attach to ERDA

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION

Federal Supply Service
Washington, DC 20406

July 23, 1976

Dear Sir:

This proposed amendment of the Federal Procurement Regulations (FPR) which is enclosed is forwarded to you for consideration in your capacity as a member of the Interagency Procurement Policy Committee.

The proposal concerns Subpart 1-9.1, Patents, and involves the addition of provisions dealing with Institutional Patent Agreements with educational and other nonprofit institutions having a technology transfer program meeting specified criteria.

An ad hoc subcommittee of the Committee on Government Patent Policy developed the proposal and it has the approval of the full Committee.

In view of the action by the Committee, it is now appropriate to solicit formal agency views. It would be desirable, of course, for your agency's patent counsel to be involved in this matter.

I would like to receive your views on the proposal, in duplicate, by September 18, 1976. Questions should be directed to Mr. Norman Latker (496-7056).

Sincerely,

Philip G. Read

PHILIP G. READ
Director of Federal Procurement Regulations

Enclosure

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

Keep Freedom in Your Future With U.S. Savings Bonds

Proposed FPR Revision

Prepared by Ad Hoc Subcommittee on University Patent Policy

January 1976

1. Add the following subsection (6) to 1-9.107-4(a):

(6) In accordance with the exceptional circumstances language of 1-9.107-3(a) and/or the special situations language of 1-9.107-3(c), agencies may enter into Institutional Patent Agreements with educational and other nonprofit institutions having a technology transfer program meeting the criteria set forth in 1-9.109-7(b). Such agreements shall be substantially the same as the standard agreement of 1-9.107-6(c)(2) and provide the institution the right to retain the entire right, title and interest in inventions made in the course of or under contracts subject to certain conditions. When such an agreement has been made with an institution, it shall be made applicable to each contract with the institution in lieu of the Patent Rights clauses in 1-9.107-5 and 1-9.107-6(a) and (b) (unless a determination has been made to exclude the contract from the agreement.)

2. Retitle 1-9.107-6 as follows: "Clauses for domestic contracts (short form) and Institutional Patent Agreements."

3. Add the following new subsection (c) to 1-9.107-6:

(c) Patent Rights - Institutional Patent Agreements. (1) When an agency has determined in accordance with 1-9.109-7 that an Institution should receive an agreement as authorized under 1-9.107-4(a)(6), an Institutional Patent Agreement substantially similar to the standard

agreement set forth in paragraph (c)(2) of this section (and appropriately completed as indicated in the numbered notes appearing after the Agreement) shall be used. Changes in the agreement should be kept to a minimum and should be limited to changes dictated by statutes applicable to the agency or by special administrative needs. In any event, agreements should include at least the following features:

(A) A requirement for the prompt reporting of all inventions to the applicable agency along with an election of rights;

(B) Reservation of all the rights specified in 1-9.107-3(e)-(h);

(C) A requirement that licensing by the institution will normally be nonexclusive except where the desired practical or commercial application has not been achieved or is not likely to be expeditiously achieved through such licensing;

(D) A condition limiting any exclusive license to a period not substantially greater than necessary to provide the incentive for bringing the invention to the point of practical or commercial application and to permit the licensee to recoup its costs and a reasonable profit thereon;

(E) A restriction that royalty charges be limited to what is reasonable under the circumstances or within the industry involved;

(F) A requirement that the institution's royalty receipts, after payment of administrative costs and incentive awards to inventors, be utilized for educational or research purposes;

(G) A provision enabling the agency to except individual contracts or grants from the operation of the agreement where this is deemed in the public interest;

(H) A requirement for progress reports after designated periods and re-execution of the agreement only if the Government deems the institution's performance to be satisfactory;

(I) A prohibition against assignment of inventions without Government approval to persons or organizations other than assignments, subject to the above conditions, to approved patent management organizations; and

(J) A provision permitting termination for convenience by either party upon thirty (30) days written notice.

(2) The following is the standard Institutional Patent Agreement:

INSTITUTIONAL PATENT AGREEMENT

This Agreement is made and entered into by and between the United States of America, as represented by the _____ 1/, hereinafter sometimes referred to as the "Agency," and _____, hereinafter referred to as the "Institution."

