manager for Southeast Alaska. I accepted this position with a very positive attitude and was happy to be a part of the major aquaculture development effort in Alaska - namely the F.R.E.D. Division. I believe I have the aptitude to be an outstanding employee in my professional field, and one of my goals and desires is to do just that - perform in an outstanding way for the State of Alaska.

In 1976 I encountered a challenge on this job which was particularly interesting to me. This challenge was the need to develop a production scale salmon incubator. The nature of this task dictated that it be accomplished by private enterprise. Had I cooperated with private enterprise in this effort and profited in some way, I would have violated State conflict of interest rules, since my job was closely related to the task of developing the incubators.

I approached my supervisors with the dilemma and asked for advice. I was advised to seek a ruling on the matter. This I did, and in 1977 the state Personnel Board and the Attorney General's Office examined the request and granted me permission to proceed with the patent and development of the incubator. I was given strict guidelines to follow relative to reporting any income and separating personal interests from my state position. After receiving this ruling I proceeded to patent and, in cooperation with a private corporation, develop an incubator and a fish rearing system.

This action on my part caused an abrupt change in the way I was treated by my supervisors. This is documented in a voluminous report comprised of many letters and memos. To make a long story short, I was harassed in many ways, my performance evaluations went from highly acceptable to unacceptable with a recommendation for termination, citing conflict of interest issue as a major reason. I was prohibited from attending professional meetings. In one case I had my annual leave changed to leave without pay retroactively. I have not received a merit increase for over two years. I have been passed up for two promotions to two jobs for which I was qualified.

I have made many attempts at resolving this conflict directly with my supervisors. All efforts have failed. I finally sought assistance from APEA and have received tremendous support from Dianne Corso, the Field Representative. In spite of my efforts and Dianne Corso's as well, my supervisors are unwilling to resolve the conflict. To date, I have two years of performance evaluation's which are pending without resolution and I am facing what I believe to be retaliatory layoff on August 15.

Some other points of interest are three reports which are being generated at my request. These relate to ancillary problems caused by the lack of a timely resolution of the above conflicts. These reports are a result of extensive investigations by the Office of the Ombudsman, the internal auditors of the Governor's Office and the Consumer Protection Division of the Attorney General's Office. All three reports relate to purchasing violations and or conflict of interest relative to my plight. The Governor's Office report is complete and available, the Ombudsman's report remains confidential until the Commissioner of Fish and Game has had an opportunity to respond to it, and the Attorney General's report is in the final stages of completion.

During investigations of these reports it was informally estimated by the auditors that the administrative costs of this conflict have exceeded a quarter of a million dollars. I would estimate that in addition to that the State is suffering unnecessary capital and operational costs in excess of several million dollars.

If possible I would like to discuss the following issues relative to the above case:

Conflict of Interest, Retaliatory Layoff, Performance Evaluations,
Accountability for Violation of Standard Operating Procedures.

Sincerely,

Dale Young

Dale Young
Regional Hatchery Manager
Division of Fisheries Rehabilitation,
Enhancement and Development

Home: 789-0745
Work: 465-4236 (until Aug 15th)

Happen (L)
John H.
94501



JUNEAU, ALASKA

Alaska State Legislature

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Senator Bill Ray, Chairman

Pouch YG
Mail Stop 3123
Juneau, Alaska 99811
(907) 465-4442

MEMORANDUM

January 25, 1983

TO: Senate State Affairs Committee

FROM: Teresa B. Cramer *Teresa B. Cramer*
Administrative Assistant

SUBJECT: Senate Bill 59 - Government Interests in Intellectual Work
Products Developed at the Expense of the State

The Blue Ribbon Commission is proposing legislation to create and protect the state's interest in inventions, discoveries and creations developed by state employees or contractors during their employment or developed with the use of state facilities or resources.

The commission became interested in the issue when an employee of the Department of Fish and Game testified about employment problems arising from his patenting of a production scale salmon incubator. He had begun developing the incubator before he accepted employment with the state. He began working for the department and continued his project after securing advice from the Department of Law concerning avoiding the potential conflict of interest. His job for Fish and Game was closely related to the development of incubators. The employee stated that he created the incubator on his own time. He then patented it and sold the patent to a private corporation which marketed it. Thereafter, the department was required to pay royalties for use of the process.

The employee has filed several grievances over poor performance evaluations, lost promotional opportunities, and an alleged retaliatory layoff which he believed resulted from his patenting the invention. The department testified that there had been considerable morale problems because other employees believed that they had contributed to the development of the process. They thought it unfair that one individual could secure a patent and potentially profit from an invention in which others had participated and in which the state should have an interest.

The Blue Ribbon Commission is concerned that there is no statute protecting the state's interest in the inventions, discoveries and creations made by its employees or made through the use of its facilities. Legislation for the Alaska Energy Center and the Alaska

Resources Corporation gives each agency the authority to hold patents. Nothing in either chapter spells out how the state acquires that interest.

While the proposed legislation does not specifically address the situation which occurred in the Department of Fish and Game, the commission believes that this system would alleviate similar problems in the future. Information about the number of conflict of interest hearings before the Personnel Board indicates that there will probably be no more than two or three applications of the bill per year.

Bill Analysis

- | | |
|-------------------|--|
| Page 1
Line 10 | The first section of the proposed legislation gives the state all right, title and interest in any intellectual work product developed during working hours or with the use of state facilities or by employees whose duties include responsibility for research. |
| Page 4
Line 12 | "Intellectual work product" is broadly defined later in the bill to include anything which is subject to patent, trademark or copyright laws. |
| Page 2
Line 8 | A state employee or person under contract with the state is obliged to disclose the development of an intellectual work product to the Alaska Council on Science and Technology and to assign any interest in it to the state. If requested, the person is required to assist the Council in applying for a trademark, patent or copyright. The commission believes that the Council is the most appropriate existing state agency to administer the program. |
| Page 2
Line 21 | The Council is given broad discretion to decide whether to pursue patenting, trademarking, or copyrighting the invention after consultation with affected state agencies. The Council may waive any state interest in the discovery or may waive all interest but retain a royalty-free license in the intellectual work product so that the state would not have to pay for its use in the future. If the state waives its interest, then the inventor would be able to pursue protection of his own interest in the discovery. |
| Page 3
Line 3 | The proposed legislation gives the Council authority to grant monetary recognition to employees who develop an intellectual work product. The recognition could be in |

the form of a cash award, a share in any royalties generated by the invention, or in any other manner the Council found appropriate. Payment would, of course, be subject to legislative appropriation. The commission believes that the Council should have wide discretion in implementing the monetary award system in order to best encourage employees in their work and serve the state's interests.

Page 3
Line 13

Any disagreements between an employee and the state pertaining to ownership of an intellectual work product would be subject to voluntary arbitration if the parties agreed to be bound by the result. If not, then the disagreement could be settled in court. In addition, the state and the employee or contractor may enter into an employment contract which requires compulsory arbitration.

Page 3
Line 29

Legislators and employees of the University of Alaska are exempted from the chapter. The University has its own policy on intellectual property developed at its expense which is codified in section 2 of the proposed legislation.

Page 4
Line 5

The Council is granted rule-making authority for the chapter in accordance with the Administrative Procedure Act.

Page 4
Line 24

Section 2 of the legislation adds language to codify the University of Alaska's right to intellectual work products developed by its employees.

Page 5
Line 7

Section 3 requires state employees to waive their interest in intellectual work products developed at the expense of the state as set out in section 1 of the bill. The waiver is not subject to negotiation under the Public Employment Relations Act.

Page 5
Line 29

Section 4 amends the Alaska Council on Science and Technology statutes to add the powers and responsibilities granted by the proposed legislation.

Page 6
Line 7

Section 5 repeals the patenting powers currently granted to the Alaska Energy Center and the Alaska Resources Corporation. The commission believes that there should be a single system which applies to all legislative, judicial and executive branch employees of the state.

7/11/83

Stan Mobley (now Comr of Fish & Game) has been interested in this bill & has had info about ways to handle the state's interests & about how other states & universities & foundations share the results of discoveries etc.

Dale Young was the employee whose activities sparked this legislation. I think he no longer works for the state.

The AG's office had some info about Dale Young's lawsuit against the state - Tom Jahnke handled it for awhile and then John Gaguine. They've also hired outside counsel because of the patent aspect.

July 6, 1983

SB 59: Government interests in intellectual work products developed at the expense of the state.

History - IN THE SENATE

State Affairs Hearing 4/19 but no action taken.

Note: The Council on Science and Technology, which the bill makes responsible for carrying out the protection of the state's interest in patents, copyrights and trademarks, has been drastically reshaped by the legislature this session. If this bill goes anywhere, some alternative may have to be found for carrying out the functions assigned to the Council.

I met with Suzanne Tryck (Senator Vic Fischer's aide on this bill) several times to discuss problems. She indicated that the committee would be working on the bill during the interim.

Companion bill: HB 52 is the companion. It had no hearings and no work during the session.

Jan 1982 Curran for addresses

Intellectual Bank Products Co.

1. Chris Nash, Ex-Dir Council, N.E. Fed
2. Michael Paradise, Chancellor, May 4 June
3. Jay Burton, Pres, May 4 Feb.

STATE OF ALASKA THE LEGISLATURE

OFFICE OF THE CLERK
LEGISLATIVE COUNSEL
117 465

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

December 7, 1982

SUBJECT: Intellectual work products
(Work Order No. 13-0041)

TO: Senator Bill Ray
Chairman, Blue Ribbon Commission on
Personnel Act

FROM: James H. Lear
Legislative Counsel *JHL*

I have been asked by Terry Cramer of the Blue Ribbon Commission staff to review and comment on the attached letter from David M. Hickok, Chairman of the Alaska Council on Science and Technology (ACST) regarding the draft legislation entitled "An Act relating to government interests in intellectual work products developed at the expense of the state". The Alaska Council on Science and Technology summarizes several key elements and philosophical tenets that underlie the various federal and university policy statements on the subject of inventions by public employees. I shall address the summarized elements individually.

The first issue raised is whether or not the originator of an intellectual work product rightfully has a partial ownership interest in the product when it is developed at state expense. It is clearly within the prerogative of the legislature to provide a statutory entitlement on the part of a public officer or employee to participate in the ownership of an intellectual work product developed at the expense of the state. Conversely, the legislature may legitimately reserve to the state ownership interests as contemplated in the proposed bill draft without violating the constitutional rights of the originator of an intellectual work product, so long as the product flows from the originator's association or employment with the state.

The second issue surrounds the responsibility of the state to pursue patenting of an invention and to manage the patent in a fashion that promotes its usefulness to society. This

is a policy decision of the legislature. If the state truly owns an intellectual work product developed at state expense, then it has no obligation to the originator to develop the work product unless the legislature imposes an obligation. Accordingly, Sec. 4 of the bill draft empowers the Alaska Council on Science and Technology "consistent with the provisions of AS 39.52 [to] retain, assign, license, transfer, sell, or otherwise dispose of, in whole or in part and upon terms that the council may direct, any and all rights to, interests in, or income from intellectual work products acquired by the council under AS 39.52"; and Sec. 1 of the bill draft (creating AS 39.52) requires the originator to assist the council in the prosecution of an application for a trademark, copyright, or patent and authorizes the council to either waive all rights to an intellectual work product or waive rights but reserve a royalty-free license for governmental use. These provisions are a legitimate exercise of legislative prerogative that, nonetheless, demonstrate a concern for the development of intellectual work products for the benefit of society.

The third issue raised by the council is the scope of intellectual work products subject to coverage under the proposed bill. It is suggested that the definition of "intellectual work product" is too broad and thus is challengeable on constitutional grounds. It is further suggested that the bill be structured to pertain only to patentable inventions. The proposed draft, however, would not be subject to a constitutional challenge of being overbroad since the substantive provisions of proposed Sec. 39.52.010 make it clear that regardless of how "intellectual work product" is defined, the bill would only apply if the intellectual work product were subject to trademark, copyright, or patent.

