DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

APR 12 1977

NEXT meeting MAY 21

OFFICE OF THE
GENERAL COUNSEL

FPR

Mr. James E. Denny
Chairman
Subcommittee on Intellectual Property
U. S. Energy Research & Development Admin.
Washington, D. C. 20545

Subject: Federal Procurement Regulations Regarding Institutional Patent Agreements (IPA).

Dear Jim:

On November 10, 1976 the General Services Administration submitted the approximately 60 comments received on the proposed amendment to the Federal Procurement Regulations regarding Institutional Patent Agreements (IPA) to the University Patent Policy Subcommittee for initial disposition. The comments were overwhelmingly in favor of proceeding with implementation of the IPA policy. Only one comment could be identified as being opposed to the philosophical premise of the proposed amendment. Notwithstanding a clear endorsement to proceed, a number of the commentors made suggestions on perfecting the proposed regulation.

We are attaching herewith as Appendix A the revised regulation we propose for final publication after review by the Subcommitte on Intellectual Property (SIP) at its April 21, 1977 meeting. In addition, we are attaching as Appendix B a paper organizing the suggested changes under the sections of the regulations to which they pertain with proposed disposition of the suggestion and the rationale for such disposition. If SIP wishes to amend the proposed regulation, this may require changes in the disposition and rationale sections of Appendix B.

The language of various paragraphs of the IPA in the proposed FPR amendment does not entirely correspond with comparable language in the current FPR "short form" clauses. For example, the model IPA provides for reporting of an invention "promptly" after conception of first actual reduction to practice rather than "six months" after such event. The change was deemed appropriate in light of many suggestions pointing out the impracticality of the "six month" period. If SIP wishes to alter the current FPR provisions relating to non-profits to correspond to the proposed FPR language, the University Subcommittee would be pleased to provide implementing language (which we have to some extent begun to develop). However, further work in this direction appears inappropriate without prior direction from SIP.

[illegible] made suggestions on perfecting

I have invited the members of the University Subcommittee not already represented on SIP to attend the meeting in order to aid SIP in its review.

The entire University Subcommittee joins with me in thanking Jesse Lasken, our draftsman, for his timely and precise work produce and his perseverance in accommodating the demands of the Subcommittee.

Sincerely yours,

Norman J. Latker
Chairman, University Patent
Policy Subcommittee

cc: To SIP members w/attachments
University Patent Policy Subcommittee w/attachments
Mr. Charles H. Herz, General Counsel, NSF, w/attachments

OPTIONAL FORM NO. 10
JULY 1973 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : Members of the University Ad Hoc Task Force DATE: March 16, 1977

FROM : Jesse E. Lasken

SUBJECT: Revised Draft of Proposed FPR Revision

Attached is a revision of the FPR/IPA package incorporating the changes agreed to at our meeting of March 10, 1976. Also attached is a copy of Monty Hougen's comments which have been incorporated in this redraft except for #8 as per the discussion at the meeting and the first sentence of the second #6 since this differs from FPR punctuation. Some minor editorial changes suggested by Gene Pawlikowski are also made.

June 21

Distribution:
Norman J. Latker ←
Martin S. Postman
H. M. Hougen
A. F. Kwitnieski
Robert Kempf
John H. Raubitschek
Eugene Pawlikowski
O. A. Neumann
Robert Poteat

Jun 22
Gene Pawl. Konski
Jesse
ADL

Review p. 9 — to conf for FPR consistency.

meeting after Jun 6.

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

DAJA-PA 4 March 1977

MEMORANDUM FOR: CHAIRMAN, UNIVERSITY AD HOC TASK FORCE

SUBJECT: Recommended Changes in Draft FPB Amendments

1. I will be out of town until about the 17th of March and probably unable to attend the next meeting of the task force. The following changes in the draft of 25 February 1977 are therefore recommended for your consideration.

2. Page 3: The several parenthetical repetitions of numbers have been deleted in most places from the new draft. I recommend they be deleted in every place, including paragraph (J).