WITNESSETH:

WHEREAS, in accordance with the President's Statement and Memorandum of Government Patent Policy dated August 23, 1971, and the provisions of 41 CFR 1-9.107-4(a)(6), it has been determined by the Agency that the Institution has a technology transfer program meeting the criteria of 41 CFR 1-9.109-7 in that the Institution's patent policy as set forth in _____ 2/ and its technology transfer practices have been reviewed and found acceptable; and

WHEREAS, the Institution is desirous of entering into an agreement whereby it may retain ~~and~~ the entire right, title, and interest, subject to certain rights acquired by the Government, in and administer inventions made in the course of or under research supported by the Agency;

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

I. Scope of Agreement

This Agreement shall define the rights of the parties hereto regarding the allocation of rights in Subject Inventions reported after the date of this Agreement and made under contracts entered into prior to _____ 3/, unless the Agency specifically provides as a condition of any future contract that this Agreement shall not apply thereto. This agreement shall not apply to Subject Inventions in cases where the Institution is a subcontractor under a prime contract of the Agency. [_____] 4/, 5/

II. Definitions

(a) "Subject Invention" means any invention or discovery of the Institution conceived or first actually reduced to practice in the course of or under a contract with the Agency, and includes any art, method, process, machine, manufacture, design, or composition of matter,

or any new and useful improvement thereof, and any variety of plant, which is or may be patentable under the Patent Laws of the United States of America or any foreign country.

(b) "Contract" means any contract, [agreement, grant, or other arrangement]6/ or subcontract entered into with or for the benefit of the Government, where a purpose of the contract is the conduct of experimental, developmental, or research work.

(c) "Made," when used in relation to any invention or discovery, means the conception or first actual reduction to practice of such invention in the course of or under a contract.

(d) "To bring to the point of practical application" means to manufacture in the case of a composition or product, to practice in the case of a process, or to operate in the case of machine and under such conditions as to establish that the invention is being worked and that ~~it's~~ its benefits are reasonably accessible to the public.

(e) "States and domestic municipal governments" means the States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands, and any political subdivision and ~~agencies~~ agencies thereof.

III. Allocation of Principal Rights

(a) The Institution may retain the entire right, title, and interest throughout the world or in any country thereof in and to each Subject Invention disclosed pursuant to Section V., below, subject to the provisions of this Agreement. The Institution shall include with each Subject Invention disclosure an election whether it will retain the entire right, title, and interest in the invention throughout the world or in any country thereof subject to the rights, acquired by the Government in Section IV of the agreement; provided that the Institution may request any extension of the time for election. If the Institution elects not to retain rights in a Subject Invention, it shall supply the Agency with any written reports upon which this decision was made, such as marketing reports, patent searches, or other similar reports.

(b) The Institution agrees to convey to the Government, upon request, the entire domestic right, title, and interest in any Subject Invention when the Institution:

(i) does not elect under section III(a) to retain such rights; or

(ii) fails to have a United States Patent Application filed on the invention in accordance with section VI(a), or decides not to continue prosecution of such application; or

(iii) at any time, no longer desires to retain title.

(c) The Institution agrees to convey to the Government, upon request, the entire right, title, and interest in any Subject Invention in any foreign country when the Institution:

(i) does not elect under section III(a) to retain such rights in the country; or

(ii) fails to have a patent application filed in the country on the invention in accordance with section VII(a); except that if an application has been filed in a foreign country after the times specified in section VII(a) but prior to such request by the Government, the Institution shall retain the entire right, title, and interest in the Subject Invention in the country involved; or

(iii) decides not to continue prosecution of such application or to pay any maintenance fees covering the invention. To avoid forfeiture of the patent application or patent, the Institution shall notify the Agency not less than sixty (60) days before the expiration period for any action required by the foreign patent office.

(d) A conveyance, requested pursuant to sections III(b) or (c) of this Agreement, shall be made by delivering to the Agency duly executed instruments (prepared by the Government) and such other papers as are deemed necessary to vest in the Government the entire right, title, and interest to enable the Government to apply for and prosecute patent applications covering the invention in this or the foreign country, respectively, or otherwise establish its ownership of such invention.

