

agreement the invention was made upon a showing by the small business firm, nonprofit organization, or assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

(Added Pub. L. 96-517, §6(a), Dec. 12, 1980, 94 Stat. 3023.)

§ 205. Confidentiality

Federal agencies are authorized to withhold from disclosure to the public information disclosing any invention in which the Federal Government owns or may own a right, title, or interest (including a nonexclusive license) for a reasonable time in order for a patent application to be filed. Furthermore, Federal agencies shall not be required to release copies of any document which is part of an application for patent filed with the United States Patent and Trademark Office or with any foreign patent office.

(Added Pub. L. 96-517, §6(a), Dec. 12, 1980, 94 Stat. 3023.)

§ 206. Uniform clauses and regulations

The Secretary of Commerce may issue regulations which may be made applicable to Federal agencies implementing the provisions of sections 202 through 204 of this chapter and shall establish standard funding agreement provisions required under this chapter. The regulations and the standard funding agreement shall be subject to public comment before their issuance.

(Added Pub. L. 96-517, §6(a), Dec. 12, 1980, 94 Stat. 3023; amended Pub. L. 98-620, title V, §501(10), Nov. 8, 1984, 98 Stat. 3367.)

AMENDMENTS

1984—Pub. L. 98-620 amended section generally. Prior to amendment, section read as follows: "The Office of Federal Procurement Policy, after receiving recommendations of the Office of Science and Technology Policy, may issue regulations which may be made applicable to Federal agencies implementing the provisions of sections 202 through 204 of this chapter and the Office of Federal Procurement Policy shall establish standard funding agreement provisions required under this chapter."

§ 207. Domestic and foreign protection of federally owned inventions

(a) Each Federal agency is authorized to—

(1) apply for, obtain, and maintain patents or other forms of protection in the United States and in foreign countries on inventions in which the Federal Government owns a right, title, or interest;

(2) grant nonexclusive, exclusive, or partially exclusive licenses under federally owned inventions, royalty-free or for royalties or other consideration, and on such terms and conditions, including the grant to the licensee of the right of enforcement pursuant to the provisions of chapter 29 of this title as determined appropriate in the public interest;

(3) undertake all other suitable and necessary steps to protect and administer rights

to federally owned inventions on behalf of the Federal Government either directly or through contract, including acquiring rights for and administering royalties to the Federal Government in any invention, but only to the extent the party from whom the rights are acquired voluntarily enters into the transaction, to facilitate the licensing of a federally owned invention; and

(4) transfer custody and administration, in whole or in part, to another Federal agency, of the right, title, or interest in any federally owned invention.

(b) For the purpose of assuring the effective management of Government-owned inventions, the Secretary of Commerce is authorized to—

(1) assist Federal agency efforts to promote the licensing and utilization of Government-owned inventions;

(2) assist Federal agencies in seeking protection and maintaining inventions in foreign countries, including the payment of fees and costs connected therewith; and

(3) consult with and advise Federal agencies as to areas of science and technology research and development with potential for commercial utilization.

(Added Pub. L. 96-517, §6(a), Dec. 12, 1980, 94 Stat. 3023; amended Pub. L. 98-620, title V, §501(11), Nov. 8, 1984, 98 Stat. 3367; Pub. L. 106-404, §6(2), Nov. 1, 2000, 114 Stat. 1745.)

AMENDMENTS

2000—Subsec. (a)(2). Pub. L. 106-404, §6(2)(A), substituted "inventions" for "patent applications, patents, or other forms of protection obtained".

Subsec. (a)(3). Pub. L. 106-404, §6(2)(B), inserted "including acquiring rights for and administering royalties to the Federal Government in any invention, but only to the extent the party from whom the rights are acquired voluntarily enters into the transaction, to facilitate the licensing of a federally owned invention" after "or through contract".

1984—Pub. L. 98-620 designated existing provisions as subsec. (a) and added subsec. (b).

EX. ORD. NO. 9424. ESTABLISHMENT OF A REGISTER OF GOVERNMENT INTERESTS IN PATENTS

Ex. Ord. No. 9424, Feb. 18, 1944, 9 F.R. 1959, provided:

1. The Secretary of Commerce shall cause to be established in the United States Patent Office [now Patent and Trademark Office] a separate register for the recording of all rights and interests of the Government in or under patents and applications for patents.

