

plan submitted but only to the extent necessary to enable the agency to determine compliance with the terms of the license.

(7) Where an agreement is obtained pursuant to § 404.5(a)(2) that any products embodying the invention or produced through the use of the invention will be manufactured substantially in the United States, the license shall recite such an agreement.

(8) The license shall provide for the right of the Federal agency to terminate the license, in whole or in part, if the agency determines that:

(i) 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;

(ii) 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;

(iii) The licensee has willfully made a false statement of or willfully omitted a material fact in the license application or in any report required by the license agreement;

(iv) The licensee commits a substantial breach of a covenant or provision contained in the license agreement, including the requirement in § 35 U.S.C. 209(b); or

(v) 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.

(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; 88 FR 17739, Mar. 24, 2023]

§ 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) Exclusive, co-exclusive or partially exclusive licenses may be granted on Government owned inventions, only if:

(1) Notice of a prospective license identifying the invention and the prospective licensee has been published and responses, if any, reviewed in accordance with 35 U.S.C. 209(e). The agency, in its discretion, may include other information as appropriate;

(2) After expiration of the public notice period and consideration of any written objections received in accordance with 35 U.S.C. 209(e), the Federal agency has determined that:

(i) 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 the point of practical application or otherwise promote the invention's utilization by the public;

(ii) 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; and

(iii) 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;

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

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

(1) 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.

(2) 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.

(3) 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.

(4) 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.

[88 FR 17739, Mar. 24, 2023]

§ 404.8 Application for a license.

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

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

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

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

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

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

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

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

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

(i) 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;

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

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

(iv) 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;

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

(10) A statement containing applicant's best knowledge of the extent to which the invention is being practiced by private industry or Government, or