The fourth issue involves the process for determining whether an intellectual work product is owned by and of value to the state. The bill draft contemplates broad discretion on the part of the Alaska Council on Science and Technology to adopt rules implementing the bill but also requires the Alaska Council on Science and Technology to consult with affected agencies before relinquishing ownership interests. The language of the proposed bill draft would not preclude the Alaska Council on Science and Technology from adopting a rule that would require the various agencies of the state to perform a screening function on behalf of the Alaska Council on Science and Technology. Similarly, the Alaska Council on Science and Technology could adopt rules similar to the

Senator Bill Ray
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detailed federal rules adopted by the Department of the Interior not inconsistent with the bill as it may be enacted. It would not be necessary, or perhaps advisable, to codify such details where the administrative rule process would afford greater flexibility in this area of the law where there is so little legal precedent in statutory form.

If you have questions pertaining to these comments, please contact our office.

JHL:ljb



THE ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY

November 19, 1982

Senator Bill Ray, Chairman
Blue Ribbon Commission on
the Personnel Act
Alaska State Legislature
Pouch YG
Juneau, Alaska 99811

Dear Senator Ray,

Based upon discussions held at our November 17, 1982 meeting, I am sending suggestions for consideration for the draft legislation entitled "An Act Relating to Government Interests in Intellectual Work Products Developed at the Expense of the State."

The Council suggests that this act be written similarly to the statutes adopted by the federal government. These statutes differ somewhat according to application for specific agencies, but generally all follow the same general philosophy, particularly related to patents. Also, the University of Alaska has an existing policy that works well and has stood the test of time, having been in effect for more than a decade. A general state policy might consider the university approach as well.

These various federal and university policy statements or statutes contain several key elements and philosophical tenets which may be helpful to you. In summary these are:

1. Recognition that patentable inventions produced in the line of work duty may be primarily owned by the sponsoring agency, but that, depending upon the specific circumstances, the originator might rightfully have a partial ownership interest, or at least that it is in the public welfare to award such partial ownership;
2. Recognition that in accepting ownerships of a potential invention, the government or agency accepts responsibility to pursue patenting and management of the patent in a fashion that promotes its usefulness to society;
3. Recognition that in order to promote employee intellectual pursuit, to avoid infringement upon individual freedom, to avoid unnecessary litigation, and to avoid much needless work on the part of agency personnel, that the policy statements or statutes are

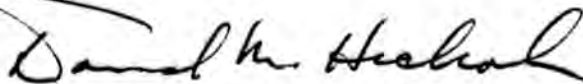
written to pertain strictly to patentable inventions. (We suggest that the existing wording in the draft bill, specifically the wording "intellectual work product" and its definitions as given in Section 39:52.099 are too broad to be effective and may well be challengeable on Constitutional grounds. The proposed statute, we suggest, should pertain to patentable inventions only.); and

4. Recognition, also that for every "idea" that eventually leads to a patent deemed desirable for agency ownership, there are dozens that do not. (Hence, we suggest that the state needs an inexpensive, effective mechanism to weed out ideas of an unpatentable nature or which, if patented, have no economic value to the state. Examination of established procedures will show that the process must start as close to the inventor as possible--specifically, within the agency wherein the employee works. Determination of patentability and/or desirability of patentability should be conducted within the employee's agency. Determination of desired state ownership should be made by the employer's agency acting in conjunction with the Attorney General's office. It may be appropriate to specify in the proposed bill that the ACST would act as a participant in the decision regarding appropriate share of state ownership, once desirability of patenting has been determined.)

A useful guide to framing a patent regulation for Alaska may be the enclosed copy of patent regulations used by the U.S. Department of Interior. Additionally, as earlier stated, another useful guide could be the patenting policy of the University of Alaska. The process used there involves initial internal determination of patentability, followed by a review made by a specialized non-profit patenting organization which then takes a percentage of ownership in payment for its services should all agree that the pursuit of a patent is desirable. In this case the shares in the ownership of the patent between the non-profit corporation, the university, and the inventor are negotiated.

We trust these comments are useful to you. As this bill proceeds in the legislation process we would be pleased to offer further information for your consideration or testify upon your request.

Sincerely,



David M. Hickok
Chairman

DMH/sw
Enclosure

Title 43—Public Lands: Interior

Approved: _____
(Date)

(Title)

1987, Mar. 26, 1957, as amended at
72, Feb. 13, 1971]

Areas administered by the Bureau of
Indian Affairs.

Individual Indians. Anyone who
to go on the land of an Indian
to take pictures, television produc-
tion, or sound tracks is expected to ob-
tain the ordinary courtesy of first ob-
serving any conditions at-
tached to such permission.

Indian groups and communities.
Anyone who desires to take pictures,
make motion pictures, or to make
television production or a sound
track of Indian communities,
ceremonies, kivas, plazas, or ceremonies
conducted in such places, must obtain
permission from the proper offi-
cial of the place or community. Limi-
tations which such officials may
impose must be scrupulously observed.

Use of Indian lands. If the film-
making or the making of televi-
sion productions or sound tracks re-
quires the actual use of Indian lands, a
permit must be obtained pur-
suant to 25 CFR Part 131.

Employment of Indians. Any
person who takes a picture or television producer
obtains a lease or permit for the
Indian land pursuant to 25 CFR
Part 31 shall be expected to pay a
reasonable wage to any Indi-
an employed in connection with the
production activities.

1987, Mar. 26, 1957]

Part 6—PATENT REGULATIONS

Subpart A—Inventions by Employees

Definitions.
Report of invention.
Approval by supervisory officials.
Approval by Solicitor.
Rights in inventions.
Appeals by employees.
Domestic patent protection.
Foreign filing.
Publication and public use of invention
before patent application is filed.

Subtitle A—Office of the Secretary of the Interior

§ 6.2

- Sec.
6.10 Publicity concerning the invention
after patent application is filed.
6.11 Condition of employment.

Subpart B—Licenses

- 6.51 Purpose.
6.52 Patents.
6.53 Unpatented inventions.
6.54 Use or manufacture by or for the Gov-
ernment.
6.55 Terms of licenses or sublicenses.
6.56 Issuance of licenses.
6.57 Evaluation Committee.

AUTHORITY: 5 U.S.C. 301; sec. 2, Reorgani-
zation Plan No. 3 of 1950, 15 FR 3174; Ex-
ecutive Order 10096, 15 FR 389; and Execu-
tive Order 10930, 26 FR 2583.

SOURCE: 29 FR 260, Jan. 10, 1964; 29 FR
6498, May 19, 1964, unless otherwise noted.

Subpart A—Inventions by Employees

§ 6.1 Definitions.

As used in this subpart:

(a) The term "Department" means
the Department of the Interior.

(b) The term "Secretary" means the
Secretary of the Interior.

(c) The term "Solicitor" means the
Solicitor of the Department of the In-
terior, or anyone authorized to act for
him.

(d) The term "Commissioner" means
the Commissioner of Patents, or any
Assistant Commissioner who may act
for the Commissioner of Patents.

(e) The term "invention" means any
new and useful art, process, method,
machine, manufacture, or composition
of matter, or any new and useful im-
provement thereof, or any new variety
of plant, or any new, original and or-
namental design for an article of man-
ufacture, which is or may be patent-
able under the laws of the United
States.

(f) The term "employee" as used in
this part includes a part time consul-
tant, a part time employee or a special
employee (as defined in 18 U.S.C. 202)
of the Department insofar as inven-
tions made during periods of official
duty are concerned, except when spe-
cial circumstances in a specific case re-
quire an exemption in order to meet
the needs of the Department, each
such exemption to be subject to the
approval of the Commissioner.

(g) The term "governmental pur-
pose" means the right of the Govern-
ment of the United States (including
any agency thereof, state, or domestic
municipal government) to practice and
have practiced (made or have made,
used or have used, sold or have sold)
throughout the world by or on behalf
of the Government of the United
States.

(h) The "making of the invention"
means the conception or first actual
reduction to practice of such inven-
tion.

§ 6.2 Report of invention.

(a) Every invention made by an em-
ployee of the Department shall be re-
ported by such employee through his
supervisor and the head of the bureau
or office to the Solicitor, unless the in-
vention obviously is unpatentable. If
the invention is the result of group
work, the report shall be made by the
supervisor and shall be signed by all
employees participating in the making
of the invention. The original and two
copies of the invention report shall be
furnished to the Solicitor. The Solic-
itor may prescribe the form of the
report.

(b) The report shall be made as
promptly as possible, taking into con-
sideration such factors as possible pub-
lication or public use, reduction to
practice, and the necessity for protect-
ing any rights of the Government in
the invention. Although it is not nec-
essary to withhold the report until the
process or device is completely reduced
to practice, reduction to practice as-
sists in the preparation of a patent ap-
plication and, if diligently pursued,
protects the interests of the Govern-
ment and of the inventor. If an inven-
tion is reduced to practice after the in-
vention report is filed, the Solicitor
must be notified forthwith.

(c) For the protection of the rights
of the Government and of the inven-
tor, invention reports and memoranda
or correspondence concerning them
are to be considered as confidential
documents.

(d) An invention report shall include
the following:

(1) A brief but pertinently descrip-
tive title of the invention;

§ 6.3

(2) The full name, residence, office address, bureau or office and division, position or title, and official working place of the inventor or inventors;

(3) A statement of the evidence that is available as to the making of the invention, including information relative to conception, disclosures to others, and reduction to practice. Examples of such information are references to signed, witnessed and dated laboratory notebooks, or other authenticated records pertaining to the conception of the invention, operational data sheets, analysis and operation evaluation reports pertaining to a reduction to practice, and visitor log books, letters and other documents pertaining to disclosures to others. These need not be submitted with the report, only the identifying data is required, e.g., volume and page number in a laboratory notebook;

(4) Information concerning any past or prospective publication, oral presentation or public use of the invention;

(5) The problem which led to the making of the invention;

(6) The objects, advantages, and uses of the invention;

(7) A detailed description of the invention;

(8) Experimental data;

(9) The prior art known to the inventor(s) and the manner in which the invention distinguishes thereover;

(10) A statement that the employee:

(i) Is willing to and does hereby assign to the Government:

(a) The entire rights (foreign and domestic) in the invention;

(b) The domestic rights only, but grants to the Government an option to file for patent protection in any foreign country, said option to expire as to any country when it is decided not to file thereon in the United States, or within six months after such filing;

(ii) Requests, pursuant to § 6.2(e), a determination of the respective rights of the Government and of the inventor.

(c) If the inventor believes that he is not required by the regulations in this subpart to assign to the Government the entire domestic right, title, and interest in and to the invention, and if he is unwilling to make such an assignment to the Government, he shall, in

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his invention report, request that the Solicitor determine the respective rights of the Government and of the inventor in the invention, and he shall include in his invention report information on the following points, in addition to the data called for in paragraph (d) of this section:

(1) The circumstances under which the invention was made (conceived, actually reduced to practice or constructed and tested);

(2) The employee's official duties, as given on his job sheet or otherwise assigned, at the time of the making of the invention;

(3) The extent to which the invention was made during the inventor's official working hours, the extent use was made of government facilities, equipment, funds, material or information, and the time or services of other government employees on official duty;

(4) Whether the employee wishes a patent application to be prosecuted under the Act of March 3, 1883, as amended (35 U.S.C. 266), if it should be determined that he is not required to assign all domestic rights to the invention to the Government; and

(5) Whether the employee would be willing, upon request, to voluntarily assign foreign rights in the invention to the Government if it should be determined that an assignment of the domestic rights to the Government is not required.

§ 6.3 Action by supervisory officials.

(a) The preparation of an invention report and other official correspondence on patent matters is one of the regular duties of an employee who has made an invention and the supervisor of such employee shall see that he is allowed sufficient time from his other duties to prepare such documents. The supervisor shall ascertain that the invention report and other papers are prepared in conformity with the regulations of this part; and, before transmitting the invention report to the head of the bureau or office, shall check its accuracy and completeness, especially with respect to the circumstances in which the invention was developed, and shall add whatever com-

Subtitle A—Office of the

ments he may deem to be desirable. The supervisor shall file whatever information he has concerning the government commercial value of the invention.

(b) The head of the bureau shall make certain that the report is as complete as possible and permit. He shall report the information may be available from the agency concerning the government and commercial value of the invention and the foreign countries likely that the invention is the most useful and would have the greatest commercial value.

