RIGHTS TO GOVERNMENT FUNDED INTELLECTUAL PROPERTY

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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

- 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.

- 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.
Timeline - FAR 52.227-11

- **Inventor discloses subject invention**
  - **Within 2 months**

- **Contractor discloses subject invention to contracting officer**
  - **Within 12 months or at least 60 days prior to end of statutory bar period**

- **Contractor elects to retain title**
  - **Within 2 years or prior to end of statutory bar period**

- **Contractor files U.S. provisional or nonprovisional patent application**
  - **Within 10 months or 6 months from date permission granted in cases under secrecy order**

- **Contractor files foreign patent application**
Timeline – DFARS 252.227-7038

Inventor discloses subject invention

Within 2 months

Contractor discloses subject invention to contracting officer

Within 8 months or at least 60 days prior to end of statutory bar period

Contractor elects to retain title

Within 1 year or prior to end of statutory bar period

Contractor files U.S. patent application

Within 10 months or 6 months from date permission granted in cases under secrecy order

Contractor files foreign patent application
What If?

- Contractor fails to timely disclose subject invention
- Contractor fails to timely elect to retain title to subject invention
- Contractor elects not to retain title

Within 60 days of learning thereof, government may, upon written request, obtain title to subject invention

Contractor fails to timely file patent

Government may, upon written request, obtain title to subject invention
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
DATA RIGHTS EXCEPTIONS FOR SBIR-STTR PROGRAM

• Small business concern retains rights to data in performance of award for not less than four years
• Agencies are required to protect SBIR data rights developed from Phases I, II and III, including rights of subcontractors
• Agencies cannot condition Phase III award on giving up SBIR data rights – negotiations after award, by separate agreement, without pressure is permissible.
DATA RIGHTS EXCEPTIONS FOR SBIR-STTR PROGRAM

- SBIR data rights continue to be protected from date of delivery of last deliverable under award
- Any SBIR data that is protected and referenced under a subsequent SBIR award remains protected under protection period of subsequent award

- No additional contract provisions covering current Export Administration Regulations (EAR) and International Traffic Arms Regulations (ITAR)
- Contractors and subcontractors must abide by existing EAR and ITAR
Proposed Contract Export Control Provisions By Department of Defense

• Impose specific requirements upon government and contractor to identify and prevent unauthorized disclosure of information and technology controlled under EAR and ITAR
• Compliance program
• Training
• Periodic assessment to ensure compliance
• Currently under review by DAR Editor