

# BURNS & LEVINSON LLP

## **RIGHTS IN GOVERNMENT INVENTIONS**

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# Key Definitions

- Invention
  - Any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code
- Subject Invention
  - Any invention of the contractor conceived or first actually reduced to practice in the performance of work under the contract.

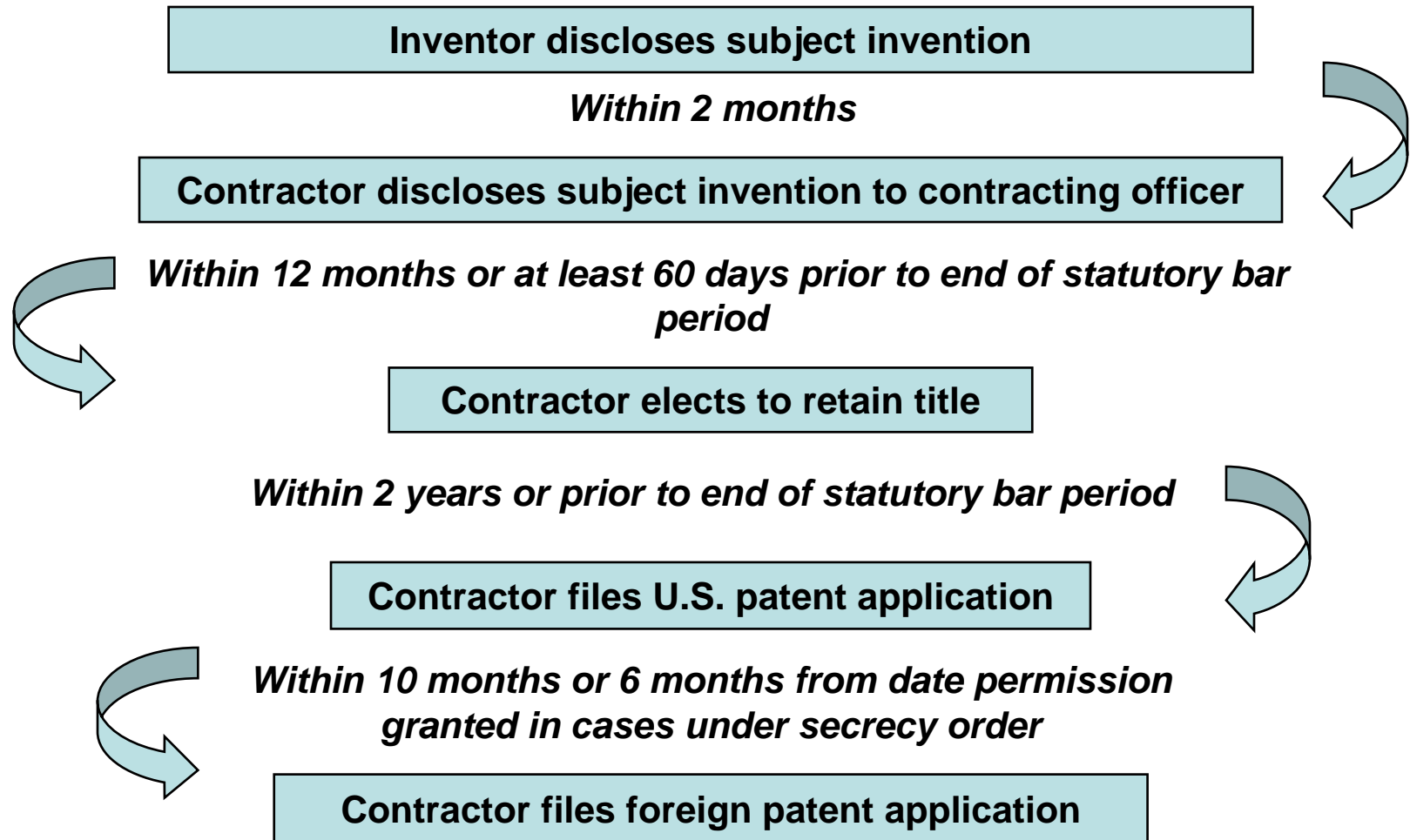
# Contractor's Patent Rights Under FAR 52.227-11 and 12

- Contractor may retain the entire right, title, and interest throughout the world to each subject invention. With respect to any subject invention in which the Contractor retains title, the Federal Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