(c) If the employee invents that the Solicitor determine in the invention, the bureau or office shall station with respect to such information.

(d) The head of the bureau shall indicate whether, in the public interest, and out the facts supporting the report does not contain information on this point.

§ 6.4 Action by Solicitor.

(a) If an employee invents pursuant to paragraph (a) that such determination the Solicitor shall determine the rights of the employee in and to the Government in and to the invention. His determination shall be reviewed by the Commission under Executive Order 10930 and the regulations issued by the Commission with the approval of the President.

(b) If the Government obtains the entire domestic right and interest in and to the invention made by an employee of the Government, the Solicitor, subject to the approval of the Commission, may take such action in the invention as he deems necessary to protect the invention in the United States.

§ 6.5 Rights in inventions.

(a) The rules prescribing the procedure shall be applied in the respective rights of the Government and of an employee.

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report, request that the terminate the respective Government and of the the invention, and he shall is invention report information following points, in addition data called for in paragraph this section:

circumstances under which invention was made (conceived, according to practice or contemplated);

employee's official duties, as job sheet or otherwise as the time of the making of invention;

extent to which the invention made during the inventor's working hours, the extent use of government facilities, funds, material or information the time or services of government employees on official

whether the employee wishes a prosecution to be prosecuted Act of March 3, 1883, as 35 U.S.C. 266), if it should be determined that he is not required to assign all domestic rights to the invention to the Government; and

whether the employee would be upon request, to voluntarily assign rights in the invention to the Government if it should be determined that an assignment of the rights to the Government is required.

by supervisory officials.

preparation of an invention and other official correspondence patent matters is one of the duties of an employee who has made the invention and the supervisor shall see that he is given sufficient time from his other duties to prepare such documents. The supervisor shall ascertain that the invention report and other papers are in conformity with the regulations of this part; and, before transmitting the invention report to the head of the bureau or office, shall check for accuracy and completeness, and with respect to the circumstances under which the invention was developed and shall add whatever com-

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ments he may deem to be necessary or desirable. The supervisor shall add to the file whatever information he may have concerning the governmental and commercial value of the invention.

(b) The head of the bureau or office shall make certain that the invention report is as complete as circumstances permit. He shall report whatever information may be available in his agency concerning the governmental and commercial value of the invention, and the foreign countries in which it is likely that the invention would be most useful and would have the greatest commercial value.

(c) If the employee inventor requests that the Solicitor determine his rights in the invention, the head of the bureau or office shall state his conclusions with respect to such rights.

(d) The head of the bureau or office shall indicate whether, in his judgment, the invention is liable to be used in the public interest, and he shall set out the facts supporting his conclusion whenever the employee's invention report does not contain sufficient information on this point.

§ 6.4 Action by Solicitor.

(a) If an employee inventor requests pursuant to paragraph (e) of § 6.2, that such determination be made, the Solicitor shall determine the respective rights of the employee and of the Government in and to the invention. His determination shall be subject to review by the Commissioner in proper cases under Executive Orders 10096 and 10930 and the rules and regulations issued by the Commissioner with the approval of the President.

(b) If the Government is entitled to obtain the entire domestic right, title and interest in and to an invention made by an employee of the Department, the Solicitor, subject to review by the Commissioner in proper cases, may take such action respecting the invention as he deems necessary or advisable to protect the interests of the United States.

§ 6.5 Rights in inventions.

(a) The rules prescribed in this section shall be applied in determining the respective rights of the Government and of an employee of the De-

partment in and to any invention made by the employee.

(b)(1) Except as indicated in the succeeding paragraphs, (b)(1)–(4), of this section, the Government shall obtain the entire domestic right, title, and interest in and to any invention made by an employee of the Department (i) during working hours, or (ii) with a contribution by the Government of facilities, equipment, materials, funds, or information, or of time or services of other government employees on official duty, or (iii) which bears a direct relation to or is made in consequence of the official duties of the inventor.

(2) In any case where the contribution of the Government, as measured by any one or more of the criteria set forth in paragraph (b)(1) of this section, to the invention is insufficient equitably to justify a requirement of assignment to the Government of the entire domestic right, title, and interest in and to such invention, or in any case where the Government has insufficient interest in an invention to obtain the entire domestic right, title, and interest therein (although the Government could obtain same under paragraph (b)(1) of this section), the Solicitor, subject to the approval of the Commissioner, shall leave title to such invention in the employee, subject, however, to the reservation to the Government of a nonexclusive, irrevocable, royalty-free license in the invention with power to grant sublicenses for all governmental purposes, such reservation, in the terms thereof, to appear, where practicable, in any patent, domestic or foreign, which may issue on such invention.

(3) In applying the provisions of paragraphs (b)(1) and (2) of this section to the facts and circumstances relating to the making of any particular invention, it shall be presumed that any invention made by an employee who is employed or assigned (i) to invent or improve or perfect any art, machine, manufacture, or composition of matter, or (ii) to conduct or perform research, development work, or both, or (iii) to supervise, direct, coordinate, or review Government financed or conducted research, development work, or both, or (iv) to act in a liaison capacity among governmental or non-

§ 6.6

governmental agencies or individuals engaged in such work, falls within the provisions of paragraph (b)(1) of this section, and it shall be presumed that any invention made by any other employee falls within the provisions of paragraph (b)(2) of this section. Either presumption may be rebutted by a showing of the facts and circumstances in the case and shall not preclude a determination that these facts and circumstances justify leaving the entire right, title and interest in and to the invention in the government employee, subject to law.

(4) In any case wherein the Government neither (i) obtains the entire domestic right, title, and interest in and to an invention pursuant to the provisions of paragraph (b)(1) of this section, nor (ii) reserves a nonexclusive, irrevocable, royalty-free license in the invention, with power to grant sublicenses for all governmental purposes, pursuant to the provisions of paragraph (b)(2) of this section, the Solicitor, subject to the approval of the Commissioner, shall leave the entire right, title, and interest in and to the invention in the employee, subject to law.

(c) In the event that the Solicitor determines, pursuant to paragraph (b) (2) or (4) of this section, that title to an invention will be left with an employee, the Solicitor shall notify the employee of this determination and promptly prepare, and preserve in appropriate files accessible to the Commissioner, a written signed, and dated statement concerning the invention including the following:

(1) A description of the invention in sufficient detail to identify the invention and show the relationship to the employee's duties and work assignment;

(2) The name of the employee and his employment status, including a detailed statement of his official duties and responsibilities at the time the invention was made; and

(3) A statement of the Solicitor's determination and reasons therefor. The Solicitor shall, subject to considerations of national security, or public health, safety, or welfare, submit to the Commissioner a copy of this written statement. This submittal in a case

Title 43—Public Lands: Interior

falling within the provisions of paragraph (b) (2) of this section shall be made after the expiration of the period prescribed in § 6.6 for the taking of an appeal, or it may be made prior to the expiration of such period if the employee acquiesces in the Solicitor's determination. The Commissioner thereupon shall review the determination of the Solicitor and the Commissioner's decision respecting the matter shall be final, subject to the right of the employee or the Solicitor to submit to the Commissioner within 30 days (or such longer period as the Commissioner may, for good cause, shown in writing, fix in any case) after receiving notice of such decision, a petition for the reconsideration of the decision. A copy of such petition must also be filed by the inventor with the Solicitor within the prescribed period.

§ 6.6 Appeals by employees.

(a) Any employee who is aggrieved by a determination of the Solicitor pursuant to § 6.5(b) (1) or (2) may obtain a review of the determination by filing, within 30 days (or such longer period as the Commissioner may for good cause shown in writing, fix in any case) after receiving notice of such determination, two copies of an appeal with the Commissioner. The Commissioner then shall forward one copy of the appeal to the Solicitor.

(b) On receipt of a copy of an appeal filed pursuant to paragraph (a) of this section, the Solicitor shall, subject to considerations of national security, or public health, safety, or welfare, promptly furnish both the Commissioner and the inventor with a copy of a report containing the following information about the invention involved in the appeal:

(1) A copy of a statement containing the information specified in § 6.5(c), and

(2) A detailed statement of the points of dispute or controversy, together with copies of any statements or written arguments that may have been filed, and of any other relevant evidence that the Solicitor considered in making his determination of Government interest. Within 25 days (or

Subtitle A—Office of

such longer period as may, for good cause in any case) after the taking of a copy of the Solicitor's report by the employee, the employee shall reply thereto with the Commissioner and file one copy thereof with the Solicitor.

(c) After the time for filing a reply to the Solicitor's report has expired and if the employee has requested in his appeal, for the hearing of or the employee (or the employee or the employee's attorney) shall be otherwise ordered to appear at the hearing begins, oral argument shall be limited to thirty minutes. The employee need not appear in person or request an attorney or request an attorney to secure full consideration of his arguments. If such consideration by the Commissioner when the employee intends to file a reply report.

(d) After a hearing has been requested and a hearing was requested, the period for filing a reply to the Solicitor's report is set, the Commissioner shall issue a decision on the appeal. The decision shall be final and subject to reconsideration for asking reconsideration on the date that a decision is requested. Any request for reconsideration or modification of the decision must be filed within 30 days of the date of the original decision. Such an extension of the original period expires on the date of the Commissioner's decision. After consideration of the appeal, the Commissioner of fact in the employee's report, and the Solicitor's report, and the Commissioner's discretion and with the rights and convenience of the employee and the Solicitor, may make statements on specific facts or may request evidence in the form of positions on specific facts.

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the provisions of paragraph (a) of this section shall be the expiration of the period specified in § 6.6 for the appeal, or it may be made at any time during the period of such period. The Commissioner shall review the decision of the Solicitor and the decision respecting the appeal shall be final, subject to the review of the Commissioner or the Solicitor for such longer period as the Commissioner may, for good cause shown in writing, fix in any appeal. A copy of such decision shall also be filed by the employee and the Solicitor within the period.

employees.

Any employee who is aggrieved by the decision of the Solicitor under § 6.5(b) (1) or (2) may appeal the determination within 30 days (or such longer period as the Commissioner may, for good cause shown in writing, fix in any appeal) after receiving notice of the determination, two copies of which shall be filed with the Commissioner. The Commissioner shall then forward one copy to the Solicitor.

Upon filing of a copy of an appeal under paragraph (a) of this section, the Solicitor shall, subject to the approval of the Commissioner, issue both the Commissioner and the Commissioner's decision to the inventor with a copy of the Commissioner's decision. The Commissioner shall then forward one copy of the decision to the Solicitor.

The appeal shall contain a statement containing the following information as specified in § 6.5(c):

(1) A statement of the facts and controversy, together with copies of any statements or documents that may have been filed by the employee or the Solicitor considered in the determination of the Commissioner. Within 25 days (or

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§ 6.7

such longer period as the Commissioner may, for good cause shown, fix in any case) after the transmission of a copy of the Solicitor's report to the employee, the employee may file a reply thereto with the Commissioner and file one copy thereof with the Solicitor.

(c) After the time for the employee's reply to the Solicitor's report has expired and if the employee has so requested in his appeal, a date will be set for the hearing of oral arguments by the employee (or by an attorney whom he designates by written power of attorney filed before, or at the hearing) and the Solicitor. Unless it shall be otherwise ordered before the hearing begins, oral arguments will be limited to thirty minutes for each side. The employee need not retain an attorney or request an oral hearing to secure full consideration of the facts and his arguments. He may expedite such consideration by notifying the Commissioner when he does not intend to file a reply to the Solicitor's report.

(d) After a hearing on the appeal, if a hearing was requested, or after expiration of the period for the inventor's reply to the Solicitor's report, if no hearing is set, the Commissioner shall issue a decision on the matter, which decision shall be final after the period for asking reconsideration expires or on the date that a decision on a petition for reconsideration is finally disposed of. Any request for reconsideration or modification of the decision must be filed within 30 days from the date of the original decision (or within such an extension thereof as may be set by the Commissioner before the original period expires). The Commissioner's decision shall be made after consideration of the statements of fact in the employee's appeal, the Solicitor's report, and the employee's reply, but the Commissioner, at his discretion and with due respect to the rights and convenience of the inventor and the Solicitor, may call for further statements on specific questions of fact or may request additional evidence in the form of affidavits or depositions on specific facts in dispute.