2. The several departments and other executive agencies of the Government, including Government-owned or Government-controlled corporations, shall forward promptly to the Commissioner of Patents [now Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office] for recording in the separate register provided for in paragraph 1 hereof all licenses, assignments, or other interests of the Government in or under patents or applications for patents, in accordance with such rules and regulations as may be prescribed pursuant to paragraph 4 hereof; but the lack of recordation in such register of any right or interest of the Government in or under any patent or application therefor shall not prejudice in any way the assertion of such right or interest by the Government.

3. The register shall be open to inspection except as to such entries or documents which, in the opinion of the department or agency submitting them for recording, should be maintained in secrecy: *Provided, however,*

That the right of inspection may be restricted to authorized representatives of the Government pending the final report to the President by the National Patent Planning Commission under Executive Order No. 8977 of December 12, 1941, and action thereon by the President.

4. The Commissioner of Patents [now Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office], with the approval of the Secretary of Commerce, shall prescribe such rules and regulations as he may deem necessary to effectuate the purposes of this order.

EX. ORD. NO. 9865. PATENT PROTECTION ABROAD OF INVENTIONS RESULTING FROM RESEARCH FINANCED BY THE GOVERNMENT

Ex. Ord. No. 9865, June 14, 1947, 12 F.R. 3907, as amended by Ex. Ord. No. 10096, Jan. 23, 1950, 15 F.R. 389, provided:

1. All Government departments and agencies shall, whenever practicable, acquire the right to file foreign patent applications on inventions resulting from research conducted or financed by the Government.

2. All Government departments and agencies which have or may hereafter acquire title to inventions or the right to file patent applications abroad thereon, shall fully and continuously inform the Chairman of Government Patents Board [now Secretary of Commerce. See Ex. Ord. No. 10930 set out as a note below] concerning such inventions, except as provided in section 6 hereof, and shall make recommendations to the Chairman of Government Patents Board as to which of such inventions should receive patent protection by the United States abroad and the foreign jurisdictions in which such patent protection should be sought. The recommendations of such departments and agencies shall indicate the immediate or future industrial, commercial or other value of the invention concerned, including its value to public health.

3. The Chairman of Government Patents Board shall determine whether, and in what foreign jurisdictions, the United States should seek patents for such inventions, and, to the extent of appropriations available therefor, shall procure patent protection for such inventions, taking all action, consistent with existing law, necessary to acquire and maintain patent rights abroad. Such determinations of the said Department shall be made after full consultation with United States industry and commerce, with the Department of State, and with other Government agencies familiar with the technical, scientific, industrial, commercial or other economic or social factors affecting the invention involved, and after consideration of the availability of valid patent protection in the countries determined to be immediate or potential markets for, or producers of, products, processes, or services covered by or relating to the invention.

4. The Chairman of Government Patents Board shall administer foreign patents acquired by the United States under the terms of this order and shall issue licenses thereunder in accordance with law under such rules and regulations as he shall prescribe. Nationals of the United States shall be granted licenses on a non-exclusive royalty free basis except in such cases as he shall determine and proclaim it to be inconsistent with the public interest to issue such licenses on a nonexclusive royalty free basis.

5. The Department of State, in consultation with the Chairman of Government Patents Board, shall negotiate arrangements among governments under which each government and its nationals shall have access to the foreign patents of the other participating governments. Patents relating to matters of public health may be licensed by the Chairman of Government Patents Board, with the approval of the Secretary of State, to any country or its nationals upon such terms and conditions as are in accordance with law and as the Chairman of Government Patents Board determines to be appropriate, regardless of whether such country is a party to the arrangements provided for in this section.

6. There shall be exempted from the provisions of this order (a) all inventions within the jurisdiction of the Atomic Energy Commission except in such cases as the said Commission specifically authorizes the inclusion of an invention under the terms of this order; and (b) all other inventions officially classified as secret or confidential for reasons of the national security. Nothing in this order shall supersede the declassification policies and procedures established by Executive Orders Nos. 9568 of June 8, 1945, 9604 of August 25, 1945, and 9809 of December 12, 1946.

[Atomic Energy Commission abolished and all functions transferred to Administrator of Energy Research and Development Administration (unless otherwise specifically provided) by section 5814 of Title 42, The Public Health and Welfare. Energy Research and Development Administration terminated and functions vested by law in Administrator thereof transferred to Secretary of Energy (unless otherwise specifically provided) by sections 7151(a) and 7293 of Title 42.]

