

status referred to in section 501(e)(1), even if they have since acquired some other immigration status. Exceptions are made for aliens paroled for criminal prosecution or solely in order to testify in some official proceedings in the United States.

This interim rule is an interpretive rule. For this reason, the Commissioner of the Immigration and Naturalization Service may properly adopt this rule without the prior notice and comment period that is ordinarily required. 5 U.S.C. 553(b). Because of the urgent need to clarify the immigration status of these aliens, and to make it clear that they hold an immigration status referred to in section 501(e)(1), the Commissioner finds that good cause exists to make this rule effective upon publication in the Federal Register. The Service believes that this interim rule accurately distinguishes the immigration status categories established by sections 501(e)(1) and 501(e)(2), but will consider any comments addressing this issue that are received during the comment period.

In accordance with 5 U.S.C. 605(b), the Commissioner certifies that this rule does not have a significant economic impact on a substantial number of small entities.

Unfunded Mandate Reform Act of 1995

This interim rule is not a Federal intergovernmental mandate, as defined by 2 U.S.C. 658(5). For this reason, it is not necessary to conduct the analysis provided for under 2 U.S.C. 1532, to develop the small government agency plan under 2 U.S.C. 1533, to solicit State, local or tribal government input under 2 U.S.C. 1534, or to justify this rule as the least burdensome alternative under 2 U.S.C. 1535.

Small Business Regulatory Enforcement Fairness Act of 1996

This interim rule is not a major rule, as defined by 5 U.S.C. 804(2).

Executive Order 12866

This rule is considered by the Department of Justice, Immigration and Naturalization Service, to be a "significant regulatory action" under Executive Order 12866, section 3(f), Regulatory Planning and Review, and the Office of Management and Budget has conducted the required review.

Executive Order 12612

The regulations adopted herein will not have substantial direct effects on the States, on the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels

of government. Therefore, in accordance with Executive Order 12612, it is determined that this rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

List of Subjects in 8 CFR Part 212

Administrative practice and procedure, Aliens, Immigration. Accordingly, part 212 of chapter I of title 8 of the Code of Federal Regulations is amended as follows:

PART 212—DOCUMENTARY REQUIREMENTS: NONIMMIGRANTS; WAIVERS; ADMISSION OF CERTAIN INADMISSIBLE ALIENS; PAROLE

1. The authority citation for part 212 continues to read as follows:

Authority: 8 U.S.C. 1101, 1102, 1103, 1182, 1184, 1187, 1225, 1226, 1227, 1228, 1252; 8 CFR part 2.

2. Section 212.5 is amended by adding a new paragraph (g), to read as follows:

§ 212.5 Parole of aliens into the United States.

* * * * *

(g) *Effect of parole of Cuban and Haitian nationals.* (1) Except as provided in paragraph (g)(2) of this section, any national of Cuba or Haiti who was paroled into the United States on or after October 10, 1980, shall be considered to have been paroled in the special status for nationals of Cuba or Haiti, referred to in section 501(e)(1) of the Refugee Education Assistance Act of 1980, Public Law 96-422, as amended (8 U.S.C. 1522 note).

(2) A national of Cuba or Haiti shall not be considered to have been paroled in the special status for nationals of Cuba or Haiti, referred to in section 501(e)(1) of the Refugee Education Assistance Act of 1980, Public Law 96-422, as amended, if the individual was paroled into the United States:

(i) In the custody of a Federal, State or local law enforcement or prosecutorial authority, for purposes of criminal prosecution in the United States; or

(ii) Solely to testify as a witness in proceedings before a judicial, administrative, or legislative body in the United States.

Dated: July 2, 1996.

Doris Meissner,
Commissioner, Immigration and Naturalization Service.

[FR Doc. 96-17674 Filed 7-11-96; 8:45 am]

BILLING CODE 4410-10-M

DEPARTMENT OF ENERGY

10 CFR Part 784

Patent Waiver Regulation

AGENCY: Department of Energy.

ACTION: Final rule.

SUMMARY: The Department of Energy (DOE) is publishing a final rule to recodify and update a patent waiver regulation that was incorporated in the Department of Energy Acquisition Regulations (DEAR) in 1984 (applicable to contracts) and the DOE Assistance Regulations (applicable to grants and cooperative agreements). The final rule contains changes that conform the regulation provisions to post-1984 statutory amendments, including the addition of terms and conditions for contractor retention of patent rights required by 35 U.S.C. 210. The rule also contains some new clarifying provisions and minor procedural changes to the DOE patent waiver process.

This final rule will govern waiver of the Department's rights in inventions made under contracts, grants, cooperative agreements, understandings, or other DOE arrangements with entities other than small businesses and non-profit organizations. This rule will also apply to all participants in cooperative research and development agreements (CRADAs), with both Bayh-Dole entities and non-Bayh-Dole entities. Rights in inventions made under DOE funding agreements with small businesses and nonprofit organizations are generally controlled by 35 U.S.C. 202, which provides, with certain exceptions, for contractor retention of title to inventions. However, this rule does apply to waiver of rights in inventions when DOE has reserved title and other rights in funding agreements with nonprofit organizations and small business firms pursuant to the exceptions in 35 U.S.C. 202.

EFFECTIVE DATE: August 12, 1996.

FOR FURTHER INFORMATION CONTACT: Michael P. Hoffman, Office of Assistant General Counsel for Technology Transfer and Intellectual Property, 1000 Independence Avenue, S.W., Washington, D.C. 20585. Telephone (202) 586-3441.

SUPPLEMENTARY INFORMATION:

- I. Background
- II. Section-by-Section Discussion of Final Rule
- III. Procedural Requirements
 - A. Applicable Procedures
 - B. Review Under Executive Order 12886
 - C. Review Under Regulatory Flexibility Act
 - D. Review Under NEPA

- E. Review Under Paperwork Reduction Act
- F. Review Under Executive Order 12612
- G. Review Under Executive Order 12778
- H. Review Under the Unfunded Mandates Reform Act

I. Background

The Government is required by law to acquire title to inventions made under DOE contracts, grants, agreements, understandings, or other arrangements with entities other than small businesses or nonprofit organizations pursuant to section 152 of the Atomic Energy Act of 1954, 42 U.S.C. 2182, and section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974, 42 U.S.C. 5908. Both of these acts provide that the Secretary of Energy may waive rights to such inventions under certain circumstances.

The DOE regulations covering waiver of patent rights are in the DOE Procurement Regulation at 41 CFR Part 9-9, principally at 41 CFR 9-9.109-6. After the Federal Acquisition Regulations System became effective in 1984, the DOE patent waiver regulation was continued in effect with regard to procurements and financial assistance in the DEAR, 48 CFR 927.300, and in DOE Assistance Regulations, 10 CFR 600.33, respectively. Today's final rule will recodify and publish these regulations and make them conveniently available to the public.

In today's final rule, DOE also is updating the patent waiver regulation to make changes required by post-1984 statutory amendments (as explained below), and is using this opportunity to make clarifying and minor procedural changes to the regulation. The revised regulation is being codified in a part of the Code of Federal Regulations that is separate from the DEAR, because patent waivers may be requested in connection with DOE arrangements other than procurement contracts, such as grants, cooperative agreements and CRADAs.

