

University of California
Systemwide Administration

Office of the
Assistant Vice President —
Business Management
Contracts and Grants Office

Memo

Operating Guidance

No. 84-21
July 30, 1984

VICE CHANCELLORS — BUSINESS AND FINANCE/ADMINISTRATION* CONTRACTS AND GRANTS OFFICERS (NON-LAB) SYSTEMWIDE ADMINISTRATION FUNCTIONAL MANAGERS

Subject: Federal Regulations' Patents Clauses

The Patent, Trademark and Copyright Office, Office of the President, has reviewed the following Federal procurement clauses and judged them to be acceptable to the University when they are applicable and otherwise appropriate to individual contracts:

- FAR 52.227-1 AUTHORIZATION AND CONSENT (APR 1984);
Alternative I (APR 1984) and
Alternative II (APR 1984)
- FAR 52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT
(APR 1984)
- FAR 52.227-3 PATENT INDEMNITY (APR 1984);
Alternative I (APR 1984)
Alternative II (APR 1984 [SIC])
Alternative III (APR 1984)
- FAR 52.227-4 PATENT INDEMNITY - CONSTRUCTION CONTRACTS (APR 1984),
Alternative I (APR 1984)
- FAR 52.227-5 WAIVER OF INDEMNITY (APR 1984)
- FAR 52.227-6 ROYALTY INFORMATION (APR 1984);
Alternative I (APR 1984)
- FAR 52.227-7 PATENTS - NOTICE OF GOVERNMENT LICENSEE (APR 1984)
- FAR 52.227-8 REPORTING OF ROYALTIES (FOREIGN) (APR 1984)
- FAR 52.227-9 REFUND OF ROYALTIES (APR 1984)
- FAR 52.227-10 FILING OF PATENT APPLICATIONS - CLASSIFIED SUBJECT MATTER
(APR 1984)
- FAR 52.227-11 PATENT RIGHTS - RETENTION BY THE CONTRACTOR (SHORT FORM)
(APR 1984);
Alternative I (APR 1984)

*Note: The addressees above represent the standard distribution of Contracts and Grants Office Memos. Additional addressees, if any, may be added based on the subject of the Memo. See cc's.

FAR 52.227-12 PATENT RIGHTS - RETENTION BY THE CONTRACTOR (LONG FORM) (APR 1984)
Alternative I (APR 1984)

FAR 52.227-13 PATENT RIGHTS - ACQUISITION BY THE GOVERNMENT (APR 1984);
Alternative I (APR 1984)

DOD FAR
Supplement 52.227-7034 PATENTS-SUBCONTRACTS (APR 1984)

DOE FAR 952.227-71 PATENTS RIGHTS - SMALL BUSINESS FIRMS OR NONPROFIT
Supplement ORGANIZATIONS (MARCH 1982)

NSF FAR 45 CFR 650.4(a) PATENT RIGHTS (SMALL BUSINESS FIRMS AND NONPROFIT
Supplement ORGANIZATIONS (MARCH 1982))

FPR Temporary Regulation 69, April 5, 1983

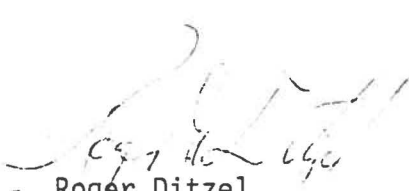
DAR 7-302.23(h) PATENT RIGHTS - SMALL BUSINESS FIRM OR DOMESTIC
NON-PROFIT ORGANIZATION (1984, JAN)

In addition, the Departments of Commerce, Health and Human Services, and Interior, and AID, EPA, and NASA acquisition regulations contain no additional agency-specific patent language. The FAR language, therefore, is applicable and acceptable as discussed above.

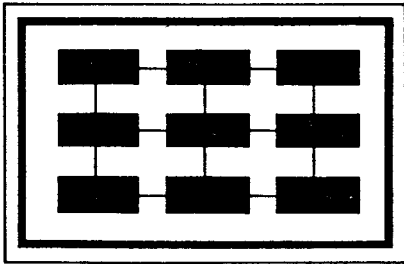
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University of California
Office of the President

Office of the
Associate Vice President —
Business and Finance

Contracts and Grants Office

Memo

Operating Guidance

No. 84-21, Supplement 1
June 14, 1985

VICE CHANCELLORS — BUSINESS AND FINANCE/ADMINISTRATION*
CONTRACTS AND GRANTS OFFICERS (NON-LAB)
OFFICE OF THE PRESIDENT FUNCTIONAL MANAGERS

Subject: NASA FAR Supplement Patent Clauses

Contract and Grant Memo No. 84-21, Federal Regulations' Patents Clauses, listed various Federal Acquisition Regulation (FAR) and agency supplement contract clauses which are acceptable to the University when they are applicable and otherwise appropriate to individual contracts. The NASA FAR Supplement contract clauses were not included in the Memo No. 84-21 listing because the NASA FAR Supplement had not yet been reviewed. We have now completed a review of the NASA FAR Supplement patent clauses and are issuing this Supplement to Contract and Grant Memo 84-21.

