★ The University of Wisconsin—Madison

MADISON, WISCONSIN 53706

OFFICE OF THE CHANCELLOR
BASCOM HALL
500 LINCOLN DRIVE

MEMORANDUM

To: Eric Rude, Howard Bremer, BurtWagner

From: Michael Liethen

Subject: NSF Regulations Regarding Patents

Attached for your information is a copy of new NSF regulations regarding disposition of rights in inventions made in the course of or under NSF contracts.

MAL:mz

Attachment

cate to the Commissioner of Social Security, Department of Health, Education, and Welfare building, Fourth Street and Independence Avenue SW., Washington, D.C. 20201.

Copies of all comments received in response to this notice will be available for public inspection during regular business hours at the Washington Inquiries Section, Office of Public Affairs, Social Security Administration, Department of Health, Education, and Welfare, North Building, Room 4146, 330 Independence Avenue SW., Washington, D.C. 20201.

(Catalog of Federal Domestic Assistance Program No. 13.806, Special Benefits for Disabled Coal Miners)

Dated: November 22, 1974.

J. B. CARDWELL,
Commissioner of Social Security.

Approved: November 29, 1974.

CASPAR W. WEINBERGER,
Secretary of Health, Education, and Welfare.

Paragraph (d) of § 410.510 is revised to read as follows:

§ 410.510 Computation of benefits.

* * * * *

(d) *Benefit rates for miners and widows.*

	Beginning October 1974	October 1973 to September 1974	October 1972 to September 1973	January 1972 to September 1972	1971	1969–70
(1) Miner or widow with no dependents	$137.40	$177.60	$169.80	$161.50	$153.10	$144.50
(2) Miner or widow with 1 dependent	281.10	265.40	254.70	242.20	229.60	216.70
(3) Miner or widow with 2 dependents	328.00	310.80	297.10	282.60	267.90	252.80
(4) Miner or widow with 3 or more dependents	374.80	355.20	339.50	322.90	306.10	288.90

* * * * * * * * *

(Sections 411(a), 412(a), 426(a), and 508, 83 Stat. 793; 30 U.S.C. 921(a), 922(a), 936(a), and 957)

Effective date: The foregoing amendment shall become effective December 4, 1974.

[FR Doc.74-28311 Filed 12-3-74;8:45 am]

Title 28—Judicial Administration

CHAPTER I—DEPARTMENT OF JUSTICE

[Order No. 593-74]

PART 0—ORGANIZATION OF THE DEPARTMENT OF JUSTICE

Subpart 0—Office of Management and Finance

SETTLEMENT OF CLAIMS ARISING FROM DEPARTMENTAL OPERATIONS

This order clarifies the existing delegation of authority to collect and compromise claims of the United States arising out of the activities of the Department of Justice.

By virtue of the authority vested in me by 28 U.S.C. 509, 510 and 5 U.S.C. 301, paragraph (d) of § 0.76 of Subpart 0 of Part 0 of Chapter I of Title 28, Code of Federal Regulations, setting forth functions of the Assistant Attorney General for Administration, is revised to read as follows:

§ 0.76 Specific functions.

* * * * *

(d) Exercising the claims settlement authority under the Federal Claims Collection Act of 1966 (31 U.S.C. 952).

* * * * *

Dated: October 21, 1974.

WILLIAM B. SAXBE,
Attorney General.

[FR Doc.74-28259 Filed 12-3-74;8:45 am]

Title 41—Public Contracts and Property Management

CHAPTER 25—NATIONAL SCIENCE FOUNDATION

PART 25-9—PATENTS, DATA, AND COPYRIGHTS

Disposition of Rights in Inventions

This addition to the National Science Foundation Procurement Regulations System prescribes policies, procedures, and clauses with respect to rights in inventions made in the course of or under Foundation contracts and certain related matters. A proposed regulation to add a new Part 25-9 to Title 41 was published in the FEDERAL REGISTER on January 22, 1974. This proposed regulation covered all NSF awards, including grants and contracts. Subsequent to this publication, it was decided for the purposes of clarity to publish two regulations instead of one, the first governing only contracts, to appear at 41 CFR Part 25-9, and the second governing grants and awards other than contracts, to appear at 45 CFR Part 650. These two regulations are identical in substance to that published on January 22, 1974. No comments on the proposed regulations published January 22, 1974, were received prior to February 20, 1974, as originally requested. Comments received which covered the substance of these regulations after that date were considered. Due to the action of GSA in canceling the effective date of the addition of Part 1-9 to the Federal Procurement Regulations, certain minor changes have been made from the proposed regulations. These regulations shall be effective December 4, 1974.

Part 25-9 is added as follows:

Subpart 25-9.1—Patents

Sec.
25-9.100 Scope of subpart.
25-9.101 Definitions.
25-9.102 Source of authority.
25-9.103 Procedures for selection of contract clauses.
25-9.104 Greater rights determinations.
25-9.105 Minimum government rights.
25-9.106 Availability of inventions to the public.
25-9.107 Delegations.

AUTHORITY: Secs. 11(e) and 12(a) of the National Science Foundation Act, as amended (42 USC 1870(e) and 1871(a)).

Subpart 25-9.1—Patents

§ 25-9.100 Scope of Subpart.

This subpart sets forth policies, procedures, and clauses with respect to rights in inventions made in the course of or under contracts subject to Title III of the Federal Property and Administrative Services Act of 1949, as amended, entered into by the National Science Foundation. Policies, procedures, and clauses with respect to rights in inventions under awards other than the above are set forth in 45 CFR Part 650.

§ 25-9.101 Definitions.

As used in this subpart—

(a) The term "contract" includes contracts entered into by the Foundation which are made for the purpose of conducting experimental, developmental, or research work or which contain a significant amount of such work.

(b) the term "Director" means the Director of the Foundation;

(c) the term "Foundation" means the National Science Foundation;

(d) the term "contractor" means the recipient of a contract, and may, as the contract requires, include subcontractors of a contractor at any tier;

(e) the term "invention" includes any art, method, process, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plant, which is or may be patentable under the Patent Laws of the United States of America or any foreign country;

(f) the term "to the point of practical application" means to manufacture in the case of a composition or product, to practice in the case of a process, or to operate in the case of a machine and under such conditions as to establish that the invention is being worked and that its benefits are reasonably accessible to the public;

(g) the term "President's Policy" means the President's Statement of Government Patent Policy issued August 23, 1971 (36 FR 16887, August 26, 1971); and

(h) the term "Patent Policy Review Committee" refers to a committee made up of Foundation personnel and established by the Director to administer certain aspects of Foundation patent policy.

§ 25–9.102 Source of Authority.

(a) Section 12(a) of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1871(a)), provides as follows:

Each contract or other arrangement executed pursuant to this Act which relates to scientific research shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed; Provided, however, That nothing in this Act shall be construed to authorize the Foundation to enter into any contractual or other arrangement inconsistent with any provisions of law affecting the issuance or use of patents.

(b) Section 11(e) of the same Act provides as follows:

The Foundation shall have the authority, within the limits of available appropriations, to do all things necessary to carry out the provisions of this Act, including, but without being limited thereto, the authority * * *

(e) to acquire by purchase, lease, loan, gift, or condemnation, and to hold and dispose of by grant, sale, lease, or loan, real and personal property of all kinds necessary for, or resulting from, the exercise of authority granted by this Act.

The President's Policy provides guidance as to basic policies to be followed by executive agencies with respect to inventions or discoveries made in the course of their awards. The provisions set forth in this subpart are intended to implement the National Science Foundation Act in accordance with the basic guidelines and philosophy of the President's Policy.