Today's final rule reflects statutory changes that are not referenced in the regulation at 41 CFR part 9-9. Specifically, patent waiver terms and conditions in the Federal Nonnuclear Energy Research and Development Act of 1974 were repealed by the Bayh-Dole patent and trademark amendments of 1980, Pub. L. 96-517, § 7 (94 Stat. 3027). Subsequently, a requirement for certain terms and conditions when a non-Bayh-Dole contractor retains title to inventions, pursuant to 35 U.S.C. 202, was imposed by the Trademark Clarification Act of 1984, Pub. L. 98-620, title V (98 Stat. 3367). Accordingly, today's final rule deletes the waiver terms and conditions repealed by the Bayh-Dole patent and trademark

amendments of 1980, and sets forth waiver terms and conditions for contractor retention of rights required by 35 U.S.C. 210 and set forth in the DEAR at 48 CFR 952.227-11.

II. Section-by-Section Discussion of Final Rule

Section 784.1 of today's regulation presents the scope and applicability of the regulation. Today's regulation covers waiver of the Government's rights in inventions made under DOE contracts, grants, agreements, understandings, or other arrangements with entities other than small businesses or nonprofit organizations, as well as agreements with small businesses or non profit organizations where the agreement is not a funding agreement. Allocation of rights to inventions made under DOE contracts, grants and other funding agreements with small businesses or nonprofit organizations is controlled by 35 U.S.C. 200 *et seq.*, but today's regulation also governs waivers of rights in inventions falling within exceptions to the policy of that law. The scope of the regulation at 41 CFR 9-9.100 included policies and procedures with respect to inventions made under arrangements with DOE, and is not, as here, limited to policies and procedures regarding waiver of the Government's invention rights.

Section 784.3 summarizes the law underlying the regulation (42 U.S.C. 2182 and 42 U.S.C. 5908), i.e., that while title to inventions under DOE contracts or other arrangements with entities other than small businesses or nonprofit organizations vests in the Government, the Department may waive its rights to such inventions if such waiver is determined to be in the public interest. Such determinations are to be made in accordance with statutorily prescribed objectives. The regulation, at 41 CFR 9-9.109-6(a), is similar, but it does not have an exclusion for contracts with small businesses or nonprofit organizations which under 35 U.S.C. 202, may, with certain exceptions, elect to retain invention rights without a waiver.

Section 784.3(c) clarifies that references to "contract" in the regulation include grants, cooperative agreements, and other arrangements, consistent with the definition of "contract" provided in the regulation at 41 CFR 9-9.107-5(a)(a)(2) and in the statute at 42 U.S.C. 5908(m), although not consistent with the definition of "contract" elsewhere, such as at 10 CFR 600.3.

Section 784.4 recites considerations, specified by statute, that are to be included in making determinations to

grant advance patent waivers. For clarity, a definition of an advance waiver is provided in today's regulation. Considerations (l) and (m) have been modified to reflect 35 U.S.C. 202.

Section 784.5 recites statutory considerations to be included in Government determinations to waive title rights in a particular identified invention. Considerations (k) and (l) have been modified to reflect 35 U.S.C. 202.

Section 784.6 recites additional national security related considerations for waiver of certain sensitive inventions, as provided in Pub. L. 99-661 (42 U.S.C. 7261a).

Section 784.7 provides guidance for requesting a class waiver, i.e., a waiver that applies to a class of persons or a class of inventions. Pertinent objectives and considerations set forth in sections 784.3 through 784.6 are to be included in class waiver determinations. Class waivers are authorized by statute (42 U.S.C. 5908) and are provided for in the regulation at 41 CFR 9-9.109-6(a)(1).

Section 784.8 provides general procedures concerning the patent waiver process, including timeliness requirements for requesting waivers, information concerning DOE's processing of waiver requests, information concerning implementation of a waiver, and information concerning requests for reconsideration of waiver denials. These regulations track those in 41 CFR 9-9.109-6.

Section 784.8(a) has been modified slightly from the regulation at 41 CFR 9-9.109-6(a)(1) to reflect class waiver requests.

Section 784.8(b) provides reference to a patent waiver clause to be included when advance waivers are granted, based on the clause provided in the Federal Acquisition Regulation at 48 CFR 952.227-13; and includes guidance for seeking an advance waiver for an identified invention provided in 41 CFR 9-9.109-6(a)(1).

Section 784.8(c) reduces from 9 months to 8 months the time period for requesting waiver for an identified invention to allow for a longer time period (from three months to four months) for the Government to perfect rights within the one-year time period, where a statutory bar may arise due to public disclosure of an invention for which a waiver request is not submitted. It also adds further guidance regarding timeliness for submitting waiver requests and requirements for reimbursement of patent costs to conform to current practice.

Section 784.8(d) adds a sentence regarding obtaining of an agreement to

waiver terms and conditions to conform to current practice.

Sections 784.8 (e), (f) and (g), regarding processing by DOE of waiver requests, have been modified slightly to better reflect current DOE practice.

Section 784.8(h) discusses the right of a waiver requestor to request reconsideration when a waiver request has been denied.

Section 784.8(i) has been added to provide guidance regarding submission of an instrument confirming the Government's rights in waived inventions, to conform to current practice, and as provided for generally in the current regulation at 41 CFR 9-9.109-1(b).

Section 784.9 provides detailed direction concerning the content of waiver requests. A self-explanatory form for requesting waivers is available from the Contracting Officer or DOE Patent Counsel. Generally, waiver requests must include identification of the requestor, identification of the pertinent contract, including a description of the contract effort, the nature of the requested waiver, and information addressing waiver policies and considerations set forth in the regulation. In addition, for an identified invention waiver request, information concerning the specific invention, including names of all inventors and patent status of the invention, is required. The source of the language for this section is 41 CFR 9-9.109-6(e).

Section 784.9(a) adds a reference to the OMB control number for the forms that persons must use to request advance and identified invention waivers.

Section 784.9(c) adds a reference to a statutory provision (35 U.S.C. 205) enacted since issuance of the current regulation that relates to treatment of proprietary information that may be contained in waiver requests.

Section 784.10 provides for public availability of records of waiver determinations, as required by 42 U.S.C. 5908(c). This section replaces 41 CFR 9-9.109-6(f). The Assistant General Counsel for Technology Transfer and Intellectual Property will be responsible for maintaining and updating the publicly available record of waiver determinations.

Section 784.11 describes typical situations that may be appropriate for advance waivers, including cost-shared contracts, situations where DOE is providing relatively modest increased funding to a substantially privately-sponsored program, and situations where a waiver is necessary to obtain the participation of a particular contractor. In addition, the section

describes possible limitations on the scope of waivers depending on circumstances surrounding a particular waiver, e.g., restrictions to fields of use that are not the primary object of the contract effort. Further, the section addresses the issue of a prime contractor's obtaining rights to inventions made by a subcontractor. This section has been slightly modified from its counterpart in 41 CFR 9.109-6(g) to reflect current practice and the enactment of, and amendments to, 35 U.S.C. 202. In addition, section 784.11(b)(ii), regarding rights in subcontractor inventions, and contained in the current regulations at 41 CFR 9-9.107-4(h)(2), has been incorporated into this regulation. Subsection (c) is derived from 41 CFR 9-9.109-6(g)(3).