3. Page 6: In Section (b)(ii), capitalize the word "Section". In Section (c)(iii), eliminate the parenthetical number 60.

4. Page 7: In Section IV(b)(i), eliminate the parenthetical number 3. In Section IV(b) at the paragraph which has no number, change the word "agent" in the second line to read "designee", as that term is more common for the representative of the head of an agency. In the same Section, eliminate the parenthetical number 30.

5. Page 8: In Section V(b), place a comma after the word "contract" in the third line and eliminate the comma after the word "personnel" in the fourth line. After the word "clerical" insert the word "employees".

6. Page 9: In Section VI(a), delete the parenthetical number 6. In Section VI(b)(i), on the seventh line insert a comma after the word "title". On the eleventh line, the words "by this reference" seem to be redundant and could be eliminated.

7. Page 10: In Section VI(b)(iii), delete the parenthetical number 30. In Section VI(b)(iv), delete the redundant words "as requested" in the fourth line.

8. Page 13: In Section IX(b), it appears that we have limited

DAJA-PA
SUBJECT: Recommended Changes in Draft FPP Amendments

the exception for time spent before regulatory agencies to the term which runs eight years from the date of the exclusive license. If it is intended that the exception should also apply to the five-year term from the first sale or use, which conceivably would precede the actions of a regulatory agency, the comma in the eleventh line should be deleted and a comma should be inserted in the twelfth line after the word "license".

9. Page 15: In Section XIII, delete the parenthetical number "(2)".

10. Page 15: The wording of the certificate on page 15 relating to execution of the IPA still differs from the certificate relating to the execution of the confirmatory instrument on page 17. These should be in accord.

11. Page 16: In footnote 1, capitalize the word "agency".

R. M. DOUGLASS
Lieutenant Colonel, JAGC

DRAFT

JEL: Feb. 25, 1977 in accordance with subcommittee mark-up sessions of 2/4/77 and 2/23/77 and 3/10/77

Proposed FPR Revision

Prepared by Ad Hoc Subcommittee on University Patent Policy

February 1977

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 nonprofit organizations 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~~ whereby the organization 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 a nonprofit organization, it shall be made applicable to each contract with the organization in lieu of the Patent Rights clauses in 1-9.107-5 and 1-9.107-6 (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 Agreement. (1) When an agency has determined in accordance with 1-9.109-7 that a nonprofit organization should receive an agreement as authorized under 1-9.107-4(a)(6), ~~Institutional Patent Agreement substantially similar to the standard~~ as follows

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 rights specified in 1-9.107-3(c)-(h);

(C) A requirement that the organization make such inventions available on a nonexclusive basis 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 organization's royalty receipts, after payment of administrative costs, ~~including~~ award payments to inventors, be utilized for educational or research purposes;

(G) A provision permitting the agency to except individual contracts ~~or grants~~ from the operation of the agreement;

(H) A requirement for progress reports after designated periods;

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

(J) A provision permitting termination for convenience by either party upon thirty 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 referred to as the "Agency," and _____, hereinafter referred to as the "Institution,"

~~WITNESSETH:~~

WHEREAS, in accordance with the President's Memorandum and Statement 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 the entire right, title, and interest in and administer inventions made in the course of or under research supported by the Agency, subject to certain rights acquired by the Government;

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

I. Scope of Agreement

This Agreement defines 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 with the Agency, ~~including contracts entered into prior to this Agreement,~~ except contracts specifically excluded by the Agency ~~3/~~ 3/.

(contracts after entrance into Agreement but footnote to bring in existing contracts)

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,

---

~~rights acquired by the Government~~

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] 5/ 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) "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 thereof.

(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 a machine and under such conditions as to establish that the invention is being worked and that its benefits are reasonably accessible to the public.

(e) "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.

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 an 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

Conform to FPR

(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 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 Agency.) 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.

