

PART 81—STANDARD SPECIFICATIONS FOR THE GRANTING OF PATENT LICENSES

GENERAL PROVISIONS

Sec.

- 81.1 Purpose.
- 81.2 Definitions.
- 81.3 Communications.
- 81.4 Interpretations.
- 81.8 Information collection requirements: OMB approval.

NRC-OWNED INVENTIONS—PATENTS AND APPLICATIONS

- 81.10 Authority.
- 81.11 Policy.
- 81.13 Publication of NRC inventions available for licensing.
- 81.20 Nonexclusive licenses.
- 81.30 Limited exclusive licenses.
- 81.31 Selection of an exclusive licensee.
- 81.32 Terms of exclusive license grant.
- 81.35 Notices to public of exclusive licenses.
- 81.40 Contents of a license application.
- 81.50 Additional licenses.
- 81.51 Appeals.
- 81.52 Appeals Board.
- 81.53 Review by the Board.

AUTHORITY: Atomic Energy Act of 1954, secs. 156, 161 (42 U.S.C. 2186, 2201); Energy Reorganization Act of 1974, sec. 201 (42 U.S.C. 5841); 44 U.S.C. 3504 note.

SOURCE: 38 FR 7318, Mar. 20, 1973, unless otherwise noted.

GENERAL PROVISIONS

§ 81.1 Purpose.

The regulations of this part establish the standard specifications for the issuance of licenses to rights in inventions covered by patents or patent applications vested in the United States of America, as represented by or in the custody of the Commission and other patents in which the Commission has the right to accord or require the grant of licenses.

[40 FR 8793, Mar. 3, 1975]

§ 81.2 Definitions.

As used in this part:

(a) *Act* means the Atomic Energy Act of 1954 (68 Stat. 619), including any amendments thereto;

(b) *Commission* means the Nuclear Regulatory Commission as established by the Act, or its duly authorized designee. The Assistant General Counsel

for Patents is the designee of the Commission under this subpart;

(c) *NRC invention* means an invention covered by a U.S. patent or patent application that is vested in the Government of the United States, as represented by or in the custody of the Commission, or in which the Government of the United States of America, as represented by the Commission, has the right to accord or require the grant of licenses where such invention is designated by the Commission as appropriate for the grant of a nonexclusive or exclusive license; and

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

(e) *NRC foreign invention* means an invention covered by a patent, or an application for a patent, issued by a government or authority of a country other than the United States that is vested in the Government of the United States, as represented by the Commission.

[38 FR 7318, Mar. 20, 1973, as amended at 38 FR 8241, Mar. 30, 1973]

§ 81.3 Communications.

All communications concerning the regulations in this part, including applications for licenses, should be sent to the NRC either by mail addressed to the U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; by hand delivery to the NRC's offices at 11555 Rockville Pike, Rockville, Maryland; or, where practicable, by electronic submission, for example, via Electronic Information Exchange, or CD-ROM. Electronic submissions must be made in a manner that enables the NRC to receive, read, authenticate, distribute, and archive the submission, and process and retrieve it a single page at a time. Detailed guidance on making electronic submissions can be obtained by visiting the NRC's Web site at <http://www.nrc.gov/site-help/e-submittals.html>; by e-mail to MSHD.Resource@nrc.gov; or by writing

Nuclear Regulatory Commission

§81.11

the Office of the Chief Information Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001. The guidance discusses, among other topics, the formats the NRC can accept, the use of electronic signatures, and the treatment of nonpublic information.

[68 FR 58823, Oct. 10, 2003, as amended at 74 FR 62685, Dec. 1, 2009; 80 FR 74982, Dec. 1, 2015]

§81.4 Interpretations.

Except as specifically authorized by the Commission in writing and by §81.53, no interpretation of the meaning of the regulations in this part by an officer or employee of the Commission other than a written interpretation by the General Counsel will be recognized to be binding upon the Commission.

§81.8 Information collection requirements: OMB approval.

(a) The Nuclear Regulatory Commission has submitted the information collection requirements contained in this part to the Office of Management and Budget (OMB) for approval as required by the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*). The NRC may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. OMB has approved the information collection requirements contained in this part under control number 3150-0121.