§ 25–9.103 Procedures for selection of contract clauses.

(a) Except as provided in paragraphs (b) and (c) of this section, all Foundation contracts shall contain the following clause:

PATENT RIGHTS—OPTION IN THE GOVERNMENT

(a) *Definitions.*

(1) "Subject Invention" means any invention or discovery of the Contractor conceived or first actually reduced to practice in the course of or under this contract, and includes any art, method, process, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plant, which is or may be patentable under the Patent Laws of the United States of America, or any foreign country.

(2) "Contract" means any contract, agreement, grant, or other arrangement, or subcontract entered into with or for the benefit of the Government where a purpose of the contract is the conduct of experimental, developmental, or research work.

(3) "States and domestic municipal governments" means the States of the United States, the District of Columbia, Puerto Rico, the Virginia Islands, American Samoa, Guam, the Trust Territory of the Pacific Islands, and any political subdivision and agencies thereof.

(4) "Government agency" includes an executive department, independent commission, board, office, agency, administration, authority, Government corporation, or other Government establishment of the executive branch of the Government of the United States of America.

(5) "To the point of practical application" means to manufacture in the case of a composition or product, to practice in the case of a process, or to operate in the case of a machine and under such conditions as to establish that the invention is being worked and that its benefits are reasonably accessible to the public.

(6) "Foundation" means the National Science Foundation.

(b) *Disposition of principal rights*—(1) *Assignment to the Government.* The Contractor agrees to assign to the Government when requested, the entire right, title, and interest throughout the world in and to each Subject Invention, except to the extent that rights are retained by the Contractor under paragraphs (b)(2) and (d) of this clause.

(2) *Greater Rights Determinations.* The Contractor, or the employee-inventor with authorization of the Contractor, may retain greater rights than the nonexclusive license provided in paragraph (d) of this clause in accordance with the procedure and criteria of 41 CFR 25–9.104. A request for a determination as to whether the Contractor or the employee-inventor is entitled to retain such greater rights must be submitted to the Foundation at the time of the first disclosure of the invention pursuant to paragraph (e)(2)(i) of this clause, or not later than 3 months thereafter or such longer period as may be authorized by the Foundation for good cause shown in writing by the Contractor. The information to be submitted for a greater rights determination is specified in 41 CFR 25–9.104. Each determination of greater rights under this contract normally shall be subject to paragraph (c) of this clause and to such reservations and conditions as may be deemed to be appropriate by the Foundation.

(c) *Minimum rights granted to the Government.* With respect to each Subject Invention to which the Contractor retains principal or exclusive rights, the Contractor:

(1) Hereby grants to the Government a nonexclusive, nontransferable, paid-up license to make, use, and sell each Subject Invention throughout the world by or on behalf of the Government of the United States (including any Government agency), States and domestic municipal governments, unless the Director of the Foundation determines after the invention has been identified that it would not be in the public interest to acquire the license for States and domestic municipal governments;

(2) Agrees to grant, upon request of the Government, a license on terms that are reasonable under the circumstances to responsible applicants;

(i) Unless the Contractor, his licensee, or his assignee demonstrates to the Government that effective steps have been taken within 3 years after a patent issued on such invention to bring the invention to the point of practical application or that the invention has been made available for licensing royalty-free or on terms that are reasonable in the circumstances, or can show cause why the principal or exclusive rights should be retained for a further period of time; or

(ii) To the extent that the invention is required for public use by governmental regulations or as may be necessary to fulfill public health or safety needs, or for other public purposes stipulated in this contract;

(3) Shall submit written reports at reasonable intervals, upon request of the Government, during the term of the patent on the Subject Invention regarding

(i) The commercial use that is being made or is intended to be made of such invention; and

(ii) The steps taken by the Contractor or his transferee to bring the invention to the point of practical application or to make the invention available for licensing;

(4) Agrees to refund any amounts received as royalty charges on any Subject Invention in procurements for or on behalf of the Government and to provide for that refund in any instrument transferring rights to any party in the invention; and

(5) Agrees (i) to provide for the Government's paid-up license pursuant to paragraph (c)(1) of this clause in any instrument transferring rights in a Subject Invention and (ii) to provide for the granting of licenses as required by (c)(2) of this clause and for the reporting of utilization information as required by paragraph (c)(3) of this clause whenever the instrument transfers principal or executive rights in any Subject Invention.

(d) *Minimum rights to the Contractor.* (1) The Contractor reserves a revocable, nonexclusive, paid-up license in each patent application, filed in any country on a Subject Invention and any resulting patent in which the Government acquires title. The license shall extend to the Contractor's domestic subsidiaries and affiliates, if any, within the corporate structure of which the Contractor is a part and shall include the right to grant sublicenses of the same scope to the extent the Contractor was legally obligated to do so at the time the contract was awarded. The license shall be transferable only with approval of the Foundation except when transferred to the successor of that part of the Contractor's business to which the invention pertains.

(2) The Contractor's nonexclusive domestic license retained pursuant to paragraph (d)(1) of this clause may be revoked or modified by the Foundation, either in whole or in part, as to the United States, its territories and possessions, Puerto Rico, and the District of Columbia to the extent necessary to achieve expeditious practical application of the Subject Invention under 41 CFR 101–4.103–3 pursuant to an application for exclusive license submitted in accordance with 41 CFR 101–4–104–3. This license shall not be revoked in that field of use and or the geographical areas in which the Contractor has brought the invention to the point of practical application and continues to make the benefits of the invention reasonably accessible to the public. The Contractor's nonexclusive license in any foreign country reserved pursuant to paragraph (d)(1) of this clause may be revoked or modified, either in whole or in part, in the discretion of the Foundation to the extent the Contractor or his domestic subsidiaries or affiliates have failed to achieve the practical application of the invention in that foreign country.

(3) Before modification or revocation of the license, pursuant to paragraph (d)(2) of this clause, the Foundation shall furnish to the Contractor a written notice of its intention to modify or revoke the license and the Contractor shall be allowed 30 days (or such longer period as may be authorized by the Foundation for good cause shown in writing by the Contractor) after such notice to show cause why the license should not be modified or revoked.

(e) *Invention identification, disclosure and reports.* (1) The Contractor shall establish and maintain active and effective procedures to assure that Subject Inventions are promptly identified and timely disclosed. These procedures shall include the maintenance of laboratory notebooks or equivalent records and other records as are reasonably necessary to document the conception and/or the first actual reduction to practice of Subject Inventions and records which show that the procedures for identifying and disclosing the inventions are followed. Upon request, the Contractor shall furnish

to the Contracting Officer a description of such procedures so that he may evaluate and determine their effectiveness.

(2) The Contractor shall furnish to the Contracting Officer:

(i) A complete disclosure of each Subject Invention, within 6 months after conception or first actual reduction to practice, whichever occurs first in the course of or under the contract, but in any event prior to any sale, public use, or publication of such invention known to the Contractor. The disclosure shall identify the contract and inventor and be sufficiently complete in technical detail and appropriately illustrated by sketch or diagram to convey to one skilled in the art to which the invention pertains a clear understanding of the nature, purpose, operation, and, to the extent known, the physical, chemical, biological, or electrical characteristics of the invention;

(ii) Interim reports at least every 12 months from the date of the contract listing Subject Inventions for that period and certifying that;

(A) The Contractor's procedures for identifying and disclosing Subject Inventions as required by this paragraph (e) have been followed throughout the reporting period; and

(B) All Subject Inventions have been disclosed or that there are no such inventions; and

(iii) An acceptable final report, within 3 months after completion of the contract work, listing all Subject Inventions or certifying that there were no such inventions.