(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 Agency, a license on terms that are reasonable under the circumstances;

(i) 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 in the circumstances or can show cause why the principal or exclusive rights should be retained for a further period of time; or

(ii) 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.

Strike doesn't conform to FPR.

Any requests made pursuant to this subparagraph (b) shall be by the head of the Agency or a duly authorized designee, and the Institution shall be given written notice of any proposed request not less than thirty days prior to the issuance of a formal request and, if it so requests, shall be granted a hearing before the request is issued and otherwise made effective.

Strike doesn't conform to FPR

(c) Notwithstanding Section III(a) or any other provisions of this Agreement, the Institution agrees to license or assign Subject Inventions as directed by the Agency to comply with the terms of any applicable international agreement. At the request of the Institution, the Agency will, after an invention is identified, identify the specific obligations of the Institution with respect to such invention which might otherwise conflict with the provisions of this Agreement. 6/

(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 ~~promptly~~ after conception or first actual reduction to practice, whichever occurs first in the course of or under the contract, but in any event immediately upon 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 other reports and whether or not reference to the Subject Invention has been made in any such reports.

"P" from FPR missing (interim 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. 7/

(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 employees and manual laborers.

(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. However, if the Institution is to file a patent application on a Subject Invention, the Agency agrees, upon written request of the Institution, to use its best efforts to withhold publication of such invention disclosures until a patent application is filed thereon, but in no event shall the Government or its employees be liable for any publication thereof.

(d) The Institution shall not bar or prohibit publication of disclosures of Subject Invention 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 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. However, if the Agency determines that there has been such use or publication of the invention so as to initiate a one-year statutory period which ends less than six months after the election, the Agency may require the application to be filed one month or less 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 six months after such filing, or within six months after submission of the invention disclosure if the patent application was filed prior to the contract, deliver to the Agency (A) a copy of the application as filed, including the filing date and serial number; (B) a copy 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; and (C) a duly executed and approved instrument on the form specified in Exhibit A which is attached hereto and made a part hereof;

(ii) 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(s) (or Grant(s)) No(s). _____ awarded by (identify the Agency or Agencies)";

(iii) not less than thirty 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 upon request executed instruments granting the Government a power of attorney;

(iv) 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; and

(v) provide the Agency with a copy of the patent within six months after a patent issues on the application.

VII. Filing of Foreign Patent Applications

(a) With respect to each Subject Invention in 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 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 months after an election is made pursuant to section III(a) of this Agreement:

(ii) six 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.

elects to retain principal rights in a foreign country pursuant to

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

VIII. Subcontracts

(a) Except as provided in (b), below, or when the subcontractor holds an Institutional Patent Agreement with the Agency, 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(a) or the following clause:

Patent Rights

(a) The Contractor hereby agrees to report fully and promptly to _____ any
(Institution)
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 _____ or its designee.
(Institution)

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

(i) Upon request, such duly executed instruments (prepared by the _____ or its designee)
(Institution)
and such other papers as are deemed necessary to vest in the _____ or its designee the
(Institution)
rights granted under this clause and to enable the _____ or its designee to apply for and
(Institution)
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) The Contractor shall include in any subcontract either a clause identical to this clause or the "Patent Rights - Acquisition by the Government" clause found at 41 CFR 1-9.107-5(a) if a purpose of the subcontract is experimental, developmental, or research work. If a subcontractor refuses 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.

(d) Nothing in this Agreement is intended to preclude the Institution from granting a subcontractor rights or an option to rights in any inventions made by the subcontractor to the extent such rights are consistent with the provisions of this Agreement.

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 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 years from the date of the exclusive license excepting that time before regulatory agencies necessary to obtain premarket clearance, 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 that no royalties shall be payable by its licensees or sublicensees with respect to any Subject Invention in procurements for or on behalf of the Government and to so provide in any instrument transferring rights to any party in any Subject 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 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.