(b) The approved information collection requirements contained in this part appear in §§81.20, 81.32, and 81.40.

[55 FR 23422, June 8, 1990, as amended at 62 FR 52190, Oct. 6, 1997]

NRC-OWNED INVENTIONS—PATENTS AND APPLICATIONS

§81.10 Authority.

The regulations of this subpart governing the licensing or rights in NRC inventions are issued pursuant to the authority of the Commission under 42 U.S.C. 2186 (sec. 156 of the Act), 42 U.S.C. 2201g (sec. 161g. of the Act), and according to regulations issued by the Administrator of General Services pursuant to the Memorandum and State-

ment of Government Patent Policy issued by President Nixon on August 23, 1971 (36 FR 16887).

§81.11 Policy.

(a) The inventions covered by the U.S. patents and patent applications vested in the Government of the United States of America, as represented by or in the custody of the Commission, normally will best serve the public interest when they are developed to the point of practical application and made available to the public in the shortest time possible.

(b) The Commission generally prefers to make these inventions available to all interested parties through the granting of nonexclusive licenses. However, the Commission recognizes that to obtain commercial utilization of an invention, it may be necessary to grant an exclusive license for a limited period of time as an incentive for the investment of risk capital to achieve practical application of an invention.

(c) Whenever the Commission deems it appropriate to grant an exclusive license, the license will be negotiated on terms and conditions most favorable to the interests of the public and the Government. In considering the accord of such a license, due weight will be given to assisting small business and minority business enterprises, as well as economically depressed, low income and labor surplus areas within the United States.

(d) All licenses shall be by express written instruments. No license shall be granted or implied in an NRC invention except as provided for in these regulations or in patent rights articles under Commission procurement regulations, pursuant to the Act, or pursuant to any existing or future treaty or agreement between the United States and any foreign government or intergovernmental organization.

(e) No grant of a license under this subpart shall be construed to confer upon any licensee any immunity from the antitrust laws or from liability for patent misuse, and the acquisition and use of rights pursuant to this subpart shall not be immunized from the operation of State or Federal law by reason of the source of the grant.

§ 81.13

10 CFR Ch. I (1-1-25 Edition)

(f) No grant of a license under this subpart shall be construed to confer any authorization under chapters 4, 5, 6, 7, 8, 10, or any other chapter or section of the Act (42 U.S.C., sec. 2011-2296) for which separate application for a license must be made in accordance with the Act or other Commission regulations.

§ 81.13 Publication of NRC inventions available for licensing.

(a) The Commission will have published periodically a list of the NRC inventions available for licensing under this subpart in the FEDERAL REGISTER, the U.S. Patent Office Official Gazette, and in one other publication which it is determined will best serve the public interest and, where advisable, in other publications.

(b) Interested persons may obtain copies of such lists by communicating with the Commission, Washington, DC 20555. Copies of U.S. patents may be obtained from the U.S. Patent Office. Copies of U.S. patent application specifications, or microfiche reproductions thereof, may be secured at reasonable cost from the National Technical Information Service (NTIS) or from the U.S. Patent Office with Commission approval.

[38 FR 7318, Mar. 20, 1973, as amended at 40 FR 8793, Mar. 3, 1975]

§ 81.20 Nonexclusive licenses.

(a) NRC inventions will normally be made available for the grant of nonexclusive licenses to responsible applicants who will practice the invention and make its benefits reasonably accessible to the public.

(1) The nonexclusive license will be revocable, at the option of the Commission, if the licensee does not comply with all the terms and conditions of the license agreement.

(2) The duration of the license shall be for a specified period and/or such additional period as may be provided for in the license agreement.

(3) The license shall require the licensee to bring the invention to the point of practical application within a period specified in the license agreement, or as the period may be extended by the Commission, and then to continue to make the benefits of the in-

vention reasonably accessible to the public.

(4) The license shall be granted for all of the fields of use of the invention, or only such fields of use as may be specified in the license agreement, and throughout the United States of America, its territories and possessions, Puerto Rico, and the District of Columbia or in any lesser geographic portion thereof as may be specified in the license agreement.