IV. Minimum Rights Acquired by the Government

(a) With respect to each Subject Invention to which the Institution retains principal or exclusive rights, the Institution hereby grants to the Government of the United States a nonexclusive, nontransferable, paid-up license to make, use, and sell each Subject Invention throughout the world by or on behalf of the Government of the United States (including any Government agency) and States and domestic municipal governments, unless the Agency determines after the invention has been identified that it would not be in the public interest to acquire the license for States and domestic municipal governments;

(b) With respect to each Subject Invention to which the Institution retains principal or exclusive rights, the Institution agrees to grant to responsible applicants, upon request of the Government, a license on terms that are reasonable under the circumstances;

(A) unless the Institution, its licensee, or its assignee, demonstrates to the Government that effective steps have been taken within three (3) years after a patent issues on such invention to bring the invention to the point of practical application or that the invention has been made available for licensing royalty-free or on terms that are reasonable under the circumstances or can show cause why the principal or exclusive rights should be retained for a further period of time; or

(B) to the extent that the invention is required for public use by governmental regulations or as may be necessary to fulfill public health or safety needs, or for other public purposes stipulated in the applicable contract.

(c) Notwithstanding section III(a) or any other provision of this agreement, if a Subject Invention is made under a contract supporting an international agreement or treaty, the Institution agrees to issue all such licenses or assignments as are directed by the Agency and to comply with such other directions of the Agency as are deemed necessary by the Agency to comply with the terms of any applicable international agreements. At the request of the Institution, the Agency will, after an invention is identified, agree to identify the specific obligations of the Institution with respect to such invention which might otherwise conflict with the provisions of this Agreement. [ ] 7/

(d) Nothing contained in this section shall be deemed to grant to the Government any rights with respect to any invention other than a Subject Invention.

V. Invention Identification, Disclosures, and Reports

(a) The Institution shall furnish the Agency

(i) a complete technical disclosure for each Subject Invention, within 6 months after conception or first actual reduction to practice, whichever occurs first in the course of or under the contract, but in any event prior to any on sale, public use, or publication of the invention known to the Institution. The disclosure shall identify the contract and inventor and shall be sufficiently complete in technical detail and appropriately illustrated by sketch or diagram to convey to one skilled in the art to which the invention pertains a clear understanding of the nature, purpose, operation, and, to the extent known, the physical, chemical, biological or electrical characteristics of the invention. Such disclosure shall be furnished directly to the Agency in addition to any other requirement under the contract for the submission of progress or financial reports and whether or not reference to the Subject Invention has been made in any other such reports.

(ii) Complete information concerning the date and identity of any on sale, public use, or publication of the invention which may constitute a statutory bar under 35 USC 102, which was authorized by or known to the Institution or any contemplated action of this nature.

(iii) A final report within three months after completion of the work under any contract, listing all Subject Inventions or certifying that there were no such inventions. 8/

(b) The Institution shall obtain patent agreements to effectuate the provisions of this Agreement from all persons in its employ who perform any part of the work under any contract except nontechnical personnel, such as clerical and manual labor personnel.

(c) The Institution agrees that the Government may duplicate and disclose Subject Invention disclosures and, subject to Section XI, all other reports and papers furnished or required to be furnished pursuant to this Agreement.

(d) The Institution shall not bar or prohibit publication of disclosures of Subject Inventions on which patent applications have been filed.

VI. Filing of Domestic Patent Applications

(a) With respect to each Subject Invention in which the Institution elects to retain domestic rights pursuant to section III(a) of this Agreement the Institution shall have a domestic patent application filed within six (6) months after an election has been made pursuant to section III(a) of this Agreement or such longer period as may be approved in writing by the Agency; provided, however, that if the Agency determines that there has been such use or publication of the invention as to initiate the one-year statutory period, the Agency may prescribe a shorter period for the filing of the application in the event the six-month period would extend beyond such statutory period. Such shorter period, however, shall in no case end more than thirty days before the end of the statutory period. With respect to such invention, the Institution shall promptly notify the Agency of any decision not to file an application.