§ 6.7 Domestic patent protection.

(a) The Solicitor, upon determining that an invention coming within the scope of § 6.5(b) (1) or (2) has been made, shall thereupon determine whether patent protection will be sought in the United States by the Department for such invention. A controversy over the respective rights of the Government and of the inventor in any case shall not delay the taking of the actions provided for in this section. In cases coming within the scope of § 6.5(b) (2), action by the Department looking toward such patent protection shall be contingent upon the consent of the inventor.

(b) Where there is a dispute as to whether paragraphs (b)(1) or (2) of § 6.5 applies in determining the respective rights of the Government and of an employee in and to any invention, the Solicitor will determine whether patent protection will be sought in the United States pending the Commissioner's decision on the dispute, and, if he determines that an application for patent should be filed, he will take such rights as are specified in § 6.5(b) (2), but this shall be without prejudice to acquiring the rights specified in § 6.5 (b) (1) should the Commissioner so decide.

(c) Where the Solicitor has determined to leave title to an invention with an employee under § 6.5(b) (2), the Solicitor will, upon the filing of an application for patent and pending review of the determination by the Commissioner, take the rights specified in that paragraph, without prejudice to the subsequent acquisition by the Government of the rights specified in § 6.5(b) (1) should the Commissioner so decide.

(d) In the event that the Solicitor determines that an application for patent will not be filed on an invention made under the circumstances specified in § 6.5(b) (1) giving the United States the right to title thereto, the Solicitor shall subject to considerations of national security, or public health, safety, or welfare, report to the Commissioner promptly upon making such determination, the following information concerning the invention:

§ 6.8

(1) Description of the invention in sufficient detail to permit a satisfactory review;

(2) Name of the inventor and his employment status;

(3) Statement of the Solicitor's determination and reasons therefor.

The Commissioner, may, if he determines that the interest of the Government so requires and subject to considerations of national security, or public health safety, or welfare, bring the invention to the attention of any Government agency to whose activities the invention may be pertinent, or cause the invention to be fully disclosed by publication thereof.

§ 6.8 Foreign filing.

(a) *By Government.* (1) In every case where the employee has indicated pursuant to § 6.2(d)(10), his willingness to assign the domestic patent rights in the invention to the Government, or where it has been determined pursuant to § 6.5 that the Government shall obtain the entire domestic patent rights, the Government shall reserve an option to acquire assignment of all foreign rights including the rights to file foreign patent applications or otherwise to seek protection abroad on the invention.

(2) The Government's option shall lapse as regards any foreign country:

(i) When the Solicitor determines after consultation with the agency most directly concerned, not to cause an application to be filed in said foreign country or otherwise to seek protection of the invention, as by publication;

(ii) When the Solicitor fails to take action to seek protection of the invention in said foreign country (a) within six months of the filing of an application for a United States patent on the invention, or (b) within six months of declassification of an invention previously under a security classification, whichever is later.

(b) *By Employee.* (1) No Department employee shall file or cause to be filed an application for patent in any foreign country on any invention in which the Government has acquired the entire (foreign and domestic) patent rights, or holds an unexpired option to acquire the patent rights in

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said foreign country, or take any steps which would preclude the filing of an application by or on behalf of the Government.

(2) An employee may file in any foreign country where the Government has not exercised its option acquired pursuant to § 6.2(d)(10), to do so, or determines not to do so.

(3) The determination or failure to act as set forth in § 6.8(a)(2) shall constitute a decision by the Government to leave the foreign patent rights to the invention in the employee, subject to a nonexclusive, irrevocable, royalty-free license to the Government in any patent which may issue thereon in any foreign country, including the power to issue sublicenses for governmental purposes or in furtherance of the foreign policies of the Government or both.

§ 6.9 Publication and public use of invention before patent application is filed.

(a) Publication or public use of an invention constitutes a statutory bar to the granting of a patent for the invention unless a patent application is filed within one year of the date of such publication or public use. In order to preserve rights in unpatented inventions, it shall be the duty of the inventor, or of his supervisor if the inventor is not available to make such report, to report forthwith to the Solicitor any publication or use (other than experimental) of an invention, irrespective of whether an invention report has previously been filed. If an invention report has not been filed, such a report, including information concerning the public use or publication, shall be filed at once. If an invention is disclosed to any person who is not employed by the Department or working in cooperation with the Department upon that invention, a record shall be kept of the date and extent of the disclosure, the name and address of the person to whom the disclosure was made, and the purpose of the disclosure.

(b) No description, specification, plan, or drawing of any unpatented invention upon which a patent application is likely to be filed shall be published, nor shall any written descrip-

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tion, specification, plan such invention be furnished other than an employee or a person working with the Department, unless the Solicitor is of the opinion that the interest of the Government will not be prejudiced by such action. If any publication of the invention, not approved by the Solicitor, comes to the attention of the inventor, it shall be the person to report such to the Solicitor.

§ 6.10 Publicity concerning invention after patent application is filed.

In order that the public have the greatest possible knowledge of inventions in which the Government has transferable interests, signed to the Secretary of the Interior, patent applications shall be publicized as far as possible, within limitations approved by the Department, by the agency, by the division, or by the inventor himself in his own industry in which the invention may be useful. Regulation shall be utilized to the greatest extent possible. It shall be the duty of the inventor, upon being advised of the patent assigned to the Government, to take steps towards licensing the invention as available for license.

§ 6.11 Condition of employment.

(a) The regulations shall be a condition of employment for all employees of the Department. These regulations shall be effective as to future contracts to be entered into by any employee of the Department with any person of the Government.

(b) If a patent application is made by an employee of the Government under circumstances in which the Government has a right, title and interest in the invention, but wh-

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entry, or take any steps to preclude the filing of an application on behalf of the

employee may file in any form where the Government has exercised its option acquired under § 6.2(d)(10), to do so, or to do so.

Termination or failure to comply with § 6.3(a)(2) shall constitute a condition by the Government to the assignment of foreign patent rights to the employee, subject to the irrevocable, royalty-free assignment to the Government in any event. The Government may issue thereon in any form, including the power to enforce governmental claims in furtherance of the fulfillment of the Government or

on and public use of invention after patent application is filed.

tion or public use of an invention constitutes a statutory bar to the issuance of a patent for the invention. A patent application is one year of the date of invention or public use. In the event of an invention or public use, it shall be the duty of the employee or his supervisor if the invention is not available to make such report forthwith to the Solicitor of the Interior or use (other than for the invention, if the invention has not been filed, or, including information on the public use or publication of the invention, if the invention has not been filed at once. If an invention is assigned to any person who is employed by the Department or who is in cooperation with the Department upon that invention, a record shall be kept of the date and time of disclosure, the name and address of the person to whom the disclosure was made, and the purpose of the disclosure.

description, specification, or drawing of any unpatented invention in which a patent application is to be filed shall be published. Any written descrip-

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§ 6.52

tion, specification, plan, or drawing of such invention be furnished to anyone other than an employee of the Department or a person working in cooperation with the Department upon that invention, unless the Solicitor is of the opinion that the interests of the Government will not be prejudiced by such action. If any publication disclosing the invention, not previously approved by the Solicitor, comes to the attention of the inventor or his supervisor, it shall be the duty of such person to report such publication to the Solicitor.

§ 6.10 Publicity concerning the invention after patent application is filed.

In order that the public may obtain the greatest possible benefit from inventions in which the Secretary has transferable interests, inventions assigned to the Secretary upon which patent applications have been filed shall be publicized as widely as possible, within limitations of authority, by the Department, by the originating agency, by the division in which the inventor is employed, and by the inventor himself in his contacts with industries in which the invention is or may be useful. Regular organs of publication shall be utilized to the greatest extent possible. In addition, it shall be the duty of the Solicitor, upon being advised of the issuance of any patent assigned to the Secretary, to take steps towards listing the patent as available for licensing, where feasible.

§ 6.11 Condition of employment.

(a) The regulations in this subpart shall be a condition of employment of all employees of the Department and shall be effective as to all their inventions. These regulations shall be effective without regard to any existing or future contracts to the contrary entered into by any employee of the Department with any person other than the Government.

(b) If a patent application is filed upon an invention which has been made by an employee of the Department under circumstances that entitle the Government to the entire domestic right, title and interest in and to the invention, but which has not been

reported to the Solicitor pursuant to the regulations in this subpart, title to such invention shall immediately vest in the Government, as represented by the Secretary, and the contract of employment shall be considered an assignment of such rights.

Subpart B—Licenses

§ 6.51 Purpose.

It is the purpose of the regulations in this subpart to secure for the people of the United States the full benefits of Government research and investigation in the Department of the Interior (a) by providing a simple procedure under which the public may obtain licenses to use patents and inventions in which the Secretary of the Interior has transferable interests and which are available for licensing; and (b) by providing adequate protection for the inventions until such time as they may be made available for licensing without undue risk of losing patent protection to which the public is entitled.

[31 FR 10796, Aug. 13, 1966]

§ 6.52 Patents.

Patents in which the Secretary of the Interior has transferable interests, and under which he may issue licenses or sublicenses, are classified as follows:

(a) *Class A.* Patents, other than those referred to in paragraph (c) of this section, which are owned by the United States, as represented by the Secretary of the Interior, free from restrictions on licensing except such as are inherent in Government ownership;

(b) *Class B.* Patents in which the interest of the United States, as represented by the Secretary of the Interior, is less than full ownership, or is subject to some express restriction upon licensing or sublicensing (including patents upon which the Secretary of the Interior holds a license, patents assigned to the Secretary of the Interior or as trustee for the people of the United States, and patents assigned to the Secretary of the Interior upon such terms as to effect a dedication to the public);

§ 6.53

(c) *Class C.* Patents and patent rights acquired by the Secretary of the Interior pursuant to the Act of April 5, 1944 (58 Stat. 190; 30 U.S.C. 321-325), and any amendments thereof.

[29 FR 260, Jan. 10, 1964, as amended at 31 FR 10796, Aug. 13, 1966]

§ 6.53 Unpatented inventions.

The Secretary of the Interior may also have transferable interests in inventions which are not yet patented. In order to protect the patent rights of the Department, for the eventual benefit of the public, a license may be granted with respect to such an invention only if (a) a patent application has been filed thereon; (b) the invention has been assigned to the United States, as represented by the Secretary of the Interior, and the assignment has been recorded in the Patent Office; and (c) the Solicitor of the Department is of the opinion that the issuance of a license will not prejudice the interests of the Government in the invention. Such licenses shall be upon the same terms as licenses relating to patents of the same class, as described in § 6.52.

§ 6.54 Use or manufacture by or for the Government.

A license is not required with respect to the manufacture or use of any invention assigned or required to be assigned without restrictions or qualifications to the United States when such manufacture or use is by or for the Government for governmental purposes. A license or sublicense may be required, however, for such manufacture or use in the case of Class B patents or patent rights when the terms under which the Secretary of the Interior acquires interests therein necessitate the issuance of a license or sublicense in such circumstances.

[31 FR 10796, Aug. 13, 1966]

§ 6.55 Terms of licenses or sublicenses.

(a) No license or sublicense shall be granted under any patent in which the Secretary of the Interior has transferable interests, except as set forth under these regulations, the terms and conditions of which shall be expressly

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stated in such license and sublicense. The terms of licenses and sublicenses issued under this subpart shall not be unreasonably restrictive.

(b) To the extent that they do not conflict with any restrictions to which the licensing or sublicensing of Class B patents and unpatented inventions may be subject, all licenses and sublicenses relating to Class A and Class B patents and unpatented inventions shall be subject to the following terms and provisions, and to such other terms and conditions as the Solicitor may prescribe:

(1) The acceptance of a license or sublicense shall not be construed as a waiver of the right to contest the validity of the patent. A license or sublicense shall be revocable only upon a finding by the Solicitor of the Department that the terms of the license or sublicense have been violated and that the revocation of the license or sublicense is in the public interest. Such finding shall be made only after reasonable notice and an opportunity to be heard.