(5) The licensee shall be required to submit periodic reports on his efforts to bring the invention to a point of practical application and the extent to which he continues to make the benefits of the invention reasonably accessible to the public. Unless otherwise specified in the license, such periodic reports will be required annually prior to the anniversary date of the grant of the license. The reports shall contain information within the licensee's knowledge, or which the licensee may acquire under normal business practices, pertaining to the commercial use being made of the invention, and other information which the Commission may determine to be pertinent to the licensing activity of the Commission and specified in the license agreement.

(6) Normally a royalty shall not be charged U.S. citizens and U.S. corporations for nonexclusive licenses on NRC inventions.

(7) The license may extend to wholly-owned subsidiaries of the licensee but shall be nonassignable, or otherwise nontransferable, without approval of the Commission.

(8) The Commission may revoke the license (i) for failure of the licensee to bring the invention to the point of practical application or to continue to make the benefits of the invention reasonably accessible to the public, (ii) if the licensee defaults in making any periodic report required by the license, or (iii) if the licensee commits any breach of any covenant or agreement therein contained, or (iv) if the licensee willfully makes, or has made, a false statement of a material fact or omitted a material fact in the license application submitted pursuant to § 81.40(a) or in any report required by the license agreement.

Nuclear Regulatory Commission

§81.31

(9) The Commission may restrict the licensee to the particular fields of use and/or geographical areas in which the licensee has brought the invention to the point of practical application and continue to make the benefits of the invention reasonably accessible to the public.

(10) Before revoking or restricting any license granted pursuant to this subpart, the Commission shall mail to the licensee and any sublicensee of record, at the last address filed with the Commission, a written notice of the Commission's intention to revoke or restrict the license, and the licensee and any sublicensee shall be allowed thirty (30) days after the mailing of such notice, or within such period as may be granted by the Commission, to remedy any breach of any covenant or agreement as referred to in paragraph (a)(8)(iii) of this section, or to show cause why the license should not be revoked or restricted.

(11) Subject to the rights reserved to the Government in this section, the licensee shall be granted the nonexclusive rights to make, use, and/or sell the invention in accordance with the terms and conditions specified in the license agreement.

(12) The license may be subject to such other terms and conditions as the Commission may deem in the public interest.

§81.30 Limited exclusive licenses.

(a) An NRC invention may be made available for the grant of a limited exclusive license provided that:

(1) The invention has been published as available for licensing pursuant to §81.13 for a period of at least six (6) months.

(2) The Commission has determined that (i) the invention may be brought to the point of practical application in certain fields of use or in certain geographical locations by exclusive licensing, (ii) the desired practical application has not been achieved under any nonexclusive license granted on the invention, and (iii) the desired practical application is not likely to be achieved expeditiously in the public interest under a nonexclusive license or as a result of further Government-funded research or development.

(3) Notice of the selection of a prospective licensee to be granted a limited exclusive license of a specified duration and scope shall have been transmitted to the Attorney General of the United States and shall have been published for at least sixty (60) days in the FEDERAL REGISTER with a statement advising of the rights of license applicants or third parties to apply for nonexclusive licenses or bring information to the attention of the Commission under the next paragraph.

(4) After expiration of the period in paragraph (a)(3) of this section, the Commission has determined (i) that no applicant for a nonexclusive license has brought or will bring the invention to the point of practical application as specified in the prospective exclusive license within a reasonable period under a nonexclusive license, and (ii) that the granting of the license would be in the public interest and not be inconsistent with the Act after consideration of all the facts and any written evidence and argument which third parties may present to the Commission within sixty (60) days of the publication of the notices of the selection of the licensee under paragraph (a)(3) of this section.

(5) The Commission shall record and make available for public inspection, upon request, all decisions and the basis thereof under this section.

§81.31 Selection of an exclusive licensee.

An exclusive licensee will be selected by the Commission on bases consistent with the policy set forth in §81.11 of this subpart in accordance with the procedures herein, based upon the information supplied to the Commission in a license application under §81.40. Consideration will be given to: (a) The capabilities of the applicant to further the technical and market development of the invention to bring the same to the point of practical application, (b) the applicant's plan to undertake development of the invention, (c) the projected impact on competition, (d) the benefit to the Government and the public, as well as (e) assistance to small business and minority business enterprises and economically depressed, low income and labor surplus areas, and (f)

§ 81.32

10 CFR Ch. I (1-1-25 Edition)

whether the applicant is a U.S. citizen or corporation.