Section 784.12 sets forth the "Patent Rights—Waiver" clause containing the terms and conditions for waivers. The current regulation does not contain a patent waiver clause, but instead contains a section, 41 CFR 9-9.109-6(i) entitled "Terms and conditions of waivers." The clause of the final regulation is based on the contractor retention of rights clause contained in the Federal Acquisition Regulation at 48 CFR 52.227-12, with certain additions. A section (k), Background Patents; a section (p), Waiver Termination; a section (q), Atomic Energy; a section (r), Publication; and a section (s), Forfeiture of Rights in Unreported Subject Inventions, are included, representing a continuation of previous DOE policy contained in the current regulation at 41 CFR 9-9.107-5(a)(k), 41 CFR 9-9.109-6(j), 41 CFR 9-9.107-5(a)(l)(1), 41 CFR 9-9.107-5(a)(f) and 41 CFR 9-9.107-5(a)(g), respectively. Subsection (a) incorporates definitions from 35 U.S.C. 201(d), 42 U.S.C. 5908(m) and 41 CFR 9-9.107-5. A sentence has been added to (p) referring to the "Contractor's minimum license" provision, Subsection (e).

Section 784.13 provides effective dates for various types of waivers. This has been taken from 41 CFR 9-9.109-6(k).

III. Procedural Requirements

A. Applicable Procedures

This final rule recodifies and updates DOE's patent waiver regulations. The rule does not change any DOE substantive policies or establish new requirements affecting the rights and obligations of the public in this area. The rule does include several procedural changes, but DOE has determined that these changes will not have a significant impact on contractors, grantees, or other persons who may

request waiver of the Government's rights in inventions made under contracts, grants, and other DOE agreements and arrangements. Therefore, DOE has determined that prior notice and an opportunity for public comment on the rule is not required.

B. Review Under Executive Order 12886

Today's regulatory action has been determined not to be a "significant regulatory action" under Executive Order 12866, "Regulatory Planning and Review," 58 FR 51735 (October 4, 1993). Accordingly, today's action was not subject to review under the Executive Order by the Office of Information and Regulatory Affairs.

C. Review Under Regulatory Flexibility Act

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601-612, requires, in part, that an agency prepare an initial regulatory flexibility analysis for any rule, unless it determines that the rule will not have a "significant economic impact" on a substantial number of small entities. The final rule concerns policy and procedures for patent waivers affecting entities that are generally not small businesses because there is separate statutory authority governing disposition of invention rights of Government contractors that are small businesses. The final rule imposes no significant burdens or impact on small entities. Therefore, as required by Section 605(b), DOE certifies that the final rule will not have a significant economic impact on a substantial number of small entities.

D. Review Under NEPA

DOE has determined that issuance of this final rule is not a major federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. 4321 et seq., and therefore that neither an environmental assessment nor an environmental impact statement is required. Categorical exclusion A2 in DOE's regulations implementing NEPA, appendix A of subpart D of 10 CFR part 102, applies to this rulemaking. Categorical exclusion A2 encompasses clarifying or administrative modifications of rules pertaining to contracts.

E. Review Under Paperwork Reduction Act

The reporting requirements contained in 41 CFR 9-9.109-6 were approved by OMB and assigned control no. 1901-0800.

This final rule imposes no new reporting requirement.

F. Review Under Executive Order 12612

Executive Order 12612, 52 FR 41685 (October 30, 1987), requires that regulations, rules, legislation, and any other policy actions be reviewed for any substantial direct effects on States, on the relationship between the national Government and the States, and in the distribution of power and responsibilities among various levels of Government. If there are sufficient substantial direct effects, then the Executive Order requires preparation of a federalism assessment to be used in all decisions involved in promulgating and implementing a policy action. Today's action sets forth DOE policies and procedures governing requests for waiver of the Government's rights to inventions made in the course of contracts, grant agreements, cooperative agreements, and other arrangements that further DOE's mission. DOE has determined that the final rule will not have a substantial direct effect on the institutional interests or traditional functions of States.

G. Review Under Executive Order 12778

Section 2 of Executive Order 12778, 56 FR 55195 (October 25, 1991), instructs each agency to adhere to certain requirements in promulgating new regulations. These requirements, set forth in section 2(a) and (b)(2), include eliminating drafting errors and needless ambiguity, drafting the regulations to minimize litigation, providing clear and certain legal standards for affected legal conduct, and promoting simplification and burden reduction. Agencies are also instructed to make every reasonable effort to ensure that regulations define key terms and are clear on such matters as exhaustion of administrative remedies and preemption. DOE certifies that today's regulatory action meets the requirements of section 2(a) and (b)(2) of Executive Order 12778.

H. Review Under the Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (the Act), enacted as Pub. L. 104-4 on March 22, 1995, requires each Federal agency, to the extent permitted by law, to prepare a written assessment of the effects of any Federal mandate in a proposed or final agency rule that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any one year. Section 204(a) of the Act, 2

U.S.C. 1534(a), requires the Federal agency to develop an effective process to permit timely input by elected officers (or their designees) of State, local, and tribal governments on a proposed "significant intergovernmental mandate." A "significant intergovernmental mandate" under the Act is any provision in a Federal agency regulation that: (1) would impose an enforceable duty upon State, local, and tribal governments, in the aggregate, of \$100 million (adjusted annually for inflation) in any one year. Section 203 of the Act, 2 U.S.C. 1533, which supplements section 204(a), provides that before establishing any regulatory requirements that might significantly or uniquely affect small governments, the agency shall have developed a plan that, among other things, provides for notice to potentially affected small governments, if any, and for a meaningful and timely opportunity to provide input in the development of regulatory proposals.

This rule does not contain any Federal intergovernmental or private sector mandate. Therefore, the requirements of title II of the Unfunded Mandates Reform Act of 1995 do not apply.

List of Subjects in 10 CFR Part 784

Government contracts, Inventions and patents.

Issued in Washington, D.C., on July 2, 1996.

Robert R. Nordhaus,
General Counsel.

For the reasons set forth in the preamble, Chapter III of Title 10 of the Code of Federal Regulations is amended by adding new Part 784 to read as set forth below.

PART 784—PATENT WAIVER REGULATION

Sec.

- 784.1 Scope and applicability.
- 784.2 Definitions.
- 784.3 Policy.
- 784.4 Advance waiver.
- 784.5 Waiver of identified inventions.
- 784.6 National security considerations for waiver of certain sensitive inventions.
- 784.7 Class waiver.
- 784.8 Procedures.
- 784.9 Content of waiver requests.
- 784.10 Record of waiver determinations.
- 784.11 Bases for granting waivers.
- 784.12 Terms and conditions of waivers.
- 784.13 Effective dates.