(2) Licenses and sublicenses shall be nontransferable. Upon a satisfactory showing that the Government or public will be benefited thereby, they may be granted to properly qualified applicants royalty-free. If no such showing is made, they shall be granted only upon a reasonable royalty or other consideration, the amount or character of which is to be determined by the Solicitor. A cross-licensing agreement may be considered adequate consideration.

(3) Licensees and sublicensees may be required to submit annual or more frequent technical or statistical reports concerning practical experience acquired through the exercise of the license or sublicense, the extent of the production under the license or sublicense, and other related subjects.

(4) A licensee or sublicensee manufacturing a patented article pursuant to a license or sublicense shall give notice to the public that the article is patented by affixing thereon the word "patent", together with the number of the patent, or when, from the character of the article, this cannot be done, by fixing to it, or to the package in

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which it is enclosed, a 1 such notice.

(c) Licenses and sublicenses to Class C patents and patent rights shall be granted upon conditions as may be prescribed by the Secretary of the Interior pursuant to sections 3 and 5 of the Act of April 5, 1944, and any amendments thereof.

[29 FR 260, Jan. 10, 1964, as amended at 31 FR 10796, Aug. 13, 1966]

§ 6.56 Issuance of licenses.

(a) Any person desiring to obtain a license or sublicense relating to an invention in which the Secretary of the Interior has patent or patent rights shall first file an application with the Solicitor of the Department. The application shall state:

(1) The name, address, and citizenship of the applicant;

(2) The nature of his invention;

(3) The patent or patent rights in which he desires a license or sublicense;

(4) The purpose for which he desires a license;

(5) His experience in the field of the desired license;

(6) Any patents, licenses, or other rights which he has in the field of the desired invention;

(7) The benefits, if any, which the applicant expects to derive from his proposed use of the invention.

(b) It shall be the duty of the Secretary of the Interior, after consultation with the most directly interested parties, to determine whether a license or invention involved in the application should be granted, and with the Evaluation Committee if royalties are charged, to determine whether a license shall be granted. The Secretary shall determine whether a license is warranted, and he shall execute on behalf of the Secretary, an appropriate license.

§ 6.57 Evaluation Committee.

At the request of the Secretary, the Evaluation Committee may be established by the Secretary to study and report on royalty rates with respect to inventions for which a license may be charged.

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such license and sublicense. of licenses and sublicenses under this subpart shall not be unduly restrictive.

To the extent that they do not contain any restrictions to which the granting or sublicensing of Class B and unpatented inventions is subject, all licenses and sublicenses to Class A and Class B and unpatented inventions are subject to the following terms, conditions, and to such other conditions as the Solicitor may prescribe:

(a) Acceptance of a license or sublicense shall not be construed as a waiver of the right to contest the validity of the patent. A license or sublicense shall be revocable only upon a finding by the Solicitor of the Department of the Interior that the terms of the license or sublicense have been violated and that such action is in the public interest. Such action shall be made only after reasonable notice and an opportunity to be heard.

(b) Licenses and sublicenses shall be granted on a reasonable royalty basis. Upon a satisfactory showing that the Government or the licensee will be benefited thereby, they may be granted to properly qualified persons on a royalty-free basis. If no such showing is made, they shall be granted on a reasonable royalty basis. The amount of the royalty shall be determined by the Solicitor. A cross-licensing arrangement may be considered adequate consideration.

(c) Licensees and sublicensees may be required to submit annual or more frequent technical or statistical reports concerning practical experience gained through the exercise of the license or sublicense, the extent of the work done under the license or sublicense, and other related subjects.

(d) A licensee or sublicensee manufacturing a patented article pursuant to a license or sublicense shall give notice to the public that the article is made by affixing thereon the word "patented" together with the number of the patent, or when, from the character of the article, this cannot be done, the name of it, or to the package in

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§ 7.2

which it is enclosed, a label containing such notice.

(c) Licenses and sublicenses relating to Class C patents and patent rights shall be granted upon such terms and conditions as may be prescribed pursuant to sections 3 and 5 of the Act of April 5 1944, and any amendments thereof.

[29 FR 260, Jan. 10, 1964, as amended at 31 FR 10796, Aug. 13, 1966]

§ 6.56 Issuance of licenses.

(a) Any person desiring a license relating to an invention upon which the Secretary of the Interior holds a patent or patent rights may file with the Solicitor of the Department of the Interior an application for a license, stating:

(1) The name, address, and citizenship of the applicant;

(2) The nature of his business;

(3) The patent or invention upon which he desires a license;

(4) The purpose for which he desires a license;

(5) His experience in the field of the desired license;

(6) Any patents, licenses, or other patent rights which he may have in the field of the desired license; and

(7) The benefits, if any, which the applicant expects the public to derive from his proposed use of the invention.

(b) It shall be the duty of the Solicitor, after consultation with the bureau most directly interested in the patent or invention involved in an application for a license, and with the Evaluation Committee if royalties are to be charged, to determine whether the license shall be granted. If he determines that a license is to be granted, he shall execute on behalf of the Secretary, an appropriate license.

§ 6.57 Evaluation Committee.

At the request of the Solicitor, an Evaluation Committee will be appointed by the Secretary to recommend royalty rates with respect to any patents or inventions for which royalties may be charged.

PART 7—EMPLOYEES: INTEREST IN LANDS AND RESOURCES

Sec.

7.1 Authority.

7.2 Definitions.

7.3 Prohibition.

7.4 Exceptions.

7.5 Multiple Use Advisory Boards.

7.6 Applications for a farm unit.

7.7 Requests for advice.

7.8 Penalty.

AUTHORITY: R.S. 452; 5 U.S.C. 301, 43 U.S.C. 11.

SOURCE: 27 FR 3812, Apr. 20, 1962, unless otherwise noted.

§ 7.1 Authority.

The regulations in this part are based on (a) section 161 of the Revised Statutes (5 U.S.C. 22) which authorizes the Secretary of the Interior to prescribe regulations not inconsistent with law for the government of his Department and the conduct of its officers and employees; and (b) section 452 of the Revised Statutes (43 U.S.C. 11) which prohibits employees of the Bureau of Land Management from directly or indirectly purchasing or becoming interested in the purchase of any of the public land, and which provides that any person who violates the section shall forthwith be removed from his office.

§ 7.2 Definitions.

(a) The term "employee" as used in this part includes any person employed by the Department of the Interior, or any of its bureaus or offices however designated.

(b) The term "interest" means any direct or indirect ownership in whole or in part of the lands or resources in question, or any participation in the earnings therefrom, or the right to occupy or use the property or to take any benefits therefrom based upon a lease or rental agreement, or upon any formal or informal contract with a person who has such an interest. It includes membership in a firm, or ownership of stock or other securities in a corporation which has such an interest: *Provided*, That stock or securities traded on the open market may be purchased by an employee if the ac-

MEMORANDUM

November 9, 1982

TO: Chris Noah, Executive Director
Council of Science & Technology

FROM: Teresa B. Cramer
Administrative Assistant

SUBJECT: Proposed Legislation Relating to Government Interests in
Intellectual Work Products Developed at the Expense of the
State.

At its last meeting November 9th, the Blue Ribbon Commission approved the October 29th draft of the Intellectual Work Products bill for introduction next session. Could you send me a fiscal note to the bill? I am enclosing a copy for your information.

Thanks for your help.

TBC:lmk
Enclosure

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL (for the Blue
Ribbon Commission on the
State Personnel Act)

IN THE SENATE

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to government
interests in intellectual work products
developed at the expense of the state."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 39 is amended by adding a new chapter
to read:

CHAPTER 52. INTELLECTUAL PROPERTY DEVELOPED

AT THE EXPENSE OF THE STATE.

Sec. 39.52.010. RIGHT TO INTELLECTUAL WORK PROD-
UCT. (a) Except as provided in AS 39.52.040 and
AS 14.40.345, all right, title, and interest in and
to an intellectual work product of any kind that is
subject to the trademark, copyright, or patent laws
of the United States or this state or any foreign
country that is developed by a public officer or
employee or a person under contract with the state is
the property of the state if developed

(1) during working hours;

1
2 (2) with the contribution of the state beyond
3 what is available to the public in general in the
4 form of facilities, equipment, materials, money, or
5 information, or of time or services of another public
6 officer or employee in the course of state employment
7 or another person under contract with the state; or

8 (3) in connection with the official duties of
9 the public officer or employee or the person under
10 contract, including but not limited to circumstances
11 in which the public officer or employee or the person
12 is employed or assigned to

13 (A) produce or improve an intellectual work
14 product;

15 (B) conduct or perform research, develop-
16 ment work, or both;

17 (C) supervise, direct, coordinate, or
18 review state financed or conducted research,
19 development work, or both; or

20 (D) act in a liaison capacity among govern-
21 mental or nongovernmental agencies or individuals
22 engaged in such work.

23 (b) If a public officer or employee or a person
24 under contract with the state develops an intellec-
25 tual work product that is the property of the state,
26 the developer is obligated to

27 (1) fully and promptly disclose the intellec-
28 tual work product to the Alaska Council on Science
29 and Technology (AS 44.21.241);

30 (2) assign to the state the entire right,
31 title, and interest in and to the intellectual work

1
2 product if not already waived by signing of a general
3 waiver upon commencement of employment in accordance
4 with AS 39.05.160 or as part of a contract for ser-
5 vices; and

6 (3) upon request by the council, execute and
7 reasonably assist in the prosecution of an applica-
8 tion for a trademark, copyright, or patent.

9 (c) If the state has a right to an intellectual
10 work product under (a) of this section but the coun-
11 cil decides that it is inadvisable to prosecute an
12 application for trademark, copyright, or patent, the
13 council, on behalf of the state, may, after consulta-
14 tion with affected state agencies,

15 (1) waive all right, title, and interest in
16 and to the intellectual work product; or

17 (2) waive all right, title, and interest in
18 and to a trademark, copyright, or patent but reserve
19 a nonexclusive, irrevocable, royalty-free license in
20 the intellectual work product with power to grant
21 licenses for all governmental purposes.

22 Sec. 39.52.020. COUNCIL AUTHORIZED TO GRANT
23 MONETARY RECOGNITION FOR CREATION OF INTELLECTUAL
24 WORK PRODUCT. (a) The council is authorized to give
25 monetary recognition to a public officer or employee
26 who develops an intellectual work product that is the
27 property of the state and who discharges the obliga-
28 tions set out in AS 39.52.010.

29 (b) The council shall determine the guidelines,
30 terms, and conditions, as well as amount, source,
31 distribution, and manner of payments under (a) of

1
2 this section. The council shall consider the actual
3 or potential value of the intellectual work product
4 in terms of revenue or reduced operating costs to the
5 state.

6 Sec. 39.52.030. ARBITRATION OF DISAGREEMENTS.

7 (a) Disagreements between a public officer or em-
8 ployee or a person under contract with the state and
9 the council pertaining to ownership of an intellec-
10 tual work product or obligations of the respective
11 parties shall be disposed of by

12 (1) voluntary arbitration of all relevant
13 issues, if the disagreeing parties agree to be bound
14 by the decision upon arbitration;

15 (2) compulsory arbitration if that is provided
16 for in any applicable contract between the disagree-
17 ing parties; or

18 (3) recourse to the court if arbitration
19 cannot be resorted to.

20 (b) The council is authorized to make contracts
21 for compulsory arbitration on behalf of the state.

22 (c) If arbitration is used to settle disagree-
23 ments, the provisions of AS 09.43 (Uniform Arbitra-
24 tion Act) shall govern.

25 Sec. 39.52.040. EXCEPTIONS. The provisions of
26 this chapter do not apply to a public officer or
27 employee associated with or a person under contract
28 with the University of Alaska. Those persons shall
29 be governed by the provisions of AS 14.40.345. The
30 provisions of this chapter do not apply to a member
31 of the legislature.

1
2 Sec. 39.52.050. ADOPTION OF RULES. The council
3 may adopt rules implementing the provisions of this
4 chapter in accordance with the Administrative Procedure Act (AS 44.62).