X. Patent Management Organizations

The Institution shall not assign any Subject Invention to parties (other than the Agency) except that it may assign rights in the invention to the following patent management organizations -- _____ 8/ -- or any other patent management organization if subsequently approved by the Agency. Any reference to an Institution in this Agreement shall also include a patent management organization where applicable and any 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 December 31st of each year covering the preceding year ending September 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. 9/ 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 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 10/

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 _____ of the Institution named above; that _____, who signed this Agreement on behalf of said Institution is _____ of said Institution ; and that this Agreement 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.

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/ 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..."

4/ Agencies may wish to limit the scope of the agreement to contracts entered into after the date of the Agreement. In such case, 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.

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

6/ 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).

7/ 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 agency's normal contract close-out procedures.

8/ If none are to be used, insert "none."

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

10/ 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 nonprofit organization

A nonprofit organization 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 organization'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 organization's patent management capabilities;

(4) A description of the organization's procedures for identifying and reporting inventions and a description of the procedures for evaluation of such inventions for inclusion in the organization'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 organization 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 organization to bring to the marketplace inventions to which it retains title, including a description of the efforts typically undertaken by the organization to license its inventions;

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

(i) Number of inventions reported to the organization during each of the past five years;

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

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

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

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

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

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

(viii) Number of patent applications filed [illegible]

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

(11) If the organization 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 organization, giving Government agency and breakdown;

(14) A statement of the organization'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 organization's patent management program.

(b) Criteria for evaluation of a technology transfer program

Before an Institutional Patent Agreement is entered into with a nonprofit organization, the organization shall have a technology transfer program which, as a minimum 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 organization;

(2) Agreements with employees requiring them to assign to the organization 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 prompt invention identification and timely disclosure to the officer or organization administering the patent policy of the institution;

(4) Procedures for invention evaluation; and

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

FEDERAL COORDINATING COUNCIL FOR SCIENCE, ENGINEERING, AND TECHNOLOGY
COMMITTEE ON INTELLECTUAL PROPERTY AND INFORMATION

~~FEDERAL COUNCIL FOR SCIENCE AND TECHNOLOGY~~
~~COMMITTEE ON GOVERNMENT PATENT POLICY~~

U.S. DEPARTMENT OF COMMERCE BUILDING
WASHINGTON, D.C. 20230

UNIVERSITY AD HOC TASK FORCE

Minutes of Meeting - February 14, 1977

The meeting convened at 9:30 a.m. in Room 338 of the National Science Foundation, 1800 G Street, N.W., Washington, D. C.

Attendees

Members Present

Norman J. Latker, Chairman	HEW
Jesse Lasken	NSF
Martin S. Postman	AF
Frank Lukasik	AFSC
L/C H.M. Hougen	Army
A. F. Kwitnieski	ONR
Robert Kempf	NASA
John H. Raubitschek	NSF
Eugene Pawlikowski	NBS

Executive Secretary Present

O. A. Neumann	DOC

Members Absent

Robert Poteat	ERDA

General

The Chairman briefly discussed the actions taken to date by Messrs. Latker and Lasken in compiling the comments received on the proposed amendment to the FPR, and Mr. Lasken's proposed revisions suggested thereby.

Mr. Latker noted and distributed the materials submitted by Mr. Denny setting forth suggested ERDA waiver procedures for nonprofit institutions having a patent management capability. Mr. Latker also advised that Mr. Henderson indicated DOD would probably agree to accept any list of institutions approved by the interagency group.

Mr. Kempf asked if the proposed amendment to the FPR covering nonprofit institutions would deviate with respect to reporting and other procedures set forth in the basic short form patent rights clauses of the FPR. Mr. Lasken suggested that the short form clauses of the FPR be modified to accommodate the changes made to the clauses for use under the IPA's. It was the consensus of the task force that any deviations would also be recommended for the short form clause of the FPR to assure the desired uniformity.

Revisions to FPR Amendment

A page-by-page review of the proposed FPR amendment was made with the task force adopting certain modifications suggested by the comments received.