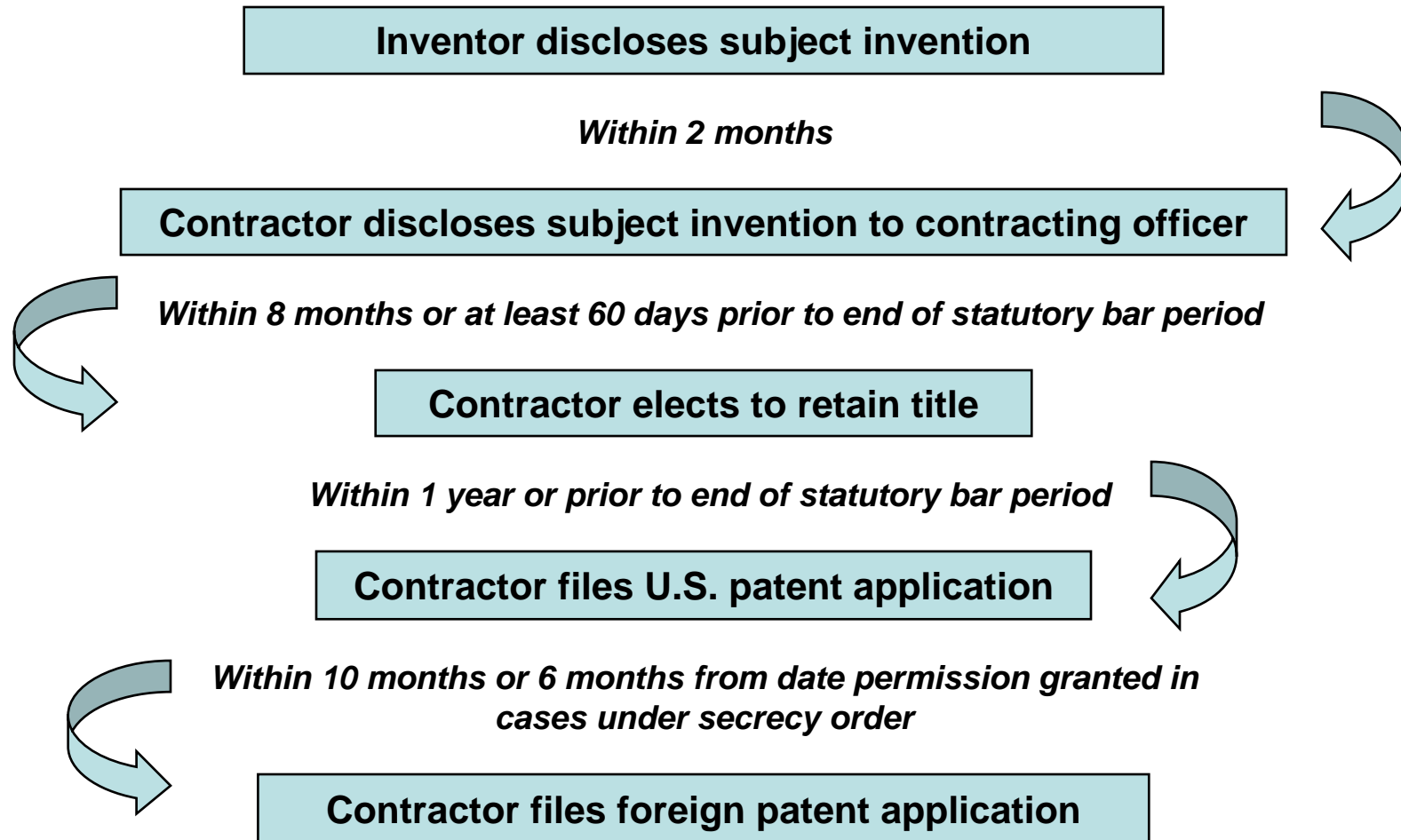
# Contractor's Patent Rights Under FAR 52.227-11 and 12

- With respect to any subject invention which the Government takes title, the Contractor shall retain a revocable, nonexclusive, royalty-free license throughout the world, except if the Contractor fails to disclose the subject invention to the Contracting Officer within the specified time
- Contractors license may be revoked or modified to extent necessary to achieve practical application of subject invention - requires written notice - Contractor allowed 30 days to show cause why license should not be revoked