§ 81.32 Terms of exclusive license grant.

(a) NRC inventions may be made available for the grant of limited exclusive licenses to responsible applicants who will bring the invention to the point of practical application and make its benefits reasonably accessible to the public.

(1) The license may be granted for all or less than all fields of use of the invention, and throughout the United States of America, its territories and possessions, Puerto Rico, and the District of Columbia, or any lesser geographical portion thereof.

(2) The duration of the license will be negotiated and shall include (i) a period of exclusivity specified in the license, which shall be related to the period necessary to provide a reasonable incentive for the licensee to invest the necessary risk capital to bring the invention to the point of practical application and which shall not exceed 5 years or be extended unless the Commission determines on the basis of a written submission supported by a factual showing that a longer period is reasonably necessary to permit the licensee to enter the market and recoup his investment in bringing the invention to the point of practical application; and (ii) a terminal portion, sufficient to make the invention reasonably available for the granting of nonexclusive licenses under § 81.20, during which the licensee may have a nonexclusive license if the licensee continues to make the invention reasonably accessible to the public.

(3) The license shall require the licensee to bring the invention to the point of practical application within a period specified in the license agreement, or, subject to the approval of the Commission, within a longer period, and then to continue to make the benefits of the invention reasonably accessible to the public.

(4) The license shall require the licensee to expand a specified minimum sum of money and/or to take other specified action, within indicated periods as specified in the license, in an effort to bring the invention to the point

of practical application. Reasonable royalties shall be charged by the Commission, as specified in the license agreement, unless the Commission determines that it would not be in the public interest to charge royalties.

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

(6) The license shall reserve to the Commission the right to require the licensee to grant sublicenses to responsible applicants to practice the invention on terms that are reasonable under the circumstances, (i) to the extent that the invention is required for public use by governmental regulations, or (ii) as may be necessary to fulfill health or safety needs, or (iii) if the invention is useful in the production or utilization of special nuclear material or atomic energy and the licensing of such invention is of importance to effectuate the policies and purposes of the Act, (iv) for other public purposes as stipulated in the license agreement. In the event that the licensee and the Commission cannot agree upon reasonable terms for such sublicenses, the terms, including a reasonable royalty, may be fixed pursuant to the procedure set forth in section 157(c) of the Act.

(7) Subject to the right reserved to the Government in paragraphs (a) (5) and (6) of this section, the licensee shall be granted the exclusive right to make, use, and/or sell the invention in accordance with the terms and conditions specified in the license agreement.

(8) The license may extend to wholly owned subsidiaries of the licensee but shall be nonassignable and otherwise nontransferable without approval of the Commission, except assignment may be made, upon notice to the Commission, to successors of that part of the licensee's business to which the invention pertains.

(9) An exclusive licensee may grant sublicenses under his license only with

Nuclear Regulatory Commission

§81.32

the approval of the Commission. Any sublicense or assignment granted by an exclusive licensee shall be subject to the terms and conditions of the exclusive license, including the rights retained by the Government thereunder, and a copy of each such sublicense or assignment shall be furnished to the Commission.

(10) The license shall require the licensee to submit periodic reports on his efforts to achieve practical application of the invention and the extent to which he continues to make the benefits of the invention reasonably accessible to the public. Unless otherwise specified in the license, such reports will be required annually on the anniversary date of the grant of the license. The report shall contain information within the licensee's knowledge, or which the licensee may acquire under normal business practices, pertaining to the commercial use being made of the invention, and other information which the Commission may determine to be pertinent to the licensing activity of the Commission as is specified in the license agreement.