(b) For each Subject Invention on which a patent application is filed by or on behalf of the Institution, the Institution shall;

(i) within two (2) months after such filing, or within (2) two months after submission of the invention disclosure if the patent application previously has been filed, deliver to the Agency a copy of the application as filed, including the filing date and serial number;

(ii) within two (2) months after such filing, or within two (2) months after submission of the invention disclosure if the patent application has previously been filed, obtain and deliver a copy to the Agency of an assignment from the inventor or inventors to the Institution of all right, title and interest in the invention properly recorded in the United States Patent and Trademark Office.

(iii) include the following statement, appropriately completed, in the second paragraph of the specification of the application and any patents issued on the Subject Invention, "The Government has rights in this invention pursuant to Contract (or Grant) No. _____ awarded by (identify the Agency)";

(iv) within six (6) months after filing the application, or within six (6) months after submitting the invention disclosure if the application has been filed previously, deliver to the Agency a duly executed and approved instrument on the form specified in Exhibit A which is attached hereto and by this reference made a part hereof;

(v) provide that Agency with a copy of the patent within two (2) months after a patent issues on the application;

(vi) not less than thirty (30) days before the expiration of the response period for any action required by the United States Patent and Trademark Office, notify the Agency of any decision not to continue the prosecution of the application and deliver to the Agency executed instruments granting the Government a power of attorney;

(viii) upon request, fully advise the Agency concerning all actions taken during the prosecution of any patent application and furnish copies of any relevant documents as requested.

VII ~~VIII.~~ Filing of Foreign Patent Applications

(a) With respect to each Subject Inventionin which the Institution elects to retain principal rights in a foreign country pursuant to section III(a) of this Agreement, the Institution shall have a patent application filed on the invention in such country, in accordance with applicable statutes and regulations, and within one of the following periods:

(i) eight (8) months from the date of a corresponding United States application filed by or on behalf of the Institution; or ~~if~~ such an application is not filed, six (6) months after an election is made pursuant to section III(a) of this Agreement;

(ii) six (6) months from the date a license is granted by the Commissioner of Patents and Trademarks to file foreign applications when such filing has been prohibited by security reasons; or

(iii) such longer period as may be approved in writing by the Agency.

(b) The Institution shall notify the Agency promptly of each foreign application filed and, upon written request, shall furnish an English version of such foreign application without additional compensation.

VIII. Subcontracts

(a) Except as provided in (b), below, the Institution shall include in any subcontract where a purpose of that subcontract is the conduct of experimental, developmental, or research work either the "Patent Rights-Acquisition by the Government" clause found at 41 CFR 1-9.107-5 or the following clause:

Patent Rights

(a) The Contractor hereby agrees to report fully and promptly to _____ (Institution) any invention conceived or first actually reduced to practice in the course of or under this contract (hereinafter referred to as "Subject Invention(s)," and to assign all right, title, and interest in and to such invention to _____ (Institution) or its designee.

(b) In addition, the Contractor agrees to furnish the following materials, disclosures and reports:

(i) Upon request, such duly executed instruments (prepared by the _____ (Institution) or its designee) and such other papers as are deemed necessary to vest in the _____ (Institution) or its designee the rights granted under this clause and to enable the _____ (Institution) or its designee to apply for and prosecute any patent application, in any country, covering such invention.

(ii) Prior to final settlement of this contract, a final report listing all Subject Inventions or certifying that no inventions were conceived or first actually reduced to practice under the contract.

(c) Except as provided below the Contractor shall include either a clause identical to this clause or the "Patent Rights - Acquisition by the Government" clause found ~~at~~ in 41 CFR 1-9.107-5 if a purpose of the subcontract is experimental, developmental, or research work. In the event of a refusal by a subcontractor to accept either of these clauses or if, in the opinion of the Contractor, these clauses are inconsistent with the policy set forth in 41 CFR 1-9.107-3, the Contractor (i) shall promptly notify the Institution and (ii) shall not proceed with the subcontract without the written authorization of the Institution. It is understood that the Institution will seek direction from the _____ (insert name of appropriate Agency).