(3) The Contractor shall obtain patent agreements to effectuate the provisions of this clause from all persons in his employ who perform any part of the work under this contract except nontechnical personnel, such as clerical employees and manual laborers.

(4) The Contractor agrees that the Government may duplicate and disclose Subject Invention disclosures and all other reports and papers furnished or required to be furnished pursuant to this clause.

(f) *Forfeiture of rights in unreported subject inventions.* (1) Unless excused by the Foundation, the Contractor shall forfeit to the Government all rights on any Subject Invention which he fails to report to the Contracting Officer at or prior to the time he:

(i) Files or causes to be filed a United States or foreign application thereon; or

(ii) Submits the final report required by paragraph (e) (2) (iii) of this clause, whichever is later.

(2) However, the Contractor shall not forfeit rights in a Subject Invention if, within the time specified in (1) (i) or (ii) of this clause, the Contractor:

(i) Prepared a written decision based upon a review of the record that the invention was neither conceived nor first actually reduced to practice in the course of or under the contract; or

(ii) Contending that the invention is not a Subject Invention, he nevertheless discloses the invention and all facts pertinent to his contention to the Contracting Officer; or

(iii) Establishes that the failure to disclose did not result from his fault or negligence.

(3) Pending written assignment of the patent applications and patents on a Subject Invention determined by the Contracting Officer to be forfeited (such determination to be a final decision under the Disputes Clause), the Contractor shall be deemed to hold the intention and the patent applications and patents pertaining thereto in trust for the Government. The forfeiture provision of this paragraph (f) shall be in addition to and shall not supersede other rights and remedies which the Government may have with respect to Subject Inventions.

(g) *Examination of records relating to inventions.* (1) The Contracting Officer or his authorized representative shall, until the expiration of 3 years after final payment under this contract, have the right to examine any books, records, documents, and other supporting data of the Contractor which the Contracting Officer reasonably deems pertinent to the discovery of identification of Subject Inventions or to determine compliance with the requirements of this clause.

(2) The Contracting Officer shall have the right to review all records and documents of the Contractor relating to the conception or first actual reduction to practice of inventions in the same field of technology as the work under this contract to determine whether any such inventions are Subject Inventions if the Contractor refuses or fails to:

(i) Establish the procedures of paragraph (e) (1) of this clause; or

(ii) Maintain and follow such procedures, or;

(iii) Correct or eliminate any material deficiency in the procedures within thirty (30) days after the Contracting Officer notifies the Contractor of such a deficiency.

(h) *Withholding of payments.* (1) Any time before final payment of the amount of this contract, the Contracting Officer may, if he deems such action warranted, withhold payment until a reserve not exceeding $50,000 or 5 percent of the amount of this contract, whichever is less, shall have been set aside if in his opinion the Contractor fails to:

(i) Establish, maintain, and follow effective procedures for identifying and disclosing Subject Inventions pursuant to paragraph (e) (1) of this clause; or

(ii) Disclose any Subject Invention pursuant to paragraph (e) (2) (i) of this clause; or

(iii) Deliver the interim reports pursuant to paragraph (e) (2) (ii) of this clause; or

(iv) Provide the information regarding subcontracts pursuant to paragraph (i) (5) of this clause.

The reserve or balance shall be retained until the Contracting Officer has determined that the Contractor has rectified whatever deficiencies exist and has delivered all reports, disclosures and other information required by this clause.

(2) Final payment under this contract shall not be made before the Contractor delivers to the Contracting Officer all disclosures of Subject Inventions required by paragraph (e) (2) (i) of this clause and the final report required by (e) (2) (iii) of this clause.

(3) The Contracting Officer may, in his discretion, decrease or increase the sums withheld up to the maximum authorized above. No amount shall be withheld under this paragraph while the amount specified by this paragraph is being withheld under other provisions of the contract. The withholding of any amount or subsequent payment thereof shall not be construed as a waiver of any rights acruing to the Government under this contract.

(i) *Subcontracts.* (1) For the purpose of this paragraph the term "Contractor" means the party awarding a subcontract and the term "Subcontractor" means the party being awarded a subcontract, regardless of tier.

(2) The Contractor shall, unless otherwise authorized or directed by the Government Contracting Officer, include this Patent Rights clause, modified to identify the parties in any subcontract hereunder, if a purpose of the subcontract is for the conduct of experimental, developmental or research work. In the event of refusal by a Subcontractor to accept this clause, or if in the opinion of the Contractor this clause is inconsistent with the policy set forth in the President's Policy, the Contractor:

(i) Shall promptly submit written notice to the Government Contracting Officer setting forth reasons for the Subcontractor's refusal and other pertinent information which may expedite disposition of the matter; and

(ii) Shall not proceed with the subcontract without the written authorization of the Government Contracting Officer.

(3) The Conractor shall not, in any subcontract or by using a subcontract as consideration therefor, acquire any rights in his Subcontractor's Subject Invention for his own use (as distinguished from such rights as may be required solely to fulfill his contract obligations to the Government in the performance of his contract).

(4) All invention disclosures, reports, instruments, and other information required to be furnished by the Subcontractor to the Government Contracting Officer under the provisions of a Patent Rights clause in any subcontract hereunder may, in the discretion of the Government Contracting Officer, be furnished to the Contractor for transmission to the Government Contracting Officer.

(5) The Contractor shall identify all Subject Inventions of the Subcontractor of which he acquires knowledge in the performance of this contract and shall notify the Government Contracting Officer promptly upon the identification of the inventions.

(6) It is understood that the Government is a third party beneficiary of any subcontract clause granting rights to the Government in Subject Inventions, and the Contractor hereby assigns to the Government all rights that he would have to enforce the Subcontractor's obligations for the benefit of the Government with respect to Subject Inventions. The Contractor shall not be obligated to enforce the agreements of any Subcontractor hereunder relating to the obligations of the Subcontractor to the Government in regard to Subject Inventions.

(b) Except (1) when paragraph (c) of this section applies, or (2) where the contract will be subject to an Institutional Patent Agreement pursuant to 45 CFR 650.8, all contracts which are with nonprofit or not-for-profit organizations (including educational institutions) shall contain the clause at 45 CFR 650.4(b). However, in the case of such contracts for the operation of National Research Centers or similar facilities other provisions may be negotiated with the approval of the General Counsel; provided that such provisions shall be consistent with section 1(a) (4) of the President's Policy.

(c) (1) At the request of a prospective contractor, special provisions other than those provided in paragraphs (a) and (b) of this section may be negotiated where the award falls within section 1 (b) of the President's Policy or where exceptional circumstances as set forth in section 1(a) of the President's Policy exist. In accordance with section 1(c) of the President's Policy, such provisions may also be negotiated at the time of award with educational or other nonprofit or not-for-profit institutions having a demonstrated capability for effective patent management; provided that in such cases the provisions shall normally include the features described in 45 CFR 650.8(c).

(2) In negotiating such special provisions, Section 12(a) of the National

Science Foundation Act, as amended, and the President's Policy will be followed.

(3) In the case of negotiations involving contracts falling within section 1(b) of the President's Policy, the clause at paragraph (a) of this section shall be used, except that the name of the clause shall be changed to "PATENT RIGHTS—OPTION IN THE CONTRACTOR," paragraph (b) of that clause shall be replaced by the following paragraph (b), and the following paragraphs (j) and (k) shall be added:

* * * * *

(b) *Disposition of principal rights.* (1) The Contractor may retain the entire right, title, and interest throughout the world or in any country thereof in and to each Subject Invention disclosed pursuant to paragraph (e) (2) (i) of this clause, subject to the rights obtained by the Government in paragraph (c) of this clause. The Contractor shall include with each Subject Invention disclosure an election as to whether he will retain the entire right, title, and interest in the invention throughout the world or any country thereof.

