which do not fall under Section 1(a), and do not meet the conditions of Section 1(b), are handled in accordance with the provisions of Section 1(c). Sections 1(a) and 1(b) deal with the allocation of patent rights at the time of contracting, whereas Section 1(c) prescribes deferment of the patent rights allocation until after the invention has been identified.

PRINCIPAL OF EXCLUSIVE RIGHTS UNDER SECTION 1(a)

> ". . . . the government shall normally acquire or reserve the right to acquire *principal or exclusive rights* throughout the world in and to any inventions made in the course of or under the contract."

Acquiring "principal or exclusive rights" by the government will mean taking title to the inventions in question in most cases, but where it appears to be desirable in the public interest, the intent of this phrase can be fulfilled by taking those attributes of ownership to the inventions which will assure the full availability of the inventions to the government and will assure that the government can control the inventions, domestically and abroad, subject to the rights reserved to the contractor.

EXCEPTIONAL CIRCUMSTANCES UNDER SECTION 1(a)

> ". . . In exceptional circumstances the contractor may acquire greater rights than a non-exclusive license at the time of contracting, where the head of the department or agency certifies that such action will best serve the public interest."

This part of the Policy Statement recognizes that exceptional circumstances may exist, even though the contracts are of the type defined by subsections 1–4 of Section 1(a). Examples of exceptional circumstances of the type contemplated by Section 1(a) might be where the objectives of the research would appear to be materially advanced by leaving principal or exclusive rights to the contractor and the public interest is otherwise protected, or where the public interest will be advanced by leaving principal or exclusive rights to a nonprofit educational institution that agrees to administer inventions in a manner deemed by the agency to be consistent with the public interest.

Exceptional circumstances could also be found in regard to inventions identified at the time of contract, for example, when the contractor has established substantial equities at his own expense in the development of the invention.

GREATER RIGHTS UNDER SECTION 1(a)

> ". . . . Greater rights may also be acquired by the contractor after the invention has been identified, where the invention when made in the course of or under the contract is not a primary object of the contract, *provided* the acquisition of such greater rights is consistent with the intent of this Section 1(a) and is a necessary incentive to call forth private risk capital and expense to bring the invention to the point of practical application."