Subpart 927.3—Patent Rights Under Government Contracts

Parent topic: PART 927—PATENTS, DATA, AND COPYRIGHTS

927.302 Policy.

(a) *Introduction.*

(1) A primary mission of the Department of Energy (DOE) is to conduct research, development, and demonstration leading to the ultimate commercialization of efficient sources of energy. To accomplish this mission, DOE must work in cooperation with industry in the development of new energy sources and achieve the ultimate goal of widespread commercial utilization of those energy sources in the shortest practicable time. To this end, Congress has provided DOE with the authority to invoke an array of incentives to secure the commercialization of new technologies developed for DOE. One such important incentive is provided by the patent system.

(2) Another primary mission of DOE is to manage the Nation's nuclear weapons programs and other classified programs, where research and development procurements are directed toward processes and equipment not available to the public. To support DOE programs for bringing private industry into these and other special programs to the maximum extent permitted by national security and policy considerations, the technology developed in these programs should be made available for use in the particular fields of interest and under controlled conditions by properly cleared industrial and scientific research institutions. To ensure such availability and control, the granting of waivers in these programs may be more limited, either by the imposition of field of use restrictions or national security measures, than in other DOE programs.

(b) *Government right to receive title.* Pursuant to 42 U.S.C. 2182 and 5908, DOE takes title to all inventions conceived or first actually reduced to practice in the course of or under contracts with large, for-profit companies, foreign organizations, and other entities that are not beneficiaries of 35 U.S.C. 200 *et seq.* Regulations dealing with Department's authority to waive its title to subject inventions, including the relevant statutory objectives, exist at 10 CFR part 784. Pursuant to that section, DOE may waive the Government's patent rights in appropriate situations at the time of contracting to encourage industrial participation, foster commercial utilization and competition, and make the benefits of DOE activities widely available to the public. In addition to considering the waiver of patent rights at the time of contracting, DOE will also consider the incentive of a waiver of patent rights upon the reporting of an identified invention when requested by such entities or by the employee-inventor with the permission of the contractor. These requests can be made whether or not a waiver request was made at the time of contracting. Waivers for identified inventions will be granted where it is determined that the patent waiver will be a meaningful incentive to achieving the development and ultimate commercial utilization of inventions. Where DOE grants a waiver of the Government's patent rights, either at the time of contracting or after an invention is made, certain minimum rights and obligations will be required by DOE to protect the public interest.

927.302-70 Additional policy.

(a) In this section and 927.303, *background patent* means a U.S. patent covering an invention or discovery that is not a subject invention (as defined at 35 U.S.C. 201(e)) and that is owned or controlled by the Contractor at any time through the completion of the contract:

(1) Which the Contractor, but not the Government, has the right to license to others without obligation to pay royalties thereon; and

(2) Infringement of which cannot reasonably be avoided upon the practice of any specific process, method, machine, manufacture, or composition of matter (including relatively minor modifications thereof) which is a subject of the research, development, or demonstration work performed under this contract.

(b) Except for contracts with organizations that are beneficiaries of Public Law 96-517, the United States, as represented by DOE, shall normally acquire title in and to any invention or discovery conceived or first actually reduced to practice in the course of or under the contract, allowing the contractor to retain a nonexclusive, revocable, paid-up license in the invention and the right to request permission to file an application for a patent and retain title to any ensuing patent in any foreign country in which DOE does not elect to secure patent rights. DOE may approve the request if it determines that such approval would be in the national interest. The contractor's nonexclusive license may be revoked or modified by DOE only to the extent necessary to achieve expeditious practical application of the invention pursuant to any application for and the grant of an exclusive license in the invention to another party.