EX. ORD. NO. 10096. UNIFORM GOVERNMENT PATENT POLICY FOR INVENTIONS BY GOVERNMENT EMPLOYEES

Ex. Ord. No. 10096, Jan. 23, 1950, 15 F.R. 389, as amended by Ex. Ord. No. 10695, Jan. 16, 1957, 22 F.R. 365; Ex. Ord. No. 10930, Mar. 24, 1961, 26 F.R. 2583, provided:

NOW, THEREFORE, by virtue of the authority vested in me by the Constitution and statutes, and as President of the United States and Commander in Chief of the armed forces of the United States, in the interest of the establishment and operation of a uniform patent policy for the Government with respect to inventions made by Government employees, it is hereby ordered as follows:

1. The following basic policy is established for all Government agencies with respect to inventions hereafter made by any Government employee:

(a) The Government shall obtain the entire right, title, and interest in and to all inventions made by any Government employee (1) during working hours, or (2) with a contribution by the Government of facilities, equipment, materials, funds, or information, or of time or services of other Government employees on official duty, or (3) which bear a direct relation to or are made in consequence of the official duties of the inventor.

(b) In any case where the contribution of the Government, as measured by any one or more of the criteria set forth in paragraph (a) last above, to the invention, is insufficient equitably to justify a requirement of assignment to the Government of the entire right, title and interest to such invention, or in any case where the Government has insufficient interest in an invention to obtain entire right, title and interest therein (although the Government could obtain some under paragraph (a), above), the Government agency concerned, subject to the approval of the Chairman of the Government Patents Board [now Secretary of Commerce. See Ex. Ord. No. 10930 set out as a note below] (provided for in paragraph 3 of this order and hereinafter referred to as the Chairman), shall leave title to such invention in the employee, subject, however, to the reservation to the Government of a non-exclusive, irrevocable, royalty-free license in the invention with power to grant licenses for all governmental purposes, such reservation, in the terms thereof, to appear, where practicable, in any patent, domestic or foreign, which may issue on such invention.

(c) In applying the provisions of paragraphs (a) and (b), above, to the facts and circumstances relating to the making of any particular invention, it shall be presumed that an invention made by an employee who is employed or assigned (i) to invent or improve or perfect any art, machine, manufacture, or composition of matter, (ii) to conduct or perform research, development work, or both, (iii) to supervise, direct, coordinate, or review Government financed or conducted research, development work, or both, or (iv) to act in a liaison capacity among governmental or nongovernmental agencies or individuals engaged in such work, or made by an employee included within any other category of em-

ployees specified by regulations issued pursuant to section 4(b) hereof, falls within the provisions of paragraph (a), above, and it shall be presumed that any invention made by any other employee falls within the provisions of paragraph (b), above. Either presumption may be rebutted by the facts or circumstances attendant upon the conditions under which any particular invention is made and, notwithstanding the foregoing, shall not preclude a determination that the invention falls within the provisions of paragraph (d) next below.

(d) In any case wherein the Government neither (1) pursuant to the provisions of paragraph (a) above, obtains entire right, title and interest in and to an invention nor (2) pursuant to the provisions of paragraph (b) above, reserves a non-exclusive, irrevocable, royalty-free license in the invention with power to grant licenses for all governmental purposes, the Government shall leave the entire right, title and interest in and to the invention in the Government employee, subject to law.

(e) Actions taken, and rights acquired, under the foregoing provisions of this section, shall be reported to the Chairman in accordance with procedures established by him.

2. Subject to considerations of national security, or public health, safety, or welfare, the following basic policy is established for the collection, and dissemination to the public, of information concerning inventions resulting from Government research and development activities:

(a) When an invention is made under circumstances defined in paragraph 1(a) of this order giving the United States the right to title thereto, the Government agency concerned shall either prepare and file an application for patent therefor in the United States Patent Office [now Patent and Trademark Office] or make a full disclosure of the invention promptly to the Chairman, who may, if he determines the Government interest so requires, cause application for patent to be filed or cause the invention to be fully disclosed by publication thereof: *Provided, however*, That, consistent with present practice of the Department of Agriculture, no application for patent shall, without the approval of the Secretary of Agriculture, be filed in respect of any variety of plant invented by any employee of that Department.