(2) Subject to the license specified in paragraph (d) of this clause, the Contractor agrees to convey to the Government, upon request, the entire domestic right, title, and interest in any Subject Invention when the Contractor:

(i) Does not elect under paragraph (b) (1) of this clause to retain such rights; or

(ii) Fails to have a United States patent application filed on the invention in accordance with paragraph (j) of this cause, or decides not to continue prosecution of such application; or

(iii) At any time, no longer desires to retain title.

(3) Subject to the license specified in paragraph (d) of this clause, the Contractor agrees to convey to the Government, upon request, the entire right, title, and interest in any Subject Invention in any foreign country if the Contractor:

(i) Does not elect under paragraph (b) (1) of this clause to retain such rights in the country; or

(ii) Fails to have a patent application filed in the country on the invention in accordance with paragraph (k) of this clause, or decides not to continue prosecution or to pay any maintenance fees covering the invention. To avoid forfeiture of the patent application or patent, the Contractor shall notify the Contracting Officer not less than sixty (60) days before the expiration period for any action required by the foreign patent office.

(4) A conveyance requested pursuant to paragraph (b) (2) or (3) of this clause shall be made by delivering to the Contracting Officer duly executed instruments (prepared by the Government) and such other papers as are deemed necessary to vest in the Government the entire right, title, and interest to enable the Government to apply for and prosecute patent applications covering the invention in this or the foreign country, respectively, or otherwise establish its ownership in such invention.

* * * * *

(j) *Filing of domestic patent applications.* (1) With respect to each Subject Invention in which the Contractor elects to retain domestic rights pursuant to paragraph (b) of this clause, the Contractor shall have a domestic patent application filed within 6 months after submission of the invention disclosure pursuant to paragraph (e) (2) (i) of this clause, or such longer period as may be approved by the Contracting Officer for good cause shown in writing by the Contractor. With respect to the invention, the Contractor shall promptly notify the Contracting Officer of any decision not to file an application.

(2) For each Subject Invention on which a patent application is filed by or on behalf of the Contractor, the Contractor shall:

(i) Within 2 months after such filing, or within 2 months after submission of the invention disclosure if the patent application previously had been filed, deliver to the Contracting Officer a copy of the application as filed including the filing date and serial number;

(ii) Include the following statement, appropriately completed, in the second paragraph of the specification of the application and any patents issued on a Subject Invention. "The Government has rights in this invention pursuant to Contract No. ------ (or Grant No. ------) awarded by the National Science Foundation."

(iii) Within 6 months after filing the application or within 6 months after submission of the invention disclosure if the application has been filed previously, deliver to the Contracting Officer a duly executed and approved instrument on a form specified by the Government fully confirmatory of all rights to which the Government is entitled, and provide the agency an irrevocable power to inspect and make copies of the patent application filed;

(iv) Provide the Contracting Officer with a copy of the patent within 2 months after a patent issues on the application, and

(v) Not less than 30 days before the expiration of the response period for any action required by the Patent Office, notify the Foundation of any decision not to continue prosecution of the application and deliver to the Foundation executed instruments granting the Government a power of attorney.

(3) For each Subject Invention in which the Contractor initially elects not to retain principal domestic rights, the Contractor shall inform the Contracting Officer promptly in writing of the date and identity of any sale, public use, or publication of such invention which may constitute a statutory bar under 35 U.S.C. 102, which was authorized by or known to the Contractor, or any contemplated action of this nature.

(k) *Filing of foreign patent applications.* (1) With respect to each Subject Invention in which the Contractor elects to retain rights in a foreign country pursuant to paragraph (b) (1) of this clause, the Contractor shall have a patent application filed on the invention in such country, in accordance with applicable statutes and regulations, and within one of the following periods;

(i) Eight months from the date of a corresponding United States application filed by or on behalf of the Contractor; or if such an application is not filed, 6 months from the date the invention is submitted in a disclosure pursuant to paragraph (e) (2) (i) of this clause;

(ii) Six months from the date a license is granted by the Commissioner of Patents to file foreign applications where such filing has been prohibited by security reasons; or

(iii) Such longer period as may be approved by the Contracting Officer.

(2) The Contractor shall notify the Contracting Officer promptly of each foreign application filed and, upon written request, shall furnish an English version of such foreign application without additional compensation.

(4) In all other cases falling within this paragraph (c), the "PATENT RIGHTS—OPTION IN THE GOVERNMENT" clause prescribed at § 25-9.103 (a) shall be used with appropriate modifications of that clause so as to allow the Contractor to obtain greater rights than a non-exclusive license as to all or specific inventions. These modifications should reflect the requirements of paragraph (c) (1) of this section, if applicable, and, in addition, particularly where the contract would fall within section 1(a) (1)–(4) of the President's Policy, consideration should be given to including provisions to ensure that research results are made available to the public in accordance with the policy set forth in § 25-9.106.

(5) The inclusion of special provisions in a contract in accordance with this section, other modifications of the clauses prescribed by this subpart, or the waiver of any of the requirements of the clauses prescribed by this subpart, shall be approved by the General Counsel. In cases where the General Counsel does not grant such approval, interested Foundation staff may refer the matter to the NSF Patent Policy Review Committee.

§ 25-9.104 Greater rights determination.

(a) (1) Contractors desiring to retain rights in inventions made under or during the course of contracts containing provisions that condition the retention of principal rights in such inventions by the contractor on the determination of the Foundation, such as those prescribed at § 25-9.103(a), should address their request to the General Counsel who has been delegated authority to make such determinations. In all such cases the General Counsel shall seek the recommendations and advice of the Patent Policy Review Committee.

(2) Such requests should contain the following information:

(i) The contract number, and subcontract number if applicable, under which the invention was made.

(ii) A complete invention disclosure or reference to one that has previously been furnished, including any NSF identifying numbers, if known;

(iii) A description of the relationship of the invention to the main purpose of the contract;

(iv) The contractor's evaluation of the commercial possibilities of the invention both in its original embodiment and in possible adaptations to other uses;

(v) An explanation of why it is believed that rights greater than free public use are needed to bring the invention into use;

(vi) The nature and extent of the rights desired;

(vii) A description of the stage of development of the invention, and an estimate of the cost of development, capital and time required to bring the invention to the point of practical application as defined in the President's Policy;

(viii) A statement of the contractor's plans and intentions to bring the invention to the point of practical application including:

(A) If further development is to be conducted by the contractor, a description of the facilities, source of funds, personnel, and marketing outlets available

for that purpose and the extent to which such development is to be undertaken by the contractor or others on his behalf and/or

(B) If he intends to license the invention, a brief description of his licensing program;

(ix) A statement of any equities in the invention which the contractor believes it has in the invention which would be appropriate for consideration by the Foundation;

(x) If other Government agencies have contributed to the cost of making the invention, the identification of such agencies and the grant or contract involved, and the approximate share of each;

(xi) A listing of other countries in which the contractor would be interested in filing applications for patents;

(xii) If publication of the substance of this invention has occurred or is planned or there has been a use or sale such as might possibly create a future statutory bar to the patenting of the invention, the name of the journal, the date or probable date of publication, a reprint of the article if it has been published or a copy of the draft as submitted for publication, and/or details regarding the use or sale of the invention;

(xiii) An identification and indication of the ownership of any patents, patent applications, or invention disclosures known to the contractor which would affect the practice of the invention.