5
6 Sec. 39.52.099. DEFINITIONS. As used in this
7 chapter, unless the context otherwise requires,

8 (1) "council" means the Alaska Council on
9 Science and Technology established in AS 44.21.241;

10 (2) "intellectual work product" means any
11 product of the mind including but not limited to the
12 following:

13 (A) discovery, invention, or idea;

14 (B) process, system, or method;

15 (C) machine, manufacture, or product;

16 (D) composition of matter;

17 (E) design or composition in letters, art,
18 or graphics;

19 (F) literary, dramatic, musical, education-
20 al, or artistic work;

21 (G) certification mark, trademark, patent,
22 or copyright.

23 * Sec. 2. AS 14.40 is amended by adding a new section
24 to read:

25 Sec. 14.40.345. INTELLECTUAL PROPERTY DEVELOPED
26 AT THE EXPENSE OF THE UNIVERSITY. All right, title,
27 and interest in and to an intellectual work product
28 developed by a public officer or employee associated
29 with or a person under contract with the University
30 of Alaska is the property of the university in accordance with a general policy established by the
31

1
2 university. The policy adopted by the University of
3 Alaska may provide for ownership, control, manage-
4 ment, and disposal of intellectual work products by
5 an independent foundation created for the purpose of
6 obtaining intellectual work products, receiving
7 gifts, administering or disposing of interests in
8 intellectual work products, and promoting research.

9 * Sec. 3. AS 39.05 is amended by adding a new section
10 to read:

11 ARTICLE 5. WAIVER OF RIGHT TO INTELLECTUAL PROPERTY.

12 Sec. 39.05.160. WAIVER OF RIGHT TO INTELLECTUAL
13 PROPERTY. (a) A public officer or employee of the
14 state, before engaging in the duties of the office or
15 employment, shall sign a waiver of all right, title,
16 and interest in and to an intellectual work product
17 that may be developed by the officer or employee at
18 the expense of the state as set out in AS 39.52.

19 (b) Notwithstanding the requirement in (a) of
20 this section, the state, in accordance with AS 39.-
21 52.020, may share a portion of the resulting revenue
22 with or grant a cash award for resulting reductions
23 in operating costs to a public officer or employee
24 who develops an intellectual work product at the
25 expense of the state.

26 (c) A public officer or employee may be required
27 to sign, before engaging in the duties of the office
28 or employment, an acknowledgement that the public
29 officer or employee will not receive a share of the
30 revenue or reduction in operating costs attributable
31 to an intellectual work product developed as a duty

1
2 of the office or employment.

3 (d) The waiver under (a) of this section and the
4 acknowledgement under (c) of this section are not
5 considered terms and conditions of employment that
6 are subject to negotiation for purposes of collective
7 bargaining under the Public Employment Relations Act
8 (AS 23.40).

9 * Sec. 4. AS 44.21.242(b) is amended by adding new
10 paragraphs to read:

11 (9) consistent with the provisions of AS 39.-
12 52, retain, assign, license, transfer, sell, or
13 otherwise dispose of, in whole or in part and upon
14 terms that the council may direct, any and all rights
15 to, interests in, or income from intellectual work
16 products acquired by the council under AS 39.52;

17 (10) adopt rules implementing the provisions of
18 AS 39.52.

19 * Sec. 5. AS 37.12.070(9) and AS 46.12.110(10) are
20 repealed.



JUNEAU, ALASKA

Alaska State Legislature

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Senator Bill Ray, Chairman

Pouch YG
Mail Stop 3123
Juneau, Alaska 99811
(907) 465-4442

M E M O R A N D U M

September 22, 1982

TO: Chris Noah, Executive Director
Council on Science and Technology

FROM: Teresa B. Cramer *Terry*
Administrative Assistant

SUBJECT: Draft Bill Relating to Government Interests in Discoveries
and Inventions

I am enclosing a copy of the draft bill on patents and have noted below the discussion at our last meeting. The commission will meet on October 15 to review a second draft to the bill and would welcome any comments the Council on Science and Technology cares to make. I am enclosing a memorandum about the time and place of the meeting for your information.

The following are the changes proposed to the draft bill at the last Blue Ribbon Commission meeting. The language which was discussed may be revised by the bill drafter, Jim Lear, as he prepares the next draft, but until then it stands.

Page 1 Delete: inures solely to the benefit
Line 16 Insert: is the property
Line to read: employee is the property of the state if
the discovery or
Explanation: Make the language consistent with language
on page 2, line 5

Page 1 There was considerable discussion about whether "information"
Line 20 was clear enough. Some commission members were concerned
that an insignificant item of information gained on the
job might trigger the state's claim to a discovery or
invention which was otherwise the independent work of an
employee. Other members pointed out that under AS 39.52.010(c)
on page 2, lines 13-22, the council could elect to waive
the state's interest in the discovery or invention in
those circumstances. Mr. Lear may decide to redraft the
language on line 20 or it may remain in its present form.

Memo to Chris Noah
September 22, 1982
Page Two

- Page 2
Line 9 Insert between "the" and "entire": public officer's or employee's
Line to read: (2) assign to the state the public officer's or employee's entire right, title, and interest in and to the discovery or invention; and
Explanation: Clarification
- Page 2 Change citation to: AS 39.52.010(b)
Explanation: Identify the particular subsection which applies.
- Page 2
Line 23
to Page 3
Line 8 Mr. Lear will be redrafting Sec. 39.52.020 to make clear that state employees are entitled to 20 percent of the net proceeds only if the state actually receives revenues from the patent. If the state realizes internal savings from use of the patent, the employee will not be entitled to 20 percent of the savings.
- Page 3
Line 10 Insert between "employee" and "who": or contracting party
Explanation: The additional language makes clear that independent contractors will be governed by the terms of their contracts.
- Page 3
Lines 25-27 Mr. Lear will check the provisions of Alaska's Arbitration Act and probably provide that the council will abide by those terms rather than giving the council the power and responsibility of adopting its own system of arbitration.
- Page 4
Lines 1-2 Delete: , the Alaska Energy Center (AS 46.12), or the Alaska Resources Corporation (AS 37.12)
Line to read: city of Alaska.
Explanation: The commission decided that all state employees should be governed by the same policy on patents. Mr. Lear will add a section to this bill repealing the statutes which currently give the Energy Center and the Resources Corporation the right to hold patents.

ADDITIONAL LANGUAGE

The commission also recommended that new employees be made aware of the state's patent interests and that they be required to sign a statement acknowledging the state's rights to employment-related discoveries and inventions. Mr. Lear will be drafting language to include in the bill.

Mr. Lear was also requested to draft legislation to protect the state's interests in copywrites, particularly in computer programs. When he has completed a draft bill, I will send you a copy.

TBC:lmk
Enclosures

WORK DRAFT

WORK DRAFT

WORK DRAFT

13-0041

Lear

10/12/82

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL (for the Blue
Ribbon Commission on the
State Personnel Act)

1 IN THE SENATE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to government interests in intellec-
7 tual work products developed at the expense of the
8 state."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 39 is amended by adding a new chapter to read:

11 CHAPTER 52. INTELLECTUAL PROPERTY DEVELOPED

12 AT THE EXPENSE OF THE STATE.

13 Sec. 39.52.010. RIGHT TO INTELLECTUAL WORK PRODUCT. (a) Except
14 as provided in AS 39.52.040 and AS 14.40.345, all right, title, and
15 interest in and to an intellectual work product of any kind that is
16 subject to the trademark, copyright, or patent laws of the United States
17 or this state or any foreign country that is developed by a public
18 officer or employee or person under contract with the state is the
19 property of the state if developed

20 (1) during working hours;

21 (2) with the contribution of the state beyond what is avail-
22 able to the public in general in the form of facilities, equipment,
23 materials, money, or information, or of time or services of another
24 public officer or employee in the course of state employment or another
25 person under contract with the state; or

26 (3) in connection with the official duties of the public
27 officer or employee or person under contract, including but not limited
28 to circumstances in which the public officer or employee or person is
29 employed or assigned to

(A) produce or improve an intellectual work product;
(B) conduct or perform research, development work, or
both;

(C) supervise, direct, coordinate, or review state
financed or conducted research, development work, or both; or

(D) act in a liaison capacity among governmental or
nongovernmental agencies or individuals engaged in such work.

(b) If a public officer or employee or person under contract with
the state develops an intellectual work product that is the property of
the state, the developer is obligated to

(1) fully and promptly disclose the intellectual work product
to the Alaska Council on Science and Technology (AS 44.21.241);

(2) assign to the state the entire right, title, and interest
in and to the intellectual work product if not already waived by signing
of a general waiver upon commencement of employment or as part of a
contract for services; and

(3) upon request by the council, execute and reasonably
assist in the prosecution of an application for a trademark, copyright,
or patent.

(c) If the state has a right to an intellectual work product under
(a) of this section but the council decides that it is inadvisable to
prosecute an application for trademark, copyright, or patent, the coun-
cil, on behalf of the state, may, after consultation with affected state
agencies,

(1) waive all right, title, and interest in and to the intel-
lectual work product; or

(2) waive all right, title, and interest in and to a trade-
mark, copyright, or patent but reserve a nonexclusive, irrevocable,
royalty-free license in the intellectual work product with power to

1 grant licenses for all governmental purposes.

2 Sec. 39.52.020. PUBLIC OFFICERS AND EMPLOYEES TO SHARE IN PRO-
3 CEEDS. (a) A public officer or employee who develops an intellectual
4 work product that is the property of the state and discharges the
5 obligations set out in AS 39.52.010 is entitled to share in any net
6 revenue that may be derived from the assignment, grant, license, or
7 other disposal by the state of the intellectual work product. The
8 amount of the net revenue shall be computed by, or with the approval of,
9 the council, with reasonable promptness after collection and after
10 deducting from gross revenue the costs and expenses reasonably allocated
11 to the intellectual work product. The council shall pay from its
12 operating budget annually a minimum of 20 percent of the amount of the
13 net revenue to a public officer or employee who solely develops an
14 intellectual work product or in shares to two or more public officers or
15 employees who jointly develop an intellectual work product in a
16 proportion determined by the council. The council in its discretion may
17 increase the amount by which a public officer or employee may
18 participate in the net revenue.

19 (b) The provisions of (a) of this section do not apply to a person
20 under contract with the state or to a public officer or employee whose
21 contract of employment with the state includes contrary terms.

22 (c) The provisions of (a) of this section do not apply if the
23 intellectual work product is not used to generate actual revenue to the
24 state, such as an intellectual work product used to reduce operating
25 costs.

26 Sec. 39.52.030. ARBITRATION OF DISAGREEMENTS. (a) Disagreements
27 between a public officer or employee or person under contract with the
28 state and the council pertaining to ownership of an intellectual work
29 product, obligations of the respective parties, or the extent of

1 participation by a public officer or employee in the net revenue of the
2 intellectual work product shall be disposed of by

3 (1) voluntary arbitration of all relevant issues, if the
4 disagreeing parties agree to be bound by the decision upon arbitration;

5 (2) compulsory arbitration if that is provided for in any
6 applicable contract between the disagreeing parties; or

7 (3) recourse to the court if arbitration cannot be resorted
8 to.

9 (b) The council is authorized to make contracts for compulsory
10 arbitration on behalf of the state.

11 (c) If arbitration is used to settle disagreements, the provisions
12 of AS 09.43 (Uniform Arbitration Act) shall govern.

13 Sec. 39.52.040. UNIVERSITY OF ALASKA EXCEPTED. The provisions of
14 this chapter do not apply to public officers or employees associated
15 with or persons under contract with the University of Alaska. Those
16 persons shall be governed by the provisions of AS 14.40.345.

17 Sec. 39.52.050. ADOPTION OF RULES. The council may adopt rules
18 implementing the provisions of this chapter in accordance with the
19 Administrative Procedure Act (AS 44.62).

20 Sec. 39.52.099. DEFINITIONS. As used in this chapter, unless the
21 context otherwise requires,

22 (1) "council" means the Alaska Council on Science and Tech-
23 nology established in AS 44.21.241;

24 (2) "intellectual work product" means any product of the mind
25 including but not limited to the following:

26 (A) discovery, invention, or idea;

27 (B) process, system, or method;

28 (C) machine, manufacture, or product;

29 (D) composition of matter;

1 (E) design or composition in letters, art, or graphics;

2 (F) literary, dramatic, musical, educational, or
3 artistic work;

4 (G) certification mark, trademark, patent, or copyright.