(b) [Revoked. Ex. Ord. No. 10695, Jan. 16, 1957, 22 F.R. 365]

3. (a) [Revoked. Ex. Ord. No. 10930, Mar. 24, 1961, 26 F.R. 2583]

(b) The Government Patents Board shall advise and confer with the Chairman concerning the operation of those aspects of the Government's patent policy which are affected by the provisions of this order or of Executive Order No. 9865 [set out above], and suggest modifications or improvements where necessary.

(c) [Revoked. Ex. Ord. No. 10930, Mar. 24, 1961, 26 F.R. 2583]

(d) The Chairman shall establish such committees and other working groups as may be required to advise or assist him in the performance of any of his functions.

(e) The Chairman of the Government Patents Board and the Chairman of the Interdepartmental Committee on Scientific Research and Development (provided for by Executive Order No. 9912 of December 24, 1947), shall establish and maintain such mutual consultation as will effect the proper coordination of affairs of common concern.

4. With a view to obtaining uniform application of the policies set out in this order and uniform operations thereunder, the Chairman is authorized and directed:

(a) To consult and advise with Government agencies concerning the application and operation of the policies outlined herein;

(b) After consultation with the Government Patents Board, to formulate and submit to the President for approval such proposed rules and regulations as may be necessary or desirable to implement and effectuate the aforesaid policies, together with the recommendations of the Government Patents Board thereon;

(c) To submit annually a report to the President concerning the operation of such policies, and from time to time such recommendations for modification thereof as may be deemed desirable;

(d) To determine with finality any controversies or disputes between any Government agency and its employees, to the extent submitted by any party to the dispute, concerning the ownership of inventions made by such employees or rights therein; and

(e) To perform such other or further functions or duties as may from time to time be prescribed by the President or by statute.

5. The functions and duties of the Secretary of Commerce and the Department of Commerce under the provisions of Executive Order No. 9865 of June 14, 1947 [set out above] are hereby transferred to the Chairman and the whole or any part of such functions and duties may be delegated by him to any Government agency or officer: *Provided*, That said Executive Order No. 9865 shall not be deemed to be amended or affected by any provision of this Executive order other than this paragraph 5.

6. Each Government agency shall take all steps appropriate to effectuate this order, including the promulgation of necessary regulations which shall not be inconsistent with this order or with regulations issued pursuant to paragraph 4(b) hereof.

7. As used in this Executive order, the next stated terms, in singular and plural, are defined as follows for the purposes hereof:

(a) "Government agency" includes any executive department and any independent commission, board, office, agency, authority, or other establishment of the Executive Branch of the Government of the United States (including any such independent regulatory commission or board, any such wholly-owned corporation, and the Smithsonian Institution), but excludes the Atomic Energy Commission.

(b) "Government employee" includes any officer or employee, civilian or military, of any Government agency, except such part-time consultants or employees as may be excluded by regulations promulgated pursuant to paragraph 4(b) hereof.

(c) "Invention" includes any art, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plant, which is or may be patentable under the patent laws of the United States.

EX. ORD. NO. 10695. TRANSFER OF RECORDS TO DEPARTMENT OF COMMERCE

Section 2 of Ex. Ord. 10695, Jan. 16, 1957, 22 F.R. 365, provided that: "The Chairman of the Government Patents Board is hereby authorized to transfer to the Department of Commerce any or all of the records heretofore prepared by the Board pursuant to paragraph 2(b) of Executive Order No. 10096 [set out above]."

EX. ORD. NO. 10930. ABOLITION OF GOVERNMENT PATENTS BOARD

Ex. Ord. No. 10930, Mar. 24, 1961, 26 F.R. 2583, provided: By virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. The Government Patents Board, established by section 3(a) of Executive Order No. 10096 of January 23, 1950 [set out above], and all positions established thereunder or pursuant thereto are hereby abolished.

SEC. 2. All functions of the Government Patents Board and of the Chairman thereof under the said Executive Order No. 10096, except the functions of conference and consultation between the Board and the Chairman, are hereby transferred to the Secretary of Commerce, who may provide for the performance of such transferred functions by such officer, employee, or agency of the Department of Commerce as he may designate.