(b) Determinations under this section shall be made on the basis of the guidelines set forth in the President's Policy and this subpart. In addition, the relationship of the invention to other technology controlled by the contractor shall be considered as discussed in § 25–9.106.

(c) (1) In cases where principal rights in an invention are left with a contractor which, itself, is not expected to further develop the invention, the Foundation will require the contractor to make reasonable attempts to license inventions on a nonexclusive basis; provided that an exclusive license may be granted if the contractor determines that an exclusive license is necessary as an incentive for development of the invention or because market conditions are such as to require licensing on an exclusive basis in order to bring the invention into use. This determination shall be in writing and supplied to the Foundation at or before the time an exclusive license is granted. Any such exclusive license granted under a domestic patent or patent application will normally be limited to a period of three years from first commercial sale or eight years from the inception of the license agreement, whichever occurs first. Thereafter, unless the original exclusive license period is extended with the approval of the Foundation, additional licenses will be made available on a nonexclusive basis at a royalty not greater than that charged to the exclusive licensee.

(2) In addition to the requirements of paragraph (c) (1) of this section, any determination under this section shall reserve to the Government the rights set forth in § 25–9.105. In addition, if he has not already done so, the contractor shall be required to have a domestic patent application filed on the invention within 6 months from the date of the determination, or such longer period as may be authorized by the Foundation for good cause shown by the contractor. Each determination shall also include appropriate provisions concerning foreign rights. The determination may also include such other provisions as are considered appropriate.

(3) When neither the grantee, the employee-inventor, nor any other Government agency notified of the invention by the Foundation wishes to take principal rights in an invention, it shall normally be dedicated to the public through publication.

§ 25–9.105 Minimum government rights.

In all cases where the contractor or any other person or entity has been allowed to retain or obtain principal rights in an invention, or possible future inventions, whether at the time of award or after an invention has been identified, the Foundation shall reserve the following minimum rights, if not otherwise required by or inconsistent with any other provision of this subpart.

(a) A nonexclusive, nontransferable, paid-up license to make, use, and sell the invention throughout the world by or on behalf of the Government of the United States (including any Government agency) and States and domestic municipal governments, unless the Director determines that it would not be in the public interest to acquire the license for the States and domestic municipal governments.

(b) The right to sublicense any foreign government pursuant to any existing or future treaty or agreement, but only if the Director determines it would be in the national interest to acquire this right.

(c) The principal or exclusive rights to the invention (or the right to acquire the same) in any country in which the contractor does no elect to secure a patent.

(d) The right to require written reports at reasonable intervals on the commercial use that is being made or is intended to be made of the invention.

(e) The right to require the inclusion of the following appropriately completed statement in the second paragraph of the specification of any patent application or patent: "The Government has rights in this invention pursuant to Contract No. _____ awarded by the National Science Foundation."

(f) The right to require the granting of a nonexclusive or exclusive license to a responsible applicant on terms that are reasonable under the circumstances (1) unless it is determined that effective steps have been taken within three years after a patent issues on the invention to bring the invention to the point of practical application, or that the invention has been made available for licensing royalty-free or on terms that are reasonable under the circumstances or unless cause can be shown why the Foundation should not exercise this right for some further period of time; (2) to the extent the invention is determined to be necessary to fulfill health or safety needs; or (3) to the extent the invention is determined to be needed for other public purposes stipulated in the contract. Determinations and other actions taken pursuant to this paragraph (f) shall be by the Director or by such person(s) as he may designate.

(g) The right to approve any license covering the invention proposed to be granted to any of the following persons or organizations:

(1) Any person who participated as an employee of the contractor in the research leading to the conception and/or actual reduction to practice of the invention;

(2) An organization of which a person described in paragraph (g) (1) of this section was an active promoter or organizer or in which such a person is an officer, director, or holds a substantial interest;

(3) An organization of which the contractor was an active promoter, organizer, or financer.

Approval of such a license shall be given only if the contractor can show that a bona fide effort was made without success to interest other organizations known to be interested in the subject matter of the invention in becoming licensees, or can othrewise show why the public interest will best be served by the proposed licensing arrangement. Notwithstanding anything above, this paragraph (g) shall not apply in the case of a contract with a for-profit contractor.

§ 25–9.106 Availability of inventions to the public.

(a) A major objective of the Foundation is to encourage the use of inventions arising out of activities supported by the Foundation. It is important that any useful product or process developed or improved under a contract is made available to the public on reasonable terms. In some cases, to ensure such availability it may be necessary, either at the time of award or in connection with the determination under § 25–9.104, to require the contractor to furnish to responsible applicants technical data or rights in other inventions to the extent necessary to practice the invention made or product or process developed or improved under the contract.

(b) Program managers or other Foundation personnel shall refer cases involving preexisting proprietary technology (such as "proprietary data," "trade secrets," patents, or patent applications) to the General Counsel or the Patent Policy Review Committee in accordance with applicable Staff Memoranda.

§ 25–9.107 Delegations.

The General Counsel is authorized to make any determinations required by these regulations to be made by the Director, including determinations re-

quired by the President's Policy to be made by the head of the agency, except those specified in § 25-9.105(f).

Dated: November 14, 1974.

H. GUYFORD STEVER,
Director.

[FR Doc.74-27504 Filed 12-3-74;8:45 am]

Title 45—Public Welfare

CHAPTER VI—NATIONAL SCIENCE FOUNDATION

PART 650—PATENTS

Disposition of Rights in Inventions

This addition to Chapter VI of Subtitle B of Title 45 of the Code of Federal Regulations prescribes polices, procedures, and clauses with respect to rights in inventions made in the course of or under Foundation awards (other than contracts subject to the Federal Property and Administrative Services Act of 1949, as amended) and certain related matters. A proposed regulation to add a new Part 25-9 to Title 41 was published in the FEDERAL REGISTER on January 22, 1974. This proposed regulation covered all NSF awards, including grants and contracts. Subsequent to this publication, it was decided for the purposes of clarity to publish two regulations instead of one, the first governing only contracts, to appear at 41 CFR Part 25-9, and the second governing grants and awards other than contracts, to appear at 45 CFR—Part 650. These two regulations are identical in substance to that published on January 22, 1974. No comments on the proposed regulations published January 22, 1974, were received prior to February 20, 1974, as originally requested. Comments received which covered the substance of these regulations after that date were considered. These regulations shall be effective December 4, 1974.

Part 650 is added as follows:

Sec.
650.1 Scope of part.
650.2 Definitions.
650.3 Source of authority.
650.4 Procedures for selection of clauses in awards.
650.5 Requests for special provisions at time of award.
650.6 Fellowships and traineeships.
650.7 Special classes of awards.
650.8 Institutional patent agreements.
650.9 Greater rights determinations after disclosure.
650.10 Minimum government rights.
650.11 Availability of inventions to the public.
650.12 Delegations.

AUTHORITY: Secs. 11(e) and 12(a) of the National Science Foundation Act, as amended (42 USC 1870(e) and 1871(a)).

§ 650.1 Scope of part.

This part sets forth polices, procedures, and clauses with respect to rights in inventions made in the course of or under grants, fellowships, and other arrangements (other than contracts subject to Title III of the Federal Property and Administrative Services Act of 1949, as amended) entered into by the National Science Foundation. Policies, procedures, and clauses with respect to rights in inventions made under contracts subject to the Federal Property and Administrative Services Act are set forth in 41 CFR 25-9.

§ 650.2 Definitions.