Authority: 42 U.S.C. 7151; 42 U.S.C. 5908; 42 U.S.C. 2182; 35 U.S.C. 202 and 210; 42 U.S.C. 7261a.

PART 784—PATENT WAIVER REGULATION

§ 784.1 Scope and applicability.

(a) This part states the policy and establishes the procedures, terms and conditions governing waiver of the Government's rights in inventions made under contracts, grants, agreements, understandings or other arrangements with the Department of Energy (DOE).

(b) This part applies to all inventions conceived or first actually reduced to practice in the course of or under any contract, grant, agreement, understanding, or other arrangement with or for the benefit of DOE (including any subcontract, subgrant, or subagreement), the patent rights disposition of which is governed by section 152 of the Atomic Energy Act of 1954, 42 U.S.C. 2182, or section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974, 42 U.S.C. 5908. In funding agreements with nonprofit organizations or small business firms, when title or other rights are reserved to the Government under the authority of 35 U.S.C. 202(a), this part will apply to any waiver of such rights. The patent waiver provisions in this part supersede the patent waiver regulations previously included with patent regulations at 41 CFR Part 9-9.100.

§ 784.2 Definitions.

As used in this Part:

Contract means procurement contracts, grants, agreements, understandings and other arrangements (including Cooperative Research and Development Agreements [CRADAs], Work for Others and User Facility agreements, which includes research, development, or demonstration work, and includes any assignment or substitution of the parties, entered into, with, or for the benefit of DOE.

Contractor means entities performing under contracts as defined above.

Patent Counsel means the DOE Patent Counsel assisting the contracting activity.

§ 784.3 Policy.

(a) Section 6 of Public Law 96-517 (the Bayh-Dole patent and trademark amendments of 1980), as amended, as codified at 35 U.S.C. 200-212, provides that title to inventions conceived or first actually reduced to practice in the course of or under any contract, grant, agreement, understanding, or other arrangement entered into with or for the benefit of the Department of Energy (DOE) vests in the United States, except where 35 U.S.C. 202 provides otherwise for nonprofit organizations or small

business firms. However, where title to such inventions vests in the United States, the Secretary of Energy (hereinafter Secretary) or designee may waive all or any part of the rights of the United States, subject to required terms and conditions, with respect to any invention or class of inventions made or which may be made by any person or class of persons in the course of or under any contract of DOE if it is determined that the interests of the United States and the general public will best be served by such waiver. In making such determinations, the Secretary or designee shall have the following objectives:

(1) Making the benefits of the energy research, development, and demonstration program widely available to the public in the shortest practicable time;

(2) Promoting the commercial utilization of such inventions;

(3) Encouraging participation by private persons in DOE's energy research, development, and demonstration programs; and

(4) Fostering competition and preventing undue market concentration or the creation or maintenance of other situations inconsistent with the antitrust laws.

(b) If it is not possible to attain the objectives in paragraphs (a)(1) through (4) immediately and simultaneously for any specific waiver determination, the Secretary or designee will seek to reconcile these objectives in light of the overall purposes of the DOE patent waiver policy, as set forth in section 152 of the Atomic Energy Act of 1954, 42 U.S.C. 2182, section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974, 42 U.S.C. 5908, Public Law 99-661, 42 U.S.C. 7261a, and, where not inconsistent therewith, the Presidential Memorandum to the Heads of Executive Departments and Agencies on Government Patent Policy issued February 18, 1983 and Executive Order No. 12591 issued April 10, 1987.

(c) The policy set forth in this section is applicable to all types of contracts as defined in § 784.2 of this part.

§ 784.4 Advance waiver.

This section covers inventions that may be conceived or first actually reduced to practice in the course of or under a particular contract. In determining whether an advance waiver will best serve the interests of the United States and the general public, the Secretary or designee (currently the Assistant General Counsel for Technology Transfer and Intellectual Property) shall, at a minimum,

specifically include as considerations the following:

(a) The extent to which the participation of the contractor will expedite the attainment of the purposes of the program;

(b) The extent to which a waiver of all or any part of such rights in any or all fields of technology is needed to secure the participation of the particular contractor;

(c) The extent to which the work to be performed under the contract is useful in the production or utilization of special nuclear material or atomic energy;

(d) The extent to which the contractor's commercial position may expedite utilization of the research, development, and demonstration results;

(e) The extent to which the Government has contributed to the field of technology to be funded under the contract;

(f) The purpose and nature of the contract, including the intended use of the results developed thereunder;

(g) The extent to which the contractor has made or will make substantial investment of financial resources or technology developed at the contractor's private expense which will directly benefit the work to be performed under the contract;

(h) The extent to which the field of technology to be funded under the contract has been developed at the contractor's private expense;

(i) The extent to which the Government intends to further develop to the point of commercial utilization the results of the contract effort;

(j) The extent to which the contract objectives are concerned with the public health, public safety, or public welfare;

(k) The likely effect of the waiver on competition and market concentration;

(l) In the case of a domestic nonprofit educational institution under an agreement not governed by Chapter 18 of Title 35, United States Code, the extent to which such institution has a technology transfer capability and program approved by the Secretary or designee as being consistent with the applicable policies of this section;

(m) The small business status of the contractor under an agreement not governed by Chapter 18 of Title 35, United States Code, and

(n) Such other considerations, such as benefit to the U.S. economy, that the Secretary or designee may deem appropriate.

§ 784.5 Waiver of identified inventions.

This section covers the relinquishing by the Government to the contractor or

inventor of title rights in a particular identified subject invention. In determining whether such a waiver of an identified invention will best serve the interests of the United States and the general public, the Secretary or designee shall, at a minimum, specifically include as considerations the following:

(a) The extent to which such waiver is a reasonable and necessary incentive to call forth private risk capital for the development and commercialization of the invention;

(b) The extent to which the plans, intentions, and ability of the contractor or inventor will obtain expeditious commercialization of such invention;

(c) The extent to which the invention is useful in the production or utilization of special nuclear material or atomic energy;

(d) The extent to which the Government has contributed to the field of technology of the invention;

(e) The purpose and nature of the invention, including the anticipated use thereof;

(f) The extent to which the contractor has made or will make substantial investment of financial resources or technology developed at the contractor's private expense which will directly benefit the commercialization of the invention;

(g) The extent to which the field of technology of the invention has been developed at the contractor's expense;

(h) The extent to which the Government intends to further develop the invention to the point of commercial utilization;

(i) The extent to which the invention is concerned with the public health, public safety, or public welfare;

(j) The likely effect of the waiver on competition and market concentration;

(k) In the case of a domestic nonprofit educational institution under an agreement not governed by Chapter 18, Title 35, United States Code, the extent to which such institution has a technology transfer capability and program approved by the Secretary or designee as being consistent with the applicable policies of this section;

(l) The small business status of the contractor, under an agreement not governed by Chapter 18 of Title 35, United States Code; and,

(m) Such other considerations, such as benefit to the U.S. economy that the Secretary or designee may deem appropriate.

