

## § 404.6

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

violated the Federal antitrust laws in connection with its performance under the license agreement.

(9) The license may be modified or terminated, consistent with this part, upon mutual agreement of the Federal agency and the licensee.

(10) The license may be modified or terminated, consistent with this part, upon mutual agreement of the Federal agency and the licensee.

(11) Nothing relating to the grant of a license, nor the grant itself, shall be construed to confer upon any person any immunity from or defenses under the antitrust laws or from a charge of patent misuse, and the acquisition and use of 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.

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

### § 404.6 Nonexclusive licenses.

Nonexclusive licenses may be granted under Government owned inventions without a public notice of a prospective license.

[71 FR 11513, Mar. 8, 2006]

### § 404.7 Exclusive, co-exclusive and partially exclusive licenses.

(a)(1) Exclusive, co-exclusive or partially exclusive domestic licenses may be granted on Government owned inventions, only if:

(i) Notice of a prospective license, identifying the invention and the prospective licensee, has been published in the FEDERAL REGISTER, providing opportunity for filing written objections within at least a 15-day period;

(ii) After expiration of the period in § 404.7(a)(1)(i) and consideration of any written objections received during the period, the Federal agency has determined that:

(A) The public will be served by the granting of the license, in view of the applicant's intentions, plans and ability to bring the invention to the point of practical application or otherwise promote the invention's utilization by the public.

(B) Exclusive, co-exclusive or partially exclusive licensing is a reasonable and necessary incentive to call

forth the investment capital and expenditures needed to bring the invention to practical application or otherwise promote the invention's utilization by the public; and

(C) The proposed scope of exclusivity is not greater than reasonably necessary to provide the incentive for bringing the invention to practical application, as proposed by the applicant, or otherwise to promote the invention's utilization by the public;

(iii) The Federal agency has not determined that the grant of such a license will tend substantially to lessen competition or create or maintain a violation of the Federal antitrust laws; and

(iv) The Federal agency has given first preference to any small business firms submitting plans that are determined by the agency to be within the capability of the firms and as having equal or greater likelihood as those from other applicants to bring the invention to practical application within a reasonable time.

(2) In addition to the provisions of § 404.5, the following terms and conditions apply to domestic exclusive, co-exclusive and partially exclusive licenses:

(i) The license shall be subject to the irrevocable, royalty-free right of the Government of the United States to practice or have practiced the invention on behalf of the United States and on behalf of any foreign government or international organization pursuant to any existing or future treaty or agreement with the United States.

(ii) The license shall reserve to the Federal agency the right to require the licensee to grant sublicenses to responsible applicants, on reasonable terms, when necessary to fulfill health or safety needs.

(iii) The license shall be subject to any licenses in force at the time of the grant of the exclusive, co-exclusive or partially exclusive license.

(b)(1) Exclusive, co-exclusive or partially exclusive foreign licenses may be granted on a Government owned invention provided that:

(i) Notice of the prospective license, identifying the invention and prospective licensee, has been published in the

FEDERAL REGISTER, providing opportunity for filing written objections within at least a 15-day period and following consideration of such objections received during the period;

(ii) The agency has considered whether the interests of the Federal Government or United States industry in foreign commerce will be enhanced; and

(iii) The Federal agency has not determined that the grant of such a license will tend substantially to lessen competition or create or maintain a violation of the Federal antitrust laws.

(2) In addition to the provisions of § 404.5, the following terms and conditions apply to foreign exclusive, co-exclusive and partially exclusive licenses:

(i) The license shall be subject to the irrevocable, royalty-free right of the Government of the United States to practice and have practiced the invention on behalf of the United States and on behalf of any foreign government or international organization pursuant to any existing or future treaty or agreement with the United States.

(ii) The license shall be subject to any licenses in force at the time of the grant of the exclusive, co-exclusive or partially exclusive license.

(iii) The license may grant the licensee the right to take any suitable and necessary actions to protect the licensed property, on behalf of the Federal Government.

(c) Federal agencies shall maintain a record of determinations to grant exclusive, co-exclusive or partially exclusive licenses.

[71 FR 11513, Mar. 8, 2006]

#### § 404.8 Application for a license.

An application for a license should be addressed to the Federal agency having custody of the invention and shall normally include:

(a) Identification of the invention for which the license is desired including the patent application serial number or patent number, title, and date, if known;

(b) Identification of the type of license for which the application is submitted;

(c) Name and address of the person, company, or organization applying for the license and the citizenship or place of incorporation of the applicant;

(d) Name, address, and telephone number of the representative of the applicant to whom correspondence should be sent;

(e) Nature and type of applicant's business, identifying products or services which the applicant has successfully commercialized, and approximate number of applicant's employees;

(f) Source of information concerning the availability of a license on the invention;

(g) A statement indicating whether the applicant is a small business firm as defined in § 404.3(c)

(h) A detailed description of applicant's plan for development or marketing of the invention, or both, which should include:

(1) A statement of the time, nature and amount of anticipated investment of capital and other resources which applicant believes will be required to bring the invention to practical application;

(2) A statement as to applicant's capability and intention to fulfill the plan, including information regarding manufacturing, marketing, financial, and technical resources;

(3) A statement of the fields of use for which applicant intends to practice the invention; and

(4) A statement of the geographic areas in which applicant intends to manufacture any products embodying the invention and geographic areas where applicant intends to use or sell the invention, or both;

(i) Identification of licenses previously granted to applicant under federally owned inventions;

(j) A statement containing applicant's best knowledge of the extent to which the invention is being practiced by private industry or Government, or both, or is otherwise available commercially; and

(k) Any other information which applicant believes will support a determination to grant the license to applicant.

#### § 404.9 [Reserved]

#### § 404.10 Modification and termination of licenses.

Before modifying or terminating a license, other than by mutual agreement, the Federal agency shall furnish