

of the exceptions at §401.3(a) was applied, except that the Department of Energy is authorized to process deferred determinations either in accordance with its waiver regulations or this section. A contractor requesting greater rights should include with its request information on its plans and intentions to bring the invention to practical application. Within 90 days after receiving a request and supporting information, or sooner if a statutory bar to patenting is imminent, the agency should seek to make a determination. In any event, if a bar to patenting is imminent, unless the agency plans to file on its own, it shall authorize the contractor to file a patent application pending a determination by the agency. Such a filing shall normally be at the contractor's own risk and expense. However, if the agency subsequently refuses to allow the contractor to retain title and elects to proceed with the patent application under government ownership, it shall reimburse the contractor for the cost of preparing and filing the patent application.

(b) If the circumstances of concerns which originally led the agency to invoke an exception under §401.3(a) are not applicable to the actual subject invention or are no longer valid because of subsequent events, the agency should allow the contractor to retain title to the invention on the same conditions as would have applied if the standard clause at §401.14(a) had been used originally, unless it has been licensed.

(c) If paragraph (b) is not applicable the agency shall make its determination based on an assessment whether its own plans regarding the invention will better promote the policies and objectives of 35 U.S.C. 200 than will contractor ownership of the invention. Moreover, if the agency is concerned only about specific uses or applications of the invention, it shall consider leaving title in the contractor with additional conditions imposed upon the contractor's use of the invention for such applications or with expanded government license rights in such applications.

(d) A determination not to allow the contractor to retain title to a subject invention or to restrict or condition its

title with conditions differing from those in the clause at §401.14(a), unless made by the head of the agency, shall be appealable by the contractor to an agency official at a level above the person who made the determination. This appeal shall be subject to the procedures applicable to appeals under §401.11 of this part.

§ 401.16 Electronic filing.

Unless otherwise requested or directed by the agency,

(a) The written report required in (c)(1) of the standard clause in §401.14(a) may be electronically filed;

(b) The written election required in (c)(2) of the standard clause in §401.14(a) may be electronically filed; and

(c) The close-out report in (f)(1) and the information identified in (f)(2) and (f)(3) of §401.5 may be electronically filed.

[60 FR 41812, Aug. 14, 1995]

§ 401.17 Submissions and inquiries.

All submissions or inquiries should be directed to Director, Technology Competitiveness Staff, Office of Technology Policy, Technology Administration, telephone number 202-482-2100, Room H4418, U.S. Department of Commerce, Washington, DC 20230.

[60 FR 41812, Aug. 14, 1995]

PART 404—LICENSING OF GOVERNMENT OWNED INVENTIONS

Sec.

404.1 Scope of part.

404.2 Policy and objective.

404.3 Definitions.

404.4 Authority to grant licenses.

404.5 Restrictions and conditions on all licenses granted under this part.

404.6 Nonexclusive licenses.

404.7 Exclusive, co-exclusive and partially exclusive licenses.

404.8 Application for a license.

404.9 [Reserved]

404.10 Modification and termination of licenses.

404.11 Appeals.

404.12 Protection and administration of inventions.

404.13 Transfer of custody.

404.14 Confidentiality of information.

AUTHORITY: 35 U.S.C. 207-209.

§ 404.1

37 CFR Ch. IV (7-1-06 Edition)

SOURCE: 50 FR 9802, Mar. 12, 1985, unless otherwise noted.

§ 404.1 Scope of part.

This part prescribes the terms, conditions, and procedures upon which a federally owned invention, other than an invention in the custody of the Tennessee Valley Authority, may be licensed. This part does not affect licenses which:

(a) Were in effect prior to April 7, 2006;

(b) May exist at the time of the Government's acquisition of title to the invention, including those resulting from the allocation of rights to inventions made under Government research and development contracts;

(c) Are the result of an authorized exchange of rights in the settlement of patent disputes, including interferences; or

(d) Are otherwise authorized by law or treaty, including 35 U.S.C. 202(e), 35 U.S.C. 207(a)(3) and 15 U.S.C. 3710a, which also may authorize the assignment of inventions. Although licenses on inventions made under a cooperative research and development agreement (CRADA) are not subject to this regulation, agencies are encouraged to apply the same policies and use similar terms when appropriate. Similarly, this should be done for licenses granted under inventions where the agency has acquired rights pursuant to 35 U.S.C. 207(a)(3).

[71 FR 11512, Mar. 8, 2006]

§ 404.2 Policy and objective.

It is the policy and objective of this subpart to use the patent system to promote the utilization of inventions arising from federally supported research or development.

§ 404.3 Definitions.

(a) *Government owned invention* means an invention, whether or not covered by a patent or patent application, or discovery which is or may be patentable or otherwise protectable under Title 35, the Plant Variety Protection Act (7 U.S.C. 2321 *et seq.*) or foreign patent law, owned in whole or in part by the United States Government.

(b) *Federal agency* means an executive department, military department, Gov-

ernment corporation, or independent establishment, except the Tennessee Valley Authority, which has custody of a federally owned invention.

(c) *Small business firm* means a small business concern as defined in section 2 of Pub. L. 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration.

(d) *Practical application* means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are to the extent permitted by law or Government regulations available to the public on reasonable terms.

(e) *United States* means the United States of America, its territories and possessions, the District of Columbia, and the Commonwealth of Puerto Rico.

[50 FR 9802, Mar. 12, 1985, as amended at 71 FR 11512, Mar. 8, 2006]

§ 404.4 Authority to grant licenses.

Federally owned inventions shall be made available for licensing as deemed appropriate in the public interest and each agency shall notify the public of these available inventions. The agencies having custody of these inventions may grant nonexclusive, co-exclusive, partially exclusive, or exclusive licenses thereto under this part. Licenses may be royalty-free or for royalties or other consideration. They may be for all or less than all fields of use or in specified geographic areas and may include a release for past infringement. Any license shall not confer on any person immunity from the anti-trust laws or from a charge of patent misuse, and the exercise of such rights pursuant to this part shall not be immunized from the operation of state or federal law by reason of the source of the grant.

[71 FR 11512, Mar. 8, 2006]

§ 404.5 Restrictions and conditions on all licenses granted under this part.

(a)(1) A license may be granted only if the applicant has supplied the Federal agency with a satisfactory plan for