As used in this part—

(a) The term "award" includes grants, and other arrangements (other than contracts subject to Title III of Federal Property and Administrative Services Act of 1949, as amended) entered into by the Foundation which are made for the purpose of supporting experimental, developmental, or research work or which contain a significant element of such activity. Examples of such awards include scientific research project grants, student originated studies, and cooperative agreements for the support of research. For the purpose of this part, the term "award" does not include grants, or other arrangements which do not require substantial experimental, developmental or research work such as facilities and equipment grants, institutional formula grants, grants for the conduct of summer institutes, and travel and conference grants. The term "award" also includes fellowships and traineeships;

(b) the term "Director" means the Director of the Foundation;

(c) the term "Foundation" means the National Science Foundation;

(d) the term "grantee" means the recipient of an award, and may, as the context requires, include subcontractors of a grantee at any tier;

(e) the term "invention" includes any art, method, process, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plant, which is or may be patentable under the Patent Laws of the United States of America or any foreign country;

(f) the term "to the point of practical application" means to manufacture in the case of a composition or product, to practice in the case of a process, or to operate in the case of a machine and under such conditions as to establish that the invention is being worked and that its benefits are reasonably accessible to the public;

(g) the term "President's Policy" means the President's Statement of Government Patent Policy issued August 23, 1971 (36 FR 16887, August 26, 1971); and

(h) the term "Patent Policy Review Committee" refers to a committee made up of Foundation personnel and established by the Director to administer certain aspects of Foundation patent policy.

§ 650.3 Source of authority.

(a) Section 12(a) of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1871(a)), provides as follows:

> Each contract or other arrangement executed pursuant to this Act which relates to scientific research shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed; Provided, however, That nothing in this Act shall construed to authorize the Foundation to enter into any contractual or other arrangement inconsistent with any provisions of law affecting the issuance or use of patents.

(b) Section 11(e) of the same Act provides as follows:

> The Foundation shall have the authority, within the limits of available appropriations, to do all things necessary to carry out the provisions of this Act, including, but without being limited thereto, the authority * * *
>
> (e) to acquire by purchase, lease, loan, gift, or condemnation, and to hold and dispose of by grant, sale, lease, or loan, real and personal property of all kinds necessary for, or resulting from, the exercise of authority granted by this Act.

The President's Policy provides guidance as to basic policies to be followed by executive agencies with respect to inventions or discoveries made in the course of their awards. The provisions set forth in this part are intended to implement the National Science Foundation Act in accordance with the basic guidelines and philosophy of the President's Policy.

§ 650.4 Procedures for selection of clauses in awards.

(a) The clause at paragraph (b) of this section shall be used in every award except (1) where § 650.5 of this part is applicable, or (2) where the award is for a fellowship or traineeship as provided in § 650.6 of this part, or (3) where the award falls within a class of awards as provided in § 650.7 of this part, or (4) where the award is subject to an Institutional Patent Agreement entered into pursuant to § 650.8 of this part.

(b) The following clause shall be included in Foundation awards in accordance with paragraph (a) of this section:

RIGHTS IN INVENTIONS

(a) Whenever any invention which is, or may be, patentable is conceived or first actually reduced to practice in the course of or under this _____,[1] the _____,[2] shall furnish the Foundation with complete information thereon; and the Foundation shall have the right to determine whether or not and where a patent application shall be filed, and to determine the disposition of the invention and title to and rights under any patent application or patent that may result. The Foundation, in making such a determination, shall take into account the public interest and equities of the grantee. In any case, the Foundation may arrange to have the invention described in a printed publication.

(b) The _____,[2] for itself and for its employees, agrees that all documents will be executed and all other actions taken necessary or proper to carry out the determination of the Foundation.

(c) Except as otherwise authorized in writing by the _____,[3] _____,[2] will insert in each subcontract having experimental, developmental, or research work as one of its purposes, provisions making this article applicable to the subcontractor and its employees and any lower-tier subcontractors and their employees.

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[1] Insert "grant" or other applicable term as the case may be.

[2] Insert "grantee" or other applicable term as the case may be.

[3] Insert "Grants Officer" or other applicable term as the case may be.

§ 650.5 Requests for special provisions at time of award.

(a) At the request of the prospective grantee, special provisions other than the clause at § 650.4(b) of this part may be negotiated where the award falls within section 1(b) of the President's Policy or where exceptional circumstances, as set forth in section 1(a) of the President's Policy, exist. In accordance with section 1(c) of the President's Policy, such provisions may also be negotiated at the time of award with educational or other nonprofit institutions having a demonstrated capability for effective patent management.

(b) In negotiating such provisions the procedures, requirements, and limitations of, and the clauses prescribed at 41 CFR 25-9.103(c) shall be applicable.

§ 650.6 Fellowships and traineeships.

Each fellowship awarded by the Foundation shall include the provision below. This provision defines the rights of the Foundation and is not intended to preclude educational institutions from obtaining rights in accordance with their policies. A substantially similar provision shall be used in Traineeship awards.

RIGHTS IN INVENTIONS

(a) Whenever any invention which is, or may be, patentable is conceived or first actually reduced to practice in the course of the fellowship, and a patent application is filed thereon, the Fellow shall furnish the Foundation with complete information thereon and a copy of the patent application with date of filing and serial number.

Title to and rights in any such invention shall remain in the Fellow: provided, however, that the Fellow hereby grants (and agrees to execute upon request a confirmatory license) a nonexclusive, nontransferable, paid-up license to make, use, and sell the invention throughout the world by or on behalf of the Government of the United States (including any Government agency) and States and domestic municipal governments, unless the Director determines that it would not be in the public interest to acquire the license for State and domestic municipal governments. The Fellow further agrees that unless the Fellow, his licensee or his assignee, has taken effective steps within three years after a patent issues on any such invention to bring the invention to the point of practical application or has made the invention available for licensing royalty-free or on terms that are reasonable under the circumstances, or can show cause why he should retain the principal or exclusive rights for a further period of time, the Government, acting through the Director of the National Science Foundation or his delegee(s), shall have the right to require the granting of a nonexclusive or exclusive license to a responsible applicant(s) on terms that are reasonable under the circumstances. It is also agreed that the Government, acting through the Director of the National Science Foundation or his delegee(s), shall have the right to require the granting of a nonexclusive or exclusive license to a responsible applicant(s) on terms that are reasonable under the circumstances (i) to the extent that the invention is determined to be required for public use by governmental regulations or (ii) is determined to be necessary to fulfill health or safety needs.

(b) As used herein the term "to the point of practical application" means to manufacture in the case of a composition or product, to practice in the case of a process, or to operate in the case of a machine and under such conditions to establish that the invention is being worked and that its benefits are reasonably accessible to the public.

(c) As requested by the Foundation, the Fellow shall make periodic written reports on the commercial use that is being made or is intended to be made of any such inventions.

(d) The Fellow agrees that the following statement will be included in the second paragraph of the specification of the patent application and any resulting patent:

"The Government has rights in this invention pursuant to a fellowship awarded by the National Science Foundation."

(e) Nothing herein shall affect or limit the rights that the Government may have in any invention pursuant to the terms of any other award to any other party.

§ 650.7 Special classes of awards.

With the approval of the General Counsel, alterations to the clause prescribed at § 650.4(b) may be used allowing or guaranteeing the grantee's retention of specific rights in special classes of awards where the amount of support is small and where all or a part of the work will take place at profit-making organizations, for example, an "Option B" type Engineering Research Initiation Grant or a Faculty Research Participation Grant.

§ 650.8 Institutional Patent Agreements.