(11) The Commission may modify or revoke the license (i) for failure of the licensee to bring the invention to the point of practical application within the period specified in the license agreement or to continue to make the benefits of the invention reasonably accessible to the public; (ii) if the licensee fails to expend the minimum sum of money or to take any other action specified in the license agreement within the periods specified in the license agreement in an effort to bring the invention to the point of practical application; (iii) if the licensee defaults in making any payments or periodic reports required by the license; or (iv) if the licensee commits any breach of any covenant or agreement therein contained; or (v) if the licensee willfully makes, or has made, a false statement of a material fact or willfully omitted a material fact in the license application submitted pursuant to §81.40 or in any report required by the license agreement.

(12) Before modifying or revoking any license granted pursuant to this subpart for any cause, the Commission shall mail to the licensee and any sub-

licensee of record at the last address filed with the Commission a written notice of the Commission's intention to modify or revoke the license, and the licensee and any sublicensee shall be allowed thirty (30) days after the mailing of such notice, or within such period as may be granted by the Commission, to remedy any breach of any covenant or agreement referred to in paragraph (a)(11)(iv) of this section or to show cause why the license should not be modified or revoked.

(13) An exclusive licensee shall be granted the right to sue at his own expense any party who infringes the rights set forth in his license and covered by the licensed patent. The licensee may join the Government of the United States, upon consent of the Attorney General, as a party complainant in such suit, but without expense to the Government and the licensee shall pay costs and any final judgment or decree that may be rendered against the Government in such suit. The Government shall have an absolute right to intervene in any such suit at its own expense. The licensee shall be obligated to furnish promptly to the Government, upon request, copies of all pleadings and other papers filed in any such suit and of evidence adduced in proceedings relating to the licensed patent, including, but not limited to, negotiations or settlements and agreements settling claims by a licensee based on the licensed patent, and all other books, documents, papers, and records pertaining to such suit. If, as a result of any such litigation, the patent shall be declared invalid, the licensee shall have the right to surrender his license and be relieved from any further obligation thereunder.

(14) A licensee may surrender his license at any time prior to termination of the license upon notice thereof to the Commission, and upon approval of the Commission, but the licensee shall not be relieved of the obligations thereunder without specific approval of the Commission.

(15) The license may be subject to such other terms and conditions as the Commission may deem in the public interest.

§ 81.35

10 CFR Ch. I (1–1–25 Edition)

§ 81.35 Notices to public of exclusive licenses.

The Commission will have published in the FEDERAL REGISTER notices of the granting, revocation, or modification in duration and/or scope, of limited exclusive licenses under these regulations. Such notices shall identify the invention and shall include, directly, or by reference to previous notice(s) in the FEDERAL REGISTER pursuant to § 81.13 or § 81.30(a)(3) the following:

- (a) Identification of the licensee.
- (b) Duration and scope of the exclusive license.
- (c) That such a license is being granted or revoked, or the nature of the modification of the license.
- (d) The effective date of the grant, modification, or revocation.

§ 81.40 Contents of a license application.

(a) *Nonexclusive license application.* An application for a nonexclusive license under an NRC invention should be accompanied by a fee of ten dollars (\$10) for processing the application and must include the following information:

- (1) Identification of the invention for which the license is desired, including the patent application serial number or the patent number, title, and date, if known, and any other identification of the invention;
- (2) Name and address of the person, company, or organization applying for a license and the citizenship or State of incorporation thereof;
- (3) Name and address of a representative of applicant to whom correspondence should be sent and any notices served;
- (4) Nature and type of applicant's business;
- (5) Identification of the source of applicant's information concerning the availability of a license on the invention;
- (6) Purpose for which the license is desired, and a brief description of applicant's plan to achieve that purpose;
- (7) A statement of the field and the field(s) of use in which applicant intends to practice the invention; and
- (8) A statement of the geographical area(s) in which the applicant will practice the invention.

(b) *Exclusive license application.* An application for a limited exclusive license should include, in addition to the information indicated above for a non-exclusive license application, the following information:

- (1) Applicant's status, if any, in any one or more of the following categories:
 - (i) Small business firm;
 - (ii) Minority business enterprise;
 - (iii) Location in a surplus labor area;
 - (iv) Location in a low income area; and
 - (v) Location in an economically depressed area.
- (2) A statement describing the time, expenditure, and other acts which the applicant considers necessary to bring the invention to a point of practical application, and the applicant's offer to invest that time and sum, and to perform such acts, if the license is granted.
- (3) A statement of applicant's capability to undertake the development and/or marketing required to bring the invention to the point of practical application.
- (4) A statement that contains applicant's best knowledge of the extent to which the invention is being practiced by private industry and the Government; and
- (5) Any other facts which the applicant believes to show it to be in the public interest for the Commission to grant an exclusive license rather than a nonexclusive license and that such exclusive license should be granted to the applicant.