§ 784.6 National security considerations for waiver of certain sensitive inventions.

(a) Whenever, in the course of or under any Government contract or subcontract of the Naval Nuclear

Propulsion Program or the nuclear weapons programs or other atomic energy defense activities of the Department of Energy, a contractor makes an invention or discovery to which title vests in the Department of Energy pursuant to statute, the contractor may request waiver of any or all of the Government's property rights. The Secretary of Energy or designee may decide to waive the Government's rights.

(b) In making a decision under this section, the Secretary or designee shall consider, in addition to the objectives of DOE waiver policy as specified in § 784.3(a)(1) through (4), and the considerations specified in § 784.4 for advance waivers, and § 784.5 for waiver of identified inventions, the following:

(1) Whether national security will be compromised;

(2) Whether sensitive technical information (whether classified or unclassified) under the Naval Nuclear Propulsion Program or the nuclear weapons programs or other atomic energy defense activities of the Department of Energy for which dissemination is controlled under Federal statutes and regulations will be released to unauthorized persons;

(3) Whether an organizational conflict of interest contemplated by Federal statutes and regulations will result, and

(4) Whether waiving such rights will adversely affect the operation of the Naval Nuclear Propulsion Program or the nuclear weapons programs or other atomic energy defense activities of the Department of Energy.

(c) A decision under this § 784.6 shall be made within 150 days after the date on which a complete request for waiver, as described by paragraph (d) of this section, has been submitted to the Patent Counsel by the contractor.

(d) In addition to the requirements for content which apply generally to all waiver requests under paragraph (a) of this section, a requestor must include a full and detailed statement of facts, to the extent known by or available to the requestor, directed to the considerations set forth in paragraphs (b)(1) through (4) of this section, as applicable. To be considered complete, a waiver request must contain sufficient information, in addition to the content requirements under paragraphs (a) and (b) of this section, to allow the Secretary or designee to make a decision under this section. For advance waiver requests, such information shall include, at a minimum:

(1) An identification of all of the requestor's contractual arrangements involving the Government (including contracts, subcontracts, grants, or other

arrangements) in which the technology involved in the contract was developed or used and any other funding of the technology by the Government, whether direct or indirect, involving any other party, of which the requestor is aware;

(2) A description of the requestor's past, current, and future private investment in and development of the technology which is the subject of the contract. This includes expenditures not reimbursed by the Government on research and development which will directly benefit the work to be performed under the instant contract, the amount and percentage of contract costs to be shared by the requestor, the out-of-pocket costs of facilities or equipment to be made available by the requestor for performance of the contract work which are not charged directly or indirectly to the Government under contract, and the contractor's plans and intentions to further develop and commercialize the technology at private expense;

(3) A description of competitive technologies or other factors which would ameliorate any anticompetitive effect of granting the waiver.

(4) Identification of whether the contract pertains to work that is classified, or sensitive, i.e., unclassified but controlled pursuant to section 148 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2168), or subject to export control under Chapter 17 of the Military Critical Technology List (MCTL) contained in Department of Defense Directive 5230.25 including identification of all principal uses of the subject matter of the contract, whether inside or outside the contractor program, and an indication of whether any such uses involve classified or sensitive technologies.

(5) Identification of all DOE and DOD programs and projects in the same general technology as the contract for which the requestor intends to be providing program planning advice or has provided program planning advice within the last three years.

(e) For identified invention requests under this section, such requests shall include at a minimum:

(1) A brief description of the intentions of the requestor (or its present or intended licensee) to commercialize the invention. This description should include:

(i) Estimated expenditures,
(ii) Anticipated steps,
(iii) The associated time periods to bring the invention to commercialization, and

(iv) A statement that requestor (or its present or intended licensee) has the

capability to carry out its stated intentions.

(2) A description of any continuing Government funding of the development of the invention (including investigation of materials or processes for use therewith), from whatever Government source, whether direct or indirect, and, to the extent known by the requestor, any anticipated future Government funding to further develop the invention.

(3) A description of competitive technologies or other factors which would ameliorate any anticompetitive effects of granting the waiver.

(4) A statement as to whether or not the requestor would be willing to reimburse the Department of Energy for any and all costs and fees incurred by the Department in the preparation and prosecution of the patent applications covering the invention that is the subject of the waiver request.

(5) Where applicable, a statement of reasons why the request was not timely filed in accordance with the applicable patent rights clause of the contract, or why a request for an extension of time to file the request was not filed in a timely manner.

(6) Identification of whether the invention pertains to work that is classified, or sensitive, i.e., unclassified but controlled pursuant to section 148 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2168), or subject to export control under Chapter 17 of the Military Critical Technology List (MCTL) contained in Department of Defense Directive 5230.25, including identification of all principal uses of the invention inside or outside the contractor program, and an indication of whether any such uses involve classified or sensitive technologies.

(7) Identification of all DOE and DOD programs and projects in the same general technology as the invention for which the requestor intends to be providing program planning advice or has provided program planning advice within the last three years.

(8) A statement of whether a classification review of the invention disclosure, any resulting patent application(s), and/or any reports and other documents disclosing a substantial portion of the invention, has been made, together with any determinations on the existence of classified or sensitive information in either the invention disclosure, the patent application(s), or reports or other documents disclosing a substantial portion of the invention; and

(9) Identification of any and all proposals, work for other activities, or other arrangements submitted by the

requestor, DOE, or a third party, of which requestor is aware, which may involve further funding of the work on the invention at either the contractor facility where the invention arose or another facility owned by the Government.

(f) Patent Counsel will notify the requestor promptly if the waiver request is found not to be a complete request and, in that event, will provide the requestor with a reasonable period, not to exceed 60 days, to correct any such incompleteness. If requestor does not respond within the allotted time period, the waiver request will be considered to be withdrawn. If requestor responds within the allotted time period, but the submittal is still deemed incomplete or insufficient, the waiver request may be denied.

(g) As set forth in paragraph (c) of this section, waiver decisions shall be made within 150 days after the date on which a complete request for waiver of such rights, as specified in this section, has been submitted by the requestor to the DOE Patent Counsel. If the original waiver request does not result in a communication from DOE Patent Counsel indicating that the request is incomplete, the 150-day period for decision commences on the date of receipt of the waiver request. If the original waiver request results in a communication from DOE Patent Counsel indicating that the request is incomplete, the 150-day period for decision commences on the date on which supplementary information is received by Patent Counsel sufficient to make the waiver request complete. For advance waiver requests, if requestor is not notified that the request is incomplete, the 150-day period for decision commences on the date of receipt of the request, or on the date on which negotiation of contract terms is completed, whichever is later.

(h) Failure of DOE to make a patent waiver decision within the prescribed 150-day period shall in no way be construed as a grant of the waiver.

§ 784.7 Class waiver.

