

Restructured FutureGen – Intellectual Property

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Main Issues

- **Patent Rights**
 - Background
 - Foreground: Subject Inventions
- **Data Rights**
 - Participant's proprietary data (limited rights data)
 - Participant's proprietary software (restricted CS)
 - Protected Data
 - Government use license to copyrighted improvements
 - Data available to DOE with unlimited rights



DOE Treatment of IP

- **Patents: Nonnuclear R&D Act: title to all inventions made under contracts and financial assistance belongs to the Gov't unless waived**
 - **Made = conceived or first actually reduced to practice**
 - **Bayh-Dole Act: domestic small business & nonprofits (501(c)(3)s only) get automatic waiver**
 - **All others: request waiver**
 - **Class**
 - **Advance**
 - **Identified**



DOE Treatment of IP (cont.)

- **Data: Government has unlimited rights in data generated or used under CA except:**
 - **Trade secrets: limited rights data and restricted computer software**
 - **Criteria**
 - **Developed at private expense**
 - **Take steps to maintain confidentiality**
 - **Gov't employees governed by The Trade Secrets Act (18 USC 1905)**



DOE Treatment of IP (cont.)

- **Data (cont.):**
 - **Certain data generated under CA may be eligible for data protection:**
 - **Data that would be treated as proprietary if developed at private expense**
 - **Limited period of protection (up to 5 years from production of data)**
 - **Identify minimum amount of data to be delivered with unlimited rights**
 - **Separate into appendix marked with legend**
 - **Government can call for delivery of data at any time but can withhold from release under FOIA**



DOE Treatment of IP (cont.)

- **Data (cont.):**
 - **Copyright: prior authorization to copyright with broad government license**
- **Trademark: not addressed**



Solicitation Only Clauses

- [DEAR 952.227-84](#) -- **Notice of Right to Request Patent Waiver**
 - Other than domestic small businesses and nonprofits
 - Petition within 30 days of contracting
- [FAR 52.227-6](#) -- **Royalty Information**
 - If royalty exceeds \$250
 - Allowability requires DOE patent counsel determination



Solicitation Only Clauses (cont.)

- [FAR 52.227-15](#) -- Representation of Limited Rights Data and Restricted Computer Software
- Restrictive proposal marking
 - [10 CFR 600.15\(b\)\(1\)](#), Notice of Restriction on Disclosure and Use of Data



Cooperative Agreement

- **Required clauses:**
 - FAR 52.227-1, Authorization and Consent—Alt. I
 - FAR 52.227-2, Notice and Assistance Regarding Patent and Copyright Infringement
 - 10 CFR 600.325, Appendix A, Rights in Data
 - General
 - Programs Covered Under Special Data Statutes
 - FAR 52.227-23, Rights to Proposal Data (Technical)
 - 10 CFR 600.325, Appendix A, Patent Rights
 - FAR 52.227-3, Patent Indemnity
 - Availability of Contract and Other Data



Brief Description of Clauses

- [FAR 52.227-1](#) -- **Authorization and Consent**
 - Awardee authorized to infringe any U.S. patent
 - Patent owner:
 - Cannot get injunction to stop work
 - Entitled to reasonable compensation
- [FAR 52.227-2](#) -- **Notice and Assistance Regarding Patent and Copyright Infringement**
 - Awardee to notify DOE of any infringement claim
 - Furnish all required evidence and information at DOE's expense



Brief Description of Clauses (cont.)

- **10 CFR 600.325, Appendix A, Patent Rights (Small Business Firms and Nonprofit Organizations)**
 - **Must report all inventions**
 - **First right to retain title but must elect**
 - **Must file patent application**
 - **Flow down patent clause to RD&D subcontracts**
 - **According to classification of subcontractor**
 - **Cannot take rights in Bayh-Dole subcontractor inventions as consideration for subcontract**
 - **Substantial U.S. manufacture requirement for assignee or exclusive licensee**



Brief Description of Clauses (cont.)

- **Patent Rights (Large Business Firms—No Waiver)**
 - other than domestic small businesses and nonprofits
 - must report all inventions
 - Gov't obtains title to invention – awardee gets revocable, nonexclusive license
 - awardee can request greater rights (i.e., waiver)
 - awardee can retain foreign rights if Gov't determines not to file foreign



Brief Description of Clauses (cont.)

- **Patent Rights (Large Business Firms—No Waiver) (cont.)**
 - **Flow down patent clause to RD&D subcontracts**
 - **According to classification of subcontractor**
 - **Cannot take rights in Bayh-Dole subcontractor inventions as consideration for subcontract**
 - **Substantial U.S. manufacture requirement**



Brief Description of Clauses (cont.)

- **Rights in Data:** statutes promote widespread dissemination of STI
 - **Gov't has unlimited rights in:**
 - Data first produced
 - Form, fit and function data
 - All other data delivered except LRD and RSC
 - **Awardee can:**
 - Use data for private purposes
 - Protect LRD and RSC from unauthorized disclosure and use



Brief Description of Clauses (cont.)

- **Rights in Data (cont.)**
 - **Copyright**
 - **Automatic permission to copyright generated works**
 - **Shall not include copyrighted works in deliverables w/o license for Gov't**
 - **Awardee must obtain from subcontractors all data and rights necessary to fulfill awardee's obligation to Gov't**



Brief Description of Clauses (cont.)

- [FAR 52.227-23](#) -- Rights to Proposal/Application Data
 - Identify restricted pages in technical proposal
 - Technical data only (not privileged or confidential commercial or financial information)
- [FAR 52.227-3](#) -- Patent Indemnity
 - protects DOE from liability for patent infringement



Patent Waiver Clause

- **Replaces Patent rights (Large Business Firms—No Waiver)**
 - First right to retain title but must elect
 - Must report all inventions
 - Must file patent application
 - Government use license
 - flow down patent clause to subcontracts
 - According to classification of subcontractor
 - May not take rights in Bayh-Dole subcontractor inventions as consideration for subcontract
 - Substantial U.S. manufacture requirement



Flow Down Clauses

- Authorization and Consent: All Tiers > \$100,000
- Notice and Assistance: All Tiers > \$100,000
- Patent Rights: All Tiers - R&D
- Rights in Data: All Tiers (where data is developed)



Allowable patent-related costs

- Costs of preparing invention disclosures, reports, and other documents.
- Costs for searching the art to the extent necessary to make the invention disclosures.
- General counseling services relating to patent matters, such as advice on patent laws, regulations, clauses, and employee agreements
- Other than those for general counseling services, patent costs not required by the contract are unallowable – includes patent prosecution



Conclusion

- Important to plan ahead
- We have (some) flexibility

Thanks!!

