

## 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.](#)