This section covers relinquishing of patent title rights by the Government to a class of persons or to a class of inventions. The authorization for class waivers is to be found at 42 U.S.C. 5908(c). Class waivers may be appropriate in situations where all members of a particular class would likely qualify for an advance or identified invention waiver. Normally, class waivers are originated by the Department. However, any person with a direct and substantial interest in a DOE program may request a class

waiver by forwarding a written request therefor to the Patent Counsel. While no particular format for requesting a class waiver is prescribed, any request for a class waiver and any resulting determination by the Secretary or designee must address the pertinent objectives and considerations set forth in §§ 784.3(a), 784.4, 784.5, and 784.6.

§ 784.8 Procedures.

(a) All requests for waivers shall be in writing. Each request for a waiver other than a class waiver shall include the information set forth in § 784.9. Such requests may be submitted by existing or prospective contractors in the case of requests for an advance waiver and by contractors, including successor contractors at a facility, or employee-inventors in the case of requests for waiver of identified inventions.

(b) A request for an advance waiver should be submitted to the Contracting Officer (subcontractors may submit through their prime contractors) at any time prior to execution of the contract or subcontract, or within thirty days thereafter, or within such longer period as may be authorized by Patent Counsel for good cause shown in writing. If the purpose, scope, or cost of the contract is substantially altered by modification or extension after the waiver is granted, a new waiver request will be required. When advance waivers are granted, the provisions of the "Patent Rights—Waiver" clause set forth in § 784.12 shall be used in contracts which are the subject of the waivers, unless modified with the approval of the Patent Counsel to conform to the scope of the waiver granted. (See § 784.12.) Advance waivers may be requested for all inventions which may be conceived or first actually reduced to practice under a DOE contract. An advance waiver may also be requested for an identified invention conceived by the contractor before the contract but which may be first actually reduced to practice under the contract. Such waiver request must include a copy of any patent or patent application covering the identified invention, or if no patent application has been filed, a complete description of the invention.

(c) A request for waiver (other than an advance or class waiver) for an identified invention must be submitted to the Patent Counsel at the time the invention is to be reported to DOE or not later than eight months after conception and/or first actual reduction to practice, whichever occurs first in the course of or under the contract, or such longer period as may be authorized by Patent Counsel for good cause shown in writing by the requestor. The time for

submitting a waiver request will not normally be extended past the time the invention has been advertised for licensing by DOE. If the Government has already filed a patent application on the invention, the requestor should indicate whether or not it is willing to reimburse the Government for the costs of searching, prosecution, filing and maintenance fees, in the event the waiver is granted.

(d) If the request for waiver contains insufficient information, the Patent Counsel may seek additional information from the requestor and from other sources. The Patent Counsel will thoroughly analyze the request in view of each of the objectives and considerations and shall also consider the overall rights obtained by the Government in the patent, copyright, and data clauses of the contract. Where it appears that a waiver of a lesser part of the rights of the United States than requested would be more appropriate in view of the policies set forth, the Patent Counsel should attempt to negotiate a compromise acceptable to both the requestor and DOE. If approval of a waiver is recommended, Patent Counsel shall obtain an indication of agreement by the requestor to the proposed waiver scope, terms and conditions.

(e) The Patent Counsel will prepare a Statement of Considerations setting forth the rationale for either approving or denying the waiver request and will forward the Statement to the General Counsel or designee for review thereof. While the Statement need not provide specific findings as to each and every consideration of § 784.4 or § 784.5 of this part, it will cover those that are decisive, and it will explain the basis for the recommended determination. There may be occasions when the application of the various individual considerations of § 784.4 or § 784.5 of this part to a particular case could conflict, and in those instances the conflict will be reconciled giving due regard to the overall policies set forth in 784.3(a) (1) through (4).

(f) The Patent Counsel will also obtain comments from the appropriate DOE program organization to assist the Patent Counsel in the waiver determination. Additionally, if any other Federal Government entity has provided funding or will be providing funding, or if a subject invention has been made in whole or in part by an employee of that entity, Patent Counsel shall obtain permission to waive title to the undivided interest in the invention from the cognizant official of that entity. In situations where time does not permit a delay in contract negotiations for the preparation and mailing of a full written

statement, field Patent Counsel may submit a recommendation on the waiver orally to the Assistant General Counsel for Technology Transfer and Intellectual Property, who upon verbal consultation with the appropriate DOE program organization, shall provide a verbal decision to field Patent Counsel. All oral actions shall be promptly confirmed in writing. In approving waiver determinations, the Secretary or designee shall objectively review all requests for waiver in view of the objectives and considerations set forth in §§ 784.3 through 784.6. If the determination and the rationale therefor is not accurately reflected in the Statement of Considerations which has been submitted for approval, a new Statement of Considerations shall be prepared.

(g) In the event that a request for advance waiver is approved after the effective date of the contract, the Patent Counsel shall promptly notify the requestor by letter of the determination and the basis therefor. The letter shall state the scope, terms and conditions of such waiver. If the terms and conditions of an approved advance waiver were not incorporated in the contract when executed, the letter shall inform the requestor that the advance waiver shall be effective as of the effective date of the contract for an advance waiver of inventions identified, i.e., conceived prior to the effective date of the contract, or as of the date the invention is reported with an election by the contractor to retain rights therein, i.e., for an invention conceived or first actually reduced to practice after the effective date of the contract; provided a copy of the letter is signed and returned to the Contracting Officer by the requestor acknowledging the acceptance of the scope, terms and conditions of the advance waiver. After acceptance by the contractor of an advance waiver, the Contracting Officer shall cause a unilateral no-cost modification to be made to the contract incorporating the terms and conditions of the waiver in lieu of previous patent rights provisions.

(h) In the event that a waiver request is denied, the requestor may, within thirty days after notification of the denial, request reconsideration. Such a request shall include any additional facts and rationale not previously submitted which support the request. Request for reconsideration shall be submitted and processed in accordance with the procedures for submitting waiver requests set forth in this section.

§ 784.9 Content of waiver requests.

(a) Forms (OMB No. 1901-0800) for submitting requests for advance and identified invention waivers, indicating the necessary information, may be obtained from the Contracting Officer or Patent Counsel. All requests for advance and identified invention waivers shall include the following information:

(1) The requestor's identification, business address, and, if represented by Counsel, the Counsel's name and address;

(2) An identification of the pertinent contract or proposed contract and a copy of the contract Statement of Work or a nonproprietary statement which fully describes the proposed work to be performed;

(3) The nature and extent of waiver requested;

(4) A full and detailed statement of facts, to the extent known by or available to the requestor, directed to each of the considerations set forth in §§ 784.4 or 784.5 of this part, as applicable, and a statement applying such facts and considerations to the policies set forth in § 784.3 of this part. It is important that this submission be tailored to the unique aspects of each request for waiver, and be as complete as feasible; and

(5) The signature of the requestor or authorized representative with the following statement: "The facts set forth in this request for waiver are within the knowledge of the requestor and are submitted with the intention that the Secretary or designee rely on them in reaching the waiver determination."

