



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20201

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OFFICE OF THE  
GENERAL COUNSEL

SUPA  
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To: Holders of HEW Institutional Patent Agreements and  
Members of the Society of University Patent Administrators

Subject: Information Item No. 54

The attached is an excerpt from the new ERDA Patent Regulations  
which you should take note of.

Sincerely yours,

Norman J. Latker  
Patent Counsel

Enclosure

actually reduced to practice prior to the time of contracting or would be reduced to practice under the contract. A purpose of such waivers is to clarify and definitize the rights of the parties to such inventions when the facts surrounding the first actual reduction to practice prior to or during the contract are or will be difficult to establish.

(h) **Waivers to educational institutions.** (1) Except to the extent that a nonprofit educational institution may be engaged as a contractor operating a Government-owned facility or undertaking other special contracts, the following considerations apply to the granting of advance and identified waivers to educational institutions having an approved technology transfer program and capability. To obtain approval of its technology transfer program, educational institutions shall forward their requests to ERDA as provided in paragraph (2) below.

(2) A nonprofit educational institution desiring to obtain approval of its technology transfer program and capability shall provide the agency with the following information:

(i) General information concerning the institution, including:

(A) A copy of its Articles of Incorporation;

(B) A statement of the institution's purpose and aims; and

(C) A statement indicating the source of the institution's funds;

(ii) A copy of the institution's established patent policy, together with the date and manner of its adoption;

(iii) The name, title, address, and telephone number of the officer responsible for administration of patent and invention matters and a description of staffing in this area, including all offices which contribute to the institution's patent management capabilities;

(iv) A description of the institution's procedures for identifying and reporting inventions and a description of the procedures for evaluation of such inventions for inclusion in the institution's promotional program;

(v) A copy of the agreement signed by employees engaged in research and development, indicating their obligation in regard to inventions conceived or first actually reduced to practice in the course of their assigned duties;

(vi) A copy of the invention report form or outline utilized for preparation of invention reports;

(vii) A statement of whether the institution has an agreement with any patent management organizations or consultants and a copy of any such agreements;

(viii) A description of the plans and intentions of the institution to bring to the marketplace inventions to which it retains title including a description of the efforts typically undertaken by the institution to license its inventions;

(ix) A description of the institution's past patent application and patent licensing activities, including the following:

(A) Number of inventions reported to the institution during each of the past ten (10) years;

(B) Number of patent applications filed during each of the past ten (10) years;

(C) Number of patents obtained during each of the past ten (10) years;

(D) Number of exclusive licenses issued during each of the past ten (10) years;

(E) Number of nonexclusive licenses, other than those to sponsoring Government agencies, issued during each of the past ten (10) years;

(F) Gross royalty income during each of the past ten (10) years; and

(G) A general description of royalties charged, including minimum and maximum royalty rates;

(x) A list of subsidiary or affiliate institutions which would be covered by an agreement signed by the institution;

(xi) If the institution is a subsidiary or affiliate organization, the name of the other related organization and a description of the relationship;

(xii) The amount of Government support for research and development activities currently being administered by the institution, giving Government agency and breakdown;

(xiii) A statement of the institution's policies with respect to the sharing of royalties with employees; and

(xiv) A description of the uses made of any net income generated by the institution's patent management program.

(3) Before an institution's technology transfer program and capabilities are approved, the institution shall have a technology transfer program which, as a minimum shall include the five (5) criteria listed below. In addition to these criteria, consideration will be given to whether or not other Government agencies have approved an Institutional Patent Agreement with the requesting institution. The five criteria are:

(i) An established patent policy which is consistent with the four policy objectives in § 9-9.109-6(a) and is administered on a continuous basis by an officer or organization responsible to the institution;

(ii) Agreements with employees requiring them to assign to the institution or its designee or the Government any invention conceived or first actually reduced to practice by them in the course of or under Government contracts and awards or assurance that such agreements are obtained prior to the assignment of personnel to Government-supported research and development projects;

(iii) Procedures for insuring that inventions are promptly identified and timely disclosed to the officer or organization administering the patent policy of the institution;

(iv) Procedures for insuring that inventions disclosed to the institution are evaluated for inclusion in the institution's promotional program; and

(v) An active and effective promotional program for the licensing and marketing of inventions.

(4) In considering approval of technology transfer programs and capabilities in connection with requests for advance waivers, such approval shall be considered in lieu of commercial, manufacturing, and marketing capabilities which normally reside in industry. Such approval shall not be considered sufficient in and of itself as justifying the granting of an advance waiver to an institution. Approval of the grant of advance waiver must be viewed in light of the considerations of § 9-9.109-6(b) above and the four objectives set forth in § 9-9.109-6(a) above.

(5) In requests for identified waivers, however, the fact that an institution with an approved technology transfer program and capabilities has identified an invention and has expressed a desire to commercialize it through a request for a waiver therefore shall normally be presumed to have met the criteria of § 9-9.109-6(c) unless it is indicated that under one or more of the criteria the presumption is inapplicable.

(i) **Terms and conditions of waivers.** Each waiver shall contain, as a minimum, provisions covering each of the following:

(1) Advance waivers shall apply only to inventions reported in accordance with paragraph (e)(2)(1) of the clause of § 9-9.107-5(a) and with which is included an election as to whether the contractor will retain the rights waived in the invention, and specifying those countries in which rights will be retained.

(2) Subject to the rights granted in paragraphs (c) (1), (2) and (3) of the Patent Rights clause of § 9-9.107-5(a), the contractor or inventor shall agree to convey to the Government, upon request, the entire domestic right, title, and interest in any Subject Invention when the contractor or inventor as appropriate:

(i) Does not elect, in accordance with (i)(1) of this section to retain such rights; or

(ii) Fails to have a United States patent application filed on the invention in accordance with paragraph (i)(5) of this section, or decides not to continue prosecution of such application; or

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

(3) Subject to the rights granted in paragraph (c) (1), (2) and (3) of the Patent Rights clause of § 9-9.107-5(a), the contractor or inventor shall agree to convey to the Government, upon request, the entire rights, title and interest in any Subject Invention in any foreign country if the contractor or inventor, as appropriate:

(i) Does not elect, in accordance with paragraph (i)(1) of this section, 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 (i)(6) of this section, 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 or inventor shall notify the patent counsel not less than 60 days before the expiration period for any