NASA CLAUSE 18-52.227-11, PATENT RIGHTS--RETENTION BY THE CONTRACTOR (SHORT FORM)

NASA Clause 18-52.227-11 is acceptable. This clause would be used in addition to FAR Clause 52.227-11 Patent Rights--Retention by the Contractor (Short Form) (APR 1984) and prescribes reporting requirements for patentable inventions and for sub-contracts. While NASA Clause 18-52.227-11 is acceptable, it is not desirable because it places a reporting burden on the University to "promptly notify the Contracting Officer in writing upon the award of any subcontract at any tier containing a patent rights clause by identifying the subcontractor, the applicable patent rights clause, the work to be performed under the subcontract, and the dates of award and estimated completion, . . . and . . . annually, a listing of the subcontracts that have been awarded." Another reporting burden included in NASA Clause 18-52.227-11 is the requirement to submit interim and final reports on inventions, even if none occurred.

The basic FAR Clause 52.227-11, Patent Rights--Retention by the Contractor (Short Form) (APR 1984) does not include these reporting requirements on subcontracts or patents and is preferable without the addition of NASA Clause 18-52.227-11. It should be noted that the additional reporting requirements on subcontracts and additional reporting on inventions are included in FAR Clause 52.227-12, Patent Rights--Retention by the Contractor (Long Form). Therefore, although both the NASA Clause 18-52.227-11 and FAR Clause 52.227-12 are acceptable, they are not preferable to FAR Clause 52.227-11 because of the additional administrative and reporting burdens.

*Note: The addressees above represent the standard distribution of Contract and Grant Memos. Additional addressees, if any, may be added based on the subject of the Memo. See cc's.

NASA CLAUSE 18-52.227-70, NEW TECHNOLOGY

NASA Clause 18-52.227-70, New Technology, is not appropriate for the University and is intended to be used with commercial contracts. NASA FAR Supplement 18-27.373 (b) states: "The contracting officer shall insert the clause at 18-52.227-70, New Technology, in any NASA contract (and solicitation therefore) with other than a small business firm or a nonprofit organization. . ." (Emphasis added). Among other requirements, this clause broadly expands what must be reported to NASA. While NASA Clause 18-52.227-11 requires additional reporting on subcontracts and patents, it limits the scope of such reports to inventions. As defined under FAR 52.227-11, inventions are "any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code." The NASA Clause 18-52.227-70, New Technology, defines "reportable item" as "any invention, discovery, improvement, or innovation of the Contractor, whether or not the same is or may be patentable or otherwise protectable under Title 35 of the United States Code." (Emphasis added)

The effect of such a broadened definition is apparent in NASA Form 666, New Technology Transmittal, which was recently submitted for approval to OMB under the Paperwork Reduction Act. This form facilitates reporting of "Computer tapes/cards," "test data," "operating manuals" and other "new technology developments" in addition to patentable inventions. The OMB Clearance Officer, Ken Allen, and the NASA Headquarters Contact, Leonard Ault, have confirmed that the new technology requirements for reporting "any advancement in science and technology" is not applicable to the University of California. Further, NASA Representative Ault stated that in the event that a campus has already accepted NASA FAR Clause 18-52.227-70, New Technology, it can be assumed that the clause was incorporated into the agreement by error, perhaps with the intent that such a clause would apply to a commercial subcontractor of the University. Both the OMB and NASA representatives concur that NASA Clause 18-52.227-70 and NASA Form 666 are not appropriate for universities, since the academic community emphasis upon publication of research results serves the government's purposes of dissemination of results in a more effective manner than submission of additional paperwork to NASA officials. Since commercial contractors are not motivated to disseminate research results, it is seen as appropriate to require additional reporting requirements on commercial contractors such as are required under NASA Clause 18-52.227-70.

NASA CLAUSE 18-52.227-71, REQUESTS FOR WAIVER OF RIGHTS TO INVENTIONS

NASA Clause 18-52.227-71, Requests for Waiver of Rights to Inventions, is also not appropriate to the University and is intended for commercial contractors, to be used along with NASA Clause 18-52.227-70, New Technology (see discussion above).

NASA CLAUSE 18-52.227-72, DESIGNATION OF NEW TECHNOLOGY REPRESENTATIVE AND PATENT REPRESENTATIVE

NASA Clause 18-52.227-72, Designation of New Technology Representative and Patent Representative, is to be used along with the NASA Clause 18-52.227-11 or NASA Clause 18-52.227-70. Therefore, the clause should only be used when NASA Clause 18-52.227-11 is accepted (see discussion above).


NASA CLAUSE 18-52.227-73, PATENT RIGHTS CLAUSE FOR SUBCONTRACTS

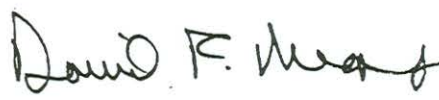
NASA Clause 18-52.227-73, Patent Rights Clause for Subcontracts, is acceptable to the University, although not desirable because of its flow-down provisions and increased reporting requirements. The clause is to be used when the basic FAR Clause 52.227-11 is used and, among other things, requires the contractor to "include the clause in the NASA FAR Supplement at 18-52.227-70, New Technology, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental, research, design, or engineering work to be performed by other than a small business firm or a nonprofit organization" (see discussion above).

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