It was agreed that the disposition, and rationale therefor, of the comments are to be documented for the record by Messrs. Latker and Lasken. It was further agreed that the work of the Task Force would be further reviewed by the Intellectual Property Subcommittee and that its recommendations be submitted to GSA.

Next Meeting

For the next meeting, the Chairman asked the members to consider whether or not the 6-month period for reporting inventions ought to be extended, and what period - 6, 12, 18 or 24 months, is preferable.

The Chairman would advise the members of the next meeting date.

The meeting adjourned at 3:15 p.m.

O. A. Neumann
Executive Secretary

The meeting adjourned at 3:15 p.m.

NJL

FEDERAL COORDINATING COUNCIL FOR SCIENCE, ENGINEERING, AND TECHNOLOGY
COMMITTEE ON INTELLECTUAL PROPERTY AND INFORMATION

~~FEDERAL COUNCIL FOR SCIENCE AND TECHNOLOGY~~
~~COMMITTEE ON GOVERNMENT PATENT POLICY~~
U.S. DEPARTMENT OF COMMERCE BUILDING
WASHINGTON, D.C. 20230

UNIVERSITY AD HOC TASK FORCE

Minutes of Meeting - February 23, 1977

The meeting convened at 9:30 a.m. in Room 321 of the National Science Foundation, 1800 G Street, N.W., Washington, D. C.

Attendees

Members Present

Norman J. Latker, Chairman	HEW
Jesse Lasken	NSF
Eugene Pawlikowski	NBS
John Raubitschek	NSF
Robert Crawford for A.F. Kwitnieski	ONR
LTC H.M. Hougen	Army
Thomas Kundert	AF
Capt. John J. Bartus	AF (BAFB)

Executive Secretary Present

O. A. Neumann	DOC

Members Absent

Frank Lukasik	AFSC
Robert Poteat	ERDA
Robert Kempf	NASA

The Executive Secretary distributed the minutes of the February 4, 1977 meeting.

REVIEW OF THE FPR AMENDMENT

The Task Force continued its page-by-page review of the proposed amendment to the FPR concerning Institutional Patent Agreements.

The 6-month period for reporting under subparagraph V.(a)(i) [page 30] was discussed at length. All agreed that this period was in practice too short. It was suggested first that the words "promptly but in any event immediately upon" replace the specific time period. The Chairman noted that this was a suggested change to the Subcommittee on Intellectual Property and that agencies were not to be bound by it.

The Task Force completed its review of the comments and revised the proposed amendment to the FPR as appropriate.

PROCEDURE

It was agreed that Mr. Lasken would make available to the members the revised amendment for additional clean-up comments.

It was also agreed that Mr. Latker would advise Mr. Denny of the options as to how the Task Force should proceed.

The meeting adjourned at 3:30 p.m.

O. A. Neumann
Executive Secretary

OPTIONAL FORM NO. 10
JULY 1973 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : Members of the University Ad Hoc Task Force

DATE: FEB 2 8 1977

FROM : Jesse E. Lasken

SUBJECT: Revised Draft of FPRs

PATENT BRANCH, OGC
DHEW

MAR 1 1977

Enclosed for your review is a revised draft of the proposed FPR amendments based on our meetings of February 4 and 23, 1977. If you find any typographical errors please let me know so that these can be corrected. Any substantive comments that might require additional meetings to resolve should be addressed to Norm Latker.

It is my understanding that Norm is to determine whether we should also prepare other FPR changes to bring the "Short Form" clauses in line with the proposed language in the IPA. Assuming this is to be done, I would be prepared to submit a draft to the Task Force for consideration at another meeting. I have done a preliminary draft, and it would be a relatively easy task to complete a draft.