SEC. 3. The Secretary of Commerce shall make such provision as may be necessary and consonant with law

for the disposition or transfer of property, personnel, records, and funds of the Government Patents Board.

SEC. 4. Except to the extent that they may be inconsistent with this order, all determinations, regulations, rules, rulings, orders, and other actions made or issued by the Government Patents Board, or by any Government agency with respect to any function transferred by this order, shall continue in full force and effect until amended, modified, or revoked by appropriate authority.

SEC. 5. Subsections (a) and (c) of section 3 of Executive Order No. 10096 are hereby revoked, and all other provisions of that order are hereby amended to the extent that they are inconsistent with the provisions of this order.

JOHN F. KENNEDY.

§ 208. Regulations governing Federal licensing

The Secretary of Commerce is authorized to promulgate regulations specifying the terms and conditions upon which any federally owned invention, other than inventions owned by the Tennessee Valley Authority, may be licensed on a nonexclusive, partially exclusive, or exclusive basis.

(Added Pub. L. 96-517, §6(a), Dec. 12, 1980, 94 Stat. 3024; amended Pub. L. 98-620, title V, §501(12), Nov. 8, 1984, 98 Stat. 3367.)

AMENDMENTS

1984—Pub. L. 98-620 substituted “Secretary of Commerce” for “Administrator of General Services”.

§ 209. Licensing federally owned inventions

(a) AUTHORITY.—A Federal agency may grant an exclusive or partially exclusive license on a federally owned invention under section 207(a)(2) only if—

(1) granting the license is a reasonable and necessary incentive to—

(A) call forth the investment capital and expenditures needed to bring the invention to practical application; or

(B) otherwise promote the invention’s utilization by the public;

(2) the Federal agency finds that the public will be served by the granting of the license, as indicated by the applicant’s intentions, plans, and ability to bring the invention to practical application or otherwise promote the invention’s utilization by the public, and that 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;

(3) the applicant makes a commitment to achieve practical application of the invention within a reasonable time, which time may be extended by the agency upon the applicant’s request and the applicant’s demonstration that the refusal of such extension would be unreasonable;

(4) granting the license will not tend to substantially lessen competition or create or maintain a violation of the Federal antitrust laws; and

(5) in the case of an invention covered by a foreign patent application or patent, the interests of the Federal Government or United

States industry in foreign commerce will be enhanced.

(b) MANUFACTURE IN UNITED STATES.—A Federal agency shall normally grant a license under section 207(a)(2) to use or sell any federally owned invention in the United States only to a licensee who agrees that any products embodying the invention or produced through the use of the invention will be manufactured substantially in the United States.

(c) SMALL BUSINESS.—First preference for the granting of any exclusive or partially exclusive licenses under section 207(a)(2) shall be given to small business firms having equal or greater likelihood as other applicants to bring the invention to practical application within a reasonable time.

(d) TERMS AND CONDITIONS.—Any licenses granted under section 207(a)(2) shall contain such terms and conditions as the granting agency considers appropriate, and shall include provisions—

(1) retaining a nontransferrable, irrevocable, paid-up license for any Federal agency to practice the invention or have the invention practiced throughout the world by or on behalf of the Government of the United States;

(2) requiring periodic reporting on utilization of the invention, and utilization efforts, by the licensee, but only to the extent necessary to enable the Federal agency to determine whether the terms of the license are being complied with, except that any such report shall be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under section 552 of title 5; and

(3) empowering the Federal agency to terminate the license in whole or in part if the agency determines that—

(A) the licensee is not executing its commitment to achieve practical application of the invention, including commitments contained in any plan submitted in support of its request for a license, and the licensee cannot otherwise demonstrate to the satisfaction of the Federal agency that it has taken, or can be expected to take within a reasonable time, effective steps to achieve practical application of the invention;

(B) the licensee is in breach of an agreement described in subsection (b);

(C) termination is necessary to meet requirements for public use specified by Federal regulations issued after the date of the license, and such requirements are not reasonably satisfied by the licensee; or

(D) the licensee has been found by a court of competent jurisdiction to have violated the Federal antitrust laws in connection with its performance under the license agreement.

(e) PUBLIC NOTICE.—No exclusive or partially exclusive license may be granted under section 207(a)(2) unless public notice of the intention to grant an exclusive or partially exclusive license on a federally owned invention has been provided in an appropriate manner at least 15 days before the license is granted, and the Federal