5 * Sec. 2. AS 14.40 is amended by adding a new section to read:

6 Sec. 14.40.345. INTELLECTUAL PROPERTY DEVELOPED AT THE EXPENSE OF
7 THE UNIVERSITY. All right, title, and interest in and to an
8 intellectual work product developed by a public officer or employee
9 associated with or a person under contract with the University of Alaska
10 is the property of the university in accordance with a general policy
11 established by the university. The policy adopted by the University of
12 Alaska may provide for ownership, control, management, and disposal of
13 intellectual work products by an independent foundation created for the
14 purpose of obtaining intellectual work products, receiving gifts,
15 administering or disposing of interests in intellectual work products,
16 and promoting research.

17 * Sec. 3. AS 44.21.242(b) is amended by adding new paragraphs to read:

18 (9) consistent with the provisions of AS 39.52, retain,
19 assign, license, transfer, sell, or otherwise dispose of, in whole or in
20 part and upon terms that the council may direct, any and all rights to,
21 interests in, or income from intellectual work products acquired by the
22 council under AS 39.52;

23 (10) adopt rules implementing the provisions of AS 39.52.

24 * Sec. 4. AS 37.12.070(9) and AS 46.12.110(10) are repealed.
25
26
27
28
29

13-0041

Lear

9.17

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL (for the Blue
Ribbon Commission on the
State Personnel Act)

1 IN THE SENATE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to government interests in discoveries
7 and inventions made by public officers and employees of
8 the state."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 39 is amended by adding a new chapter to read:

11 CHAPTER 52. DISCOVERIES AND INVENTIONS BY PUBLIC OFFICERS
12 AND EMPLOYEES.

13 Sec. 39.52.010. RIGHTS TO DISCOVERIES AND INVENTIONS PROPERTY OF
14 STATE. (a) Except as provided in AS 39.52.040, all right, title, and
15 interest in and to a discovery or invention made by a public officer or
16 employee inures solely to the benefit of the state if the discovery or
17 invention is made

18 (1) during working hours;

19 (2) with the contribution by the state of facilities, equip-
20 ment, materials, funds, or information, or of time or services of another
21 public officer or employee in the course of state employment; or

22 (3) in connection with the official duties of the public
23 officer or employee, including but not limited to circumstances in which
24 the public officer or employee is employed or assigned to

25 (A) invent or improve or perfect any art, machine,
26 manufacture, or composition of matter;

27 (B) conduct or perform research, development work, or
28 both;

29 (C) supervise, direct, coordinate, or review state

1 financed or conducted research, development work, or both; or

2 (D) act in a liaison capacity among governmental or
3 nongovernmental agencies or individuals engaged in such work.

4 (b) If a public officer or employee makes a discovery or invention
5 that is the property of the state, the public officer or employee is
6 obligated to

7 (1) fully and promptly disclose the discovery or invention to
8 the Alaska Council on Science and Technology (AS 44.21.241);

9 (2) assign to the state the entire right, title, and interest
10 in and to the discovery or invention; and

11 (3) upon request by the council, execute a patent application
12 and reasonably assist in the prosecution of the application.

13 (c) If the state has a right to a discovery or invention under (a)
14 of this section but the council decides that it is inadvisable to prose-
15 cute a patent application for the discovery or invention, the council,
16 on behalf of the state, may

17 (1) waive all right, title, and interest in and to the dis-
18 covery or invention; or

19 (2) waive all right, title, and interest in and to a patent
20 on the discovery or invention but reserve a nonexclusive, irrevocable,
21 royalty-free license in the discovery or invention with power to grant
22 licenses for all governmental purposes.

23 Sec. 39.52.020. PUBLIC OFFICERS AND EMPLOYEES TO SHARE IN PROCEEDS.

24 (a) A public officer or employee who makes a discovery or invention and
25 discharges the obligations set out in AS 39.52.010 is entitled to share
26 in any net proceeds that may be derived from the assignment, grant,
27 license or other disposal of the discovery or invention. The amount of
28 the net proceeds shall be computed by, or with the approval of, the
29 council, with reasonable promptness after collection and after deducting

1 from gross proceeds the costs and expenses reasonably allocated to the
2 discovery or invention. A minimum of 20 percent of the amount of the
3 net proceeds shall be paid to a public officer or employee who solely
4 made the discovery or invention and shall be paid in shares to two or
5 more public officers or employees who jointly made the discovery or
6 invention in a proportion determined by the council. The council in its
7 discretion may increase the amount by which any public officer or
8 employee may participate in the net proceeds.

9 (b) The provisions of (a) of this section do not apply to a public
10 officer or employee who has executed a contract of employment with
11 contrary terms.

12 .Sec. 39.52.030. ARBITRATION OF DISAGREEMENTS. (a) Disagreements
13 between a public officer or employee and the council pertaining to
14 ownership of a discovery or invention, obligations of the respective
15 parties, or the extent of participation by a public officer or employee
16 in the net proceeds of the discovery or invention shall be disposed of
17 by

18 (1) voluntary arbitration of all relevant issues, if the
19 disagreeing parties approve and agree to be bound by the decision upon
20 arbitration;

21 (2) compulsory arbitration if that is provided for in any
22 applicable contract between the disagreeing parties; or

23 (3) recourse to the court if arbitration cannot be resorted
24 to.

25 (b) The council is authorized to adopt rules pertaining to arbitra-
26 tion and to make contracts for compulsory arbitration on behalf of the
27 state.

28 Sec. 39.52.040. EXCEPTIONS. (a) The provisions of this chapter
29 do not apply to public officers or employees associated with the Univer-

1 sity of Alaska, the Alaska Energy Center (AS 46.12), or the Alaska
2 Resources Corporation (AS 37.12).

3 (b) All right title and interest in and to a discovery or invention
4 made by a public officer or employee associated with an entity listed in
5 (a) of this section inures to the benefit of the respective entity in
6 accordance with a general policy established by each entity. The policy
7 adopted by the University of Alaska may provide for ownership, control,
8 management, and disposal of discoveries or inventions by an independent
9 foundation created for the purpose of obtaining patents or inventions,
10 receiving gifts, administering or disposing of patents and promoting
11 research.

12 Sec. 39.52.050. ADOPTION OF RULES. The council may adopt rules
13 implementing the provisions of this chapter in accordance with the
14 Administrative Procedure Act (AS 44.62).

15 Sec. 39.52.099. DEFINITIONS. As used in this chapter, unless the
16 context otherwise requires

17 (1) "council" means the Alaska Council on Science and Technol-
18 ogy established in AS 44.21.241.

19 * Sec. 2. AS 44.21.242(b) is amended by adding new paragraphs to read:

20 (9) consistent with the provisions of AS 39.52, retain,
21 assign, license, transfer, sell, or otherwise dispose of, in whole or in
22 part and upon terms that the council may direct, any and all rights to,
23 interests in, or income from discoveries, inventions, or patents acquired
24 by the council;

25 (10) adopt rules implementing the provisions of AS 39.52.

PART IV
PERSONNEL
Chapter VIII
GENERAL INFORMATION

Academic Freedom

04,08,01

The University of Alaska is dedicated to providing the environment of free and honest inquiry essential to its functioning.
(05-18-79)

Copyrights

04,08,02

The University of Alaska, as an employer, shall not claim copyright to the writings of faculty, even though such writings are prepared in the course of employment, except in the following cases:

1. The work of University employees who are paid by the University primarily to write (such as staff technical writers, newswriters, publications writers, and editors) is "commissioned work" and the University shall be the owner of the copyright.
2. The results of University research generally shall not be copyrighted by the University unless otherwise required by specific arrangement with a sponsoring agency.
3. All books published by the University of Alaska Press shall be copyrighted, either in the name of the University or in the name of the author, depending upon the contractual agreement made for publication of the work.
(05-18-79)

Outside Activities

04.08.03

A. Scope: Outside activities shall mean work or activities which are not within the scope of the regular employment duties of the University employee.

B. Conduct of Outside Activities: Outside activities which will increase the effectiveness and broaden the experience of employees in relation to their functions at the University or which will be of service to the community or the state, are encouraged, provided outside activities do not interfere with the performance of the employee's regular University duties; and provided the outside activities do not involve the appropriation of University property facilities, equipment, or services. (05-18-79)

04.08.04

Patents

04.08.04

Patentable inventions invented with the use of University facilities or equipment, or invented by University personnel within the course of their employment, shall normally belong to the University. The President of the University shall, by regulation, provide for procedures for determining whether to seek to patent an invention, and providing appropriate exceptions to the University's ownership of patents. (05-18-79)

Security Clearances

04.08.05

Persons having access to classified information shall be required to obtain a security clearance. All other persons not cleared shall be denied access to classified information and shall not be permitted to occupy positions that would enable them to affect adversely University policies and practices in the performance of classified contracts for the Department of Defense regarding security of classified information. (05-18-79)

Abuse of Office for Political Purposes

04.08.06

No University employee may assert or imply that he or she is officially representing the University or its policies, unless expressly authorized to do so by the President of the University. Any employee who, in a political forum, uses his or her University rank or position as a means of identification, must clearly state that the opinions being expressed are private and imply no University endorsement.

An employee who acquires a state, federal, or local public office which may not legally be simultaneously held by a University employee will resign from University employment. Where there is no legal prohibition on simultaneous office holding, the employee need not resign, but will remain subject to the regulations which apply to outside activities.

Any employee who wishes to campaign for or hold any political office or to serve as a registered state or federal lobbyist will come under the regulations of the University which apply to outside activities.

University funds or resources may not be used to support political activity. Letters constituting political activity may not be written on University stationery unless expressly authorized by the President of the University. (05-18-79)

Official Spokesperson for the University

04.08.07

A. The President of the University is designated as the representative of the University in all official University discussions

08-03-79

04.08.07

and communications with officials of the executive, legislative, and judicial branches of state and federal governments in their official capacities. All official communications sent to such officials must be sent through the President, except in the following cases:

1. Routine development and administration of grants or contracts; or
2. Supplying of routine facts and information which are supplied to the general public;
3. Communications by a Chancellor, or under the direction of a Chancellor, the substance of which is promptly reported to the Office of the President; or
4. Communications made at the request of the President or authorized by the President; or
5. Testimony at the request of the Legislature.

B. This policy should not be construed as limiting direct communication of University personnel with government officials concerning matters of private interest. (05-18-79)

PART IV

PERSONNEL

Chapter VIII

GENERAL INFORMATION

Outside Activities

04.08.03

A. Scope

1. Teaching, research, application of research findings, preparation and publication of articles and books (whether for royalty or not), preparation and delivery of lectures, serving on advisory bodies, memberships and activities in professional societies, participation in artistic performances or activities, when said activities are related to staff members' professional fields and no compensation or honorarium (other than royalties from publication) is received, are considered to be within the regular work duties of University employees.

Examples of activities considered to be outside the regular work or duties are: consulting for or providing other services to individuals or firms, serving on boards of directors, or as officers of business organizations, and engaging in commercial operations and practice except as noted above.

2. Outside activities may be of one-time nature, intermittent or occasional, or regularly recurring. They may involve little or considerable amounts of compensation.
3. For purposes of this regulation "employee" is intended to include all personnel of the University, including both staff and faculty enrolled on the University payroll records and receiving compensation from the University of Alaska (no matter what the basic fund source) for the performance of regular staff or academic duties. It includes part-time as well as full-time employees. Nothing contained herein shall be considered applicable to any outside activities of employees during the period of time for which they are not compensated as University employees, except insofar as the use of University name, property, equipment, etc., is concerned.

B. Conduct of Outside Activities

1. Prior to engaging in any outside activity, as defined herein, the employee concerned shall secure approval of his/her immediate supervisor. Department heads, deans, and directors or equivalent level are designated as

representatives of the University to grant such approval for employees under their jurisdiction. If the approval is denied, the individual shall have the right to appeal the decision as set forth below.