Distribution:
Norman J. Latker ←
Martin S. Postman
H. M. Hougen
A. F. Kwitnieski
Robert Kempf
John H. Raubitschek
Eugene Pawlikowski
O. A. Neumann
Robert Poteat



5010-110

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

DRAFT

JEL: Feb. 25, 1977 in accordance with subcommittee mark-up sessions of 2/4/77 and 2/23/77

Proposed FPR Revision

Prepared by Ad Hoc Subcommittee on University Patent Policy

February 1977

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 (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 Agreement . (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 rights specified in 1-9.107-3(e)-(h);

(C) A requirement that the institution make such inventions available on a nonexclusive basis 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, including payments to inventors, be utilized for educational or research purposes;

(G) A provision permitting the agency to except individual contracts or grants from the operation of the agreement;

(H) A requirement for progress reports after designated periods;

(I) A prohibition against assignment of inventions without Governmental approval to persons or organizations, other than assignments to approved patent management organizations subject to the above conditions; 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 Memorandum and Statement 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 the entire right, title, and interest in and administer inventions made in the course of or under research supported by the Agency, subject to certain rights acquired by the Government:

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

I. Scope of Agreement

This Agreement defines 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 with the Agency, including contracts entered into prior to this Agreement, except contracts specifically excluded by the Agency. 3/ 4/

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,

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rights acquired by the Government.

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] 5/ 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) "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 thereof.

(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 a machine and under such conditions as to establish that the invention is being worked and that its benefits are reasonably accessible to the public.

(e) "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.

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 an 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.

5/ ... to any invention or discovery

(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.

(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 Agency, a license on terms that are reasonable under the circumstances;

(i) 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 in the circumstances or can show cause why the principal or exclusive rights should be retained for a further period of time; or

(ii) 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.

Any requests made pursuant to this subparagraph (b) shall be by the head of the Agency or a duly authorized agent, and the Institution shall be given written notice of any proposed request not less than thirty (30) days prior to the issuance of a formal request and, if it so requests, shall be granted a hearing before the request is issued and otherwise made effective

(c) Notwithstanding Section III(a) or any other provisions of this Agreement, the Institution agrees to license or assign Subject Inventions as directed by the Agency to comply with the terms of any applicable international agreement. At the request of the Institution, the Agency will, after an invention is identified, identify the specific obligations of the Institution with respect to such invention which might otherwise conflict with the provisions of this Agreement. 6/

(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 promptly after conception or first actual reduction to practice, whichever occurs first in the course of or under the contract, but in any event immediately upon 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 other reports and whether or not reference to the Subject Invention has been made in any 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. 7/

(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 laborers.

(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. Notwithstanding, the Agency will take reasonable care to ensure that such disclosures are not released to the public unless the Agency determines, after consultation with the Institution, that the proposed release will not adversely affect the Institution's opportunity to obtain patent protection.

(d) The Institution shall not bar or prohibit publication of disclosures of Subject Invention 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. However, if the Agency determines that there has been such use or publication of the invention so as to initiate a one-year statutory period which ends less than six months after the election, the Agency may require the application to be filed one month or less 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 six months after such filing, or within six months after submission of the invention disclosure if the patent application was filed prior to the contract, deliver to the Agency (A) a copy of the application as filed, including the filing date and serial number; (B) a copy 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; and (C) 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;

(ii) 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(s) (or Grant(s)) No(s). _____ awarded by (identify the Agency or Agencies)";

(iii) 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 upon request executed instruments granting the Government a power of attorney;

(iv) 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; and

(v) provide the Agency with a copy of the patent within six months after a patent issues on the application.

VII. 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 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 months after an election is made pursuant to section III(a) of this Agreement:

(ii) six 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.

(a) With respect to each Subject Invention

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

VIII. Subcontracts

(a) Except as provided in (b), below, or when the subcontractor holds an Institutional Patent Agreement with the Agency, 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(a) or the following clause:

Patent Rights

(a) The Contractor hereby agrees to report fully and promptly to _____ any
(Institution)
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 _____ or its designee.
(Institution)

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

(i) Upon request, such duly executed instruments (prepared by the _____ or its designee)
(Institution)
and such other papers as are deemed necessary to vest in the _____ or its designee the
(Institution)
rights granted under this clause and to enable the _____ or its designee to apply for and
(Institution)
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) The Contractor shall include in any subcontract either a clause identical to this clause or the "Patent Rights - Acquisition by the Government" clause found at 41 CFR 1-9.107-5(a) if a purpose of the subcontract is experimental, developmental, or research work. If a subcontractor refuses 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.