(d) The Contractor shall report any subcontracts containing a patent rights clause to the Institution. The Contractor shall not be obligated to enforce the agreements of any Subcontractor hereunder relating to the obligations of the Subcontractor to the Government in regard to Subject Inventions.

[End of Clause]

(b) In the event of a refusal by a subcontractor to accept either of the clauses specified in (a), or if, in the opinion of the Institution, these clauses are inconsistent with the policy set forth in 41 CFR 1-9.107-3, the Institution (i) shall promptly submit a written notice to the Agency setting forth reasons for the Subcontractor's refusal and other pertinent information which may expedite disposition of the matter; and (ii) shall not proceed with the subcontract without the written authorization of the Agency.

(c) It is understood that the Government is a third party beneficiary of any subcontract clause granting rights to the Government in Subject Inventions, and the Institution hereby assigns to the Government all rights that it would have to enforce the Subcontractor's obligations for the benefit of the Government with respect to Subject Inventions. The Institution shall not be obligated to enforce the agreements of any subcontractor hereunder relating to the obligations of the Subcontractor to the Government in regard to Subject Inventions.

IX. Administration of Inventions in Which the Institution Elects to Retain Rights

(a) The Institution shall administer those Subject Inventions to which it elects to retain title in the public interest and shall, except as provided in subsection (b), below, make them available through licensing on a nonexclusive, royalty-free or reasonable royalty basis to all qualified applicants.

(b) The Institution may license a Subject Invention on an exclusive basis if it determines that an exclusive license is required in the public interest because it is necessary as an incentive for development of the invention or because market conditions are such as to require licensing on an exclusive basis in order to bring the invention to the point of practical application. Any exclusive license issued by the Institution under a U.S. patent or patent application shall be for a limited period of time and such period shall not, unless otherwise approved by the Agency, exceed five (5) years from the date of the first commercial sale or use in the United States of America of a product or process embodying the invention, or eight (8) years from the date of the exclusive license, whichever occurs first. Such license shall also provide that the licensee shall use all reasonable effort to effect introduction into the commercial market as soon as practicable, consistent with sound and reasonable business practices and judgment. Any extension of the maximum period of exclusivity shall be subject to approval of the Agency. Upon expiration of the period of exclusivity or any extension thereof, licenses shall be offered to all qualified applicants at a reasonable royalty rate not in excess of the exclusive license royalty rate.

(c) Royalties shall not normally be in excess of accepted trade practice. The Institution also agrees to refund any amounts received as royalty charges on any Subject Invention in procurements for or on behalf of the Government and to provide for that refund in any instrument transferring rights to any party in the invention.

(d) The balance of the royalty income after payment of expenses, including payments to inventors, incidental to the administration of all inventions assigned to it pursuant to the provisions of this Agreement shall be utilized for the support of education or scientific research.

(e) All licenses issued by the Institution to other than the Government of the United States under any patent application or patent on a Subject Invention shall be made expressly subject to the conditions of this Agreement. The Institution shall, upon request, promptly furnish copies of any license agreements entered into by it to the Agency.

(f) Notwithstanding the provisions of subsections (a) and (b), above, no license, either exclusive or nonexclusive, shall be granted by the Institution to any of the following persons or organizations, except with the approval of the Agency:

(i) Any person who participated as an employee of the Institution in the research leading to the conception and/or actual reduction to practice of the subject invention;

(ii) An organization of which a person described in (f)(i) was a promoter or organizer or in which such a person is an officer, director, or holds a substantial financial interest.

(iii) An organization of which the Institution was a promoter, organizer, or financer.

In such cases the Agency's approval will normally be given only if the Institution can show that a bona fide effort was made without success to interest other organizations known to be interested in the subject matter of the invention in licensing and further developing the Subject Invention or otherwise can show why the public interest will best be served by the proposed licensing arrangement.

X. Patent Management Organizations

The Institution may utilize the services of the following patent management organizations at its discretion:

[ ] 9/

Other patent management organizations will not be utilized by the Institution unless the patent administration agreement between such organization and the Institution is approved by the Agency.