(c) Normally, contracts will not include background patent and background data provisions. Under special circumstances, however, to provide heightened assurance of commercialization, a provision providing for a right to require licensing to third parties of background inventions, limited rights data or restricted computer software may be included (*see* 927.303(d)(5)). Inclusion of such a provision will be done only with the written concurrence of the DOE program official setting forth the need for such assurance. A contract may include the right to license the Government and third-party contractors for special Government purposes when future availability of the technology would also benefit the Government. The scope of any such background patent or data licensing is subject to negotiation.

(d) The Assistant General Counsel for Technology Transfer and Intellectual Property shall:

(1) Determine whether reported inventions are subject inventions under the patent rights clause of the contract;

(2) Determine whether and where patent protection will be obtained on inventions;

(3) Represent DOE before domestic and foreign patent offices;

(4) Accept assignments and instruments confirmatory of the Government's rights to inventions; and

(5) Represent DOE in patent, trademark, technical data, copyright, and other intellectual property matters not specifically reserved to the Head of the Agency or designee under this part.

927.303 Contract clauses.

(a)

(1) Insert a patent rights clause in all solicitations and contracts for experimental, research, developmental, or demonstration work as prescribed in this section.

(2) [Reserved]

(3) [Reserved]

(4) For M&O contracts, certain decontamination and decommissioning activities and the building and/or operation of other DOE facilities, see subpart 970.27.

(d) The Contracting Officer shall use the clause at 952.227-13, Patent Rights—Ownership by the Government, except for—

(1) *Contracts for construction work or architect-engineer services.* When the services can be expected to involve only "standard types of construction" such as involving previously developed equipment, methods, and processes as described in FAR 27.303(a)(3), the Contracting Officer shall not include a patent clause;

(2) *Contracts with domestic small business firms or nonprofit organizations (see FAR 27.301).* In such cases, the Contracting Officer shall use the clause at 37 CFR 401.14, Standard Patent Rights, and Alternate I of 952.227-11 that includes the agency implementing regulations specific for DOE, suitably modified to identify the parties, in all contracts, at any tier, for experimental, developmental, demonstration or research work to be performed by a small business firm or domestic nonprofit organization, unless the work is subject to an Exceptional Circumstances Determination by DOE or another exception (see 37 CFR 401.3(a)). If the Determination of Exceptional Circumstances under the Bayh-Dole Act to Further Promote Domestic Manufacture of DOE Science and Energy Technologies executed by DOE on June 7, 2021 (S&E DEC) or any other Determination of Exceptional Circumstances under the Bayh-Dole Act (DEC) is applicable, the Contracting Officer shall include the clause at 37 CFR 401.14 and Alternate II of 952.227-11;

(3) *Waivers of rights.* In cases where DOE grants an advance waiver or waives its rights in an identified invention pursuant to 10 CFR part 784, Contracting Officers shall consult with patent counsel on appropriate clauses;

(4) *Contracts for the design, construction, operation, or management (or the integration of a collection of contracts for the same purpose) of a Government-owned research, development, demonstration or production facility.* In such cases, the Government must be accorded certain rights, applicable to further use of the facility by or on behalf of the Government after contract termination or completion. For such contracts, the Contracting Officer shall include Alternate II with the clause at 952.227-13;

(5) *Background patent rights.* For contracts involving DOE background patent rights, the Contracting Officer shall use Alternate I to the clause at 952.227-13. Alternate I may be modified with the concurrence of Patent Counsel in order to reflect the equities of the contracting parties in particular situations; or

(6) *U.S. Competitiveness.* If the funding program is subject to the S&E DEC, then the Contracting Officer shall use Alternate II to the clause at 952.227-13 when Patent Counsel has determined that the S&E DEC applies to the Contractor's funding and should be included in the contract.

927.304 Procedures.

Where the contract contains the clause at 37 CFR 401.14 and the contractor does not elect to retain title to a subject invention, DOE may consider and, after consultation with the contractor, grant requests for retention of rights by the inventor subject to the provisions of 35 U.S.C. 200 *et seq*. This section supplements FAR 27.304-1(c).

927.370 [Reserved]