(b) In addition to the requirements of paragraph (a) of this section, requests for waiver of identified inventions shall include:

(1) The full names of all inventors;

(2) A statement of whether a patent application has been filed on the invention, together with a copy of such application if filed or, if not filed, a complete description of the invention;

(3) If a patent application has not been filed, any information which may indicate a potential statutory bar to the patenting of the invention under 35 U.S.C. 102 or a statement that no such bar is known to exist; and

(4) Where the requestor is the inventor, written authorization from the applicable contractor or subcontractor permitting the inventor to request a waiver.

(c) Subject to statutes, DOE regulations, requirements, and restrictions on the treatment of proprietary and classified information; all material submitted in requests for waiver or in support thereof will be made available to the public after a

determination on the waiver request has been made, regardless of whether a waiver is granted. Accordingly, requests for waiver should not normally contain information or data that the requestor is not willing to have made public. If proprietary or classified information is needed to make the waiver determination, such information shall be submitted only at the request of Patent Counsel.

§ 784.10 Record of waiver determinations.

The Assistant General Counsel for Technology Transfer and Intellectual Property shall maintain and periodically update a publicly available record of waiver determinations.

§ 784.11 Bases for granting waivers.

(a) The various factual situations which are appropriate for waivers cannot be categorized precisely because the appropriateness of a waiver will depend upon the manner in which the considerations set forth in §§ 784.4 or 784.5, and 784.6 if applicable, of this part relate to the facts and circumstances surrounding the particular contracting situation or the particular invention, in order to best achieve the objectives set forth in § 784.3 of this part. However, some examples where advance waivers might be appropriate are:

(1) Cost-shared contracts;

(2) Situations in which DOE is providing increased funding to a specific ongoing privately-sponsored research, development, or demonstration project;

(3) Situations such as Work for Others Agreements, User Facility Agreements or CRADAs, involving DOE-approved private use of Government facilities where the waiver requestor is funding a substantial part of the costs; and

(4) Situations in which the equities of the contractor are so substantial in relation to that of the Government that the waiver is necessary to obtain the participation of the contractor.

(b) Waivers may be granted as to all or any part of the rights of the United States to an invention subject to certain rights retained by the United States as set forth in § 784.12 of this part. The scope of the waiver will depend upon the relationship of the contractual situation or identified invention to considerations set forth in §§ 784.4 or 784.5, and 784.6, if applicable, in order to best achieve the objectives set forth in § 784.3. For example, waivers may be restricted to a particular field of use in which the contractor has substantial equities or a commercial position, or restricted to those uses that are not the primary object of the contract effort.

Waivers may also be made effective for a specified duration of time, may be limited to particular geographic locations, may require the contractor to license others at reduced royalties in consideration of the Government's contribution to the research, development, or demonstration effort, or may require return of a portion of the royalties or revenue to the Government.

(c) Contractors shall not use their ability to award subcontracts as economic leverage to acquire rights for themselves in the subcontractor inventions, where the subcontractor(s) would prefer to petition for title. A waiver granted to a prime contractor is not normally applicable to inventions of subcontractors. However, in appropriate circumstances, the waiver given to the prime contractor may be made applicable to the waivable inventions of any or all subcontractors, such as where there are pre-existing special research and development arrangements between the prime contractor and subcontractor, or where the prime contractor and subcontractor are partners in a cooperative effort. In addition, in such circumstances, the prime contractor may be permitted to acquire nonexclusive licenses in the subcontractors' inventions when a waiver of the subcontractor inventions is not covered by the prime contractor's waiver.

(d) In advance waivers of identified inventions, the invention will be deemed to be a subject invention and the waiver will be considered as being effective as of the effective date of the contract (see § 784.13(a)). This will be true regardless of whether the identified invention had been first actually reduced to practice prior to the time of contracting or would be reduced to practice under the contract or after expiration of the contract. One purpose of advance waivers of identified inventions is to establish 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.

§ 784.12 Terms and conditions of waivers.

The terms and conditions for waivers are set forth in the "Patent Rights—Waiver" clause in this section. A waiver of all foreign and domestic patent rights under a contract authorizes the use of this clause with any additions prescribed by the DOE Acquisition Regulations (48 CFR Chapter 9) or the terms of the waiver. This clause shall not be used in contracts with small business firms or nonprofit organizations subject to 35 U.S.C. 200 et

seq. If a waiver of different scope is granted, the clause shall be modified to conform to the scope of the waiver granted. Advance waivers for arrangements other than contracts, grants, and cooperative agreements may use other clause provisions approved by the Assistant General Counsel for Technology Transfer and Intellectual Property, except that all waivers for funding agreements shall be subject to the license of clause paragraph (b) and the provisions of clause paragraphs (i) and (j). The terms and conditions of the clause shall also constitute the basis for confirmatory licenses regarding waivers of identified inventions. For inventions under advance waivers, a duly executed and approved instrument fully confirmatory of all rights to which the Government is entitled is required to be submitted promptly after filing a patent application thereon. If, however, a waiver request is pending, delivery of the confirmatory instrument may be delayed until a determination on the waiver request is made. In the case of a waiver of an identified invention pursuant to a request for greater rights, the confirmatory instrument shall be agreed to or submitted to Patent Counsel before or at the time the waiver is granted.

Patent Rights—Waiver

Use the clause at 48 CFR 52.227-12 with the following changes:

(1) In paragraph (a) "Definitions" add the following definitions:

Background patent means a domestic patent covering an invention or discovery which is not a Subject Invention and which is owned or controlled by the Contractor at any time through the completion of this contract:

(i) Which the Contractor, but not the Government, has the right to license to others without obligation to pay royalties thereon, and

(ii) Infringement of which cannot reasonably be avoided upon the practice of any specific process, method, machine, manufacture or composition of matter (including relatively minor modifications thereof) which is a subject of the research, development, or demonstration work performed under this contract.

Contract means any contract, grant, agreement, understanding, or other arrangement, which includes research, development, or demonstration work, and includes any assignment or substitution of parties.

DOE patent waiver regulations means the Department of Energy patent waiver regulations at 10 CFR part 784.

Patent Counsel means the Department of Energy Patent Counsel assisting the procuring activity.

Secretary means the Secretary of Energy.

(2) In paragraph (a) in the definition of "Subject invention" substitute: "course of or" for: "performance of work".

(3) In paragraph (b) "Allocation of principal rights," add at the beginning of first sentence:

"Whereas DOE has granted a waiver of rights to subject inventions to the Contractor,".

(4) In paragraph (c)(1), substitute:

"Patent Counsel within six months after conception or first actual reduction to practice, whichever occurs first in the course of or under this contract, but in any event, prior to any sale, public use, or public disclosure of such invention known to the Contractor." for.

"Contractor officer within 2 months after the inventor discloses it in writing to Contractor Personnel responsible for Patent matters * * * earlier."

(5) In paragraph (c)(2) add at the end: "The Contractor shall notify the Patent Counsel as to those countries (including the United States) in which the Contractor will retain title not later than 60 days prior to the end of the statutory period."

(6) In paragraph (c)(3) substitute: "but not later than at least 60 days" for "or, if earlier,"

(7) In paragraph (d) add (d)(5):

"(5) If the waiver authorizing the use of this clause is terminated as provided in paragraph (p) of this clause."