The Institution shall not assign any Subject Invention to parties other than the Agency in circumstances as set forth in this Agreement, except that it may assign rights in the invention to the above-listed patent management organizations or any other patent management organization whose agreement with the Institution has been approved by the Agency. Any reference to an Institution in this Agreement shall also include a patent management organization where applicable and an assignment to such an organization shall specifically be made subject to all the terms and conditions of this Agreement.

XI. Reports on Development and Commercial Use

The Institution shall provide a written annual report to the Agency on or before September 30th of each year covering the preceding year ending June 30th, regarding the status of development and commercial use that is being made or intended to be made of each Subject Invention left for administration to the Institution and the steps that have been taken by the Institution to bring the invention to the point of practical application. 10/ Such reports shall include information regarding status of development, the date of first commercial sale or use, gross royalties received by the Institution, and such other data and information as the Agency may reasonably specify. To the extent data or information supplied pursuant to this section is considered by a licensee to be privileged or confidential and is so marked, the Agency agrees that to the extent permitted by law it will not disclose such information to persons outside the Government.

XII. Inventions by Federal Employees

Nothing in this Agreement shall preclude the Government from obtaining greater rights in a Subject Invention made by an inventor while a Federal employee.

XIII. Termination

This Agreement may be terminated by either party for convenience upon thirty (30) days written notice. Disposition of rights in, and administration of inventions made under contracts subject to this Agreement will not be affected by such a termination; except that in the event the Government terminates this Agreement because of a failure or refusal by the Institution to comply with any of its obligations under sections V(a), VI, IX, and X of this Agreement, the Agency has the right to require that the Institution's entire right, title and interest in and to the particular invention with respect to which the breach occurred be assigned to the United States of America, as represented by the Agency.

XIV. Communications 11/

Requests for Agency approvals, extensions, or similar actions and other correspondence required by this Agreement should be addressed to _____. Except where specifically provided otherwise in this Agreement, the _____ or his designee shall act as the point of authority within the Agency to grant such approvals, extensions, or take such other Agency actions as may be authorized in this Agreement.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the day and year below.

UNITED STATES OF AMERICA

By _____
Title _____
Date _____

(Corporate Seal)

_____
(Institution)

By _____
Title _____
Date _____

CERTIFICATE

I, _____, certify that I am the Secretary of _____ named above; that _____, who signed this Agreement on behalf of said corporation was then _____ of said corporation; and that this Agreement was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

Witness my hand and the seal of said corporation this _____ day of _____, 19__.

(Corporate Seal)

By _____

CONFIRMATORY INSTRUMENT

Application for: _____ (Title of Invention)
Inventor(s): _____
Serial No. _____ Contract (Grant) No. _____
Filing Date: _____ Institution: _____

The invention identified above is a "Subject Invention" under _____ (identify Institutional Patent Agreement number) to which contract (grant) No. _____ with _____ (specify Government agency) was subject.

This document is confirmatory of the paid-up license granted to the Government under this contract (grant) in this invention, patent application and any resulting patent, and of all other rights acquired by the Government by the referenced Agreement.*

The Government is hereby granted an irrevocable power to inspect and make copies of the above-identified patent application.

Signed this _____ day of _____, 19__.

_____
(Institution)

_____
(Signature)

_____
(Print or type name)

_____
(Official Title)

CERTIFICATE

I, _____, certify that I am the _____ of the Institution named as licensor herein; that _____, who signed this License on behalf of the Institution is _____ of said Institution; and that said License was duly signed for and in behalf of said Institution by authority of its governing body, and is within the scope of its corporate powers.

_____
Signature

* If in accordance with Section IV(a) of the Agreement, the Agency has determined that a license for state and domestic municipal governments will not be obtained, the following should be added to the Confirmatory Instrument:

"The license granted to the Government does not include state and domestic municipal governments."

Notes for Completion of IPA

1/ Insert name of agency

2/ Insert reference to Institution's official policy statements.

3/ Insert a date of approximately 3 years.

4/ If any current grants or contracts are to be excluded from the agreement, a statement such as the following should be inserted here: "This Agreement shall not apply to the following contracts..."

