

Naval-Industry R&D Partnership Conference 2003
Doing Business with the Navy "101"



**Licensing a Government
Invention**

**Profiting from the Government
Research Investment**

2003

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- Where does the Government get inventions to license?
 - From Government owned, Government Operated Laboratories manned by Government Employees
 - From Funded Grants, R&D contracts, *etc.* where the contractor declines to file a patent application
 - From Gifts (rare)

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- Prior to the Bayh-Dole Act, the Government took title to all inventions made in whole or in part with Government R&D dollars.
- The Technology Innovation Act of 1986 changed the landscape.
- The Government was permitted to license the inventions (they always had) **but** they could keep the money and use it at the lab with a share going to the inventor(s).

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- What Congress came to realize is that “people” didn’t value a “free ride” so they authorized...
 - “... license or assign...”
 - “... in accordance with the provisions of this chapter...”
 - “... finds that it would expedite the development of the invention...”

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- Authority for Licensing of Federally Owned Inventions (Patents)
 - Title 35 USC 202 (e)
 - Title 35 USC 209
 - Title 37 CFR 404

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- Licensing of Federally Owned Patents

- Assignment
- License
 - Exclusive
 - Nonexclusive
 - Partially Exclusive

In a Particular field of use

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- What are the requirements?
 - “... manufactured substantially in the United States...”
 - “...Small business...first preference...equal or greater likelihood...”
 - “...nontransferable, irrevocable, paid-up license...”

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What does the Lab have to do?

... notice of the invention's availability..."

404.7(a)(1)

"...opportunity for written objections..."

404.7(a)(1)(I)

"...agency has determined that..."

404.7(a)(1)(ii)

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“404.11 Appeals.”

“...nonexclusive licenses...without
publication...” 404.6

“404.9 Notice to Attorney General.”

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- What do You do to get a license?
 - Find the technology you want
 - Call an ORTA (Office of Research & Technology Applications)
 - Make an application
 - Prepare a written “...plan for developing or marketing...”
- Expect the ORTA to advertise the application to give “...Public notice...has considered all comments...”

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- What should be in the license?
 - “Application for a license.” 404.8
 - “...right to grant sublicenses...”
404.5 (b)(4)
 - “...other consideration...”
404.5 (b)(7)
 - “...capabilities of the firms...”
404.7(a)(1)(D)(iv)

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- Will I get the “know how” or help getting it to work?
- Not with the license, but that is available under a CRADA (Cooperative Research & Development Agreement)
- Yes, that could cost money but...