(8) In paragraph (e)(1) add: "under paragraph (d) of this clause" after "Government obtains title."

(9) In paragraph (e)(2) substitute "37 CFR part 404 and DOE licensing regulations." for "the Federal Property Management regulations and agency licensing regulations (if any)"

(10) In paragraph (f)(5) substitute "the course of or" for "performance of work".

(11) In paragraph (g) substitute paragraphs (1), (2) and (3) as follows:

(1) Unless otherwise directed by the Contracting Officer, the Contractor shall include the clause at 48 CFR 952.227-11, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental, or research work to be performed by a small business firm or nonprofit organization, except where the work of the subcontract is subject to an Exceptional Circumstances Determination by DOE. In all other subcontracts, regardless of tier, for experimental, developmental, demonstration, or research work, the Contractor shall include the patent rights clause at 48 CFR 952.227-13 (suitably modified to identify the parties).

(2) The Contractor shall not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions.

(3) In the case of subcontractors at any tier, Department, the subcontractor, and Contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and the Department with respect to those matters covered by this clause.

(12) Substitute the following for paragraph (k):

(k) Background Patents

(1) The Contractor agrees:

(i) to grant to the Government a royalty-free, nonexclusive license under any Background Patent for purposes of practicing

a subject of this contract by or for the Government in research, development, and demonstration work only.

(ii) that, upon written application by DOE, it will grant to responsible parties for purposes of practicing a subject of this contract, nonexclusive licenses under any Background Patent on terms that are reasonable under the circumstances. If, however, the Contractor believes that exclusive or partially exclusive rights are necessary to achieve expeditious commercial development or utilization, then a request may be made to DOE for DOE approval of such licensing by the Contractor.

(2) Notwithstanding paragraph (k)(1)(ii), the Contractor shall not be obligated to license any Background Patent if the Contractor demonstrates to the satisfaction of the Secretary or his designee that:

(i) a competitive alternative to the subject matter covered by said Background Patent is commercially available from one or more other sources; or

(ii) the Contractor or its licensees are supplying the subject matter covered by said Background Patent in sufficient quantity and at reasonable prices to satisfy market needs, or have taken effective steps or within a reasonable time are expected to take effective steps to so supply the subject matter.

(13) Add new paragraph (l) Communications as follows:

All reports and notifications required by this clause shall be submitted to the Patent Counsel unless otherwise instructed.

(14) In paragraph (m) add to end of sentence: “, except with respect to Background Patents, above.”

(15) In paragraph (n)(4) substitute “conducted in such a manner as” for “subject to appropriate conditions.”

(16) In paragraph (o) add at the end of the parenthetical phrase in the heading to the paragraph: “or grants”.

(17) In paragraph (o) add paragraph (o)(1)(v) as follows:

(v) Convey to the Government, using a DOE-approved form, the title and/or rights of the Government in each subject invention as required by this clause.

(18) In paragraph (o), substitute the following for (o)(3):

(3) Final payment under this contract shall not be made before the Contractor delivers to the Patent Counsel all disclosures of subject inventions required by paragraph (c)(1) of this clause, an acceptable final report pursuant to paragraph (f)(7)(ii) of this clause, and all past due confirmatory instruments, and the Patent Counsel has issued a patent clearance certification to the Contracting Officer.

(19) Add paragraphs (p), (q), (r), and (s) as follows:

(p) Waiver Terminations.

Any waiver granted to the Contractor authorizing the use of this clause (including any retention of rights pursuant thereto by the Contractor under paragraph (b) of this clause) may be terminated at the discretion of the Secretary or his designee in whole or in part, if the request for waiver by the Contractor is found to contain false material statements or nondisclosure of material facts, and such were specifically relied upon by

DOE in reaching the waiver determination. Prior to any such termination, the Contractor will be given written notice stating the extent of such proposed termination and the reasons therefor, and a period of 30 days, or such longer period as the Secretary or his designee shall determine for good cause shown in writing, to show cause why the waiver of rights should not be so terminated. Any waiver termination shall be subject to the Contractor's minimum license as provided in paragraph (e) of this clause.

(q) Atomic Energy.

No claim for pecuniary award or compensation under the provisions of the Atomic Energy Act of 1954, as amended, shall be asserted by the Contractor or its employees with respect to any invention or discovery made or conceived in the course of or under this contract.

(r) Publication.

It is recognized that during the course of work under this contract, the Contractor or its employees may from time to time desire to release or publish information regarding scientific or technical developments conceived or first actually reduced to practice in the course of or under this contract. In order that public disclosure of such information will not adversely affect the patent interests of DOE or the Contractor, approval for release of publication shall be secured from Patent Counsel prior to any such release or publication. In appropriate circumstances, and after consultation with the Contractor, Patent Counsel may waive the right of prepublication review.

(s) Forfeiture of rights in unreported subject inventions.

(1) The Contractor shall forfeit and assign to the Government, at the request of the Secretary of Energy or designee, all rights in any subject invention which the Contractor fails to report to Patent Counsel within six months after the time the Contractor:

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

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

(2) However, the Contractor shall not forfeit rights in a subject invention if, within the time specified in paragraph (m)(1) of this clause, the Contractor:

(i) Prepares 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 and delivers the decision to Patent Counsel, with a copy to the Contracting Officer; or

(ii) Contending that the subject invention is not a subject invention, the Contractor nevertheless discloses the subject invention and all facts pertinent to this contention to the Patent Counsel, with a copy to the Contracting Officer, or

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

(3) Pending written assignment of the patent application 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

of this contract), the Contractor shall be deemed to hold the invention and the patent applications and patents pertaining thereto in trust for the Government. The forfeiture provision of this paragraph shall be in addition to and shall not supersede any other rights and remedies which the Government may have with respect to subject inventions.

§ 784.13 Effective dates.

Waivers shall be effective on the following dates:

(a) For advance waivers of identified inventions, i.e., inventions conceived prior to the effective date of the contract, on the effective date of the contract, even though the advance waiver may have been requested after that date;

(b) For identified inventions under advance waivers, i.e., inventions conceived or first actually reduced to practice after the effective date of the contract, on the date the invention is reported with the election to retain rights as to that invention; and

(c) For waivers of identified inventions (other than under an advance waiver), on the date of the letter from Patent Counsel notifying the requestor that the waiver has been granted.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 96-ANE-10; Amendment 39-9676; AD 96-13-08]

RIN 2120-AA64

Airworthiness Directives; Pratt & Whitney PW4000 Series Turbofan Engines

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; request for comments.

SUMMARY: This amendment adopts a new airworthiness directive (AD) that is applicable to Pratt & Whitney (PW) PW4000 series turbofan engines. This action requires initial and repetitive inspections of the aft cascade support frame assembly of thrust reverser for cracks, and replacement, if necessary, with serviceable parts; or lockout of the thrust reversers. This amendment is prompted by reports of aft cascade support frame assembly failures. The actions specified in this AD are intended to prevent aft cascade support frame assembly failure due to cracks, which can result in thrust reverser