§ 81.50 Additional licenses.

Subject to any outstanding licenses, nothing in this subpart shall preclude the Commission from granting additional nonexclusive and limited exclusive licenses for inventions covered by this subpart when the Commission determines that to do so would provide for an equitable exchange of patent rights. The following exemplify circumstances wherein such licenses may be granted:

- (a) In consideration of the settlement of interferences;
- (b) In consideration of a release of any claims;

(c) In exchange for or as part of the consideration for a license under adversely held patent(s); or

(d) In consideration for the settlement or resolution of any proceeding under the Act or other statute.

§ 81.51 Appeals.

An applicant for a license, a licensee, or a third party who has participated under § 81.30(a)(3) shall have the right to appeal in accordance with the appeal procedures of this subpart any decision of the Commission concerning the grant, denial, interpretation, modification, or revocation of a license under this subpart, by filing a notice of appeal with the Commission within thirty (30) days from the date of the mailing of a notice by the Commission of the decision or, if no such notice to the person desiring to appeal, then thirty (30) days from publication in the FEDERAL REGISTER of the facts which show such a decision. The notice of appeal shall specify the portion of the decision from which the appeal is taken, and the reasons why the decision is erroneous. A statement of fact and argument in the form of a brief in support of the appeal may be submitted with the notice of appeal or, if the appellant prefers, may be filed with the Commission within fifteen (15) days after the filing of the notice of appeal. If a statement of fact and argument in the form of a brief in support of the appeal is not submitted with the notice, the appellant shall state in the notice whether such a statement of fact and argument in the form of a brief in support of the appeal will be filed.

§ 81.52 Appeals Board.

(a) *NRC Invention Licensing Appeal Board.* Upon notice of an appeal in accordance with § 81.51, the Executive Director for Operations of the Nuclear Regulatory Commission will designate within thirty (30) days an Invention Licensing Appeal Board (hereinafter, Board) to decide such an appeal.

(b) *Composition of the Board.* The Invention Licensing Appeal Board shall consist of three members having equal voting power, one of whom will be designated as Chairman.

(c) *Notice of designation of the Board.* The Executive Director for Operations

of the Nuclear Regulatory Commission will advise the appellant of the designation of the Board, its composition, and Chairman.

[40 FR 8793, Mar. 3, 1975]

§ 81.53 Review by the Board.

(a) The Board shall determine the propriety of any decision concerning the grant, denial, interpretation, modification, or revocation of a license according to the policy and criteria of these regulations, including § 81.11, on the record and evidence submitted by an appellant and the Commission to the Board.

(b) A hearing may be requested by the Commission or an appellant within fifteen (15) days after the notice set forth under § 81.52(c). An appellant and the Commission shall be given a minimum of fifteen (15) days' notice of the time and place of a hearing. The Commission and the appellant shall have an opportunity to make oral arguments before the Board.

(c) The Board shall make findings of fact and reach a conclusion with respect to the propriety of the decision of the Commission, which conclusion shall constitute the final action of the Commission.

PART 95—FACILITY SECURITY CLEARANCE AND SAFEGUARDING OF NATIONAL SECURITY INFORMATION AND RESTRICTED DATA

GENERAL PROVISIONS

- Sec.
- 95.1 Purpose.
 - 95.3 Scope.
 - 95.5 Definitions.
 - 95.7 Interpretations.
 - 95.8 Information collection requirements: OMB approval.
 - 95.9 Communications.
 - 95.11 Specific exemptions.
 - 95.13 Maintenance of records.

PHYSICAL SECURITY

- 95.15 Approval for processing licensees and others for facility clearance.
- 95.17 Processing facility clearance.
- 95.18 Key personnel.
- 95.19 Changes to security practices and procedures.
- 95.20 Grant, denial or termination of facility clearance.