5/ Agencies may wish to limit the scope of the agreement to contracts entered into after the date of the Agreement. In such case, the first sentence of this section would have to be revised. If such an approach is used, consideration should be given as to how contract extensions will be treated.

6/ The bracketed language may be deleted but normally it is expected that Institutional Patent Agreements will apply to grants as well as contracts.

7/ Some agencies may wish to include additional or alternative provisions concerning international matters including such language as they consider necessary pursuant to 1-9.107-3(h)(2).

8/ Agencies may find it useful to include more detailed instructions here on the format of these reports and the persons to whom they should be supplied. The exact clause may have to be varied according to the ~~agencies~~ agency's normal contract close-out procedures.

9/ Insert the names of any patent management organizations that have been approved. If none are approved, insert "none."

10/ Different dates may be substituted depending on the Agency's needs.

11/ Insert applicable addresses and officers.

4. Add a new section 1-9.109-7 as follows:

§1-9.109-7 Negotiation of Institutional Patent Agreements

(a) Information to be submitted by Institution

An institution desiring to enter into an Institutional Patent Agreement shall provide the agency with the following information:

(1) General information concerning the institution, including:

(i) A copy of its Articles of Incorporation;

(ii) A statement of the intitution's purpose and aims; and

(iii) A statement indicating the source of the institution's funds;

(2) A copy of the institution's established patent policy, together with the date and manner of its adoption;

(3) The name, title, address, and telephone number of the officer responsible for administration of patent and invention matters and a description of staffing in this area, including all offices which contribute to the institution's patent management capabilities;

(4) A description of the institution's procedures for identifying and reporting inventions and a description of the procedures for evaluation of such inventions for inclusion in the institution's promotional program;

(5) A copy of the agreement signed by employees engaged in research and development, indicating their obligation in regard to inventions conceived or for the first time reduced to practice in the course of their assigned duties;

(6) A copy of the invention report form or outline utilized for preparation of invention reports;

(7) A statement whether the institution has an agreement with any patent management organizations or consultants and a copy of any such agreements;

(8) A description of the plans and intentions of the institution to bring to the marketplace inventions to which it retains title, including a description of the efforts typically undertaken by the institution to license its inventions;

(9) A description of the institution's past patent application and patent licensing activities, including the following:

(i) Number of inventions reported to the institution during each of the past ten years;

(ii) Number of patent applications filed during each of the past ten years;

(iii) Number of patents obtained during each of the past ten years;

(iv) Number of exclusive licenses issued during each of the past ten years;

(v) Number of nonexclusive licenses, other than those to sponsoring Government agencies, issued during each of the past ten years;

(vi) Gross royalty income during each of the past ten years;

(vii) A general description of royalties charged, including minimum and maximum royalty rates;

(10) A list of subsidiary or affiliate institutions, which would be covered by an agreement signed by the institution;

(11) If the institution is a subsidiary or affiliate organization, the name of the other organization and a description of the relationship;

(12) The amount of Government support for research and development activities currently being administered by the institution, giving Government agency and breakdown;

(14) A statement of the institution's policies with respect to the sharing of royalties with employees; and

(15) A description of the uses made of any net income generated by the institution's patent management program.

(b) Criteria for evaluation of a technology transfer program

Before an Institutional Patent Agreement is entered into with an institution, the institution shall have a technology transfer program which, as a minumum shall include:

(1) An established patent policy which is consistent with the policy in §1-9.107-3 and is administered on a continuous basis by an officer or organization responsible to the institution;

(2) Agreements with employees requiring them to assign to the institution or its designee or the Government any invention conceived or first actually reduced to practice by them in the course of or under Government contracts and awards or assurance that such agreements are obtained prior to the assignment of personnel to Government-supported research and development projects;

(3) Procedures for insuring that inventions are promptly identified and timely disclosed to the officer or organization administering the patent policy of the institution;

(4) Procedures for insuring that inventions disclosed to the institution are evaluated for inclusion in the institution's promotional program; and

(5) An active and effective promotional program for the licensing and marketing of inventions.