(d) Nothing in this Agreement is intended to preclude the Institution from granting a subcontractor rights or an option to rights in any inventions made by the subcontractor to the extent such rights are consistent with the provisions of this Agreement.

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 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 years from the date of the exclusive license excepting that time before regulatory agencies necessary to obtain premarket clearance, 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 that no royalties shall be payable by its licensees or sublicensees with respect to any Subject Invention in procurements for or on behalf of the Government and to so provide in any instrument transferring rights to any party in any Subject 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 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.

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period of exclusivity shall be subject to approval of the Agency. Upon

X. Patent Management Organizations

The Institution shall not assign any Subject Invention to parties (other than the Agency) except that it may assign rights in the invention to the following patent management organizations -- _____ 8/ -- or any other patent management organization if subsequently 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 December 31st of each year covering the preceding year ending September 30th, regarding the status of development and commercial use that is being made or intended to be made or 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. 9/ 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 10/

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 Institution was then _____ of said Institution ; and that this Agreement 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.

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/ 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..."

4/ Agencies may wish to limit the scope of the agreement to contracts entered into after the date of the Agreement. In such case, 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.

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

6/ 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).

7/ 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 agency's normal contract close-out procedures.

8/ If none are to be used, insert "none."

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

10/ 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;

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(3) The name, title, address, and

(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 five years;

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

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

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

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

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

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

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applications filed during each of the

(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 prompt invention identification and timely disclosure to the officer or organization administering the patent policy of the institution;

(4) Procedures for invention evaluation; and

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

PATENT BRANCH, OGC
DHEW
MAR 23 1977

FEDERAL COORDINATING COUNCIL FOR SCIENCE, ENGINEERING, AND TECHNOLOGY
COMMITTEE ON INTELLECTUAL PROPERTY AND INFORMATION
U.S. Department of Commerce Building
Washington, D. C. 20230

UNIVERSITY AD HOC TASK FORCE

Minutes of Meeting - March 10, 1977

The meeting convened at 9:45 a.m. in Room 511 of the National Science Foundation, 1800 G Street, N.W., Washington, D. C.

Attendees

Members Present

Norman J. Latker, Chairman	HEW
Jesse Lasken	NSF
Robert Kempf	NASA
Eugene Pawlikowski	NBS
A. F. Kwitnieski	ONR
Thomas Kundert for Martin Postman	AF

Executive Secretary Present

O. A. Neumann	DOC

Members Absent

Robert Poteat	ERDA
LTC H. M. Hougen	Army
John Raubitschek	NSF

IPA REVIEW

The Chairman asked for specific comments to the Institutional Patent Agreement, and to the March 10, 1977 memorandum distributed by Mr. Lasken at the beginning of the meeting.

Following a discussion of Mr. Lasken's work product, it was agreed that Mr. Latker would make available to the Subcommittee on Intellectual Property the revised IPA, and would suggest the revising of the FPR if the revisions to the IPA are adopted.

The Task Force also agreed that a copy of the comments received by GSA together with the disposition and rationale therefor would be prepared and made available to GSA when the proposed amendment to the FPR relating to the IPA is submitted for issuance.

CORRECTION TO MINUTES

Mr. Neumann noted Mr. Lukasik's request to correct the minutes of the February 4, 1977 meeting of the Subcommittee by adding his stated opposition at that meeting to the continued work

on the IPA. This statement is intended to provide the correction.

The meeting adjourned at 11:45 a.m.

O. A. Neumann
Executive Secretary

cc: Frank Lukasik