(a) The Foundation has determined that the public interest in the availability of inventions will normally best be served by allowing educational and other nonprofit institutions having a technology transfer program meeting the criteria set forth in paragraph (b) of this section the right to a first option to ownership in inventions made in the course of or under awards (other than fellowships or traineeships) and contracts, subject to the limitations described in paragraph (c) of this section. This right will be embodied in an Institutional Patent Agreement (hereinafter sometimes referred to as an "IPA"), which will generally apply to all awards made to and contracts made with the institution, other than contracts to operate a National Research Center or similar facility. The purpose of IPA's is to reduce unnecessary administrative burdens when institutions have effective means and active programs for exploiting inventions in the public interest. The Foundation reserves the right to and may deny a request for an IPA or terminate an existing IPA with an otherwise qualified institution in cases where the institution's record of invention disclosures to the Foundation, the level of Foundation support to the institution, or other factors appear to minimize the advantages of issuing or continuing an IPA in comparison with the administrative burdens which would otherwise exist.

(b) Among the criteria which will be considered in determining whether an institution has a satisfactory technology transfer program are the following:

(1) The institution has a formal patent policy which is administered on a continuous basis by an officer or organization responsible to the institution.

(2) The institution can give assurance that employees are legally obligated to assign to the institution any inventions made by them in the course of or under awards.

(3) The institution has an effective invention disclosure system.

(4) The institution has an active and effective promotional program for the licensing and marketing of inventions which is consistent with the objectives of the President's Policy.

(c) Institutional Patent Agreements will (1) reserve to the Government the rights specified in § 650.10 of this part; (2) require the institution or its patent management organization normally to license inventions on a nonexclusive basis and failing this to limit, unless otherwise approved by the Foundation, exclusive licenses granted under domestic patents to a period of three years from first commercial sale or eight years from the date of the inception of the license agreement, whichever occurs first; provided that, after the period specified above for the duration of exclusive licenses, additional licenses will be made available on a nonexclusive basis at no greater royalties; (3) limit the use of patent management organizations to those specified in the IPA or approved by the Foundation; (4) provide that the institution use any net royalty income retained by it for the support of education or scientific research; (5) provide that the Foundation may exempt specific awards and contracts from the application of the IPA; and (6) include such other terms and conditions as are considered necessary.

(d) Institutions desiring to enter into IPA's should contact the Office of General Counsel for additional information. The General Counsel has been given authority to negotiate IPA's on behalf of the Foundation subject to approval of an institution's qualifications for patent management by the NSF Patent Policy Review Committee and approval and execution by the Grants and Contracts Officer.

(e) Except as provided in § 650.10(f) of this part, the General Counsel, or his designee, is authorized to act on behalf of the Foundation in connection with decisions and actions which may be required under Institutional Patent Agreements (such as the granting of time extensions, required approvals, or other administrative actions).

(f) In accordance with applicable criteria and guidelines established by the Director and/or individual Assistant Directors, NSF Program Managers or other Foundation personnel shall identify and refer to the NSF Patent Policy Review Committee any potential awards to institutions holding IPA's which might be considered for exclusion from the coverage of the IPA.

§ 650.9 Greater rights determination after disclosure.

(a)(1) Grantees desiring to retain rights in inventions made under or during the course of awards containing provisions that condition the retention of principal rights in such inventions by the grantee on the determination of the

Foundation, such as those prescribed at § 650.4(b) of this part, should address their request to the General Counsel who has been delegated authority to make such determinations. In all such cases the General Counsel shall seek the recommendations and advice of the Patent Policy Review Committee.

(2) Such requests should contain the following information:

(i) The award number, and subcontract number, if applicable, under which the invention was made;

(ii) A complete invention disclosure or reference to one that has previously been furnished, including any NSF identifying numbers, if known;

(iii) A description of the relationship of the invention to the main purpose of the award;

(iv) The grantee's evaluation of the commercial possibilities of the invention both in its original embodiment and in possible adaptions to other uses;

(v) An explanation of why it is believed that rights greater than free public use are needed to bring the invention into use;

(vi) The nature and extent of the rights desired;

(vii) A description of the stage of development of the invention, and an estimate of the cost of development, capital and time required to bring the invention to the point of practical application as defined in the President's Policy;

(viii) A statement of the grantee's plans and intentions to bring the invention to the point of practical application including:

(A) If further development is to be conducted by the grantee, a description of the facilities, source of funds, personnel, and marketing outlets available for the purpose and the extent to which such development is to be undertaken by the grantee or others on his behalf and/or

(B) If he intends to license the invention, a brief description of his licensing program;

(ix) A statement of any equities in the invention which the grantee believes it has in the invention which would be appropriate for consideration by the Foundation, with particular emphasis on direct contributions to the cost of making the invention as opposed to general factors such as the provision of facilities or experience in research;

(x) If other Government agencies have contributed to the cost of making the invention, the identification of such agencies and the grant or contract involved, and the approximate share of each;

(xi) A listing of other countries in which the grantee would be interested in filing applications for patents;

(xii) If publication of the substance of this invention has occurred or is planned or there has been a use or sale such as might possibly create a future statutory bar to the patenting of the invention, the name of the journal, the date or probable date of publication, a reprint of the article if it has been published or a copy of the draft as submitted for publication, and/or details regarding the use or sale of the invention;

(xiii) An identification and indication of the ownership of any patents, patent applications, or invention disclosures known to the grantee which would affect the practice of the invention.

(b) Determinations under this section shall be made on the basis of the guidelines set forth in the President's Policy and this part. In addition, the relationship of the invention to other technology controlled by the grantee shall be considered as discussed in § 650.11 of this part.

(c) (1) In cases where principal rights in an invention are left with a grantee which, itself, is not expected to further develop the invention, the Foundation requires the grantee to make reasonable attempts to license inventions on a nonexclusive basis; provided that an exclusive license may be granted if the grantee determines that an exclusive license is necessary as an incentive for development of the invention or because market conditions are such as to require licensing on an exclusive basis in order to bring the invention into use. This determination shall be in writing and supplied to the Foundation at or before the time an exclusive license is granted. Any such exclusive license granted under a domestic patent or patent application will normally be limited to a period of three years from first commercial sale or eight years from the inception of the license agreement, whichever occurs first. Thereafter, unless the original exclusive license period is extended with the approval of the Foundation, additional licenses will be made available on a nonexclusive basis at a royalty not greater than that charged to the exclusive licensee.

(2) In addition to the requirements of paragraph (c)(1) of this section, any determination under this section shall reserve to the Government the rights set forth in § 650.10 of this part. In addition, if it has not already done so, the grantee will be required to have a domestic patent application filed on the invention within 6 months from the date of the determination, or such longer period as may be authorized by the Foundation for good cause shown by the grantee. Each determination will also include appropriate provisions concerning foreign rights. The determination may also include such other provisions as are considered appropriate.

(3) Whenever the clause at § 650.4(b) has been used or an Institutional Patent Agreement is applicable and the grantee does not wish to retain principal rights and neither the Foundation nor any other Government agency notified of the invention by the Foundation wishes to take principal rights in the invention, it shall normally be dedicated to the public through publication. However, principal rights may be left in the inventor(s) if he (they) so request upon demonstration of an intention to exploit the invention and a description satisfactory to the Foundation of the means by which this is to be accomplished. All such requests will be made and processed in accordance with the procedures set forth in this section and determinations thereon shall contain the requirements of paragraphs (c) (1) and (2) of this section.

§ 650.10 Minimum government rights.

In all cases where the grantee or any other person or entity has been allowed to retain or obtain principal rights in an invention or possible future inventions, whether at the time of award or after an invention has been identified, the Foundation shall reserve the following minimum rights, if not otherwise required by or inconsistent with any other provision of this part.