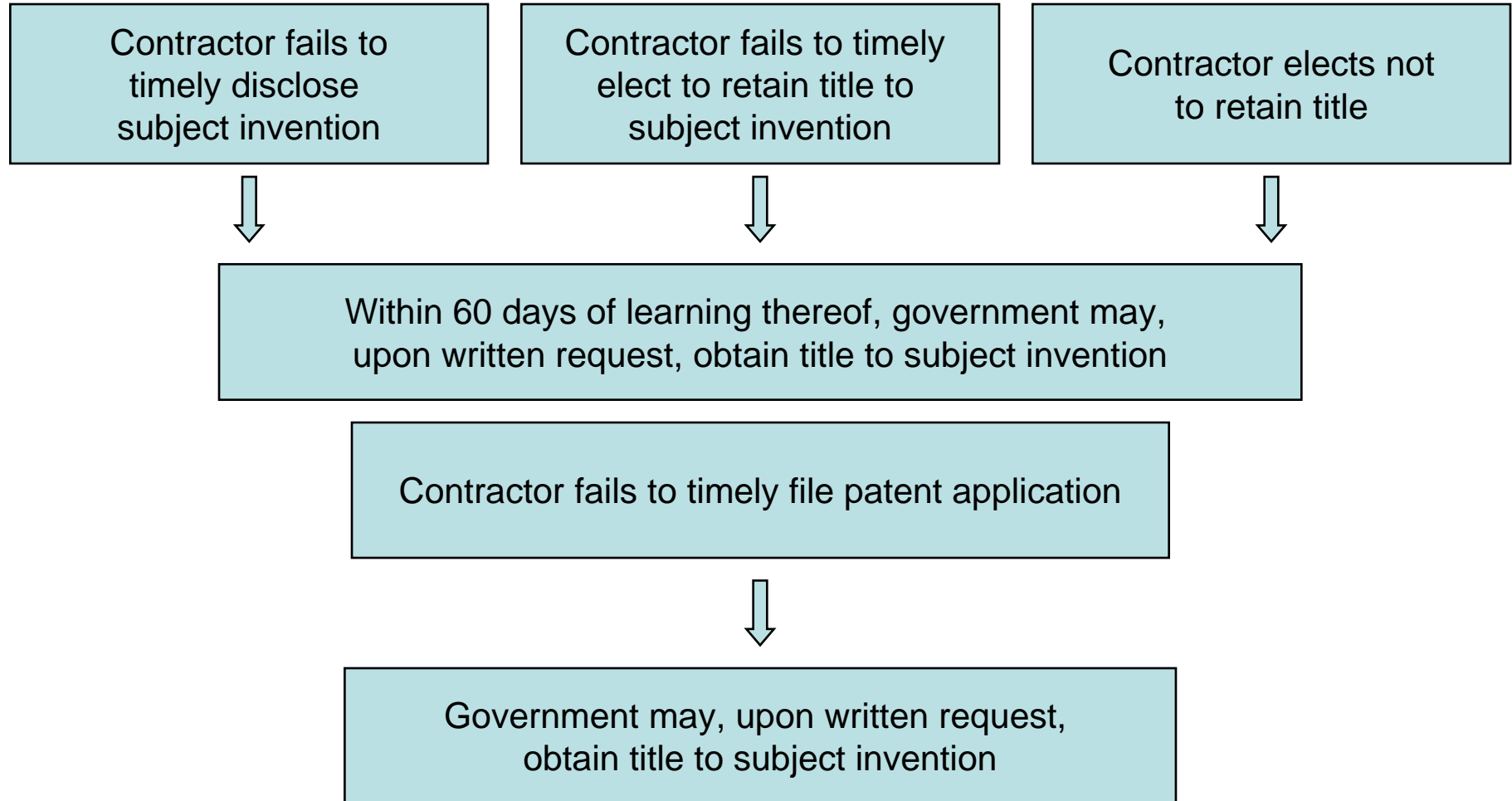
# Timeline - FAR 52.227-11



# Timeline - FAR 52.227-12



# What If ?



# Contractor Must Take Following Action To Protect Government's Interest

- Execute or have executed all instruments necessary for Government to obtain title or obtain patent protection
- Require, by written agreement, its technical employees to disclose promptly in writing all subject inventions
- Notify Federal agency of any decision not to continue patent prosecution, pay maintenance fees, or defend reexamination 30 days prior to expiration of response period
- Include within specification of U.S. patent application on subject invention the following statement: “This invention was made with Government support under (identify contract) awarded by (identify Federal agency). The Government has certain rights in this invention.”



# Contractor Must Take Following Action To Protect Government's Interest

- Contractor shall establish and maintain active and effective procedures to assure inventions identified and disclosed (6 months of conception or actual reduction of practice)
- Submit appropriate reports

# Subcontracts

- Subcontractor shall retain all rights as if subcontractor were contractor
- Contractor shall not, as part of consideration for awarding subcontract, obtain rights in subcontractor's inventions

# Preference for U.S. Industry

- Contractor agrees that neither it, nor any assignee, will grant any person exclusive right to use or sell subject invention unless such person agrees to manufacture substantially in U.S. - waivers may be obtained

# March-In Rights

- Federal Agency has right to require contractor, an assignee or exclusive licensee, to grant a non-exclusive, partially exclusive, or exclusive license in any field of use to responsible applicants if:
  - Contractor or assignee has not achieved practical application of invention
  - Health & Safety needs not satisfied by Contractor or assignee
  - Public use specified by public regulations if not satisfied by Contractor or assignee

# Withhold Payments

- Contracting Officer may withhold payment until reserve set aside, not exceeding \$50K or 5% of contract, whichever is less if contractor fails to:
  - Establish and maintain effective procedures for identifying and disclosing subject inventions
  - Disclose subject inventions to Government in specified time
  - Deliver acceptable reports
  - Provide information regarding subcontractors