27.202-2 Notice of Government as a licensee.

(a) When the Government is obligated to pay a royalty on a patent because of an existing license agreement and the *contracting officer* believes that the licensed patent will be applicable to a prospective contract, the Government *should* furnish the prospective *offerors* with-

(1) Notice of the license;

(2) The number of the patent; and

(3) The royalty rate cited in the license.

(b) When the Government is obligated to pay such a royalty, the *solicitation should* also require *offerors* to furnish information indicating whether or not each *offeror* is the patent owner or a licensee under the patent. This information is necessary so that the Government *may* either-

(1) Evaluate an *offeror*'s price by adding an amount equal to the royalty; or

(2) Negotiate a price reduction with an *offeror* when the *offeror* is licensed under the same patent at a lower royalty rate.

Parent topic: 27.202 Royalties.