(a) A nonexclusive, nontransferable, paid-up license to make, use, and sell the invention throughout the world by or on behalf of the Government of the United States (including any Government agency) and States and domestic municipal governments, unless the Director determines that it would not be in the public interest to acquire the license for the States and domestic municipal governments.

(b) The right to sublicense any foreign government pursuant to any existing or future treaty or agreement, but only if the Director determines it would be in the national interest to acquire this right.

(c) The principal or exclusive rights to the invention (or the right to acquire the same) in any country in which the grantee does not elect to secure a patent.

(d) The right to require written reports at reasonable intervals on the commercial use that is being made or is intended to be made of the invention.

(e) The right to require the inclusion of the following appropriately completed statement in the second paragraph of the specification of any patent application or patent: "The Government has rights in this invention pursuant to Grant (or other award designation) No. _____ awarded by the National Science Foundation."

(f) The right to require the granting of a nonexclusive or exclusive license to a responsible applicant on terms that are reasonable under the circumstances (1) unless it is determined that effective steps have been taken within three years after a patent issues on the invention to bring the invention to the point of practical application, or that the invention has been made available for licensing royalty-free or on terms that are reasonable under the circumstances or unless cause can be shown why the Foundation should not exercise this right for some further period of time; (2) to the extent the invention is determined to be necessary to fulfill health or safety needs; or (3) to the extent the invention is determined to be needed for other public purposes stipulated in the award. Determinations and other actions taken pursuant to this paragraph (f) shall be by the Director or by such person(s) as he may designate.

(g) The right to approve any license covering the invention proposed to be granted to any of the following persons or organizations:

(1) Any person who participated as an employee of the grantee in the research leading to the conception and/or actual reduction to practice of the invention;

(2) An organization of which a person described in subsection (g)(1) of this section was an active promoter or organizer or in which such a person is an officer, director, or holds a substantial interest;

(3) An organization of which the grantee was an active promoter, organizer, or financer.

Approval of such a license shall be given only if the grantee can show that a bona fide effort was made without success to interest other organizations, known to be interested in the subject matter of the invention, in becoming licensees, or can otherwise show why the public interest will best be served by the proposed licensing arrangement. Notwithstanding anything above, this paragraph (g) shall not apply in the case of an award to a for-profit grantee.

§ 650.11 Availability of inventions to the public.

(a) A major objective of the Foundation is to encourage the use of inventions arising out of activities supported by the Foundation. It is important that any useful product or process developed or improved under an award is made available to the public on reasonable terms. In some cases, to ensure such availability it may be necessary, either at the time of award or in connection with the determination under § 650.9 to require the grantee to furnish to responsible applicants technical data or rights in other inventions to the extent necessary to practice the invention made or product or process developed or improved under the award.

(b) Program managers or other Foundation personnel shall refer cases involving preexisting proprietary technology (such as "proprietary data," "trade secrets," patents, or patent applications) to the General Counsel or the Patent Policy Review Committee in accordance with applicable Staff Memoranda.

§ 650.12 Delegations.

The General Counsel is authorized to make any determinations required by these regulations to be made by the Director, including determinations required by the President's Policy to be made by the head of the agency, except those specified in § 650.10(f).

Dated: November 14, 1974.

H. GUYFORD STEVER,
Director.

[FR Doc.74-27503 Filed 12-3-74;8:45 am]

Title 49—Transportation

CHAPTER X—INTERSTATE COMMERCE COMMISSION

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

PART 1033—CAR SERVICE

[4th Rev. S.O. No. 1119; Amdt. 1]

Demurrage on Freight Cars

At a Session of the Interstate Commerce Commission, Railroad Service Board, held in Washington, D.C., on the 25th day of November 1974.

Upon further consideration of Service Order No. 1119 (39 FR 35666), and good cause appearing therefor:

It is ordered, That Service Order No. 1119 be, and it is hereby, amended by revising paragraph (e) as follows:

§ 1033.1119 Demurrage on freight cars.

* * * * *

(e) *Expiration date.* The provisions of this order shall expire at 6:59 a.m., February 1, 1975, unless otherwise modified, changed, or suspended by order of this Commission.

(Secs. 1, 12, 15, and 17(2), 24 Stat. 3798, 383, 384, as amended (49 U.S.C. 1, 12, 15, and 17(2)). Interprets or applies secs. 1(10–17), 15(4), and 17(2), 40 Stat. 101, as amended, 54 Stat. 911 (49 U.S.C. 1(10–17), 15(4), and 17(2)))

Effective date. This amendment shall become effective at 6:59 a.m., December 1, 1974.

It is further ordered, That a copy of this amendment shall be served upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and car hire agreement under the terms of that agreement, and upon the American Short Line Railroad Association; and that notice of this amendment be given to the general public by depositing a copy in the Office of the Secretary of the Commission at Washington, D.C., and by filing it with the Director, Office of the Federal Register.

By the Commission, Railroad Service Board.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.74-28333 Filed 12-3-74;8:45 am]

PART 1124—ADEQUACY OF PASSENGER SERVICE

[Ex Parte No. 277; (Sub-No. 1)]

Penalties for Violation

At a Session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 4th day of October 1974.

Upon further consideration of the record in this proceeding, the report and order of the Commission, dated December 7, 1973, 344 I.C.C. 758, wherein regulations for the adequacy of intercity rail passenger service were promulgated and adopted, the report and order on further consideration of the Commission dated March 27, 1974, 346 I.C.C. 75, wherein certain of the aforesaid regulations were modified temporarily due to the energy problem and other good cause, the order of the Commission dated July 15, 1974, wherein the Commission reopened this proceeding for the purpose of proposing modifications of Regulations 23 and 26 (§§ 1124.23 and 1124.26 of 49 CFR Chapter X) and of a statement in opposition to the above proposed modifications, filed by the National Railroad Passenger Corportion (Amtrak) on August 5, 1974:

It is ordered, That for the reasons stated in the report attached hereto, and made a part hereof, Regulations 23 and 26 of the Commission's Regulations for the Adequacy of Intercity Rail Passenger Service, as set forth in appendix C of the report at 344 I.C.C. 758 (814, 815), as herein modified, supplemented, and amended be, and they are hereby, adopted as follows:

§ 1124.23 (Reg. 23): Prescription of penalties for carriers in violation.

Any carrier in violation of any of these regulations shall be subject to the penalties prescribed in section 801 of the Rail Passenger Service Act of 1970, unless such carrier takes corrective action as prescribed by the Commission (in the manner set forth elsewhere in these regulations), or in a manner acceptable to the Commission and passenger, provides satisfaction to passengers injured as a result of the violation.

§ 1124.26 (Reg. 26): Execution of penalties against carriers in violation.

Where the Commission staff determines that a violation of these regulations has occurred, the matter may be referred to the Department of Justice for appropriate enforcement under section 801 of the Rail Passenger Service Act or the Commission may take such other steps as it deems appropriate in the circumstances, including among others, informal or formal steps to settle the matter in dispute on a fair and equitable basis;

It is further ordered, That this order shall become effective on the date of service; and of a statement in opposition to the above proposed modifications, filed by National Railroad Passenger Corporation (Amtrak) on August 5, 1974:

It is further ordered, That except as herein modified, supplemented, and amended, the report and order of December 7, 1973, in the above-entitled proceeding, as modified, supplemented, and amended by the report and order on further consideration of March 27, 1974, shall remain in full force and effect; and

It is further ordered, That notice of this order shall be given to the general public by depositing a copy thereof in the Office of the Secretary of the Commission at Washington, D.C., and by filing a copy with the Director, Office of the Federal Register.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

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