- (a) In making these determinations the chief consideration shall be whether the employee's current or proposed outside activities, taken individually or cumulatively, would substantially interfere with the performance of his/her regular duties. The fact that the outside activity involved compensation or the amount of such compensation will not be a reason for a refusal.
- (b) In some cases the outside activity of an employee may be in the interest of the University or contribute to a significant enhancement of the employee's professional standing or competence, even though engaging in the outside activity would substantially interfere with the employee's performance of his/her regular duties. In such cases the University may, upon consideration, determine that a re-allocation of the employee's duties is justified. Heads of departments and offices should process such cases through regular channels for approval.

2. Review

Heads of offices, departments, deans, and other supervisors may, from time to time, review a case if, in their judgment, reasonable evidence suggests that:

- (a) The outside activity or activities, individually or cumulatively constitutes in fact a substantial interference with the satisfactory accomplishment of the employee's regular University duties, or
- (b) The employee may otherwise be violating the provisions of this policy.

3. Community, State and Governmental Service

Community, state and governmental service is encouraged by the University as a function of citizenship, provided it does not constitute detrimental interference with the employee's discharge of his/her regular work duties. If community, state or governmental service duties, whether compensated or not, in fact substantially interfere with the employee's discharge of his/her regular work duties, then it becomes an outside activity.

4. Use of the University Name

- (a) In conducting outside activities for compensation, the employee will make it clear to his/her employers or associates that he/she is serving in an individual

capacity and that the University accepts no responsibility in connection with the outside activities.

- (b) Official stationery of the University will not be used in connection with consultant's reports, bills for services or correspondence relating to the fulfillment of the staff member's performance of the outside activity.
- (c) Employees whose names are included in commercial listings or other public documents, the purpose of which is to draw attention to the employee's availability for compensated services, will not list University buildings as an address, or list a University telephone number.

5. Purchase Through the University for Private Purposes

Individuals are not permitted to purchase supplies or equipment for personal use through institutional channels.

6. Use of University Property, Equipment, Facilities, or Services

The use of University property, equipment, facilities, or services by employees for purposes not directly related to their University duties is prohibited. Exception will be made for the use of specialized equipment not available to industry or individuals through any private source within the state for which a pre-determined fee or rate has been established. The individual staff member may use such equipment on the same basis as other members of the public. (05-18-79)

Patents

04.08.04

The President shall appoint a Patent Committee of at least five members, a majority of whom shall be from the teaching and/or research faculty of the University. This Committee shall advise the President in the administration of the patent policy. However, at his/her discretion, the President may assign this function to some other established committee having membership requirements specified for the Patent Committee.

The agreement which it is recommended that the University make with Research Corporation should provide that a staff member of the University may agree to assign an invention to Research Corporation, with the understanding that Research Corporation, if it accepts the assignment, is to carry out the patenting and commercialization of the invention without any expense to the inventor; that Research Corporation is to pay the inventor a share

(15 per cent) of the gross income which Research Corporation receives from the invention; that the balance, after the special expenses in connection with the patent have been met, is to be divided equally between the University and Research Corporation.

Any member of the staff of the University may bring his/her patentable invention or discovery to the Patent Committee for consideration.

When the question of the patenting of a particular invention is brought to the attention of the Patent Committee, the Committee will consider the soundness of the scientific basis of the invention and advisability of patenting according to University policy. If the Committee reaches a negative conclusion, it will so advise the inventor and the President. If the Committee reaches a positive conclusion, or is in doubt, it will recommend that the President of the University refer the matter to Research Corporation to ascertain its opinion and whether Research Corporation desires to accept assignment of the invention. If Research Corporation is unwilling to accept such an assignment, the staff member offering the invention should be notified and the University relinquish all claim to it.

A member of the staff of the University may obtain a patent on his/her own responsibility, whether or not the Patent Committee has been consulted, but shall notify the Patent Committee of such action within sixty days after the date of application. The Committee may raise the question of whether the University has an equity in the proceeds of the invention either because work leading to the patent was done on University time or because University facilities were used. It is expected that the determination of the character and amount of the University's equity in any such invention will be established in conference between the Patent Committee and the staff member or members concerned. It is expected that the same procedures will be followed in connection with any other question arising out of the patent policy. Decisions of the Patent Committee are to be referred to the President for appropriate action.

If two or more staff members together produce a patented invention or discovery, they shall share equitably the "inventor's share" of the proceeds of the patent.

The handling of inventions which grow out of contract research will be governed by the terms of the contract; except that, if the contract assigns resultant inventions to the University or does not specify their assignment, the patent policy of the University will apply. (05-18-79)

Abuse of Office for Political Purposes

04.08.06

Any employee seeking an elected public office shall:

1. Campaign completely on his/her own time, without adversely affecting his/her duties at the University; and

2. Be subject to any general University procedures governing appearances and activities of political candidates on the campus.

Any employee, who acquires a state or federal public office or a full-time local government office which is legally not permitted to be held by a University employee, will resign from University employment. Such resignation shall be without prejudice if adequate notice has been given by the employee and mutually satisfactory arrangements have been made concerning possible replacement of the employee. (05-18-79)

13-0041
Lear
10/12/82

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL (for the Blue
Ribbon Commission on the
State Personnel Act)

1 IN THE SENATE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to government interests in intellec-
7 tual work products developed at the expense of the
8 state."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 39 is amended by adding a new chapter to read:

11 CHAPTER 52. INTELLECTUAL PROPERTY DEVELOPED

12 AT THE EXPENSE OF THE STATE.

13 Sec. 39.52.010. RIGHT TO INTELLECTUAL WORK PRODUCT. (a) Except
14 as provided in AS 39.52.040 and AS 14.40.345, all right, title, and
15 interest in and to an intellectual work product of any kind that is
16 subject to the trademark, copyright, or patent laws of the United States
17 or this state or any foreign country that is developed by a public
18 officer or employee or person under contract with the state is the
19 property of the state if developed

20 (1) during working hours;

21 (2) with the contribution of the state beyond what is avail-
22 able to the public in general in the form of facilities, equipment,
23 materials, money, or information, or of time or services of another
24 public officer or employee in the course of state employment or another
25 person under contract with the state; or

26 (3) in connection with the official duties of the public
27 officer or employee or person under contract, including but not limited
28 to circumstances in which the public officer or employee or person is
29 employed or assigned to

1 (A) produce or improve an intellectual work product;
2 (B) conduct or perform research, development work, or
3 both;

4 (C) supervise, direct, coordinate, or review state
5 financed or conducted research, development work, or both; or

6 (D) act in a liaison capacity among governmental or
7 nongovernmental agencies or individuals engaged in such work.

8 (b) If a public officer or employee or person under contract with
9 the state develops an intellectual work product that is the property of
10 the state, the developer is obligated to

11 (1) fully and promptly disclose the intellectual work product
12 to the Alaska Council on Science and Technology (AS 44.21.241);

13 (2) assign to the state the entire right, title, and interest
14 in and to the intellectual work product if not already waived by signing
15 of a general waiver upon commencement of employment or as part of a
16 contract for services; and

17 (3) upon request by the council, execute and reasonably
18 assist in the prosecution of an application for a trademark, copyright,
19 or patent.

20 (c) If the state has a right to an intellectual work product under
21 (a) of this section but the council decides that it is inadvisable to
22 prosecute an application for trademark, copyright, or patent, the coun-
23 cil, on behalf of the state, may, after consultation with affected state
24 agencies,

25 (1) waive all right, title, and interest in and to the intel-
26 lectual work product; or

27 (2) waive all right, title, and interest in and to a trade-
28 mark, copyright, or patent but reserve a nonexclusive, irrevocable,
29 royalty-free license in the intellectual work product with power to

1 grant licenses for all governmental purposes.

2 Sec. 39.52.020. PUBLIC OFFICERS AND EMPLOYEES TO SHARE IN PRO-
3 CEEDS. (a) A public officer or employee who develops an intellectual
4 work product that is the property of the state and discharges the
5 obligations set out in AS 39.52.010 is entitled to share in any net
6 revenue that may be derived from the assignment, grant, license, or
7 other disposal by the state of the intellectual work product. The
8 amount of the net revenue shall be computed by, or with the approval of,
9 the council, with reasonable promptness after collection and after
10 deducting from gross revenue the costs and expenses reasonably allocated
11 to the intellectual work product. The council shall pay from its
12 operating budget annually a minimum of 20 percent of the amount of the
13 net revenue to a public officer or employee who solely develops an
14 intellectual work product or in shares to two or more public officers or
15 employees who jointly develop an intellectual work product in a
16 proportion determined by the council. The council in its discretion may
17 increase the amount by which a public officer or employee may
18 participate in the net revenue.

19 (b) The provisions of (a) of this section do not apply to a person
20 under contract with the state or to a public officer or employee whose
21 contract of employment with the state includes contrary terms.

22 (c) The provisions of (a) of this section do not apply if the
23 intellectual work product is not used to generate actual revenue to the
24 state, such as an intellectual work product used to reduce operating
25 costs.

26 Sec. 39.52.030. ARBITRATION OF DISAGREEMENTS. (a) Disagreements
27 between a public officer or employee or person under contract with the
28 state and the council pertaining to ownership of an intellectual work
29 product, obligations of the respective parties, or the extent of

1 participation by a public officer or employee in the net revenue of the
2 intellectual work product shall be disposed of by

3 (1) voluntary arbitration of all relevant issues, if the
4 disagreeing parties agree to be bound by the decision upon arbitration;

5 (2) compulsory arbitration if that is provided for in any
6 applicable contract between the disagreeing parties; or

7 (3) recourse to the court if arbitration cannot be resorted
8 to.

9 (b) The council is authorized to make contracts for compulsory
10 arbitration on behalf of the state.

11 (c) If arbitration is used to settle disagreements, the provisions
12 of AS 09.43 (Uniform Arbitration Act) shall govern.

13 Sec. 39.52.040. UNIVERSITY OF ALASKA EXCEPTED. The provisions of
14 this chapter do not apply to public officers or employees associated
15 with or persons under contract with the University of Alaska. Those
16 persons shall be governed by the provisions of AS 14.40.345.

17 Sec. 39.52.050. ADOPTION OF RULES. The council may adopt rules
18 implementing the provisions of this chapter in accordance with the
19 Administrative Procedure Act (AS 44.62).

20 Sec. 39.52.099. DEFINITIONS. As used in this chapter, unless the
21 context otherwise requires,

22 (1) "council" means the Alaska Council on Science and Tech-
23 nology established in AS 44.21.241;

24 (2) "intellectual work product" means any product of the mind
25 including but not limited to the following:

26 (A) discovery, invention or idea;

27 (B) process, system, or method;

28 (C) machine, manufacture, or product;

29 (D) composition of matter;

1 (E) design or composition in letters, art, or graphics;

2 (F) literary, dramatic, musical, educational, or
3 artistic work;

4 (G) certification mark, trademark, patent, or copyright.

5 * Sec. 2. AS 14.40 is amended by adding a new section to read:

6 Sec. 14.40.345. INTELLECTUAL PROPERTY DEVELOPED AT THE EXPENSE OF
7 THE UNIVERSITY. All right, title, and interest in and to an
8 intellectual work product developed by a public officer or employee
9 associated with or a person under contract with the University of Alaska
10 is the property of the university in accordance with a general policy
11 established by the university. The policy adopted by the University of
12 Alaska may provide for ownership, control, management, and disposal of
13 intellectual work products by an independent foundation created for the
14 purpose of obtaining intellectual work products, receiving gifts,
15 administering or disposing of interests in intellectual work products,
16 and promoting research.

17 * Sec. 3. AS 44.21.242(b) is amended by adding new paragraphs to read:

18 (9) consistent with the provisions of AS 39.52, retain,
19 assign, license, transfer, sell, or otherwise dispose of, in whole or in
20 part and upon terms that the council may direct, any and all rights to,
21 interests in, or income from intellectual work products acquired by the
22 council under AS 39.52;

23 (10) adopt rules implementing the provisions of AS 39.52.

24 * Sec. 4. AS 37.12.070(9) and AS 46.12.110(10) are repealed.
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